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Decentralisation in Madhya Pradesh, India: from *Panchayati Raj* to *Gram Swaraj* (1995 to 2001)

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About Samarthan

Samarthan – Centre for Development Support, established in 1995, aims to strengthen civil society efforts and participatory development processes favouring the poor, oppressed and disadvantaged sections of society. It is a support organisation based in Madhya Pradesh, working with a number of voluntary groups and development agencies, as well as the government on various developmental issues.

Samarthan primarily functions in two thematic areas – Participation in Governance and Participation in Development. The unit on Participation in Governance strengthens Panchayati Raj institutions, considering such Constitutionally-mandated institutions to be the backbone of local self-governance. Samarthan works in support of local voluntary organisations and also directly in selective blocks for the furtherance of the decentralisation process.

The Participation in Development Unit aims at strengthening the capacities of people's institutions and supporting voluntary organisations and large-scale development programmes to bring people to the centre of development processes. The unit also extends support for improving programme management and organisational management within voluntary and people's organisations.

Samarthan also believes that dissemination of knowledge is essential for the empowerment of people and social change organisations. Samarthan has produced a number of publications aimed at the information link between policy makers and grassroots groups. Samarthan is an information resource centre for development practitioners to access information and grassroot experiences.

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Glossary of terms

Abhiyan	Campaign
Adhiniyam	Act
Adhyaksha	President
Adhosarovachna Samiti	Infrastructure Committee
Adivasi	Tribal
Adim Jati/Adivasi	Scheduled Tribes
Anganwadi	A centre, under a government of India programme – Integrated Child Development Services (ICDS), where supplementary food is provided to pregnant women and infant children
Anna Kosh	A kind of store where people are supposed to deposit their extra grain that could be used by other persons on some terms and conditions
Avam	and
Bhawan	Building
Crore	Ten million
Culvert Nalla	Small bridge on a canal or drain
Dalit	Scheduled caste
Dharmshalas	Inn
Gram Kosh	Village account
Gram Nyayalaya Adhiniyam	Village Court Act
Gram Panchayat	The lowest tier of the *Panchayat Raj* institution which is formed on the basis of population and consists of one or more than one revenue village. The population of a *Panchayat* cannot be less than 1,000
Gram Raksha Samiti	Village Protection Committee
Gram Sabha	The assembly of the persons of a revenue village whose names are included in the voters list
Gram Sevak	Village worker working for the government
Gram Swaraj	Village self rule
Gram Suraksha Adhiniyam	Village Protection Act
Gram Vikas Samiti	Village Development Committee
Harijan	Term used by Gandhi for Scheduled caste
Indira Awas Yojana	Shelter assistance for the families living below the poverty line
Janpad Panchayat	The second tier of the *Panchayat Raj* institutions, i.e. the council of the elected representatives at the block level
Jawahar Rojgar Yojana	An employment guarantee scheme
Jan Swasthya Rakshak	A village level health worker
Jeevan Dhara	Scheme where grants for digging wells are provided to families below poverty line
Kalyan	Welfare
Kanji house tax	Kanji house is the place where stray livestock are taken by the local authorities and a fine is imposed on the owner for releasing the livestock
Karmi	Employee
Kharanja	Brick road
Krishi Samiti	Agriculture Committee
Kosh	Account
Kotwar/Chaukidar	The person who works as the guard of the village
Lakh	One hundred thousand
Lok Sabha	The lower house of the Parliament

Lok Shakti	Civil society actor
Mahila	Woman
Mahila Mandal	A small group of women working as a Self-Help Group
Mandal	Adminstrative category denoting a zone smaller than a district
Mandir	Temple
Mandi	Market
Mela	Fair/Fete
Mool Bhoot Yojana	Basic Needs Programme
Munadi	Public announcement
Nagad Kosh	Cash Account
Nal Jal Yogana	Hand-pump water scheme, applicable in villages with population under 2,000
Nirman	Construction
Panch	The elected representative of a *Gram Panchayat*
Panchayat Karmi	The person who works as the Secretary of the *Gram Panchayat*
Panchayati Raj	Traditional institution of local rural self governance
Panjikaran	Registration
Patta	Land on lease
Patwari	The lowest official of the Revenue Department posted at the village level
Purdah	A veil
Rajiv Gandhi Siksha	Rajiv Gandhi Education Mission
Rajya Sabha	The upper house of the Parliament
Rojgar Yojana	Employment Scheme
Sabha Manch	Podium
Samajik Nyay Samiti	Social Justice Committee
Samiti	A committee
Sanshodhan	Amendment
Sarpanch	The Head of a *Gram Panchayat*
Sarpanchpati	Husband of the Sarpanch
Sarvjanik Sampada Samiti	Common Resources Committee
Sharam Kosh	Labour Account
Shanti Bhawan	Peace building
Shiksha Karmi	Persons engaged in the teaching at the schools that are being run under the Rajiv Gandhi Shiksha (Education) Mission
Shiksha Samiti	Education Committee
Swasthya Samiti	Health Committee
Taluka	An administrative category denoting a zone smaller than a district
Tehsildar	Office in charge of a Tehsil
Tehsil	An administrative category denoting a revenue zone much smaller than a District
Upsarpanch	Deputy Head of the *Gram Panchayat*, elected among the *Panches* of a *Panchayat*
Vastu Kosh	Material Account
Zila Panchayat	The highest tier of the *Panchayat Raj* institution, formed at the district level
Zila Parishad	Advisory body
Zila Sarkar	District government

Exchange rate: at the tie of writing the exchange rate was approximately Rs40 = US$1

Acronyms and Abbreviations

BPL	Below Poverty Line
BDO	Block Development Office
CEO	Chief Executive Officer
DPC	District Planning Committee
DRDA	District Rural Development Agency
DWCRA	Development for Women and Children in Rural Areas
EGS	Education Guarantee Scheme
FPC	Forest Protection Committee
FGD	Focus Group Discussions
GS	*Gram Sabha*
GP	*Gram Panchayat*
HDI	Human Development Index
IAY	*Indira Awas Yojana*
IRDP	Integrated Rural Development Programme
ISI	Indian Social Institute
ISS	Institute of Social Sciences
JP	*Janpad Panchayat*
JRY	*Jawahar Rojgar Yojana*
JFM	Joint Forest Management
MLA	Member of Legislative Assembly
MORD	Ministry of Rural Development
MP	Madhya Pradesh
MP	Member of Parliament
NABARD	National Bank for Agriculture and Rural Development
NGO	Non Governmental Organisation
OBC	Other Backward Castes
PESA	*Panchayat* Extension to Scheduled Areas Act
PMRY	Prime Minister's *Rojgar Yojana*
PRI	*Panchayat Raj* institutions
PRIA	Participatory Research in Asia
PHC	Primary Health Centre
PSC	Public Service Commission
SC	Scheduled Caste, as per articles 341 and 342 of the Constitution of India
SDC	Swiss Agency for Development and Cooperation
Sida	Swedish International Development Agency
ST	Scheduled Tribe, as per articles 341 and 342 of the Constitution of India
SFC	State Finance Commission
SDM	Sub District Magistrate
SDO	Sub Division Officer
TRYSEM	Training for Rural Youth for Self Employment
TOT	Training of Trainers
UFC	Union Finance Commission
VFC	Village Forest Committee
ZP	*Zila Panchayat*

Summary

The most significant experiment in reforming governance in India from a participatory democratic decentralisation point of view has been the introduction of constitutionally mandated *Panchayat* system through the 73rd Constitutional Amendment in the early 1990s. It was expected that the newly created *Panchayat* system drawing strength from the Constitutional provisions would emerge as effective tools of local self-governance and would strongly further the primary objectives of economic growth and social justice. Unfortunately, the expectations have largely remained unfulfilled.

This paper reports on a study in five districts in the state of Madhya Pradesh in central India, on the functioning of newly-strengthened local government. This was supplemented by a second phase of research, based largely on key informant interviews, regarding the functioning of recently introduced *Gram Swaraj*.

Madhya Pradesh is viewed by many as one of the better performing states in respect of its initiatives for democratic decentralisation through *Panchayati Raj*. The most significant reason behind this impression is a strong political will at the top level for strengthening and supporting the *Panchayat* system to take its due place in the system of governance. This can clearly be seen in the framing of progressive Act(s), and continuous delegation and devolution of powers to *Panchayat* institutions. Despite these efforts and initiatives in Madhya Pradesh, the *Panchayat* system continues to be plagued by immense difficulties and faces stiff resistance from several quarters.

The ground reality indicates very weak and ineffective implementation of the *Panchayat* system, leading to little progress on the path of real democratic decentralisation. This weak implementation is further compounded by different factors resisting the effective functioning of the *Panchayat* institutions.

The study clearly identifies three broad sets of issues that are hampering the development of an effective *Panchayat* system in the state.

First, is the resistance and non-cooperation from bureaucracy and the existing institutions of governance, which translates into, for instance, inadequate financial devolution, the framing of rules contradicting the spirit of *Panchayats*, and red tapism and corruption.

The second set of factors are resistance from the political class and the socio-economic and political elite of rural Madhya Pradesh, who view *Panchayats* as a serious threat to their interests and hegemony. These include patriarchal forces or the feudal caste forces disturbed by the election of women and *dalits* to positions of dominance.

The third set of factors are lack of capacities at grassroots level, lack of information among common people about *Panchayati Raj* and lack of political education among the ordinary people whose political role is critical for effective *Panchayat* functioning. For example, despite the functioning of the *Panchayats* for several years, Madhya Pradesh has not been able to build capacities among elected representatives to allow them to keep financial records, or implement development plans, so that by default the real decision-making arena is left to others who have vested interests.

One outcome of these shortcomings is that *Panchayats* have refused to be accountable downwards, for instance to village assemblies (*Gram Sabhas*). Indeed, the continuing weakness of *Gram Sabhas* is a major cause for concern and these need massive strengthening if they are to hold elected local

government officials and the public administration to account (*Gram Swaraj* was an attempt to do precisely this – see below).

The study strongly presents the problems of the *Panchayat* system. However, it also brings out another layer of reality – the process of empowerment of the marginalised and some moderate, sincere use of *Panchayats* for participatory democracy. The cases of empowerment of women, *dalit*s, collective community decision-making, and altering development priorities in favour of people's needs and aspirations are all very significant examples and raise hopes from the *Panchayat* system, despite its shortcomings. These achievements in the context of a largely unequal non-democratic social and political order are extremely significant. In tune with this perspective, a large number of civil society actors have identified the problems and successes of *Panchayats* and are working to consolidate the gains from the *Panchayat* system for people centric development and effective democratic self-governance.

Due credit has to be given to the Madhya Pradesh government for its sincerity, openness and commitment to democratic decentralisation. The government has been extremely receptive to ground realities about the inadequacies of the *Panchayat* system and has continuously striven to devise strategies for making *Panchayats* effective institutions of local self-governance. The establishment of *Gram Swaraj* is a testimony to this spirit of innovativeness and sincerity towards the process of democratic decentralisation. This new system has attempted to address several of the shortcomings of the previous system of local self-governance and has the potential to facilitate the achievement of the primary objectives of economic growth, people-centric development and social justice. However, the functioning of the *Gram Swaraj* in the past year has already set the alarm bells ringing as the initial euphoria dies. The not-so-effective start to *Gram Swaraj* clearly indicates that the state has to think very seriously and systematically beyond innovative and progressive ideas to be able to realise the objective of true democratic decentralisation.

Part I Background

1. Introduction

The 73rd Amendment to the Constitution of India not only gives a Constitutional mandate to the *Panchayats*, it also provides the uniformity and formal structure to these traditional institutions of self-governance necessary for effective functioning. The earlier attempts at institutionalising the *Panchayats* were half-hearted and failed due to the absence of supportive Constitutional measures and lack of political will. The 73rd Amendment indicates a fundamental restructuring of the governance and administrative system of the country, based on the philosophy of decentralisation and power to the people. The new *Panchayati Raj* institutions have the potential to usher in a new era of change and development in accordance with people's needs and priorities, and to revitalise a deeply troubled system of democracy.

The pioneering and innovative initiatives of Madhya Pradesh in strengthening and institutionalising decentralised rural self-governance in the post 73rd Amendment phase have generated immense interest among a wide range of observers and experts. These attempts have brought laurels and attention to the State[1] from the international community and media, which presents Madhya Pradesh as one of the better-governed States in India. In this context, where many experts are comparing Madhya Pradesh initiatives with the successes of two divergent models of governance in Kerala and Andhra Pradesh, it becomes imperative to go beyond the government's stated objectives, rules and regulations, Acts and claims of effective functioning of *Panchayats*, and take an earnest look at the ground reality. It also becomes imperative to understand and analyse the socio-economic and political implications and accompanying processes unleashed by the *Panchayat Raj* initiatives of the Madhya Pradesh government.

Madhya Pradesh pioneered the implementation of the 73rd Amendment by, for instance, conducting *Panchayat* elections in 1994. The *Panchayati Raj* system has constantly evolved in the past six years in the State, supported by a strong political will. There are several Amendments to the Act and government orders issued over the past six years, which support and strengthen the decentralisation process. The *Panchayat* system in Madhya Pradesh has been dynamic and is constantly responding to the needs emerging from the field. Through *Panchayati Raj*, an attempt is being made to initiate a new era of people's empowerment. The recent Amendment of the *Panchayat* Act to introduce the *Gram Swaraj* system clearly demonstrates this flexibility and commitment. Importantly, the Madhya Pradesh government perceives decentralisation and people's participation as central to its governance agenda, of which the *Panchayati* system is the most critical building block.

1.1 Historical perspective on *Panchayats*

Historically, the institution of *Panchayat* has been an integral part of rural Indian polity and society. Since ancient times, the *Panchayats* have played a key role in organising and maintaining social order in Indian villages. These informal institutions were responsible for regulating and governing village society according to the socio-political norms of the times. Indian villages, remote and disconnected from the centres of State power, primarily decided their agenda of development and management of the society and its resources through the institution of *Panchayats*. The penetration

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[1] Throughout this study, the authors have been using State to denote recognised States within the federal system, and to distinguish them from the more abstract notion of 'the state'.

of the pre-modern feudal State in villages was limited to the core areas of trade and revenue collection, therefore leaving significant functional space for the *Panchayats*.

Traditionally, *Panchayats* have operated at two levels in the villages. The first level was that of the caste *Panchayats* and the second was *Gram Panchayat*. Caste has been the predominant social reality of India and has dictated the organising principles of polity and society. *Panchayat* is no exception and different castes in the villages have different *Panchayats* of their own. This tradition of caste *Panchayats* is still prevalent on a large scale in India. Issues having wider ramifications beyond the caste group were discussed in the *Gram Panchayat*. These traditional *Panchayats* played the vital role of maintaining norms and order, and dispensing justice. It also resolved crises and disputes, and took decisions on behalf of the village community for the village's welfare and development. In fact the process of decision-making was participatory and very often a 'democratic' consensus emerged due to the mediation of *Panchayats*. This apparent 'democratic' consensus was obviously limited and restricted within the framework of a hierarchical society divided on feudal caste lines. Significantly the *Panchayats* derived their legitimacy from the support of the village community and its decisions were binding on the community.

Forces of modernism, coupled with the penetrative reach of the modern colonial state, started drastically altering the cultural, socio-political and economic profile of Indian villages. This deeply effected the village institutions such as *Panchayats*. The modern state based on a rational bureaucratic framework slowly delegitimised informal institutions deriving legitimacy through informal channels. The growing functions of the state and its ever-increasing sphere also reduced the space of the *Panchayats*. At this time, the Indian nationalist critique of colonialism emerged largely from a modernist paradigm and it largely used non-traditional instruments and strategies for the national movement. *Panchayats* were reduced to playing a marginal role in the village society.

The Indian national movement was deeply influenced by Gandhi's leadership and philosophy of non-violent civil disobedience, but the project of nation building was not undertaken in accordance with his philosophy. Gandhi's doctrine for nation building and national development was based on the concept of a confederation of villages; the model derived its roots from the traditional *Panchayat* system. He envisaged greater autonomy to villages under a five-tier system of village *Panchayats*, *taluka Panchayats*, district *Panchayats*, provincial *Panchayats* and all-India *Panchayats*. His administrative and state system was based on a pyramid model whose broad base was composed of numerous village communities of India. The higher *Panchayats* would help the village *Panchayats* in areas where the village *Panchayat* felt inadequate and needed guidance for improving the efficacy of public service. The fundamental unit of administration was the village *Panchayat* and the model suggested a bottom-up approach where the power flows upward from the smaller unit to the higher one.

The experience of partition and the centrifugal political forces during independence forced India to adopt a strong two-tier federal structure. Pursuing a modernist paradigm, independent India's first Prime Minister, Pandit Jawaharlal Nehru, started creating and establishing new modern institutions and structures. His approach to nation building and national reconstruction was primarily top-down and for this he assigned a central role to the state. According to Nehru, the state could take on the task of nation building and also be the agent of social change. The socialist influence and the process of planning led to centralisation of power and authority. The Gandhian paradigm of development discussed above was marginalised. Another important reason for this marginalisation was Dr Ambedkar's views on Indian villages. He was primarily responsible for drafting the Constitution and condemned the villages as 'a sink of localism and a den of ignorance and narrow mindedness and communalism' (Ambedkar, 1948). Dr Amedkar felt that the Gandhian notion of village republic would adversely effect the country, therefore the idea of *Panchayats* as fundamental unit of governance was rejected.

A middle path between these conflicting ideologies was devised and a mere formal acceptance of the idea of local autonomy and local self-governance was reflected in the incorporation of village *Panchayats* in the directive principles of the Indian Constitution. Article 40 of the Indian Constitution states: 'The state shall take steps to organise village *Panchayats* and endow them with such powers and authority as may be necessary to enable them to function as units of self governance.' The inclusion of self-governance by village *Panchayats* in the directive principles of the Constitution did not make it binding on the state to initiate the process and the article remained a dead letter for years.

1.2 Initiatives for *Panchayati Raj* prior to the73rd Amendment

The 1957 Balwantrai Mehta Committee was constituted to assess the economy and efficiency of the Community Development Project and to study the efficacy of the programme in utilising local initiative and creating local institutions to facilitate the process of socio-economic development. According to the committee it was imperative to give power and responsibility to the community for the successful continuation of the process of development. Consequently, statutory elective local bodies with adequate resources, power and authority were recommended. On the basis of these recommendations the *Panchayati Raj* institutions were established for people's participation and the effective implementation of Community Development Projects. The structure envisaged directly elected *Panchayat* for a village or a group of villages, an executive body called *Panchayat Samiti* for a block with directly elected and coopted members and an advisory body, *Zila Parishad*, with an ex-officio member from the lower tier and the District Collector as the chairman.

Very soon these *Panchayati Raj* institutions started collapsing due to lack of resources, lack of political support, bureaucratic antipathy and the domination of rural elites who cornered all the available resources. These institutions were often suspended or superseded. In development schemes the *Panchayats* played a marginal role, having no say in decision-making and implementation. These factors delegitimised the *Panchayati Raj* institutions.

In 1977 another committee under the chairmanship of Ashok Mehta was constituted to suggest measures for revitalising the *Panchayati Raj* institutions. The committee suggested a two-tier model at district and *mandal* level covering a population of 15,000 to 20,000. The Ashok Mehta committee recommended the abolition of the block as an administrative unit. The Chief Ministers' conference in 1979 rejected the idea of two-tier system and favoured the continuation of the three-tier system.

The G. V. K. Rao Committee was constituted in 1985 for reviewing the administrative arrangements for rural development programmes and poverty alleviation schemes. It agreed that the district should be the basic unit of policy planning and programme implementation but it emphasised the need for regular elections to the *Panchayats*. The seventh five-year plan recommended the strengthening of *Panchayati Raj* bodies through devolution of resources and greater autonomy of local bodies. It also suggested radical changes in the planning process for village and block level activities. The Singhavi Committee formed in 1987 for reviewing the functioning of *Panchayati Raj* institutions recommended reorganisation of villages for creating viable *Gram Panchayats*. It also strongly recommended that greater financial resources should be made available to these institutions. Unfortunately, the Sarkaria Committee on centre-state relationship did not favour the *Panchayati Raj* institutions, although it did observe that local self-governing bodies were not working efficiently due to irregular elections and the suspension and supersession of these bodies on flimsy grounds.

The 64th Constitutional Amendment Bill suggested setting up of *Panchayats* in every state at the village level, intermediate level and district level. The intermediate level was not obligatory in the

states with a population of less than 20 *lakhs*. This bill was passed in the *Lok Sabha* in 1989 but could not be passed by the *Rajya Sabha*. The 73rd Constitutional Amendment Bill (1990) was introduced in the *Lok Sabha* and recommended that *Gram Sabha* should be constituted in each village in addition to the *Panchayats* at three levels. The bill recommended that the elections to the village *Panchayat* should be direct and at other levels at least 50% of seats should be directly elected. This bill also lapsed.

1.3 Context of the 73rd Amendment

The various committees and sub-committees made several recommendations and proposals for institutionalising the *Panchayati Raj* system and these efforts culminated in the form of the 73rd Constitutional Amendment providing Constitutional status to the *Panchayati Raj* institutions. The explanation for the easy passage of the 73rd Amendment Bill and the acceptance of radical restructuring of the state structure with far reaching political consequences goes way beyond the committee reports and proposals. To comprehend the dynamics of change it is imperative to understand the context of this Amendment.

Several decades of centralised planning and a top-down model of development had paid dividends in terms of economic growth and industrialisation. This development model was adopted with the hope that the trickle down effect will involve the poor and marginalised in the process of development. Unfortunately, this trickle down did not take place and a distorted and lopsided development process emerged, where the resources and authority became further concentrated in few hands. The fruits of development were neither shared, nor did the poor and marginalised have access to it. The marginalised sections, be they the poor, women or rural people, continued to be marginalised. It was clear by the 1980s that for more egalitarian and balanced development to be achieved, a more participative, democratic and decentralised bottom-up model of development was needed.

The collapse of the Soviet State in the late 1980s had led to a crisis and consequently various development paradigms were being discredited or put under strict scrutiny. Simultaneously in the liberal democratic countries new frameworks of development and governance were emerging. Many of these discourses propounded that for achieving the objectives of democratic states, the governance systems needed substantial changes, making the structure more participative and decentralised. The paradigmatic shift was evident in the attempts to transform governance to enhance accountability and projects to reinvent government and the bureaucracy, etc. The dictum that 'lesser governance is better governance' was used to restructure governments and enhance their efficacy through moves towards decentralisation, ending 'licence *Raj*' and reducing the government's regulatory functions.

During the late 1970s and 1980s all over the world, and especially in India, various social movements and civil society initiatives were trying to reclaim their legitimate space from the state. These new social movements and civil society actors were spreading a democratic consciousness in the people and suggesting that a democratic development process had to be participative and bottom-up. According to them, development had to be based on local needs and priorities, and micro initiatives. Development should be a flexible process emanating from the grassroot level and not a blue print given from above. For these ends, the social movements and civil society actors were demanding radical changes in the government structure, to make it more participative, decentralised, democratic, accountable and transparent. The underlying theme was to replace the State centric development process with a people centric development process.

In this national and international context the Indian state was under increasing pressure to radically restructure its governance system to make it more democratic and participative, and to address the needs and priorities of the marginalised sections of the society. It was genuinely felt a more grassroots approach would enhance the efficacy of the state's planning and implementation machinery, and incorporate the marginalised and under privileged in the mainstream of development. At this juncture the political will and support at the highest level also played a crucial role in preparing the ground for a *Panchayati Raj* system. Once brought to the forefront, the political parties understood the implications and potential of the *Panchayati* system and a political consensus emerged.

1.4   The 73rd Amendment

The 73rd Amendment Bill was passed by the *Lok Sabha* and the *Rajya Sabha* with near unanimity on the 22nd and 23rd December 1992 respectively. This bill was ratified by 17 State Assemblies in 1993 and came into force as Constitution 73rd Amendment Act from the 24th April 1993. The Act provides Constitutional status to the *Panchayats* and gives it uniformity by making the three-tier system a permanent feature. The key features of the Act are the following:

- *Panchayats* shall be constituted in every State at the village, intermediate and district level. However, the States with a population not exceeding 20 *lakh* have been given the option to not have any intermediate level *Panchayat*.

- There shall be a *Gram Sabha* in each village exercising such powers and performing such functions at the village level as the legislature of a State may provide by law.

- Members of *Panchayats* at all levels will be elected through direct elections. The election of the chairperson at the intermediate and district level will be through indirect elections and the mode of election of the chairperson of the village *Panchayat* has been left to the respective States.

- Seats are reserved for Scheduled Caste (SCs) and Scheduled Tribes (STs) at all level according to their population at each level. Not less than one-third of seats are reserved for women and these may be allotted by rotation. The office of chairperson will also be subject to this provision.

- A uniform five-year term has been granted to the *Panchayats*. In case of dissolution or supersession, elections should be held within six months of the date of dissolution.

- State legislatures have the legislative power to confer on the *Panchayats* such powers and authority as may be necessary to enable them to function as institutions of self governance. They may be entrusted with the responsibility of (i) preparing plans for social justice and economic development; (ii) implementation of schemes for social justice and economic development; and (iii) in regard to matters listed in the 11th schedule. The list contains 29 items, such as land improvement, minor irrigation, fisheries, education, women and child development.

- State government has the power to authorise the *Panchayats* to levy, collect and appropriate suitable local taxes. The Government can make grant-in-aid to the *Panchayats* from the consolidated fund of the concerned State.

- Review of the financial position of the *Panchayats* will be undertaken by a finance commission, which shall be constituted every five years. It will also make recommendations on the distribution of funds between State and local bodies.

- A State Election Commission shall be constituted to ensure free and fair elections to the *Panchayats*.

The 73rd Amendment was inserted in Part IX of the Constitution, containing article 243 to 243–O. Local government is an exclusive State subject under entry 5 of List II of the 7th Schedule, therefore

the Union just provides the outline of the *Panchayat* system, which would be implemented by the States by making laws or amending their existing laws to bring them in conformity with the provisions of the 73rd Amendment. It was binding on the States that the implementing legislation should be undertaken within a year of the commencement of the 73rd Amendment Act.

1.5 *Panchayati Raj* in Madhya Pradesh

In the post 73rd Amendment phase different States have responded with varying degrees of enthusiasm. Madhya Pradesh has responded with innovativeness and remarkable commitment to making the system sustainable and successful. The State's effort to institutionalise the system is evident in the number of amendments that have been made to the State *Panchayat* Act as a dynamic response to the problems at the ground level. During the implementation of the *Panchayati Raj* system, Madhya Pradesh has faced several opportunities and difficulties. The experience of the State is extremely rich and provides vital insights into the process of institutionalising *Panchayati Raj*. On the one hand, is the story of bureaucratic resistance, functional problems, political and institutional challenges, financial inadequacy and mismatch of capacities and roles. On the other hand, it involves the grassroots level in a democratic and participative governance system, and therefore potentially unleashes its considerable energy.

It is extremely pertinent to study and document this process of transition in Madhya Pradesh. The process of implementation of the *Panchayat Raj* institutions (PRIs) has raised several vital questions linked to the institutional and structural mechanism of governance; it also raises fundamental questions regarding the nature of the Indian state. The PRIs also have far reaching implications for the political and social processes. Through a study on the status of *Panchayats* in Madhya Pradesh an attempt can be made to comprehend and analyse these implications and processes. Madhya Pradesh is a good case study also because of its diversity and plurality, and its wide geographical and cultural base. Significantly, it has a substantial tribal population with their own traditional governance systems and cultural uniqueness leading to interesting interaction with the PRIs. Further, the State's underdeveloped status can provide interesting insights to the development perspectives and paradigms.

This study is an attempt to identify, document and comprehend the broad trends emanating from the field, based on the experience of six years' functioning of *Panchayati Raj* in Madhya Pradesh. Six years is a short span of time for the dust to settle from such radical changes. However, it is important to understand and analyse the process and direction of institutionalisation of the present *Panchayat* system and its status in the initial phase (1994 to 1999), which would have a significant impact and critical lessons for charting out the future course of action for effective people-centric development and governance not only in the state but across the country.

The main body of this paper is divided into three themes. Firstly the study design and the Constitutional framework for *Panchayati Raj* in Madhya Pradesh in the phase prior to the introduction of village government (*Gram Swaraj*) are presented. The second theme consists of ground realities of *Panchayati Raj* in the pre *Gram Swaraj* period. The third is an introduction to *Gram Swaraj* and the issues emanating from this radical restructuring of the local self-governance space.

2. The Study Design

2.1 Objectives

Madhya Pradesh was the first State to organise elections to the *Panchayats* after the Constitutional Amendment and constitute these as institutions of local self-governance. The *Panchayats* in Madhya Pradesh recently completed their first five-year term and the second round of *Panchayat* elections have been held to pave the way for second term of *Panchayat* institutions. Madhya Pradesh has responded proactively to its first five years' experience and amended the Madhya Pradesh *Panchayat* Act to make significant changes by introducing the system of *Gram Swaraj*.

The Madhya Pradesh *Panchayati Raj* Act drastically altered the existing governance system and constitutionalised grassroot democracy. *Panchayati Raj* institutions, working as agents of change, are altering rural society. Madhya Pradesh, a pioneer in the implementation of the *Panchayati Raj* Act, presents a good case study on the basis of which larger trends and implications for decentralised rural self-governance can be identified. This study is an attempt to document these processes of change in Madhya Pradesh, and to fully comprehend and analyse the implications and impact of these processes ushered in by the *Panchayati Raj* institutions, and to analyse the potential and efficacy of the new *Gram Swaraj*.

The study aims to understand the process of implementation of the *Panchayati Raj* Act, the difficulties and resistance faced, facilitating and supportive factors, challenges and opportunities, and their implication and impact on institutional, structural and systemic socio-political milieu.

2.2 Area and focus of study

The area under study is the State of (undivided) Madhya Pradesh[2]. *Panchayat* institutions, though micro-level in their setup, involve macro structures and systems, and have an impact on the macro political processes and environment. The State has great cultural diversity and a significant tribal population. The study of tribal areas reveals the difficulties and challenges faced by extremely marginalised sections of the State and the country.

The main focus of this research is the *Gram Panchayat* within the *Panchayati Raj* system. The State government, bureaucracy, district administration, civil society, capacity building agencies and political parties have also been considered within the study, so as to comprehend the dynamics of change and development. The study also seeks to understand the interplay, inter-linkages and conflict between these actors. A further part of the study focuses on the conditions for the implementation of *Gram Swaraj* and its implications on the *Panchayati Raj* institutions in particular and governance space in Madhya Pradesh in general.

2.3 Methodology

The study was conducted in two phases. The first phase was undertaken to analyse and study the functioning of *Panchayat Raj* institutions between 1994 and 1999. The second phase focuses on the altered governance scenario since January 2001 with the introduction of *Gram Swaraj*.

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[2] Madhya Pradesh was bifurcated on 1st November 2000 to create a new state of Chhattisgarh.

Secondary data was collected from government agencies, civil society organisations interacting with *Panchayati Raj* institutions, existing research studies, and the resource-base of Samarthan collated during their work with *Panchayat* institutions in the last six years. Extensive primary data was generated through a process of consultation at the grassroots level and other sources, such as the Government, Finance Commission and Election Commission. The data is both qualitative and quantitative in nature, however, qualitative data was largely relied on due to the research focus. As an intensive field study was conducted and collected very rich primary data, the focus is on the primary data.

On the basis of readings of secondary sources and field experience, relevant research questions and issues were identified pertinent to the study objectives and *Panchayati Raj* system. For the first phase of research a detailed methodology was prepared (Annex 1).

Sampling

To survey a large sample representing the plurality of a vast state such as Madhya Pradesh is a near impossible task. However, it was decided to take one district from each socio-cultural region to study intensively. Though these districts cannot represent the diversity within socio-cultural regions, nevertheless a flavour of this region could be represented. It was decided that one of these five districts should have a completely tribal and another a substantial tribal population. Thus the districts chosen were: Raigarh (substantial tribal population) in Chhattisgarh; Satna in Bundelkhand and Baghelkhand; Seoni in Mahakaushal; Shivpuri in Chambal; and Jhabhua, a tribal district in the Malwa and Nimar region (Annex 2).

The *Gram Panchayat* is the basic unit of the *Panchayat* system and therefore the basic unit of the research. Resources restricted the sample size to 12 *Gram Panchayats*, one *Janpad Panchayat* and the *Zila Panchayat* in each district. Purposive sampling was carried out to identify 12 *Gram Panchayats* in a district. In such a small sample size, random sampling would have led to the loss of vital data, which although restricted to specific *Gram Panchayats*, is extremely significant for the research. The idea was to cover *Gram Panchayats* representing the diversity and differences in *Panchayats*, although not proportionally. The *Janpads* with a larger concentration of the sample *Gram Panchayats* were considered as a sample of the second tier of the *Panchayat* system. The criteria for purposive sampling of *Gram Panchayats* was decided based on Smarthan's experience of working with *Panchayat* institutions and was as follows:

- Active/inactive/corrupt *Sarpanch*

- Active/weak women *Sarpanch* (Male members of the family acting as the *Sarpanch*)

- Active/passive *Dalit Sarpanch*

- Supportive/non-supportive government functionaries

- Model *Panchayat*

- Non Governmental Organisation (NGO)-intervened *Panchayat*

- Highest resource-generating *Panchayat*

- Conflict between *Gram Panchayat* and the bureaucracy

- Conflict between *Gram Panchayat* and *Gram Sabha*

- Accessibility to *Gram Panchayat*

- Distance from district headquarters.

Data collection

The data collection exercise was undertaken within two weeks simultaneously in all the five districts. Five separate research teams were sent to the identified districts. In addition to collecting data through questionnaires, all other relevant information was also recorded. These teams also prepared case notes on the basis of their findings at the grassroots level relevant to issues and objectives of the research. Though effort was made to record quantitative data, the emphasis was on qualitative data. The data was recorded through a process of personal interviews and focus group discussions (FGD) with the community. In each *Gram Panchayat*, it was ensured that at least two FGD be undertaken; one with the general community, and the other with marginalised sections of society, such as women, SCs, or the landless. Care was taken not to hold interviews or group discussions with one set of stakeholders in the presence of other stakeholders. This understanding of social power dynamics was especially helpful in generating sensitive data from marginalised sections in the system and society. The researchers also collected data (both quantitative and qualitative) in Bhopal from government offices, NGOs and UNICEF in Bhopal.

Second phase

The second phase of the study was conducted through review of literature and documents, interviews with key policy makers responsible for introducing and framing the *Gram Swaraj*, interacting with NGOs and other civil society actors. A wide consultation process was also undertaken to elicit the views of people working in the field and to understand the processes occurring due to the introduction of *Gram Swaraj*.

3. Constitutional Framework of *Panchayati Raj* Institutions

3.1 An overview of *Panchayati Raj* in Madhya Pradesh

The traditional *Panchayats* – the caste and village *Panchayats* – were vibrant in Madhya Pradesh. The tribes have long had traditional *Panchayats*, and their 'traditional' way of life has been governed by these institutions. With modernisation and functioning of modern maximalist state, the strength of the traditional *Panchayats* has slowly diminished, though to a lesser extent in the tribal areas of the State.

Efforts have been made by enacting laws that further the cause of decentralised governance. The Madhya Pradesh *Panchayat* Act, 1962, was one such effort based on the recommendations of the Balwantrai Mehta Committee. In 1978, this Act was amended to reduce the age of voters from 21 to 18 years of age to allow more citizens to exercise their franchise during *Panchayat* elections. A new *Panchayati Raj* Act was enacted in 1981, which was later amended in 1988 to provide reservations of seats for SCs, STs and women in *Panchayats*. These institutions were given extremely restricted local-maintenance functions and had no developmental responsibilities, which made them largely ineffective. Elections to these bodies were not held regularly, and the bodies remained under the control of government-appointed administrators.

The Madhya Pradesh *Panchayati Raj* Act, 1990, attempted to revitalise the *Panchayati Raj* institutions and transfer power to the people to ensure their effective participation. The key features of this Act were direct elections to these bodies, involvement of political parties, and the transfer of resources and developmental machinery to the *Panchayats*.

The Madhya Pradesh *Panchayati Raj* Act, 1993, was enacted to cover the lacunae in existing laws for the establishment of *Panchayat* institutions. This Act was drafted in conformity with the objectives, substance and directives of the 73rd Constitutional Amendment. The Act provides for a separate and independent audit organisation (under the control of the State government) to monitor the audit of *Panchayat* accounts; a State Election Commission to supervise, direct and control the preparation of electoral rolls and to conduct elections to the *Panchayats*; and a State Finance Commission (SFC) to recommend to the State government any grant-in-aid as may be needed by the *Panchayats*. The Act was given the Governor's assent on January 24th 1994.

3.2 *Panchayati Raj* in Madhya Pradesh prior to 1990

The traditional *Panchayats* were as vibrant in Madhya Pradesh as in any other part of the country. The traditional pattern was to have a caste *Panchayat* and a village *Panchayat*. The tribes had very strong traditional *Panchayats*, and these institutions governed their 'traditional' way of life. In some tribal areas, a traditional *Panchayat* comprised a cluster of villages. The government, recognising the strength and significance of these traditional institutions for the tribals, did not impose its *Panchayat* system on them. The Madhya Pradesh *Panchayat* Act, 1962, left out tribal areas from its domain. While a modern way of life has slowly diminished the strength of traditional *Panchayats* in the State, in tribal areas they continue to wield authority.

Based on the recommendations of the Balwantrai Mehta Committee, the Madhya Pradesh *Panchayat* Act, 1962, was enacted. It gave provision for a three-tier structure of the *Panchayati Raj* institutions in the State. These levels were: the *Gram Panchayat* at the village level; *Janpad Panchayat* at the block level; and the *Zila Panchayat* at the district level. In Madhya Pradesh, the *Panchayat* institutions were not taken seriously and merely remained as legal bodies to be managed

by the bureaucracy. The State clearly lacked the administrative and political will to institutionalise and empower the local institutions of self-governance.

The Madhya Pradesh *Panchayati Raj* Act, 1990, attempted to revitalise *Panchayati Raj* institutions and transfer 'power to people' as a prerequisite to democratic decentralisation. In the process, it devolved more powers to these institutions for promoting socio-economic development. This Act also attempts to ensure the effective participation of *Panchayati Raj* institutions in local administration and developmental activities. A three-tier structure was proposed by the Act, comprising *Gram Panchayats* at the village level, *Janpad Panchayats* at the block level and *Zila Panchayats* at the district level. The key new features of this Act were: direct elections to these bodies; involvement of political parties; transfer of resources and machinery to *Panchayats*; and a *Gram Sabha* coterminous with a *Patwari* circle.

The Act apparently attempts to empower and strengthen the *Panchayati Raj* institutions but failed in its stated objectives. The desire of the State government to not devolve substantial powers, authority and resources to the *Panchayat* institutions (as in all previous attempts) in the absence of a Constitutional decree was evident. Bureaucratic resistance, institutional unpreparedness and lack of political will explained this half-hearted attempt at institutionalising the PRIs. This background of resistance needs to be understood for any meaningful debate on the success of the post 73rd Amendment in the *Panchayat* system of Madhya Pradesh.

3.3 Madhya Pradesh *Panchayati Raj* Act, 1993

Features of the Act

The Madhya Pradesh *Panchayati Raj* Act, 1993, was enacted to create and amend existing laws for the establishment of *Panchayat* institutions. This Act was drafted in conformity to the objectives, substance and directives of the 73rd Constitutional Amendment. The Act was given Governor's assent on 24th January 1994.

Spirit of the Act

The primary objective of the Act is to strengthen and empower the *Panchayat* institutions and to ensure effective involvement of these institutions in local administration and development activities. The idea is to make *Panchayat* institutions more democratic through people's greater participation, democratic decentralisation and effective local self-governance, and agents of economic and social justice. This Act provides the backbone for all changes and development in the sphere of *Panchayats* in Madhya Pradesh in recent years. The following paragraphs discuss the key aspects of this Act. However, a critical analysis and a detailed discussion on the Act and laws framed on the basis of this Act, especially from the point of reference of this study, is undertaken in the respective chapters. The aim here is to provide an overview of the *Panchayat* Act, 1993.

Structure of the Gram Sabha

The *Gram Sabha* consists of all people in the voter list of every village or village cluster. A *Gram Sabha* should meet at least four times in a year; an extraordinary meeting can be called if required by the *Janpad* or *Zila Panchayat*, Collector, or if one-third of the total members of the *Gram Sabha* request it in writing. The required quorum is one-tenth of the total members of the *Gram Sabha*.

The *Sarpanch* or *Upsarpanch* presides over the meeting, and the Secretary of the *Gram Panchayat* convenes the meeting.

Structure of the Gram Panchayat

Each village or cluster of villages is required to have a *Gram Panchayat* with a tenure of five years. The *Gram Panchayats* are divided into a minimum of 10 wards, and if the population of the village is more than 1,000, the number of wards can be more than 10 but should not exceed 20. Every *Gram Panchayat* consists of elected *Panches* from the wards, an elected *Sarpanch* and *Upsarpanch*. The seats to be filled by direct election in every *Gram Panchayat* are reserved for SCs and STs in proportion to their population in the *Gram Panchayat*, on a rotational basis. A *Gram Panchayat* with 50% or less of seats reserved for both SCs and STs has 25% seats reserved for the Other Backward Castes (OBCs) on a rotational basis. The *Sarpanch* is directly elected and is the key functionary of the system. The seats of *Sarpanch* are reserved for SCs and STs in proportion to their population in the block. If the total population of SCs and STs in the block is less than 50%, then 25% of the *Sarpanch* seats are reserved for OBCs. Significantly, the Act reserves one-third of the total number of seats of *Sarpanches* within a block for women. This reservation for women is a reservation within a reservation for SC, ST and OBC seats, implying that one-third of these reserved seats will be reserved for women of these categories. The *Upsarpanch* is elected from the elected *Panches*, and if the *Sarpanch* is not a SC or a ST, then the *Upsarpanch* is elected from this category. A no-confidence motion against the *Sarpanch* and *Upsarpanch* can be passed by a resolution with a majority of not less than three-quarters of *Panches* present and voting, and if such a majority is more than two-thirds of the total number of *Panches* constituting the *Gram Panchayat*. A meeting of *Gram Panchayat* discussing a no-confidence motion is presided over by an officer of the government. Each *Gram Panchayat* is required to have standing committees not exceeding three, and these committees exercise powers as assigned by the *Gram Panchayat*. A *Gram Panchayat* creates a *Gram Panchayat* fund, and all sums received by the *Panchayat* are part of this fund. The fund is utilised for developmental activities of the *Panchayat*, or for other expenses approved by the government. Details of the function, power and taxes levied by the *Gram Panchayat* are mentioned in Table 1. The State government appoints a Secretary to a *Gram Panchayat* for keeping and maintaining records of the *Gram Panchayat*.

Structure of the Janpad Panchayat

The *Janpad Panchayat*, the second tier of the *Panchayati* system, is constituted at the block level, and consists of members elected from the constituencies, members coopted from the marketing societies or cooperatives, and all members of the State Legislative Assembly representing constituencies of the block. The government divides the constituencies for the *Janpad Panchayat*, and each constituency has a population of not more than 5,000. The total number of constituencies should not exceed 25, and these are single-member constituencies. The reservation of seats for SCs, STs, OBCs and women is in accordance to the principle adopted for *Gram Panchayat*. Every *Janpad Panchayat* makes five Standing Committees from its members. These Committees are General Administration Committee, Agriculture Committee, Education Committee, Communication and Works Committee, and the Cooperation and Industries Committee. The *Janpad Panchayat* establishes a *Janpad Panchayat* fund similar to the *Gram Panchayat* fund, and the funds are utilised for developmental activity or other expenses as approved by the government. The powers, which the *Janpad Panchayat* can execute, and taxes which can be imposed by this middle tier, are listed in Table 1. A Chief Executive Officer (CEO) appointed by the government will be responsible for keeping and maintaining the records of the *Janpad Panchayat*.

Table 1 Distribution of function, power and tax imposition between the *Gram Panchayat*, *Janpad Panchayat* and *Zila Panchayat*

Functions	Power	Tax
Village *Panchayats*		
Sanitation; construction and maintenance of sources of water; construction of roads, buildings, bridges, latrines, wells; lighting of village streets; control over entertainment shows, shops, eateries; maintenance of *Panchayat* property; establishment and management of market and *melas*; prevention of contagious diseases; promotion of youth and property; prevention of contagious diseases; promotion of youth and family welfare, etc.	Providing public health facility, control on erection of building and such building; fining obstruction and encroachment upon public streets or open spaces; to name buildings and streets etc.	Property tax on land or buildings, tax on private latrines; lighting tax; professional tax; market fees; fee on registration of cattle sold in any market under the control of *Gram Panchayat*.
Janpad Panchayat		
Integrated Rural Development Programme (IRDP); agriculture; social forestry; cottage industries; family planning; sports; rural employment programme; provision for emergency relief in cases of fire, flood, drought, etc.; arrangement in connection with local pilgrimage and festivals; management of public ferries public markets, melas, etc.; any other function with the approval of the State government and the *Zila Panchayat*.		*Janpad Panchayat* can impose tax on theatre and other public entertainment; fees for any licensee or permission granted by the *Janpad Panchayat* and for use and occupation of lands or other properties vested in or maintained by the *Janpad Panchayat*.
Zila Panchayat		
The functions and powers of the *Zila Panchayat* are to: Control, coordinate and guide the *Gram* and *Janpad Panchayat* within the district; coordinate and consolidate the *Janpad Panchayat* plans; coordinate the demands for grants for special purposes received from the *Janpad Panchayats* and forward them to the State government; secure the execution of plans, projects, schemes or other works common to two or more *Janpad Panchayats* of the district; advise the State government on social forestry, family welfare, welfare of the disabled, destitute, women, youth and children; exercise such other powers which the State government entrusts to it.		

Structure of the Zila Panchayat

Every district has a *Zila Panchayat* with a term of five years, consisting of: members elected from the constituencies; Chairperson of District Cooperatives and Development Bank; all members of the *Lok Sabha* representing the district partially or wholly; all members of State Legislative Assembly returned from districts; and members of *Rajya Sabha* returned from the State whose names appears in the voter list of a *Gram Panchayat* within the district. The government divides the constituencies; each constituency is a single member constituency and has a population of 50,000. The total number of constituencies does not exceed 35. The President and the Vice-President of the *Zila Panchayat* are elected for five years and the procedure of election is similar to that of the *Janpad*

Panchayat. Reservation of seats of *Zila Panchayat* and for the office of President and the Vice-President of *Zila Panchayat* is according to the principle adopted for reservation in *Janpad Panchayat*.

The *Zila Panchayat* controls and supervises the administration of the District Rural Development Agency (DRDA), and all functions and schemes assigned to DRDA by the State government should be implemented under the supervision of the *Zila Panchayats*. Further details of the functions, powers and source of income of the *Zila Panchayat* are given in Table 1.

A *Zila Panchayat* fund is created similar to the fund of *Janpad Panchayat*, and the fund is utilised for developmental activity by the *Panchayats* or other expenses approved by the government. A government appointee, called the Chief Executive Officer, acts as the Secretary of the *Zila Panchayat* and is responsible for keeping and maintaining records.

Functioning of the Panchayats

The meetings of *Panchayats* called by the *Sarpanch* or the President should be held every month, failing which the Secretary or the Chief Executive Officer (CEO) issues notice of the meeting 25 days after the last held *Panchayat* meeting. The quorum of the *Panchayat* meeting is half the members constituting the *Panchayat*. If the quorum is not complete, then the competent authority postpones the meeting, and for such postponed meeting, a quorum is not required but no new subjects can be brought for consideration. A notice of the meeting is pasted at the *Panchayat* office. The Secretary and the CEOs of the *Janpad* and *Zila Panchayat* place a report about the income and expenditure of the *Panchayat* before the *Panchayat* respectively.

The Madhya Pradesh *Panchayati Raj* Act, 1993, provides for a separate and independent audit organisation, i.e. the State Finance Commission, under the control of the State government, to look after the audit of accounts of *Panchayats*. The State Election Commission supervises, directs and controls the preparations of electoral rolls and conducts all elections to *Panchayats*.

The State government may vest in the *Panchayats* any property vested with the State government. It may assign to a *Panchayat* such taxes, tolls, fees levied and collected by the State government, and may make grant-in-aid from the consolidated fund of the State for such purposes and subject to such conditions and limits as the State government may deem fit. The State government shall make grant-in-aid to the *Panchayats* as may be decided on the recommendations of the State Finance Commission. The State government is empowered to make rules to regulate the imposition, assessment, collection and sharing of taxes for *Panchayats*. It can also dissolve *Panchayats* for default or abuse of power. A dissolved *Panchayat* is to be reconstituted within six months in accordance with the provisions of the Act. The State government also regulates the relations between *Panchayats* and other local authorities in matters in which they are jointly interested. The State government makes the rules for implementing various provisions of this Act. It may, from time to time, make model bylaws for the guidance of *Panchayats*.

The Act and the *Panchayati* system in Madhya Pradesh have not remained static but evolved in the last five years. A dynamic and adaptive *Panchayat* system has ensured the success of *Panchayati Raj* institutions in the State. This adaptiveness is reflected in the various Amendments made to the *Panchayati Raj* Act, 1993, and the ever-evolving office orders issued to operationalise and institutionalise the *Panchayati* system. For a comprehensive status report of the *Panchayat* system in Madhya Pradesh, it is essential to understand the operational status of the *Panchayat* institutions and the evolutionary processes and measures undertaken in the *Panchayat* arena. It is also

imperative to understand the environmental factors, their implications and contribution to the success of *Panchayati Raj* in Madhya Pradesh.

3.4   Amendments to the Madhya Pradesh *Panchayati Raj* Act, 1993

Several challenges to the *Panchayat* system have emerged during the last five years of its operationalisation in Madhya Pradesh. Fortunately, a proactive State government has responded to these needs and challenges. The government analysed the strain on the system and identified the problem areas, and made a serious attempt to address these problem areas at all levels. The causative factors were identified in the underlying *Panchayat* laws and the *Panchayat* system as enunciated in the Madhya Pradesh *Panchayati Raj*, Act, 1993. The State government, in earnest to resolve these constraints, changed and reissued its office orders, and also amended the *Panchayat* Act itself. This willingness and flexibility of the State government to tackle bottlenecks has given strength to the *Panchayat* system in Madhya Pradesh. It also reflects the political will to ensure the success of *Panchayati Raj* system in the State. However, critics argue that the necessity of such large-scale amendments reflects slip-shod work while framing the initial *Panchayat* Act. The Amendments have given much-needed elasticity to the system and have contributed to the success of the *Panchayati Raj* system in Madhya Pradesh as institutions of grassroots democracy. A dynamic system where information flows upward from the bottom, and a system that responds and adjusts to these stimuli, is a truly democratic and representative system. In the last five years, the State government has made more than 10 Amendments to the Madhya Pradesh *Panchayat* Act, 1993. Drawing on experience gathered in the functioning of the *Panchayat* institutions, the State government has amended the *Panchayat* Act to genuinely strengthen and empower the *Panchayat* system.

An analysis of the Amendment clearly reflects the government's desire to institutionalise and empower the system. The Amendments deal with teething problems of the system. Via the Amendments, the State government has tried to overcome limitations that had cropped up during implementation of the Act. For example, it was realised that women did not attend the *Gram Sabha* despite it being a crucial forum for public debate and decision-making on village and *Panchayat* issues. The lack of women's participation in *Gram Sabha* despite reservation for women in elected positions of *Panchayats* was viewed detrimental to the objectives of *Panchayati Raj*. Madhya Pradesh government amended Article 6 of the State *Panchayat* Act to make it mandatory to have one-third of the quorum as women members. Another interesting example is the Amendment of the Act, which barred any Member of Parliament (MP) or Member of the Legislative Assembly (MLA) who represents a completely urban constituency from being a member of the District or Block *Panchayat*. This was clearly done to protect the interests of rural areas in relation to urban areas.

The aim, in addition to strengthening the *Panchayat*, is also to articulate and define the functional space of these institutions. A constant endeavour is to define the function of these institutions and devolve more administrative and financial powers to the *Panchayats*. Simultaneously, the Amendments try to guarantee socio-economic change in favour of the marginalised, as envisaged in the 73rd Constitutional Amendment. The State government, through the Amendments, has tried to operationalise the *Panchayats*, consistent with an ideology of 'power to people' and democratic decentralisation.

Part II *Panchayati Raj* Institutions and Ground Realities

The following section focuses on the status of *Panchayats* in Madhya Pradesh in the post 73rd Constitutional Amendment phase through an analysis of primary and secondary data. The actual functioning of the *Panchayat* system and the unfolding socio-economic and political processes are examined.

The implications and ground realities of the *Panchayat* system have been divided. Firstly, the administrative and institutional part deals with issues of administrative decentralisation, the relationship with bureaucracy and political class, and intra-institutional dynamics. Secondly, the financial part deals with issues and implications of fund flow and financial decentralisation in the *Panchayat* system. The third part deals with the political implications of the *Panchayat* system. The 73rd Amendment of the Constitution visualised *Panchayats* as institutions providing social justice and economic development through self-governance. This segment focuses on the political processes initiated by *Panchayats* through the lens of women, tribals and the village community by assessing and examining the implications of participation, leadership and empowerment of these marginalised sections by the systems and institutions of self-governance. This section also focuses on the role played by civil society in strengthening the *Panchayats*. Finally, the fourth section identifies broad trends emerging from the processes initiated due to the implementation of the 73rd Constitutional Amendment. It also analyses the data and trends emerging from the field and draws some inferences to understand the reshaping of governance space and its socio-economic and political implications.

4. *Panchayats* and Bureaucracy: The Changing Dynamics and Emerging Power Relationships

The decentralisation of power to the people through the 73rd Amendment created a significant shift within institutions and existing power relationships. The newly elected *Panchayat* representatives in all three tiers have a mandate to participate in the development process of their constituencies. This has implications for the functioning of development administration, especially for functionaries at the lower level and the established political leadership – representatives from the Parliament and the Assembly – to provide space to *Panchayati Raj* institutions in earnest spirit. The emergence of *Panchayats* has also put pressure on voluntary organisations to define a new set of relationships to work with the community, which is truly represented in the *Gram Sabha*.

The perspectives of various stakeholder groups collected during the study will be helpful in understanding the emerging dynamics due to these new power centres – the *Panchayati Raj* institutions, coming into existence.

4.1 Office orders supporting and devolving powers to *Panchayati Raj* institutions

Experience suggests that initially after the 73rd Amendment the administration was reluctant to decentralise powers, authority and finances. It paid lip service to the *Panchayat* Act, and passed on frivolous and insignificant functions to the *Panchayat* institutions. Fortunately, a change at the top level of bureaucracy and consistent support from the Chief Minister prompted the State administration seriously to start the process of decentralisation. In spite of this genuine effort, the process has not generated the desired changes of devolving enough financial, administrative and political powers, roles and functions to the *Panchayat* institutions on the basis of which *Panchayats* can function as viable and effective institutions of self-governance. Frequently the functions devolved to the *Panchayat* institutions are limited to supervision and inspection of projects, identification of beneficiaries, and giving administrative approval. The responsibility of implementation of projects has been entrusted to the *Panchayats* by few departments, and this, too, is primarily confined to maintenance of projects. This paper attempts to capture the guiding principles of the State administration for decentralisation of powers, duties and programmes to the *Panchayats*. The discussion is restricted to the stated position of the government and the effort it has made in the implementation of these principles. A brief overview of functions transferred by a few departments is also undertaken. However, the inadequacies and strengths of the office orders and supporting mechanisms of the State administration on important issues are discussed later. The key guiding principles for the transfer of powers, functions and programmes from the State government to the *Panchayats* are listed in Annex 3.

A close examination of power and authority actually transferred to *Panchayats* shows that the steps taken so far are inadequate and superficial, and have done little to truly empower the *Panchayats*. The well-intentioned and detailed guidelines have been only marginally successful. There are a few office orders of different departments that reflect the half-hearted attempt to devolve power to *Panchayats*. For example, the Finance Department has assigned functions relating to small saving schemes and projects, opening of post offices, setting up of phone booths for local and long distance calls and convening meetings of Development Liaison Committee of rural and cooperative banks. Permission to open post offices and phone booths for local and long distance calls actually does not come under the jurisdiction of the Finance Department. Despite this, the Finance Department has issued orders to similar effect. The Department of Women and Child Welfare has only assigned to

the *Panchayats* the task of supervision of the Integrated Child Development programmes and inspection of various centres for women and children. The Department of Health has delegated the work of health and sub-health centres, and allopathic and homeopathy dispensaries to the *Janpad Panchayat* or its sub-committee, on the condition that the *Janpad Panchayat* or its sub-committee can only inspect these institutions from time to time, and can issue instructions for their improvement, if necessary.

All the office orders issued by the government are supposed to conform to the discussed guidelines. Unfortunately, administrative inertia still prevails and few office orders have been issued entirely conforming to the spirit of decentralisation. Red-tapism has ensured non-transference of powers and authority to *Panchayats* via delayed, inadequate or ambiguous office orders. However, substantial devolution of powers and authority has taken place in certain quarters, which can largely be explained by committed bureaucrats holding key positions. These transferred powers and authority have also not been translated into action at the grassroots due to resistance by lower rungs of bureaucracy. In addition to this lethargic process, already existing office orders and rules of various departments contradicting the *Panchayat* system are stalling the process of empowering the *Panchayats*. Nevertheless, the framing of a progressive set of guidelines and guiding principles for devolving powers and authority to *Panchayats* raises hopes.

4.2   Office orders contradicting *Panchayati Raj* institutions

In spite of the *Panchayati Raj* Act, its subsequent Amendments and all the State government's office orders in support of *Panchayati Raj* institutions, the system is yet to become institutionalised and accepted at the operational level. The resistance is attitudinal (bureaucracy and politicians) but also institutional and systemic. The *Panchayat* system has been implemented with such pace that the system of governance has not had time to attune itself to these major structural changes. Secondly, all existing institutions of governance were traditionally built with the logic of centralised control, whereas the *Panchayat* institutions have been built on an entirely different philosophy of democratic decentralisation. In the first case, power flows from the centre; in the latter, it is envisaged that the power will flow upward from the grassroots. This difference of agenda and approach to governance leads to conflict. Thus, the *Panchayat* system faces a plethora of mechanisms and office orders contradicting or stalling the smooth functioning of *Panchayat* institutions. In spite of constant directives from the top to ignore such office orders and instructions, which contradict the *Panchayat* system, local-level functionaries continue to swear by them. This may be due to either vested interests or bureaucracy's inherent resistance to change.

Frequent changes in office orders defining the role and responsibility of the *Panchayats* are also a problem. The members of *Panchayats* are unable to comprehend complex technical orders. By the time they grasp the import of existing orders, a new set of orders arrives. This frequent changing of rules also leads to problems in institutionalising the system. Another constraint created by office orders is that *Panchayats* are given partial powers and the majority of power remains with respective departments. In most cases, decisive powers were vested in government officials. For example, Krishnaganj *Gram Panchayat* in Shivpuri district approved the land delimitation plan, but the *Tehsildar* rejected it. Slowly, this inability of the *Panchayat* to intervene effectively in any matter will discredit the system and dampen the initial enthusiasm. The merger of DRDA with *Zila Panchayat* has created confusion[3] and there is lack of clarity regarding both the role of bureaucracy and the *Zila Panchayat*. This confusion is not limited to *Panchayat* representatives – the

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[3] DRDA (District Rural Development Agencies) are institutions created at the district level to coordinate the rural development activities in the district. After the 73rd Constitutional Amendment it was expected that the *Zila Panchayat* would take on the role of DRDA and therefore the merger of DRDA into *Zila Panchayat* was recommended. It was also important to achieve higher efficiency and reduce the multiplicity of institutions.

bureaucracy at the local level is also not clear about the demarcation and division of roles, thus bringing work to a standstill. Frequently officials, through the support of unknown office orders, exceed their brief. For instance, in Mahloi village of Raigarh district, the Sub Division Officer (SDO) appointed the *Kotwar* (*Chaukidar*) of the *Panchayat* against the wishes of the *Sarpanch* and the *Gram Sabha*. Office orders of various departments issued prior to the establishment of *Panchayati Raj* continue to obstruct their functioning. This obstruction becomes more acute and accentuated in a department such as Forests, where there is constant conflict over respective areas of influence because of overlapping of orders. The *Panchayats* feel that they are entitled to take decisions regarding forests in their area, whereas the Department of Forests argues against this and restricts access by *Gram Panchayats* to these forests.

According to *Panchayat* representatives, a lack of coherent and comprehensive office orders has blurred the line of control essential to smooth functioning at the grassroots level. For example, the *Janpad Panchayat* recruits a *Shiksha Karmi* (school teacher under the Education Guarantee Scheme (EGS) of the Madhya Pradesh government). Her salary and performance appraisal is carried out by the *Gram Panchayat*, although the authority to transfer her lies with the Department of Education. This confusion in the line of authority adversely affects the quality of work done. An NGO representative is of the opinion that the government has smartly transferred the burden of administration to the *Panchayats*, but with the connivance of shrewd office orders, has refrained from transferring power and authority. These office orders do not make the administration or the government functionaries accountable to the *Panchayats*. An *Anganwadi* worker has to work under the *Panchayats*, but she is accountable to her department, creating a piquant situation where *Panchayats* cannot get work done in spite of people's mandate and governmental approval.

Most of the study respondents showed a lack of awareness of government rules and procedures and were pointers to the necessity to build capacities of *Panchayat* functionaries to effectively deal with the government system. There was also a lack of information at the ordinary citizen's level, and people were not informed of their rights or of the mandate of the *Panchayat* system. People see the role of *Panchayats* as limited to socio-economic development. Therefore, the potential for conflict with other wings of the government is not articulated.

4.3 Relationship with the bureaucracy

Perspective of the Panchayat members

The collected data reveals that the relationship between *Panchayat* members and the bureaucracy has yet not reached the desired level of complementarity, where the bureaucracy plays a supportive role to the institutions of *Panchayats* instead of attempting to control them. The perspective of *Panchayat* members regarding their relationship with the bureaucracy (*Panchayat* Secretary, *Sarpanch*/*Upsarpanch* and Representatives of *Zila Panchayat* (ZP) and *Janpad Panchayat* (JP)) differed from person to person. Amongst the positive responses were the ones from a few *Panchayat* members who stated that their relationship with the bureaucracy was satisfactory and that it was supportive. The supportive role, according to most, was described as assistance in procuring funds from the higher tiers of *Panchayats* and government. 'The government officials are our channel of information', pointed out a tribal *Sarpanch* from the Tamnar block of district Raigarh. This was one of the more significant roles of the bureaucracy as described by the elected representatives.

However, a feeling of discontent was prevalent in a substantial section of interviewed *Panchayat* members. They felt that the bureaucracy was corrupt and did nothing until bribed. In some places, *Panchayat* members said that even if the *Panchayat* Secretary was honest, the *Sarpanch* and the

Upsarpanch forced him to be corrupt. Several *Sarpanches* and *Panchayat* members felt that the bureaucracy was not sincere about its role, and the block and district officials seldom, if at all, visit villages. It was also noted that there is very little interaction between government officials and *Panchayat* representatives.

In some places such as village Sokaria (district Satna), officials do not take any interest in the village as the *Sarpanch* belongs to a backward caste. The work of *Gram Panchayats* also suffers because government functionaries do not share information with elected representatives. Instead of helping, they make the processes more complicated. For most tasks, substantial paper work needs to be completed and members of *Panchayats* do not have the capacity for this. The majority of *Panchayat* members interviewed cited this process of follow-up as quite taxing and beyond their capability.

Articulating the position of the bureaucracy

The bureaucracy has yet to mould its attitude and learn to apportion powers to the common person. There are certain power dynamics which need to be worked out in more detail to remove confusion.

Cutting across all districts, the pattern of response of *Panchayat* Secretaries was similar. They feel that they work under government orders, but *Panchayat* members try to pressurise them to carry out activities which may be illegal. Primarily, *Panchayat* members have attitudinal problems and do not realise that some authority is still in the hands of officials who are bound to work according to law. The *Panchayat* Secretaries feel that selection of beneficiaries under various government programmes or schemes is a major area of conflict with the *Sarpanch*.

According to the CEO of *Zila Panchayat,* Jhabua district, the problem lies in concentrating too much power with the *Sarpanch*. The *Sarpanch* has all financial power and this has been a major factor of controversy with *Panchayat* members. These conflicts are mostly settled at the *Panchayat* level. In most cases, *Panchayat* members drag the bureaucracy into their disputes. The *Sarpanch* does not welcome this intervention by the bureaucracy and it leads to strained relationships. The upper two tiers of the *Panchayat* system do not have any financial powers. This again has been found to be a cause for conflict, tension and strained relationships between the lowest tier and the upper two tiers of the system.

Moreover, the bureaucracy, in the process of monitoring and evaluating the activity of *Gram Panchayat*, comes in direct conflict with the *Sarpanch*. Largely though, the feeling at the block office is that the *Sarpanch* tries his best to maintain good relations with the bureaucracy, especially at the block office as he depends on it for almost everything.

The officials at Satna *Zila Panchayat* office, focussing on ground realities, said that the selection of beneficiaries is a major cause for conflict. The bureaucrats try to identify legitimate candidates, while the *Sarpanch* tries to accommodate his supporters or well wishers. Most government officials believe that the new system has enhanced corruption in the system, where the *Sarpanch* has many financial powers but the systems of accountability are not well established. They also feel that *Panchayat* representatives do not have adequate skills and capacities to function as an effective arm of local self-governance.

The new decentralised system of governance has unclear implications at this early stage of implementation, leading to a strained relationship between the frontline bureaucracy and elected representatives. Suddenly, the lower bureaucracy and frontline staff are being held accountable to

the local leadership, resulting in negative attitudes, non-cooperation and compliance by frontline members of the bureaucracy.

Box 1 Lack of mutual understanding between bureaucracy and *Panchayat* members

According to the CEO of *Zila Panchayat*, Shivpuri district: 'The *Panchayat* representatives are unaware or ill-informed about their rights, functions, powers and authority, which often leads to underestimation or overestimation of their roles. And this causes conflict with the bureaucracy. Therefore, it is important to train and orient *Panchayat* members regarding the new *Panchayati Raj* system.' The CEO of *Janpad Panchayat*, Pohari, District Shivpuri, disagrees, and says that conflict is primarily attitudinal. He believes that there is large-scale corruption in the system. The *Sarpanch* is corrupt, but he does not share his largesse with officers or elected representatives of *Gram Panchayat* or *Janpad*. The representatives feel left out and complain against the *Sarpanch*. The CEO of Raigarh *Janpad Panchayat* made a significant observation. He said: 'The amount of resources coming from the State are very small in comparison to the needs and aspirations of the *Gram Panchayats*. Due to this shortage of resources, all *Gram Panchayats* cannot be satisfied and accommodated. This has always led to conflict between *Panchayats* and members of the *Janpad* office as most of the time they are held responsible for non-availability of resources.'

4.4   Intra-institutional power dynamics

In the new *Panchayat* system, it is interesting to note that the three different tiers have an evolving intra-institutional relationship. These tiers have representatives from different backgrounds with different roles and functions. The *Panchayat* system does not have a model of functioning; therefore, relationships and functional processes are evolving with experience on a daily basis. Unfortunately, due to a lack of orientation and capacity building, conflict emerges, largely due to structural problems such as concentration of powers in the *Sarpanch* and lack of significant powers in the upper two tiers. On the basis of field experience, it emerges that intrainstitutional linkages, although well defined, are not being practised at the ground level and need serious attention.

4.5   Views of the community

With the exception of a few places, the community largely felt discontent about the efficiency and effectiveness of the bureaucracy and the *Panchayat* Secretary. It felt that the bureaucracy is neither supportive nor sympathetic. Most villagers felt that block level officials visit villages only to organise and conduct *Gram Sabhas*. The Below Poverty Line (BPL) list is considered bogus by people as they find the actual poor excluded from it. In many places, the community also complained about the *Sarpanch* and other *Panchayat* members. According to several villagers, the *Sarpanch* acts only in the interest of his supporters and not in the interest of the village. Often, there is factionalism in the village and unfortunately the *Panchayat* Secretary and the bureaucracy support one or the other group, leading to considerable tension and very little development in the village.

4.6   Response of the political class

The political class (people involved in electoral and party politics) is responsible for this radical change in the system of governance. However, it has not responded as a homogeneous group to these developments. The changes mentioned earlier were made with the support of the top leadership, but are yet to be accepted by those at the local level. The creation of *Panchayats* has overcrowded the space of elected representatives.

The Indian political system and electoral politics worked to a large extent on a patron-client relationship. This has been disturbed with the introduction of the *Panchayat* system. *Panchayats* and their representatives have emerged as a disruptive element in the patron-client chain in the view of the political class, who now often have to go through the *Sarpanches* to reach the people, resulting in an extra layer in the chain. Political leaders feel their existence is threatened as they cannot directly benefit their cohorts and are forced to route benefits through the *Panchayats*. Secondly, the distribution and control over State resources gave leaders their political power and legitimacy, which, in the new scenario, has to be shared with a new class of grassroot representatives: the *Panchayat* leaders. Thirdly, as discussed previously, all political leaders are jostling for the same political space, which rightfully belongs to leaders of the *Panchayats*. The MPs and MLAs are primarily interested in local developmental functions and roles, while they are yet to understand their role as lawmakers. Fourthly, the political class is feeling threatened by this fast emerging new class of leadership from the grassroots, which is not only local but also has the potential to develop its own mass support-base. Finally, the introduction of the new *Panchayat* system has not only made governance space more democratic but also demands a higher degree of accountability. The leaders who were used to elections once in five years are now being forced into regular accountability by institutions such as *Gram Sabhas*, *Janpad* and *Zila Panchayats*.

The response of the political class cuts across party lines. A group of MLAs from Rewa district, in an informal discussion clearly indicated their apprehension regarding the *Panchayat* system. Most politicians claim that this system is leading to more corruption, poor local governance and under-achievement of its stated objectives. Fortunately, the whole political class is not against the *Panchayat* system. The Chief Minister's commitment to the *Panchayat* is well known and several other senior leaders of the two dominant political parties of Madhya Pradesh also realise the importance and potential of *Panchayati Raj* institutions. However, it is important to emphasise that these senior leaders have not been able to convince their party colleagues to be more responsive to *Panchayats*.

4.7 Operational issues concerning decentralised governance

The perceptions of various stakeholder groups engaged in decentralised governance clearly reflect that:

- The powers devolved to *Panchayats*, especially to *Gram Sabha* and *Gram Panchayats*, have not yet come into practice. Existing practice, where development administration is in control of the process and decision-making, still continues. This is happening either on the pretext of unclear guidelines or perceived weakness of *Panchayats* to manage their affairs.

- There exists an unclear division of roles, power and responsibility within the three tiers of the *Panchayat* system. As a result, the upper tiers are either encroaching on the functions of *Gram Panchayats* or are not performing functions actually assigned to them effectively.

- In spite of favourable Constitutional powers for decentralisation and supportive office orders, there is a constant struggle for control over resources – natural or financial – with the State machinery having an upper hand. A greater need for operationalising powers at the *Gram Sabha* and *Gram Panchayat* levels has been expressed.

As discussed in section 4.2, frequent redefining of the roles and responsibilities of *Panchayats* through amendments and office orders is also a great hindrance. The general operational difficulties being perceived by the various Stakeholders are shown in Table 2**.**

Table 2 Operational difficulties in strengthening PRIs

Stakeholder Groups	Perceptions
Sarpanch	• The list of people Below the Poverty Line (BPL) is decided by government officials and many exclude deserving people. • The Selection of 'Model *Panchayat*' on faulty criteria demotivates others. • *Kotwar* appointed against the choice of *Sarpanch/Panch* by SDO. • In Krishnaganj *Panchayat*, Shivpuri, the *Tehsildar* did not recognise the land delimitation plan approved by *Panchayat*.
Panch/Upsarpanch/ Panchayat Secretary	• The merger of DRDA with ZP has lead to confusion and lack of clarity in execution. • Not allowing the *Panchayat* to use local resources such as ponds and forests etc.
NGOs	• Overruling of *Panchayat's* decision by other tiers.
CEO (ZP)	• Confusion due to lack of awareness amongst the *Panchayat* representatives.
CEO (JP)	• Institutional weakness within the PRI system are evident in the form of various authoritative powers being shared in utter confusion at different tiers. The recruitment of the *Shiksha Karmi* is done by the *Janpad*, his salary and performance is appraised by the *Gram Panchayat*, whereas the power to transfer him lies with the Education Department. Such varied distribution of power for one post creates problems in coordination. • A similar situation exists for the post of *Panchayat* Secretary. While the authority to recruit him lies with the *Sarpanch*, the power to punish him lies with the Sub District Magistrate (SDM) and the authority to terminate him with the Collector. • The criteria for selection of members in the BPL list by the *Sarpanch* contradicts those stated under the PRI system.
Government Officials (Line Departments at the District and Block level)	• The criteria for selection of members in the BPL list by the *Sarpanch* contradicts those stated under the PRI system. • The above issue was reflected once again by officials of the Women and Child Development Programme. The powers to identify beneficiaries lie with the *Gram Panchayat* (GP), whereas the JP sanctions the list. The actual implementers, namely *Anganwadi* workers, are not accountable to the *Panchayat* system. Hence this system creates dissatisfaction amongst *Anganwadi* workers as the responsibility of programme execution is theirs, while power and authority is with GP and JP. • Even after a new beneficiary list was prepared for the IRDP programme in 1998 using the Poverty Head Count method, an executive order was passed to consider the BPL list prepared in 1996.

4.8 Key findings

The key findings that emerge from the analysis of stakeholder perceptions can be summarised in the following manner:

- Attitudinal problems in the bureaucracy and *Panchayat* functionaries is one of the root causes of conflicts, especially while preparing the beneficiary list, identifying construction activity or its monitoring and evaluation.

- The caste and gender of the *Sarpanch* dictate the willingness of the bureaucracy to interact with him/her.

- The bureaucracy has used information as a fulcrum for power and shared it very selectively to suit their own purposes. People view bureaucracy as a 'necessary evil'. Moreover, bribery seems to be a universal feature, while corruption in the bureaucracy or among *Panchayat* members has the potential to delegitimise the system.

- The bureaucracy uses its control over resources as a method of controlling *Panchayats*.

- The capacity of *Panchayat* functionaries, as well as the bureaucracy, needs to be enhanced to understand the intricacies and technicalities of a local government system.

- The village representatives are from the grassroots and are unable to understand the legal and administrative processes, especially when it is compounded by bureaucratic apathy. Thus there is a need to simplify the processes and make decision-making and follow-up less cumbersome.

- The *Panchayat*–bureaucracy relationship seems to be governed by the need to sanction funds rather than by a desire to strengthen the PRIs.

- There is confusion at all three tiers regarding intra-institutional dynamics and attempts by the upper two tiers to transgress clearly defined functional boundaries.

- A system of local self-governance will not be effective if people at the grassroots level feel it is not responsive to local reality. Moreover, excessive dependence on government agenda by *Panchayat* representatives, rather than developing an agenda based on local needs, will prevent *Panchayats* from evolving as autonomous units.

- Gaps between the actual amounts of resources allotted to *Gram Panchayats* and the aspirations of villagers place officials in a difficult position.

- A widespread feeling of discontent prevails in the community. The community knows that the government is making a sincere effort to activate *Panchayats*, but it also recognises internal impediments posed by a sceptical bureaucracy. The community has started distinguishing between the will of Government and that of the bureaucracy. This is an unhealthy trend and the bureaucracy should commit itself to implementing the broader agenda of the government.

- The *Gram Sabha* should be given greater importance. Attempts should be made to strengthen *Gram Sabhas* since they have the potential to rectify distortions emerging in the system, and they are also the best guarantors of accountability of all functionaries involved.

- By and large, interactions with *Panchayat* secretaries conditioned the response of *Panchayat* members regarding the bureaucracy, as their level of interaction with the Secretary is most frequent and close.

- In a number of villages (in all the five districts), the visit of officials to villages (such as the *Patwari*, SDO, Junior Engineer) was seen as an essential and positive criterion for assessing the role of the bureaucracy. A strength of these visits is that they attempt to understand the difficulties faced by *Panchayats* and *Gram Sabha* members.

4.9 Conclusions

A clear picture emerges from this detailed discussion of the relationship between the bureaucracy and the *Panchayats*. Despite five years of experience, a relationship has not been able to evolve and stabilise itself to a situation whereby the bureaucracy plays a supportive role and facilitates effective self-governance by *Panchayat* institutions. Several problem areas remain, such as corruption, lack of willingness to delegate powers to *Panchayats*, respect for the authority of *Panchayats*, etc., and therefore strategic intervention for strengthening and institutionalising the *Panchayat* system is required.

Three important policy points emerge from the discussion. First, strategies are needed to facilitate better and effective cooperation from the bureaucracy. Second, corruption in any quarter has the potential to delegitimise the system, therefore strong mechanisms of accountability from below and top are needed. Third, the State should update its baseline data on the basis of which it can plan government grants, developmental projects and outreach, so that benefits reach the genuine and the needy.

Other points arising from this research study

The bureaucracy should accept and respect the institution of *Panchayats*, otherwise gradually the system will again become dependent on the existing system of centralised governance. This acceptance has to be translated into field reality and should not be limited to being a mere paper exercise. The upper and the lower bureaucracy need to work in tandem to make the system successful. Fundamentally, the *Gram Sabha* needs to be brought onto the centre stage, despite low turnout and poor attendance as it provides the space for people's participation which can make the entire system accountable, transparent and an instrument of effective self-governance. The aim should be to strengthen the *Gram Sabhas* as they not only have the potential to rectify emerging distortions in the system, but also are the best guarantors of accountability of all functionaries involved.

5. Financial Dynamics of *Panchayati Raj* Institutions

Self-sufficiency and fiscal autonomy are of primary importance for the proper functioning of *Panchayati Raj* institutions. Hence, the primary issue of inter-Governmental transfers within the context of Constitutional arrangements is one of rationalising multi-level public finance with multilevel planning and development in the Indian federal polity. The underlying logic of the 73rd and 74th Amendments is to ensure the allocation of functions and finances between all three levels of government, namely Union, States and Sub-state, rather than being limited to only the latter two.

The objective of this chapter is to analyse the financial arrangements of the *Panchayat* system under the Madhya Pradesh *Panchayati Raj* Act. This attempt at reviewing the structure of *Panchayati Raj* finances in Madhya Pradesh has been supported by the analysis of data collected in the form of balance sheets from five *Zila Panchayats* (Seoni, Satna, Shivpuri, Jhabua and Raigarh), a few *Janpad Panchayats*, and seventeen *Gram Panchayats*.

5.1 Measures undertaken by State government for financial devolution

The Madhya Pradesh government has taken several measures to strengthen the financial position of *Panchayats* in the last five years. Some of the more important are:

- After the acceptance of the State Finance Commission's (SFC) recommendation in 1997, the State government transferred 2.91% of the total income (of the State) to the *Panchayats*. This worked out to Rs167.30 *crore* in the year 1997–8. To overcome administrative impediments in the implementation of programmes and schemes, the government merged the Block Development Office (BDO) with the *Janpad Panchayat* and also created the post of Chief Executive Officer to head the *Janpad Panchayat*.

- Prior to the new Act, rural development and poverty alleviation programmes were under the District Rural Development Agency (DRDA). To avoid delays and administrative bottlenecks, the State government merged the DRDA with the *Zila Panchayat*. This move was also designed to provide the *Panchayats* with more teeth in undertaking rural development and poverty alleviation programmes. However, in reality the control has largely remained with the bureaucracy and the district administration, including the line departments.

- The power to grant extraction rights of minor minerals was transferred to the *Gram Panchayats* for generating additional resources.

- The functions of 22 departments with financial implications, including Education, Women and Child Development, Rural Industries, Food and Civil Supplies, have been transferred and brought under the purview of *Panchayats*.

- The State government has devolved grants to all three levels of *Panchayats* in accordance with the recommendations of the Tenth Finance Commission. This has been in the ratio of 3.45% to *Zila Panchayats*, 8.04% to *Janpad Panchayats* and 88.52% to the *Gram Panchayats*.

To strengthen the cooperative mechanism of the *Gram Sabha*, a new section was incorporated in the Act to make it mandatory for the *Gram Panchayat* to accept suggestions given by the *Gram Sabha*.

Review of the District Planning Committee

District Planning Committees (DPCs) are vital institutions in the development finance matrix of *Panchayati Raj* institutions. The review of DPCs, based on the study of five districts, shows that functioning has not been as effective as expected. One of the main drawbacks is that the DPCs have functioned more as agents of MPs and MLAs than for PRIs. It is perceived that local MLAs and MPs have more influence over the DPC process than do representatives of PRIs. The DPCs have remained notional as *Zila Sarkar* has taken over the role of DPCs where the concerned Minister for the district plays an important role. The District Planning Officers have revealed that the government has not allocated funds for preparation and implementation of plans. The district-level planning process still remains weak and fund flow mechanisms bypass DPCs. Therefore, there are areas of duplication and gaps in the development finance resource planning process. Moreover, the critical role of DPCs to respond to the demands emerging from communities is not played effectively.

State Finance Commission

In accordance with Article 243–I of the Constitution, in 1995the State government established the State Finance Commission consisting of three members, including the Chairperson. The State Finance Commission submitted its report in 1996, wherein the following recommendations were made:

- The Commission recommended that Rs152.33 *crore* be granted to 30,922 village *Panchayats* from the consolidated fund of the State during the year 1996–7. Following this recommendation the State government transferred Rs167.30 *crore* in the year 1997–8 to the *Panchayats*, which was 2.91% of the total income (of the State).

- On the basis of the principle of 'global sharing' or universal sharing of resources, the following two alternatives were recommended for determining the quantum of share payable to *Gram Panchayats* from the gross resources of the State:

  - 2.91% of the total tax and non-tax revenue of the State government collected during the preceding year. The government has accepted this recommendation and it devolved Rs16,730.50 *lakhs* in 1997–8 and Rs18,911.00 *lakhs* in 1998–9.

  - If the principle of releasing funds from the net revenue of the State is adopted, then an amount equal to 3.24% of net proceeds of total revenue of the preceding year is recommended to be released, provided that while computing the net receipts, the limit of administrative expenditure on collection of revenue would be committed to a maximum of 10% of the gross revenue.

- Grants-in-aid

  - General-purpose grant:
    General purpose grants of Rs14.65 *crores* and Rs1.50 *crores* should be given to the *Zila* and *Janpad Panchayats* respectively. These funds should be released with an increase of 10% every year, taking 1995–6 as the base year.

  - Tied grant-in-aid for specific purpose:
    The amount provided by different departments of the State government for their work entrusted to *Panchayats* or to be accomplished through *Panchayats* should be released in the form of a specific grant-in-aid.

  - Agent grant-in-aid for sponsored programmes:

For sponsored programmes the *Panchayati Raj* institutions should be paid 2.5% of the total provision for such programmes as an agent grant, which is to be adjusted within the budget of the concerned department.

- Incentive grant:
  The State government may fix targets of revenue recovery for *Panchayats*. A procedure of awarding an incentive grant to units that exceed their targets of collection of revenue should be started.

- Establishment grant:
  The State government has prescribed a certain amount of honorarium for officers and administrative personnel of the three-tier *Panchayats*. Hence, in the light of guiding instructions of the State government, an amount of Rs6.76 *crores* of committed expenditure should be released in the form of an establishment grant-in-aid, with effect from base year of 1995–6 (and in the forthcoming years by assessing actual expenditure). An amount of Rs150.00 *lakhs* was devolved to *Zila Panchayats* in 1997–8 and Rs150.00 *lakhs* in 1998–9.

- Non-recurring grant:
  The State government should sanction a one-time non-recurring grant (at the discretion of the State government) for furnishing and maintaining the offices of *Panchayati Raj* institutions.

- Specific grant-in-aid (Recommendation of the Tenth Union Finance Commission):
  From the total amount of grant to be received as per recommendations of the Tenth Union Finance Commission, 50% or Rs43,559 *crores* should be distributed in the form of a general purpose grant among village *Panchayats*. This amount is to be distributed at the rate of Rs12.50 per person, on the basis of 1971 population, through the district *Panchayats*.

- Additional Resources

  - Revenue from forests:
    The management and maintenance of Revenue Department forests within the geographical area of the *Gram Panchayat* should be entrusted to them to augment their source of revenue.

  - Revenue from *mandis*:
    In rural areas, agricultural *mandis* have enormous potential for mobilising resources through taxes and levies. This needs to be transferred to *Panchayats*.

  - Institutional Finance Establishment of Rural Development Fund

5.2   The process of devolving finance in *Panchayats*

According to the State *Panchayat* Act, the *Gram Panchayat* as the basic unit of decentralisation has been assigned basic functions, unlike the other two tiers of *Janpad* and *Zila Panchayats*. The latter two have been assigned the responsibility of working as nodal agencies for different development programmes. This study found that in a majority of programmes, the devolution of funds is from *Zila Panchayat* to *Gram Panchayat*, with the result that *Janpad Panchayat* has been reduced to the status of merely approving the process of implementation of various programmes. In the context of funds for the Employment Assurance Scheme and the Rajiv Gandhi Watershed Mission, the village level committees received funds from the State government routed through the *Zila Panchayat*. This shows that fiscal autonomy at the sub-State level may become an unworkable proposition in the long run if such complexities and delinking of certain tiers is allowed to persist. The study also points out that the finances at the disposal of the *Zila* and *Janpad Panchayats* are far too meagre for them to discharge their functions, since they have few powers to impose taxes and collect duties. The deliberate delay on the part of the sanctioning authorities to disburse has only compounded the crisis.

5.3   People's perceptions on financial arrangments for *Panchayats*

It was considered important to establish the awareness of various stakeholder groups regarding the various schemes and types of expenditure *Panchayats* have incurred. The transparency of information about finances is one of the key values for democratic governance.

Sarpanches of the sampled *Panchayats* know about government schemes and headings under which resources are transferred. The community, especially women, know about the old-age pension scheme, *Jawahar Rojgar Yojana* (JRY), midday meals schemes and construction of schools and roads. However, it is important to emphasise that their information is often incomplete. Often the *Panchayat* Secretary does not share all information with the elected representatives and this leads to information gaps. Despite these gaps, the level of awareness of *Sarpanches* about the sources of income and expenditure of *Panchayats* is reasonably high. It is important to note that different stakeholders in the *Panchayat* system have differential access to information and therefore different notions of *Panchayat* income and expenditure patterns. Table 3 gives the detailed perceptions of different stakeholders regarding the income and expenditure of *Panchayats*.

The *Sarpanch*, *Upsarpanch* and *Panches* have identified some local resource-generation sources such as water tax, lease of ponds/lakes, land tax, and *kanji* house tax. However, there is a general observation that local resource generation in *Panchayats* is very poor. *Panchayats* find it difficult to levy taxes, as *Panchayat* representatives and the community feel that basic services provided by the State are inadequate, namely roads, light, drinking water facilities and drainage, and therefore asking for a tax makes no sense. Moreover, *Sarpanch* and *Panchayat* members do not want to be unpopular. The community also has less faith in the honesty and management capacities of *Panchayats* for proper utilisation of resources either received from the government or generated from the community.

The community stressed expenditure on school buildings, *Panchayat* buildings and many other public works. There is a general perception within NGOs and CEOs of *Zila Panchayats* that *Sarpanches* are more interested in construction activity as it allows them to make some money on the side. Considering the existing level of infrastructure available in villages, the emphasis on labour intensive infrastructure development is not irrational. However, the transparency of accounts, as well as accountability of the *Sarpanch* to the *Gram Sabha*, are issues for various stakeholder groups.

Table 3 Perceptions by different stakeholder groups of sources of income and expenditure of *Panchayats*

Stakeholder Groups	Sources	Expenditure
Sarpanch (President)/ *Upsarpanch* (Vice President)/ *Panch* (Ward Member)	*Jawahar Rojgar Yojana* (JRY), Integrated Rural Development Programme (IRDP), Xth Finance Commission, Member of Legislative Assembly's (MLA's) Fund, *Mool Bhoot Yojana*, *Indira Awas Yojana* (IAY), Development of Women and Children in Rural Areas (DWCRA[4]), *Janpad Panchayat* (JP) and *Gram Panchayat* (GP) Fund, Old Age pensions, *Anganwadi*, Employment Guarantee Scheme, Training for Rural Youth for Self Employment (TRYSEM), Prime Minister's *Rojgar Yojana* (PMRY), *Rajiv Gandhi Siksha* mission, MP fund, *Nal Jal Yogana*; Own sources: Taxes from house, road, market, vehicle, electricity, business, *Panjikaran* (registration), *Jeevan Dhara*, Loans, Water tax, Lease of ponds and lakes, *Kanji* tax, Wealth tax, Land tax for giving *Patta*, all local taxes; Government fund, tax, contract, janpad, ignorant about tax/fund disbursement, block, IRDP, MLA fund, Zila Panchayat (ZP) fund, IAY; Disbursement by *Sarpanch*, *Panch* and *Panchayat* Secretary. In Raigarh, nobody pays taxes though they exist. Own source: Flayers contracts	Construction work such as school building, *Panchayat* Bhawan, road, *Mandir*, *Kanji* home shed, *Culvert Nalla*, Primary Health Centre (PHC) etc. Lighting of public lamp post, shops, electrification, salary to *Panchayat* staff, bore well, water supply, meetings, repair work; Stationary items for *Panchayat* use; Salaries to Watchman, operator (water supply), electricity bill payment, repair of schools, cleanliness drive; Largely no knowledge about expenditure avenues in most *Panchayats*. Buying furniture for *Panchayat Bhawan*; construction of shed, roads; setting up Ayurvedic hospital, school, water tank, bridges, etc.
Panchayat Secretary	JRY, EGS, IAY, IRDP, Old age pension	
Community Representatives General	No work done in dependent village. Largely no response/Old Age pensions; JRY *Sarpanch* knows corrupt *Sarpanch* misusing government funds.	Construction work such as school; construction of school, road, building, *Panchayat Bhawan*, road, *Sabha Manch*, *Shanti Bhawan*, Temple, *Kanji* house, shed, *Culvert*, drains, Primary Health Centre etc.
Community Representatives	Government resources not enough, Old Age pension, JRY, midday meal	Only in the knowledge of *Sarpanch* and Secretary.
Women and Marginalised Sections	Meal at school, construction of metal road, IRDP.	Construction of *Panchayat* building, school building, community hall.
CEO (ZP)	Local resources not possible to generate since people generally earn money as casual labourers.	As construction activity gives *Sarpanch* a chance to make money, he takes it up.
CEO (JP)	Government funds are released according to their heads as per prescribed standards of law.	

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[4] An assistance programme for poor females and their infant children

5.4   Financial position in three tier system

The analysis of the financial position of the *Panchayati Raj* system in Madhya Pradesh is based on a scrutiny of balance sheets collected by the study team. The balance sheets prepared by *Panchayats* are not properly maintained and do not follow a standard format; therefore, aggregation and analysis of all the 60 *Panchayats* is not feasible.

Zila Panchayat

An analysis of the inflow of funds shows that the *Zila Panchayats* received maximum funds from State and Central Governments. Grants from the State government were high until 1996–7, with the average grant being 96.38% of the total income. The total inflow in absolute terms increased by 23.86% in 1995–6 as compared to 1994–5. In 1996–7, it increased by 12.96% as compared to 1995–6. After the merger of DRDA with *Zila Panchayat* in 1997–8, the grants from Central government began to increase. In terms of percentage of total inflow, the share of own resources and share in revenue of State government is negligible, but in actual amount it has been gradually increasing in the period covered.

From 1994–5 to 1996–7, the maximum outflows were in the form of expenditure on general administration and a small percentage was for the provision of basic services. The *Zila Panchayat* allocates funds of Central and State-sponsored programmes to the lower tiers.

The extremely poor resource situation of *Zila Panchayats* at all levels, the declining importance of untied funds, and the place of JRY grants indicate that the importance of autonomous decentralised planning in the State has been on the decline. Tied grants dominate *Zila Panchayat* finance. Under such a system of granter–grantee relationship, very little autonomous development and self-rule can happen. Under a grant dominated financial regime, the promotion of fiscal discipline and autonomy becomes complex. MP and MLA funds, which are now being disbursed to Rural Engineering Services for undertaking development activities, ought to be routed through the *Zila Panchayats*. The patron–client relationship prevailing at the local level and the political dynamics of gaining credit in the context of implementation are significant reasons for the political elite to oppose any proposal for disbursement of these funds to *Zila Panchayats*.

Janpad Panchayat

Structured as the middle tier in the *Panchayati Raj* system, and without the power to intervene directly in villages, the functions of *Janpad Panchayats* are similar to that of *Zila Panchayats*, with the distinction evident only in the context of area of operation. The assigned functions are in the context of coordinating, evaluating and monitoring the activities of *Gram Panchayats*. It also has the responsibility of supervising and consolidating the plans of *Janpad Panchayats*. The study team visited 12 *Janpad Panchayats* to examine their financial arrangements. A sense of general apathy and lack of awareness regarding fiscal issues was evident and this is corroborated in the availability of only five balance sheets for the study.

Before 1997, the *Janpad Panchayats* received grants only from the State government routed through the *Zila Panchayat*. The funds are utilised in meeting administrative expenses and in the management of public markets, *melas* and festivals. The power to impose entertainment tax, initially given to *Janpad Panchayats*, was revoked following jurisdictional conflicts with the district administration, and this is an indication of the extent to which the institutionalisation process of fiscal autonomy has progressed at the local level. Even after the merger of the Block Development

Office with the *Janpad Panchayat* in 1997, the power to devolve funds for most programmes still lies with *Zila Panchayats*. From 1997–8 onwards, on account of receiving a 15% share of the JRY funds, the *Janpad Panchayats* are required to undertake developmental activities in more than two *Gram Panchayats*. All this has given rise to the unclear understanding about the role of *Janpad Panchayat* and doubts have emerged over their relevance.

Gram Panchayat

The operational success of the decentralisation process is dependent to a large extent on the efficient functioning of the *Gram Panchayat*, which is regarded as the basic unit of the *Panchayati Raj* system. To augment their financial resource base, the *Gram Panchayats* have been given taxation powers and the power to generate revenue from the *Kanji* house, from leases on ponds and taxes and royalties from minor mines. The study team collected balance sheets from only 17 *Panchayats* out of the 60 visited. This was due to the visit coinciding with the electoral process and also since financial records were simply not maintained in most of the *Panchayats*. It clearly reflects low capacities at the *Gram Panchayat* level for financial recording keeping and more importantly a low level of transparency in the majority of *Panchayats* studied.

The analysis of balance sheets of 17 *Gram Panchayats* shows that grants from Central and State-sponsored programmes were high for the five year period covered. But viewed in percentage terms, there is decreasing trend as seen from the high in 1994–5 of 85% to 45% in 1998–9, as a percentage of the total income and revenues of the *Panchayat* in the respective years. The grants are disbursed for undertaking programmes under JRY, TRYSEM, Old Age Pension Scheme, etc. The grant-in-aid has gone up from 11% in 1994–5 to 35% in 1997–8 and 26% in 1998–9. From the financial year 1996–7 onwards, the State government began devolving funds received on the basis of recommendations of the Tenth Finance Commission. The spending pattern of these funds is clearly specified, with the result that *Gram Panchayats* lack autonomy with regards to the spending of these funds. The projects prescribed are building of schools, *Gram Panchayat* offices, construction of *Kharanja* and small bridges, drainage systems and handpumps, etc.

Gram Panchayats generate revenue through local resources by imposing compulsory and optional taxes as prescribed by law. Compulsory taxes include property tax, light tax, professional tax, market tax and animal registration fees. Optional taxes are levied on bullock carts, cycles, *dharmshalas* and lodges. The local revenue generation has been as high as 4.01% in 1997–8, and as low as 1.99% in 1998–9 (of the total revenues). Although the *Panchayat* Act has assigned taxation powers to the *Gram Panchayats*, very few of them have exercised this power due to certain logistic constraints. For example, property tax cannot be imposed due to lack of capacity to evaluate; while land and toilet tax cannot be imposed since the presence of toilets in rural areas is abysmally low. Many *Gram Panchayats* are also unaware of their power to impose professional tax ranging from a minimum of Rs100 to a maximum of Rs14,000, according to income. The significance of these taxation powers is very low due to a poor collection system and a lack of awareness. Moreover, to impose taxes risks becoming unpopular and losing at future elections. Discussions with the *Sarpanch* of Khawasa *Gram Panchayat* in Seoni district revealed that although the Secretaries of *Gram Panchayats* have the responsibility to collect taxes, they felt that it was not their duty to force the community to pay.

5.5　Different perspectives of financial devolution

Since a certain percentage (about 7% in Madhya Pradesh) of rural development funds now go directly to the *Panchayats* and as decisions regarding beneficiaries of various government schemes

are meant to be taken at this level, there is more transparency about these dealings. As information about these funds is now locally available, the village community can now observe the deals, honest or otherwise, at first hand. It is hoped that this will lead to greater public awareness and control.

There is a general feeling across stakeholder groups that corruption is the root cause of inefficient delivery of services. The *Sarpanch* and *Panches* were of the opinion that a lot of resources were wasted in securing the releaase of funds, as the government procedures were tedious and officials demand bribes.

Table 4 presents the different perceptions and opinions of diverse stakeholders in the *Panchayat* system on the limitations and possible suggestions for improving the financial devolution process for *Panchayats*.

Table 4 Perceptions of different stakeholder groups on financial devolution

Stakeholder Groups	Perceptions
Sarpanch/*Upsarpanch*/*Panch*	• The interest of government focuses on the *Panchayat* village and not on subsidiary village(s). • The ownership of the village pond should be handed from government to the *Panchayat* so that the latter may gain from revenue earnings. • Although money is being approved for the maintenance of amenities such as handpumps, not many repairs are carried out by Department officials. • The incidence of bribes for funds given by government is high. • Most government officials ask for a fixed share from government allocated money before releasing it. Non-compliance causes inordinate delays and difficulties for the *Sarpanch*. This further undermines the accountability of the *Sarpanch* in his constituency. Only 75% of allocated funds reach the GP because of bureaucrats.
Panchayat Secretary	• More financial power should be given to *Panchayat* representatives. • Budget heads should not be prescribed by the government for utilisation of tax collected by GP. • More financial powers should be given to PRI representatives. • Rights/powers have not been utilised properly. • Operationalisation of funds needs to be carried out in a timely fashion.
General Community (men and women of upper castes and marginalised castes)	• The trend to take bribes has also begun at the level of *Panchayat* Secretary.
Marginalised Community/Women	• Some development work has taken place in the last five years.
Grassroots and District NGOs	• There is no dearth of funds but utilisation is improper. • Rights over local resources (including natural resources) should be given to the *Panchayat*. Revenue earned from these resources would reduce the dependency of *Panchayat* on government funds.
CEO (ZP)	• GP is too dependent on centralised funding which might prove to be a constraint since the availability of funding is not a criterion of performance. • Taxation powers are not the right way of financial devolution to *Panchayats*. Government should try to encourage *Gram Sabha* (GS) members to contribute towards development work.
CEO (JP)	• *Panchayats* should be given authority to use local resources as a means to earn revenue. • Taxation is a major problem for *Panchayats*. The *Panch*/*Sarpanch* do not levy taxes for fear of losing votes. The government should penalise the *Panchayats* for this. • The *Sarpanch* has enough funding resource through the government, therefore there is very little chance of his making any effort to collect taxes. The amount of tax collected will also be very small.
Representative of JP and ZP	• Taxation powers are not prescribed in a proper way.
Government officials (block and district level) of different developmental departments	• Some innovative ways of taxing should be introduced by the government. The power of collection should be given to the JP and ZP and the respective secretaries should be made responsible. • GS should be encouraged to contribute towards development works. This will create a sense of importance amongst villagers.

Part III *Panchayats* and Political Change:
Issues of Participation, Leadership and Empowerment

The introduction of the *Panchayat* system through a Constitutional Amendment has had significant political implications. One of the primary objectives of the post 73rd Constitutional Amendment *Panchayat* system was the organisation of institutions of local self governance which would initiate political processes leading to leadership development, empowerment and participation in self-governance of hitherto marginalised sections of the society. Significantly, the 73rd Constitutional Amendment of the Constitution ensured the inclusion of marginalised sections through different clauses (as discussed in the previous sections). The six years of functioning of *Panchayati Raj* clearly reflects that it has made significant impact on the socio-political processes, leading to substantial social churning in the case of women. However, the tribal communities and the general rural community have not been galvanised into taking on the role of effective self-governance. In this entire process, civil society and the voluntary sector has attempted to play the important role of strengthening the *Panchayats* system in the belief that it is a people's institution, which has the potential for social justice and people centric development.

This section looks at these issues of participation, leadership and empowerment. Firstly, the institution of *Gram Sabha* is analysed – a constitutionally mandated body for the entire community to participate in self-governance and to maintain accountability of the system. Secondly, the impact of *Panchayats* on women from the perspective of participation and empowerment is analysed to assess the efficacy of *Panchayats* as agencies of social change. The tribals, constituting a large part of the population of Madhya Pradesh, have their own culture, specificities and issues. The third section looks into *Panchayats* in tribal areas, again from the perspective of inclusion and empowerment. Finally, the attempts of the voluntary sector to strengthen the *Panchayat* system are examined.

6. People's Power: The *Gram Sabha*

The *Gram Sabha* could be the most powerful foundation of decentralised governance by ensuring elected representatives are directly and regularly accountable to the people. The aim of the government of Madhya Pradesh has been to strengthen the *Gram Sabha* by introducing favourable policy changes. However, the *Gram Sabhas* are yet to become operational entities and to do justice to their potential for making the *Panchayat* system truly self-governed and a bottom-up structure.

Some of the key features of the *Panchayati Raj* Act in relation to *Gram Sabhas* are as follows:

- The quorum for a *Gram Sabha* meeting remains one tenth, but after the Amendment of Article 6 of the Act, it is essential to have one-third of the quorum as women members.

- The *Gram Sabha* will work as a supervisory body, and audit and regulate the functioning of *Gram Panchayats*.

- Recommendations of the *Gram Sabha* will be binding on the *Gram Panchayat*.

- The *Gram Sabha* can approve as well as audit expenditure up to three *lakhs*.

- The *Panchayat Karmi* (*Panchayat* Secretary appointed by the *Panchayats* but drawing salary from the state government) can be removed from his/her post only if the *Gram Sabha* approves it.

- All the villages within a *Gram Panchayat* can have separate *Gram Sabhas*.

- The *Gram Sabha* will have the right to recall the *Sarpanch* after two and a half years of commencement of his/her tenure.

The key roles entrusted to the *Gram Sabha* are microplanning, social audit of *Panchayat* functioning, ratification of *Panchayat* accounts, balance sheets, identification and approval of beneficiaries, and supervisory and regulatory functions.

6.1 Assessment of the functioning of *Gram Sabhas*

The following indicators were chosen for assessing the prevailing situation in the field:

- Participation and level of awareness of the *Gram Sabha*

- Issues of discussion and the process of decision-making

- Pattern of leadership

- Capacity of *Gram Sabhas*

- Transparency and accountability of the three tiers (GP, JP and ZP) to the *Gram Sabha*.

Participation and level of awareness of Gram Sabha

Participation in *Gram Sabha* meetings is, by and large, low. Often the quorum is not as prescribed or the register is taken from house to house to get signatures for the requisite quorum. The reasons are varied and have been illustrated in Figure 1. Low participation can be mainly attributed to the strong caste, class and gender divide in villages. On the basic question dealing with the awareness

of villagers regarding the existence, functions and rights of the *Gram Sabha*, a very high majority of people seemed completely ignorant.

Figure 1 Reasons for low participation in *Gram Sabha* meetings

Hesitation among women to actively participate because of social taboos

Weaker sections prevented from benefiting from financial aids

General perception exists that meetings are meant for higher echelons of society

Strong perception of the non-utility of meetings

Complex nature of village social structure prohibits participation of the weaker sections

Reasons for low participation

Lack of awareness about meetings

Sidelining of marginalised sections in decision-making

Lack of awareness amongst women about their role and rights in *Gram Sabha*

Either *Munadi* not performed or misleading content of *Munadi*

Inconvenient meeting venue

In all the group discussions, it was found that people were unaware of the outcome of recommendations and decisions of the *Gram Sabha*. Any exceptions to this rule were primarily due to the intervention of well-meaning facilitators. For example, in Krishnaganj *Panchayat* of Shivpuri district, the awareness level was high and could be attributed to a higher level of literacy in the village. The location of the block office in one of the wards of the *Panchayat* has also added to this greater awareness. Similarly, Gadgaon and Patelpalli *Panchayats* of Raigarh district showed a high level of awareness amongst villagers regarding the existence of a *Gram Sabha*. In these two villages, the intervention of a civil society actor (*Lok Shakti*) has helped in spreading awareness.

According to a *Panchayat* Secretary of Jhabua district, the *Gram Sabha* generated a lot of enthusiasm during the 1995 to 1997 phase. Studies conducted by Samarthan also indicate the probability of a decreasing trend in participation in *Gram Sabha* meetings. According to a survey carried out in Gwalior region by Samarthan in 1996, the average attendance at the *Gram Sabha* was a high 46% amongst the 49 randomly selected *Panchayats*; whereas another study conducted in 25 randomly selected *Panchayats* in different parts of the state by Samarthan in 2000 suggests it was then only 17.5%. These two studies reflect a trend that is corroborated by NGO workers and even government officials across the state.

Issues and processes in decision-making

The issues discussed at *Gram Sabhas* were more or less the same across all districts. They generally pertained to the agenda set by the government, namely beneficiary selection list and infrastructure development. The agenda of these meetings is given to the *Gram Panchayat* a week prior to the meeting. This has its own ramifications on the pace of decentralisation of power in the state, as illustrated in Figure 2.

Figure 2 Lack of space for local issues of *Gram Sabha*

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            State led agenda of Gram Sabha dominates
                            |
                            v
                  Agenda of Gram Sabha
                            |
       +--------------------+--------------------+
       |                    |                    |
       v                    v                    v
  Lengthy agenda    On centralised schemes   No room for local issues
                      and programmes
       |                    |                    |
       v                    v                    |
       +--------------------+                    |
                            |                    |
       +--------------------+--------------------+
       |                    |                    |
       v                    v                    v
  Piece-meal solution  Real problems of village  Greater dependency of the
                        not addressed            people for solutions and
                                                 resources on the Government
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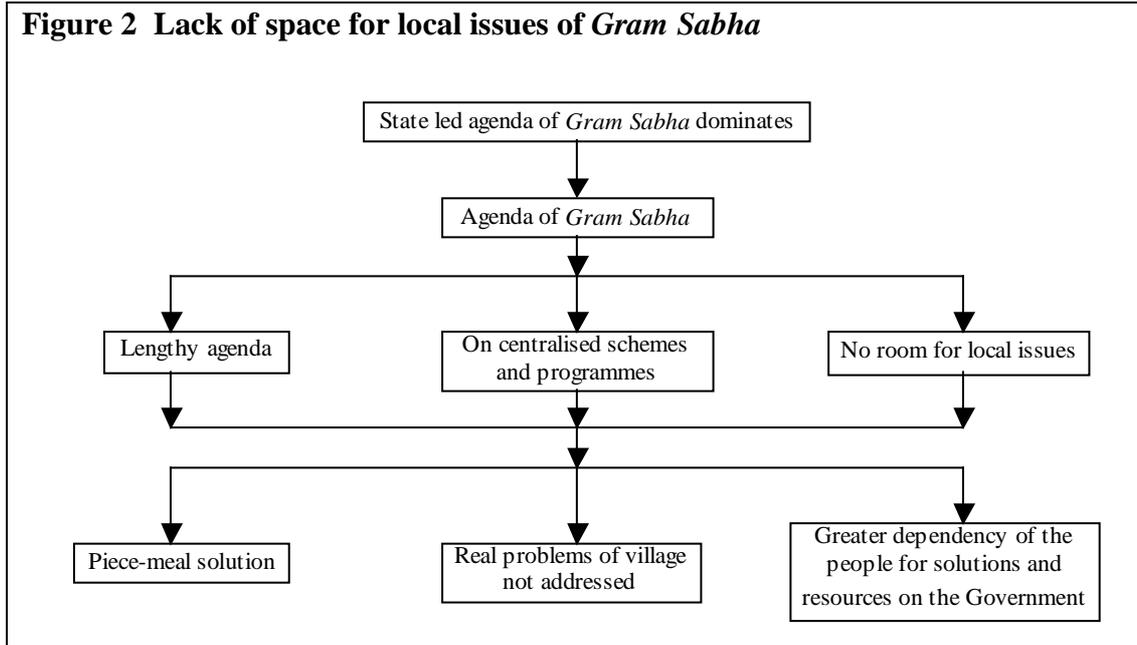
It is important to understand the process of decision-making to gain an insight into the status of participatory governance. The study observations reveal that the *Sarpanch* and other influential people still dominate the decision-making processes. Significantly, from in-depth questioning of people who attended *Gram Sabha* meetings the fact emerged that in all the 60 *Panchayats*, most decision-making was through a consensus. None of the *Gram Sabhas* had any experience of voting on any account. The groups unhappy with the functioning of the *Gram Sabha* also did not oppose the consensus. On further probing, it was discovered that villagers live in a close-knit community, which is based on interpersonal relationships. The marginalised groups are economically dependent on the more powerful sections of the village community. The village social and economic milieu is such that people are interdependent on each other. Therefore, open confrontation is not possible. The existing social and economic disparities determine the participation and involvement of the poor, marginalised and women in *Gram Sabha* meetings.

Pattern of leadership

Two prominent and sharply contrasting groups leading the *Panchayats* could be distinguished. One was the group of traditionally influential representatives, and the other that of new entrants. The performance and efficacy of *Panchayat* members is strongly influenced by caste and class distinctions. Often the traditionally influential leaders come from upper castes and are landowners having a high position in the socio-economic hierarchy of the village. On the other hand, due to reservations for the disadvantaged castes in *Panchayats*, newly emerging leadership is in many cases from schedule castes and not so economically well-off sections of the rural society. *Sarpanches* belonging to traditionally influential groups carried out development work in areas forming their support-base. On the other hand, the new *Sarpanches*, elected from non-traditional groups, faced stiff resistance to all their plans of development from traditional groups. Alternative leadership for the *Gram Sabhas* does not emerge from the *Panches* or other elected members of the *Gram Panchayat*. However, it is interesting to note that in specific *Gram Panchayats*, helped by intervening agencies such as supportive bureaucrats or civil society actors, opposition has been built against corrupt *Panchayat* functionaries (Box 2).

Box 2 Challenging traditional leadership

The *Sarpanch* of Khawasa *Panchayat*, Seoni district, had to face stiff opposition from *Gram Sabha* members and a majority of *Panches*. Nine out of 17 *Panches* and most of the *Gram Sabha* members were opposed to a highly corrupt *Panchayat* Secretary. The *Sarpanch* supported the Secretary, but the opposition made it an issue of values and principles. Despite an enquiry order from the top state level bureaucracy, the investigation was incomplete. Therefore, the majority of *Panches* and *Gram Sabha* members boycotted the *Gram Sabha* meeting. As a result of this protest, the SDM had to intervene and only after his assurance of quick action did they attended the *Gram Sabha* meeting.

Transparency and accountability in Gram Sabhas

Accountability is by and large poor in the *Panchayat* systems in all the districts studied. A group of men of Sohawal *Panchayat* of Satna district said: 'The *Sarpanch* is all-powerful in the present system and no other person has any say in *Panchayat* matters.' Therefore, according to them, the present system is not *Panchayati Raj*, it is actually *Sarpanch Raj*.

Perceptions of accountability varied from place to place. A group of women of Rumal *Panchayat*, Seoni district, felt that the *Sarpanchpati* had taken great pains to develop the area and therefore the question of corruption did not arise. Also, when an area has seen so much development activity, there is no need for accountability. A group of youths from the same village said: 'Development is a priority in rural areas, and since accountability was never there in earlier systems, it is also not important now.'

Transparency in the affairs of the *Gram Panchayat* is almost non-existent. The *Gram Sabha* is not aware of the *Gram Panchayat* functioning and there is a communication gap between these two bodies. The actual target groups of the government's welfare programmes also do not have access to information from the *Gram Panchayat*. A group of schedule caste women from Bada Khutaja *Panchayat*, Jhabua district, said: 'Even though we fall in the 'Below Poverty Line' list, no benefits have reached us, and all the benefits of welfare schemes are being shared by the *Sarpanch*'s relatives and his men. We do not even get to know the criteria for selection of beneficiaries.' However, the picture is not so dismal in all *Gram Panchayats*. In Chandanpura *Panchayat* of Shivpuri district, a youth group said they constantly query different aspects of *Gram Panchayat* functionin, even going through the records maintained by the *Panchayat*.

The concept of participation as an important part of the process of *Panchayati Raj* is rarely seen in practice. In fact, in retrospect, it seems inevitable that people of influence would look at larger community participation with hostility. One reason for this could be that even where the *Sarpanches* concerned were motivated and effective, they usually do not operate totally above board. A number of additional expenses have to be taken care of or borne by them, including those for travel and food, local hospitality for visitors etc., which cannot be claimed as working expenses. These are then adjusted against other expense categories with the help of the *Panchayat* Secretary, and possibly, the connivance of some other *Panches*. In this kind of functioning, transparency certainly comes in the way of fudging expenses. Even other *Panchayat* members, on becoming party to petty accounting jugglery, may demand their pound of flesh. However, other causes leading to corruption seem more problematic. Elected representatives may consider it their right to compensate for expenses incurred in contesting elections, and these may be more significant at the *Janpad* and *Zila* level.

6.2   Factors affecting the performance of *Gram Sabhas*

The vibrancy and efficacy of the *Gram Sabha* will remain dismal if it does not possess the capacity to perform assigned roles and responsibilities. This question becomes more pertinent in a socio-cultural milieu where human resource development is low and society is deeply fragmented and hierarchical. A stakeholder group analysis (Annex 4) of reasons for ineffective functioning of *Gram Sabhas* was useful in identifying the causes.

The *Gram Sabhas* do not have the basic capacity needed for planning, and therefore, most of them do not develop a micro plan. The necessary technical inputs are also not available. In some places where the plan is made, it becomes too ambitious. Not much thought goes into the utilisation of available resources and methods of raising further resources. The *Gram Sabha* feels it is completely dependent on the government for funds and grants.

However, *Gram Sabhas* do have the potential to carry out effectively the roles and responsibilities entrusted to them with a little support and facilitation. In the Kalotra *Panchayat*, Shivpuri district, the Collector took the initiative in helping *Gram Sabha* members to articulate their demands and needs. The Collector personally visited the *Panchayat* and ensured that the right information reached the *Panchayat* members. The voice of the villagers articulated by the *Gram Sabha* is then heard and respected by the upper tiers of *Panchayat* and district administration. The Collector was also instrumental in making the administration assist and support the *Sarpanch* in executing their responsibilities efficiently. Therefore, due to moral and direct administrative support, gradually, over a period of time, both the *Sarpanch* and the *Gram Sabha* showed marked improvement. With such administrative support and an enabling environment, the efficiency of *Gram Panchayats* and *Gram Sabhas* are improving. The government and civil society must facilitate the process. However, the fundamental task of improving the human development index (HDI) of the villages should not be ignored, as it can provide long-term solutions for enhancing the capacity of the people's institutions.

6.3   Key findings

Procedural issues

- Field experience suggests that most *Gram Panchayats* held only mandatory *Gram Sabha* meetings every three months. The date or week of these mandatory meetings was decided by the district administration while the agenda still mainly revolved around a review of government development schemes.

- The agenda of the meeting was lengthy and time consuming, precluding discussion of any other issues (not included in the government agenda).

- The general feeling amongst villagers, since they were not consulted in drawing up the *Gram Sabha* agenda, was a sense of apathy in their involvement in its affairs. Discussions were merely limited to issues such as beneficiary selection, etc. There was no discussion or agenda for action on community issues and/or local problems.

- Dominance of *Gram Sabha* meetings by the *Sarpanch* and others in the local power axis led to widespread indifference among people about the usefulness of *Gram Sabha* meetings.

- Matters related to monetary benefits gained ground over more significant issues of development and participatory governance.

- Distance from the meeting venue and inflexible timings posed constraints for effective participation, especially for women, daily wage earners and people living in peripheral villages.

- People felt that benefits accrued from *Panchayati Raj* were going to the *Sarpanch's* own village instead of trickling down to other villages of the *Panchayat*.

- A common perception amongst *Panchayat* representatives was that the upper two tiers did not favourably respond to plans proposed and forwarded by the Gram Sabha.

- The implementation of government schemes and achieving targets consumed more time and had priority over other important village issues. This resulted in limited participation of *Gram Sabha* members in the meetings.

Gender issues

- Issues of improvement of status of women were not discussed in *Gram Sabhas*, even in those *Panchayats* with a female *Sarpanch*.

- It was observed from visits to *Panchayats* that women from most villages were unaware about their rights to attend GS meetings. Women as a group have been unable to assert themselves in the *Gram Sabha* meetings.

Participation and decision-making

- The participation of villagers in *Gram Sabha* meetings was low across all districts. Villagers were generally not aware of meetings, especially the marginalised sections of the population. Considering the existing social practices in the villages, the common methods of information dissemination such as a *munadi*, pasting notices on walls, or circulating a register, were not adaptable and found to be ineffective. There is a need to highlight and build upon some of the local methods of information dissemination, especially those that have a strong interpersonal communication angle.

- In a few places, people were disillusioned by false claims made in a *munadi*. Promises of addressing personal grievances or problems were never fulfilled in *Gram Sabha* meetings.

- Cutting across districts and caste groups, a sense of disillusionment on the efficacy of the *Gram Sabha* was perceptible. People felt that decisions and recommendations made by the *Gram Sabha* did not carry any weight and were brushed aside by senior officials. This perception amongst villagers led to certain delegitimisation of the institution of *Gram Sabha* in the eyes of the people.

- *Gram Sabha* members were not powerful enough either to raise their voices against influential members of villages or assert their right of participation in decision-making. Economic compulsions and inequitable social structures do not allow the weaker sections sufficient space for assertion.

- Internal, caste and class dynamics also played a critical role in the non-participation of villagers in the *Gram Sabha*.

Accountability and transparency

- The *Sarpanch–Panchayat* Secretary/Employee nexus in most *Panchayats* was too strong and there was no transparency in information communication to and within the *Gram Sabha*.

- Most *Gram Sabha* members across districts felt that accountability of the *Gram Panchayat* to the *Gram Sabha* was very weak. Voices were not raised against corruption since accountability was an unlikely possibility due to strong interpersonal relationships. There is economic and social dependence of many on higher castes or wealthy families, preventing them from raising a finger against them.

- Mechanisms and procedures for making the *Gram Panchayat* and other bodies accountable and transparent to the *Gram Sabha* exist within the *Panchayati Raj* System. For example, the *Panchayat* should get the approval of *Gram Sabha* in identifying beneficiaries for different government programmes; similarly the *Gram Panchayat* budget needs to be presented to the *Gram Sabha* for approval. However, due to low awareness and weak participation, *Gram Sabhas* are unable to exercise their rights.

6.4 Conclusions

Madhya Pradesh is seen as a success story in the on-going process of decentralisation. Through progressive amendments to the *Panchayat* Act and supportive executive orders, the government has constantly tried to strengthen and empower the *Gram Sabha*. The *Gram Sabha*, despite its potential to strengthen governance and make it transparent, accountable, participatory and truly democratic, has remained under-utilised and dormant in the last five years.

Participation, by and large, was observed to be low in the State. The quorum is generally incomplete and the provision to conduct *Gram Sabha* meetings on any other day wherein the quorum criteria is not obligatory (Article 6(2)), is often used by the *Sarpanch*. Holding a meeting the next day allows for having present only 'desired' people. This has its own ramification on the very spirit of empowerment. Despite the provision that one-third of the quorum should comprise women, this condition is flouted practically everywhere. Another factor which dissuades people from participation is the general mode of information dissemination about the *Gram Sabha*, i.e. a *Munadi*. The socio-cultural milieu of the villages is such that men and women expect a personal invitation. Another problem specific to Madhya Pradesh is that hamlets, especially those in tribal areas, are located at a great distance from each other. This physical constraint dissuades people from attending the *Gram Sabha*. However, the later provision of holding *Gram Sabha* in all the constituent villages of a *Panchayat* on a rotational basis is an innovative initiative helpful in overcoming this problem to a great extent.

At the macro level, the *Gram Sabha* is a people's institution and has been made a statutory body through a Constitutional Amendment. The current system of governance, still largely colonial in nature, has been unable to accept this radical change. A bureaucracy conditioned on centralised authority is not willing to be supportive and accountable to the *Gram Sabha*. The elected representatives of *Panchayats* have MPs and MLAs as their models, and therefore resent any form of direct accountability to the people. Secondly, a large-scale resource (large from the perspective of small village economy) transfer is taking place towards the *Panchayats*; this has led to an emergence of a corrupt nexus between elected *Panchayat* representatives, the bureaucracy and locally influential people who see an opportunity of making monetary gains. It is therefore in the interest of this nexus that the *Gram Sabha* remain weak; hence they resist and weaken all efforts to empower *Gram Sabhas*.

Structurally, the *Gram Sabha* has certain limiting factors. A centralised agenda (dictated by the State government), coupled with a lack of space for local initiative, has had a negative impact. This has turned the *Gram Sabha* into a government institution rather than a people's institution. Finally, the most significant constraint is the low capacity of the *Gram Sabha*. With a low level of human resource development, villagers just do not have the necessary capacity to accomplish the roles and responsibilities entrusted to them.

7. Position of Women in *Panchayati Raj* Institutions

This section primarily looks at the position of women in *Panchayati Raj* and how the institution has impacted on the lives of women through progressive legislation for the empowerment and participation of women. Many issues discussed in this section could be broadly combined under the issue of participation and empowerment of marginalised sections of the society through the *Panchayat* system. However, to do justice to the spirit of 73rd Constitutional Amendment, which brings the concerns and issues of women to the centre of *Panchayat* discourse, it is important to deal with these issues separately to obtain a more detailed understanding of ground reality.

The 73rd Constitutional Amendment is a landmark since its objective is to empower women by creating space for them (with a 33% reservation of seats). The significance of this can be gauged from the fact that the number of women in politics at the grassroot level is now higher than in the past. However, as these Acts operate in a highly complex and entrenched patriarchal/ hierarchical socio-economic fabric, women are interwoven in it. This creates, in its wake, contradictory trends and gaps between the potential and actual realisation of women's empowerment. The aim in this section is to understand and locate these gaps and suggest ways of overcoming them.

7.1 Women in *Panchayati Raj* institutions

The last five years of *Panchayati Raj* governance has been a path-breaking opportunity for women (through reservation of seats) to occupy positions of decision-making. In the midst of many unsupportive factors and forces, women have looked for supportive opportunities and have moved forward to demonstrate their capacities and ability to hold such positions. This is aptly illustrated in the case of Nalini Devi (Box 3).

Box 3 The example of Nalini Devi

'I have worked for people. Why do you say that a *mahila* cannot work? This spoils my reputation', says Nalini Devi, *Sarpanch* of Mahloi *Panchayat*, Pusor block, Raigarh District. Nalini Davi, aged 40 and literate, filed the *Sarpanch* nomination form when urged to do so by the villagers. She did not have any prior discussion with or the permission of her husband. Others in the village feel that their decision to elect her as the unopposed *Sarpanch* was worth it, as much development has taken place during her tenure as the *Sarpanch*. Things, however, have not always been easy for Nalini Devi. 'Every step meant breaking age-old taboos and norms. Elders were aghast to find a woman crossing traditional boundaries. My involvement in *Panchayat* meetings churned up emotions. Both encouragement and discouragement came in equal measure,' she says. Today, she has not only grown in confidence and knowledge but also has the respect of her family and fellow villagers. Undoubtedly, her better socio-economic position, family and village support and education have been crucial to her learning and exposure to the world outside her village, a privilege that very few women in India enjoy.

In general, in most *Panchayats* visited in the five districts it was found that:

- The decision to fight elections was taken by male members in a family already enjoying political power or with a political background.

- There were very few instances where women were self-motivated to fight an election.

- In a few instances, the village community or *Gram Sabha* persuaded women who had leadership potential to stand for election.

- Influential and powerful men chose women who could be manipulated to serve their interests.

7.2   Patriarchal socialisation and women's self image and images by others

A skewed portrayal of women in rural societies has been taking place through various myths, institutions and values that paint women as inferior. Even women believe in the dogma that as women, they should lead their lives very differently and be subordinate to male wishes. This makes women insecure and lacking a sense of self-worth, and are thus incapable of assuming decisive control over their milieu. While talking to researchers, one such woman *Sarpanch* described herself as 'illiterate' and felt that she had no identity apart from her husband. Similarly, in the Bara *Panchayat* of Shivpuri district, the women *Sarpanches*' automatic response to every query was: 'I do not know anything; ask my husband'.

The process of socialisation clearly demarcates spaces: private for a female, public for a male. Thus, when women cross over their traditionally assigned private space and take on leadership roles in the public realm, hostile attitudes take various forms. The widespread view in the community was that women are neither capable nor interested in attending *Gram Sabha* and *Panchayat* meetings. Moreover, women were portrayed as submissive. They are not meant to be active and outspoken, particularly in the presence of men and elders. Though the *Panchayati Raj* institutions are based on democratic values and equality, any attempt by a woman to go against male dominance results in usurping of their power, as in the case of Bhakti Bai (Box 4).

Box 4   Dampening Bhakti Bai's enthusiasm for want of information

In 1994, Bhakti Bai, aged 45 and illiterate, belonging to the schedule tribe category, was elected unopposed to serve as a prop for the influential *Upsarpanch*, Anil Sharma. Bhakti Bai, heavily dependent on Sharma, initially functioned as his rubber stamp. This soon began to change. In a land feud between Anil Sharma and an *adivasi* (Narpat), the *Sarpanch* sided with Narpat. Bhakti Bai further dared to symbolically assert her authority by occupying the *Sarpanch*'s chair in Sharma's presence. Being snubbed by the *Sarpanch* in the power play, Sharma used his influence and Bhakti Bai's illiteracy to remove her. The instrument was the use of the no-confidence motion. The *Sarpanch* signed the no-confidence motion against herself, ignorant of its content. She was removed from her position for asserting her legitimate rights.

7.3   Examples of dependence on male members

Women's dependence on husbands or male relatives was often found to extend to their functioning as public figures. In many cases, the woman *Sarpanch* acted as a rubber stamp or played a subservient role while her husband or male relative played the central role. This dependence is because women are often unable to handle public affairs mainly because of their illiteracy, lack of confidence, awareness or experience, and a general isolation from public life.

The prevalent norms of the village also make a woman's independence and political participation difficult. A majority of women stated that their visits to blocks were few and their husbands or male relatives usually accompanied them. This also meant a loss of earning days for the latter. Additionally, the interaction of a woman *Sarpanch* with front-line government officials remains distanced and only a 'courtesy'. *Panchayat* related matters were discussed with their husbands. However, in a few cases, husbands and male members have played a supportive role, which has enabled women representatives to become more effective. In other cases, women *Sarpanches* were found to be active without the assistance of their husbands.

The decision to contest elections, in most cases, has not been that of the women but of their husbands, who were usually either an ex-*Panch* or *Sarpanch* of the *Panchayat*. When the seat was declared reserved, they have clung to power and influence through people they wield control over: wives, daughters-in-law and sisters. The decision-making abilities of women representatives also

follow a hierarchical pattern. Unless supported by husbands or male relatives in powerful positions, women *Sarpanches* found it difficult to function and take decisions.

7.4 Leadership traits of women representatives

'I would contest elections next time too, though the seat has been declared open', says a tribal woman *Sarpanch* of Futhardha, Satna district, breaking age-old silence. For many women, to be called a *Sarpanch* is not only novel but also an experience in having an independent identity. 'Earlier, the villagers did not even recognise or know me', points out a woman *Sarpanch*.

However, the larger picture is still not very encouraging and the women elected representatives are often elected due to their husband's status. Out of 27 women *Sarpanches* interviewed, 17 had someone from the family in politics: husband, father-in-law or brother-in-law. According to the CEO of *Janpad Panchayat*, Jhabua district, reservations have only benefited women from influential families. Other researchers point out that in a study area covering 10 *Panchayats* from two districts (Hoshangabad and Dewas), women leaders from SC/ST backgrounds are comparatively better off than those from upper castes. The reason lies in the economic and cultural background of the former. The SC/ST women are used to functioning in public and are selected as *Sarpanch* by their communities for their leadership qualities and the confidence they posses. On the other hand, influential husbands or relatives had mostly their (upper caste) women *Panchayat* members as proxies. After the elections, these women were often relegated to the background by their active male relatives.

Issues of discussion amongst women representatives primarily revolved around improving their domestic roles. Discussions tended to be confined to issues such as drinking water, infrastructure development (school, community hall, road construction), setting up of *Anganwadi* centres, etc. The more political issues such as dowry, *purdah*, women's education and economic self-sufficiency, alcohol abuse, or issues/plans favouring the poor, were hardly discussed or raised very rarely. Women not only felt incapable in dealing with these issues, but their consciousness about these issues also remained low.

7.5 Harassment faced by women representatives

Women's entry into the *Panchayati Raj* institutions is gradually being accepted by men and women in communities. Direct or violent harassment is low so long as women accept established male dominance. Notions such as a 'woman's honour' also make them soft targets, as described in the example of the tribal woman *Sarpanch* of Selhona village, Raigarh district, who was taught a lesson by being disrobed in public (Box 5). Women being in elected positions of power is still largely unaccepted and patriarchal forces, often in combination with feudal and caste elements, often resort to all possible means, including violence and oppression, to stall the effective functioning of elected women representatives.

7.6 Effectiveness of support to women representatives

Women are poorly informed about *Panchayat* meetings and *Panchayat* functioning. Sometimes husbands attend the meetings and share discussions with their wives. Though women *Sarpanches* are supposed to be informed about meetings in an official manner, in practice information reaches them via the male members. Cut off from information, women are more susceptible to manipulation and domination. Most women representatives sign various documents but have little information

about their content. In most cases, women representatives have not received any training and those who have found it to be 'useless'. Usha Ojha of Bhadera *Panchayat*, Shivpuri district, describes the training: 'We were huddled together at the back and the men sat in front. We could hardly understand what was being said.'

Most women felt that the training was insensitive to their special needs, such as lack of confidence, stage fright, being over-awed by the public, etc. Confidence and self-respect needs to be instilled in these women. NGOs have been found to play a vital role in women's empowerment. All over the State, civil society initiatives are instrumental in instilling confidence in women. Slowly but steadily, initiatives taken under the *Panchayati Raj* are catalysing women's collective initiatives. The incidents are sporadic, but are growing in frequency (Box 6).

Box 5 Male hostility takes on a dubious hue

Salehona village of Baramkela block, Raigarh district, comprises mostly tribals belonging to the Sidar community. Durpati Bai, the elected *Sarpanch* of the village, attempted to initiate development activities but a corrupt *Panchayat* Secretary began to put obstacles in her path. A corrupt *Panch*, in partnership with the corrupt *Panchayat* Secretary, swindled money from a development project. Later in the *Gram Sabha* meeting, the *Sarpanch* was asked to put forth the details of expenses incurred on the project. When she requested an additional four days to submit the same, the *Gram Sabha* turned hostile and violent. When Durpati Bai tried to escape from the scramble, people from the opposition pulled down her sari. For Durpati Bai, even after being disrobed in public, things were not yet over. The villagers turned her out as an outcast.

Box 6 They had their way

Kukurda is a tribal village in Raigarh district. The village *Sarpanch* has been leasing the pond for pisciculture to outside entrepreneurs for the last few years. It is an open secret in the village that the *Sarpanch* is a partner in the business. In the last two years, *Lok Shakti*, a voluntary organisation which recently began working in the area, mobilised the *Mahila Mandal* to breed prawns in the pond as an income-generating activity for the *Mandal*. However, the *Sarpanch* was obviously far from cooperative. When he objected to this activity citing reasons of *Panchayat* finances, the women offered the *Panchayat* Rs500 more than the amount charged from the earlier party. The women, however, insisted that the amount would be transferred to the *Panchayat*'s account from the *Mandal's* account in the bank itself. The women went ahead with their plans and the *Sarpanch* was reduced to being a mute spectator.

7.7 Increasing participation

A substantial number of community members feel that most women do not find any relevance in attending meetings, be they of *Gram Sabha* or *Gram Panchayat* level. The women and marginalised sections on the other hand feel that male family members use them as dummy candidates. Women from weaker sections feel demotivated as their views are not respected. This results in low attendance in *Gram Sabhas*. Those women who are members of women's self-help groups (*Mahila Mandals*), find themselves empowered to take up the leadership of *Panchayats* or raise issues in *Gram Sabha* meetings.

NGOs and representatives of *Janpad Panchayat*, *Zila Panchayat* and government officials feel that because of reservation, participation of women in *Panchayats* has improved, although their performance is not up to expected standards. The three major factors identified by this study for the low participation of women in *Panchayats* are:

- economic condition of the family

- existing social norms, customs and practices

- level of literacy

All stakeholder groups know the relevance of participation of women in the *Panchayati Raj* system and hope for increasing participation as a result of the growing awareness among women. Women's groups are exerting pressure and support for greater women's participation, and the base of women representatives in *Panchayats* is increasing, which in turn will exert pressure on the social system to accept their role and position.

7.8 Conclusions

As observed in some cases, against all expectations, SC/ST women seem to be a potential source of advantage to their own communities in comparison to their upper-caste counterparts. It is important to point out that mere political will and articulation of policies will not translate into benefits for women. The translation into gender sensitive implementation would require a complete overhaul in administrative and social structures. Moreover, given the steadfastness of male dominance, a collaborative approach between the household, the community, the State, voluntary organisations and the media needs to be developed. The approach must also be multi-pronged, taking into account policies, laws, judicial processes, attitudes and social imaging of women.

8. Tribal Self Rule in the Scheduled Areas

Madhya Pradesh (undivided) has a tribal population of 15.4 million, which constitutes 20.14% of the total tribal population of the country. There are over 30,000 villages in the State situated on forest fringes, constituting 40% of the total number of villages in the State. All districts in the State have significant tribal populations, and 18 districts have a substantial tribal population.

The *Panchayat* Extension to Scheduled Areas Act (PESA) has recently been implemented and therefore not much data was obtained during field visits carried out for this study. However there follows an analysis of the ground reality in the tribal areas based on data collected during the field research[5]. The PESA is a radical Act, which has the potential to transform the governance space in tribal areas if implemented in word and spirit. Key features of the Act are given in Annex 5. 'Scheduled Areas' means the Scheduled Areas as referred in the clause (1) of Article 244 of the Constitution.

8.1 Ground realities of the implementation of tribal self rule

In most cases, in the pre-PESA implementation phase, there was little if any difference between tribal and non-tribal areas with respect to the role of the *Gram Sabha*. The *Sarpanch* and other influential *Gram Panchayat* members dominate the often irregular and scantily attended *Gram Sabha* meetings. The common people possess little awareness about its functioning. Amongst those interviewed, most showed little interest in the *Gram Sabha*'s functioning and mentioned issues such as inclusion in various beneficiaries' lists and employment as a labourer in *Panchayat* construction activities, as reasons for attending the meetings. An astounding lack of awareness about *Gram Sabha* as a self-governing body was observed.

As far as the institution of the *Gram Sabha*, central to PESA, is concerned, the research did not come across a single village where the *Gram Sabha* was even aware of its legal jurisdiction over the village forests. There seems to have been absolutely no groundwork in recognising the *Gram Sabha*'s jurisdiction over forests and in the creation of adequate mechanisms and support structures for them to play any significant role. The same is true of the *Gram Panchayat* as a body, which is accountable to the *Gram Sabha*.

8.2 Constraints in implementation

The advent of PESA in 1996 was a welcome event that conferred relatively greater autonomy to *Gram Sabhas*. However, PESA's sincere implementation has not been seriously attempted by the government, which is still dominated by centralised structures and laws that are in contradiction with the progressive provisions of PESA. For example, the provisions, as explained in the Act, related to people's control over livelihood resources have yet to be executed in the scheduled areas. In a few places, since the appearance of PESA, an attempt has been made to restore control over the village resources to the people. Following these efforts, people have faced sometimes violent reactions from the ruling class.

As such, conflicting areas were identified prior to advocating the implementation of various provisions of PESA. There are policy loopholes between self-governance laws and existing laws

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[5] The study by design picked two districts with substantial tribal population. Jhabua is predominately tribal and in Raigarh (now in Chhattisgarh) half the population is tribal.

that give power to various departments to control resources, and many other functions that *Panchayats* are supposed to manage by themselves (as per the provisions of PESA). For example, the modern state and its legal apparatus does not recognise the customary ownership rights of land, which are by and large unwritten in the tribal community. Therefore, if tribal communities cannot exercise ownership rights in their traditional fashion, the spirit behind the provision in PESA of managing land resources by *Gram Sabhas* is defeated. A similar conflict is prevalent with regard to ownership rights of water resources. Most village ponds are either on community land, revenue land or forestland. Under existing conditions, local people are either prohibited or have restricted use of these ponds. Hence there is some overlapping of ownership rights, and clarity on such issues is possible only after the Indian Forest Act and other related Acts are amended to accommodate the provisions of PESA. The situation regarding forest resources is still worse, as forests have been under total control of the Department of Forests until now. Years of autocratic control over the profit-yielding forest resources have made the Department reluctant to yield control over forests. It is this very attitude, along with an absence of Amendments in the Indian Forest Act, which is in conflict with the provisions of PESA.

The aforesaid issues are critically analysed in Table 5, taking into consideration relevant contradictions in already existing laws. The table lists the provisions of PESA and explains how it is being violated by the administration.

Table 5 Impediments to the implementation of PESA

Subject	Explanation of the provision
Article 4 (c) of PESA Act, 1996, Section 28 of Indian Forest Act, 1927	In the scheduled areas, *Gram Sabha* consists of persons whose names are included on electoral rolls. But a large section of tribals reside in 'forest villages' (established as per Rule 11 of MP Forest Rules, 1960), who have not been included in electoral rolls and hence cannot vote and exercise their role under PESA.
Article 4 (i) of PESA	State still has the power to plan and implement development projects (e.g. power stations, dams, industries, mines, canals). Only consultation with *Gram Sabha* or *Panchayat* is necessitated prior to acquisition of land in scheduled areas. The word ' consultation' has always been misinterpreted and misused by State authorities while acquiring lands under the Land Acquisition Act, 1999. Development projects are still a major threat to tribal populations.
Article 4 (j) PESA, Article 129 (c) Clauses (3) and (4), and Article 129 (d) Clause (3) of MP *Panchayati Raj* Act, 1993	Management and control of 'small ponds' (less than 3 acres in size) has been given to *Panchayats*. The larger ponds and reservoirs are controlled by either *Janpad Panchayat*/*Zila Panchayat* or Irrigation/Fisheries Department. Moreover, no favourable Amendment has been carried over in Rule 8 (1) and 9 of MP Forest Rules, 1960, to give autonomy to the *Gram Sabha* if it uses the water bodies in reserved forests.
Article 4 (k) and (i) of Extension Act, Article 7 of MP Minor Minerals Rules 1996	For minor minerals in Schedule I, the recommendations of *Gram Sabha* for *Panchayats* are made mandatory before the granting of prospecting or mining leases. There are fears that in practice the contractors usually misuse their financial power to get the lease. There is no clear rule for contractors/officials who confer leases. Moreover, nothing is said about 'major minerals' although its extraction causes major havoc on tribal lands.
Article 4 (m) Clause (ii) of PESA	The *Gram Sabha* has been given ownership over minor forest produce. But no amendment has yet been made in MP Forest Rules, 1960, Article 32 (d) and 76 of Indian Forest Act, 1927, (applicable in MP too) concerning minor forest produce, which are still controlled and owned by the Department of Forests.

Article 4 (m) Clause (v) of PESA	Despite the provision to exercise control over money lending to STs, the *Gram Sabhas* are not yet empowered to do so in the Moneylending Act, as it has so far not been amended.
Article 4 (m) Clause (vi) of PESA, Article 129 (C) Clause 2, MP *Panchayat Raj* Act, 1993 Article 4 (m) Clause (i) of PESA, Article 61 (e) of MP Excise Act, 1995	The *Gram Sabha* can exercise control over voluntary organisations in respective village, but it can face difficulty as there is no such provision in MP Societies Registration Act, 1973. Revised in 1999. *Gram Sabha* is not empowered to control or close down those liquor manufacturing sources that were created before the enactment of Extension Act, i.e. 1996; whereas in reality most villages have such liquor sources established before 1996.
Directive Principles (Article 39b), Article 129 (c), Clause 3 MP *Panchayati Raj* Act, 1993	The *Gram Sabha* is empowered to manage and control natural resources including forests. It is obviously impossible to exercise such control until a favourable Amendment in the Indian Forest Act, 1997. Provisions are in Joint Forest Management (JFM) Resolution of MP, 1996, to accommodate *Panchayats* in Village Forest Committee (VFC)/Forest Protection Committee (FPC), but no adequate mechanism has been developed to give full control to *Panchayat* or *Gram Sabha* for managing or using the forests or forest products.
Article 31 (a) of MP Village Courts Act, 1996	The *Gram Sabha* is given power to handle matters related to social justice, but it has very little power and scope. Moreover, sufficient favourable Amendments have not yet been made in Indian Penal Code, 1860; Penal Process Code, Cattle Tresspass Act, 1871; Indian Forest Act 1927; Wildlife (Protection) Act, 1972; Police Act, and many others.
Article 4 (m) Clause (vii) of PESA	The *Gram Sabha* has the power to control local plans and resources for development related activities. Plans such as watershed development, joint forest management, poverty alleviation and other externally sponsored/imposed plans do not usually take into consideration the major role of *Gram Sabha*. They are still being implemented in Scheduled Areas as elsewhere.

8.3 Emerging picture

There is a lack of awareness amongst people about the role of *Gram Sabha*. Large-scale illiteracy, low awareness, inaccessibility to sources of information, and an unsupportive administrative environment all contribute to this problem. Sheer survival issues dominate the life of the common tribesperson. Immediate issues of food insecurity leave little scope for any hullabaloo on a relatively abstract subject such as self-governance. Seasonal migration is a fact of life here. Except for the elderly, whole households migrate in search of livelihoods for up to five to six months a year. Whole villages bear a deserted look during this period. Seasonal migration reduces interest and participation of people in *Gram Sabha* meetings and activities.

The *Sarpanch* and *Panches* who are largely tribals are often informed and influential people. They also enjoy economic, social and political clout. The village leadership often consists of ambitious and shrewd people who are continuously in touch with the mainstream and with the bureaucracy. This is in stark contrast to the average tribal, who is generally naive, poorly-informed and far removed from modern life.

The empowerment of tribal communities, especially those who are cut-off from mainstream development, may be possible through PESA. However for this to occur, there is a need to mobilise *Gram Sabhas* and build their strength to deal with tribal issues.

8.4 Conclusion

PESA is a pathbreaking Act which attempts to empower the *Gram Sabha*. It respects the cultural and traditional customs of tribal communities. PESA will remain merely a good intention on paper unless deliberate efforts are made to operationalise various provisions of the Act. The existing contradictions in the overlapping of power and functions of *Gram Sabha* and many government departments need to be sorted out. It may not be an easy process to withdraw power and control from government departments in favour of *Gram Sabhas*. This would require a demonstration of good *Panchayat* management, documentation of cases reflecting conflicts and contradictions, dialogue and building pressure on the government for policy change.

Civil society efforts are focussing on building good exemplars of the implementation of PESA after the second round of elections. The results of the tribal self-rule will be more clearly visible in the next few years. The efforts of many movements committed to taking up issues of tribal rights, identity and equality are also stressing the operationalisation of PESA in its true spirit. There are many voluntary organisations working with tribal communities, and they have an important role to play in the coming years to strengthen the empowerment process of these indigenous institutions, taking advantage of the already existing *Panchayat* Extension to Schedule Areas (PESA) Act.

9. Contribution of Civil Society in Strengthening *Panchayati Raj* Institutions

Voluntary organisations have made significant efforts in the strengthening of people's institutions in the past few years. However, it is important to note that the results have been mixed. Often these initiatives of the third sector have only been able to influence some *Panchayats* at the micro level to perform effectively, but have had little influence at the macro level. At the macro level, voluntary organisations have succeeded to a limited extent in creating a supportive environment for progressive *Panchayats* system through their advocacy efforts with the government. In this context, the relative small size of the voluntary sector when compared with the requirements of the *Panchayat* system needs to be appreciated and kept in mind.

In the beginning, as the *Panchayati Raj* Act was being implemented in early 1994, civil society institutions had no prior experience, time, space or resources to prepare for a meaningful response. Voluntary agencies found themselves unprepared as *Panchayats* were empowered to promote their own economic development and social justice. By the end of the first year, it was clear that, along with capacity building at all three levels of *Panchayats*, field-based experiments and advocacy support for operationalisation of *Panchayati Raj* at all levels was needed.

The primary data collected during field research had some questions pertaining to the nature of support provided by the voluntary agencies in strengthening *Panchayati Raj*. However, this section draws substantially from secondary data and Samarthan's experience in development of civil society in the state and its capacity building initiatives undertaken over the years. Therefore, the experiences are largely from the areas where some voluntary action for strengthening *Panchayati Raj* has been witnessed.

9.1 Capacity building of *Panchayats*

Under these circumstances, a concerted effort began by the start of the second year. Voluntary organisations were instrumental in spreading awareness about *Panchayati Raj* institutions as well as generating learning. The State government's Academy of Administration, Bhopal, took the responsibility of training representatives at the *Zila* and *Janpad* level. The Institutes of Rural Development under the government of Madhya Pradesh and its regional centres ran courses for master trainers to conduct training for *Panchayats*, and also trained government functionaries working for PRIs. UNICEF assisted the government, in collaboration with voluntary organisations, to train *Panchayat* representatives. A manual for trainers was prepared, and about 40 NGOs covered 68 blocks to train about 37,500 *Gram Panchayat* representatives.

Effect of capacity building effort

The capacity building effort for *Panchayati Raj* institutions undertaken by civil society actors was concentrated largely in the first two to three years. Gradually, the capacity building effort was reduced and instead efforts were focused on strengthening *Gram Panchayats* and establishing information dissemination systems to empower *Panchayats* and *Sarpanches*. The spin-off effect of the capacity building efforts can be seen as follows:

- Better networking between voluntary organisations led to sharper and clearer understanding of issues for strengthening local self-governance within the sector. Sharing difficulties and

experiences with each other and analysing them collectively helped in developing an agenda for common action.

- Better performance of trained *Panchayat* representatives, although very few in number, created more demand for support from both *Panchayats* and government departments.

- The State government and its training institutions recognised the role of voluntary agencies in the capacity building of *Panchayats*. Voluntary organisations are recognised as being involved in reaching out to difficult areas and forming closer ties with *Panchayats*, so that there is a follow-up after capacity building.

- The interaction at the *Gram Panchayat* level during various kinds of capacity building inputs gave an opportunity to voluntary organisations to work on the issue of *Gram Sabhas*, PESA, *Zila Sarkar*, micro planning with *Panchayats* and urban governance, etc. Due to involvement in issues which go beyond the traditional concerns of governance, a common platform emerged in many areas through which voluntary agencies working on different issues (education, watershed, etc.) started working together.

- Several donors, namely ActionAid, Oxfam, DANIDA and UNICEF, realised the importance of bringing *Panchayats* to the centre-stage of their programmes. Therefore, resource availability to work on issues of self-governance has improved.

9.2   Civil society involvement in *Panchayat* elections in Madhya Pradesh

The first round of *Panchayat* elections was held between May and June 1994, and the second round on 28th January, 1st February, and 7th February, 2000. Madhya Pradesh was one of the first States to organise a second round of *Panchayat* elections. This reflects a political commitment to decentralise power to the people of Madhya Pradesh.

The civil society campaign (not only in the districts chosen for the study) led by Samarthan for facilitating a free and fair second round of *Panchayat* elections, involved about 126 organisations with a commitment to cover those *Panchayats* in which they were actively working, as well as many other *Panchayats* which fell under the same block. The coverage can be seen in terms of intensive and extensive campaign areas. *Samarthan*, along with 126 voluntary organisations, covered 3,818 *Panchayats* spread over 95 blocks and 33 districts of the State.

NGO volunteers at the local level conducted meetings with villagers and distributed pamphlets, booklets and folders at the end of these meetings. This was helpful in building a personal rapport with the community and explaining to them the actual process of an election through illustrations and answering queries. Skits were conducted to spread awareness on various issues related to elections (Figure 3).

Various locally adaptable forms of communication, including street plays, were used to build skits on issues of relevance to *Panchayats*. They were found to be highly effective and the audience, after the show was over, became involved in a debate on their role in the election process. The volunteers who conducted the street plays also interacted with the audience to give them information on *Panchayat* elections. Wall writing was found to be another important and effective medium of communication, and was used by almost all organisations involved in the awareness campaign.

Figure 3 Learning from capacity building projects

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┌─────────────────────────────────────────────────────────────────────┐
│         Learning from Government and UNICEF Supported Project         │
└─────────────────────────────────────────────────────────────────────┘
         │                    │                          │
         ▼                    ▼                          ▼
┌──────────────┐   ┌──────────────────┐   ┌──────────────────────────┐
│  Effective   │   │ Limited content  │   │ Insufficient coverage of │
│  exposure    │   │ on issues of     │   │ topics on GS functions   │
│  especially  │   │ Government       │   │ of GPs. Interrelationship│
│  to women    │   │                  │   │ between Panchayat and    │
└──────────────┘   └──────────────────┘   │ Governement planning     │
         │                    │            │ budget and accounts      │
         │                    │            └──────────────────────────┘
         │                    │                          │
         ▼                    ▼                          ▼
┌──────────────┐   ┌──────────────────────┐   ┌──────────────────────┐
│ Lack of      │   │ Heavy focus on       │   │ Lecture based        │
│ training     │   │ Government schemes   │   │ trainings            │
│ skills in    │   │                      │   │                      │
│ trainers     │   │                      │   │                      │
└──────────────┘   └──────────────────────┘   └──────────────────────┘
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Difficulty of the common person in participating in elections

Table 6 gives the voters perspective of some factors that affect quality of elections.

Table 6 Hurdles in holding fair and meaningful elections

Hurdles in holding fair and meaningful elections
Incomplete voters list
Bogus (rigged) voting
Sarpanch favouring developmental activity in his village only and building a vote bank
Bias in the mind of the residents of dependent villages about their *Sarpanch*
Biased demeanour of previous representatives
People support candidates having links with influential people
Threats of ejection from the village issued
Intentional blocking of authentic information related to election (e.g. date of election)
Complicated process of filing nominations
Rejection of nomination paper on caste and gender basis
Hesitation amongst masses to communicate with higher officials
Inability to vote because of non-availability of transport for women and old people to reach remote polling booths

Apart from problems encountered by the general public, the problems relating to marginalised sections/women are accentuated. The previous section discussed how women feel marginalised and insecure during elections. The words of a respondent from Mahila Samakhya (District Seoni) accurately sums up the situation: 'In the villages, you have to work on the farm, look after the family and even teach the children. The environment is not very conducive to the participation of women. During the elections, there is tension in the area and liquor is distributed. In this kind of environment, women do not want to participate.'

Key findings

Some vital findings have emerged from the election awareness campaign.

- Experiences show that the underprivileged (ST/SC/OBC) are discriminated against at the time of filing their nominations, especially if they wish to contest a general seat. This is primarily due to lack of awareness that they can fight for general seats. Moreover, the dominance of upper castes also deters them from standing for a general seat.

- Some recurrent problems faced by the community during *Panchayat* elections range from filing of nominations to the absence of separate queues for men and women. There is no convention of displaying the voting list, there is a delay in voting and also bogus voting.

- There is a realisation that mere dissemination of information is not enough, as some candidates from deprived sections of society need back-up support to withstand unequal power relations in their social milieu.

9.3   Agenda for action by voluntary organisations: post second round of elections

The agenda for action for NGOs is based on experiences of civil society gained during the past five years of functioning with the *Panchayat* institutions to support and strengthen the system. This agenda is built primarily from the experiences of NGOs and voluntary agencies in working with the *Panchayat* institutions. It clearly reflects the priorities of a large number of NGOs working on these issues. Nevertheless, the process of continuous interaction with the *Panchayat* representatives and bureaucrats has also informed the agenda.

Large scale capacity building of PRIs

The key areas of capacity building are:

- Understanding local self-governance, democratic values, gender issues, self-reliance etc., (perspective issues)

- Involvement of *Panchayats* in the delivery of development programmes (sectoral emphasis of donors)

- Leadership development, conflict resolution skills, effective interface with the administration (management aspects)

- Micro planning, financial management, record keeping and documentation (functional skills)

Research and policy advocacy

A group of voluntary organisations and research institutions is identifying issues for studies or action research on many facets of *Panchayati Raj*. It becomes imperative for the organisations working with *Panchayats* (government as well as civil society) to address these concerns, through research and advocacy, which would facilitate the effective functioning and institutionalisation of the *Panchayat* system. Past experience suggests that the government has been receptive to research findings and grassroots experiences of the functioning of *Panchayat* institutions. It would be important for the organisations to research issues of significance to the *Panchayat* system. For example, the emerging conflict between government formed village level user group committees

and the *Panchayat* institutions needs to be researched, on the basis of which a systematic advocacy campaign could be undertaken.

Networking and collective action

The efforts of voluntary organisations are making it worthwhile to develop a common platform for sharing experiences and lobbying the government. There are informal networks of voluntary organisations at the State as well as regional levels, such as in Gwalior–Chambal (Shakti network) and Rewanchal (VAG Network), where issues concerning *Panchayats* are systematically discussed and collective action planned. Similarly, effort is being made to create a network of *Sarpanches* and *Panchayat* representatives to give them a collective voice at the block and district levels – for example, the network in District Siddhi, supported by Gurukul Shiksha Samiti, an NGO working in Sidhi. A network of women-headed *Sarpanches* is also being trialled.

10. Trends, Conclusions and Way Forward

This chapter summarises the trends and conclusions emerging from the previous sections and contextualises these findings in the larger institutional framework and system of governance. It focuses on the trends that emerge as cross-cutting the range of issues studied and have implications for the socio-economic and political milieu. This section also makes an assessment of the progress of the *Panchayat* system, particularly with reference to its objectives and reviews the development of decentralised rural self-governance.

It is interesting to note that many of the shortcomings mentioned here of the *Panchayat Raj* system were also identified by the government and led to radical restructuring of *Panchayat* system and introduction of *Gram Swaraj*. This chapter therefore can be read as providing the context to the emergence of the new system of *Gram Swaraj*, which is discussed in the next section.

10.1 Broad trends

Larger systemic concerns

Panchayati Raj is a fundamental change with far-reaching implications for governance. However, some systemic limitations and contradictions have emerged, which need to be addressed for successful implementation of *Panchayati Raj*.

- A fundamental contradiction has been anticipated in the existing system of governance and the post 73rd Amendment in the *Panchayati Raj* system. The existing system of governance at the Central and State level is a continuation of the colonial system in which centralisation of power and authority is a key element. All systems emerging from the colonial system do not trust people and instead trust the bureaucracy, whereas the *Panchayat* system is just the opposite. It is based on decentralisation of authority and power. The *Panchayat* system is based on the philosophy of 'power to the people'. These divergent principles are leading to tension and mismatch. The structure of the existing system of governance (bureaucracy, policies, certain laws, etc.) is hampering the processes of institutionalisation of the *Panchayat* system.

- When the *Panchayati Raj* system was introduced, essential changes in the larger system of governance were not made. Although certain important changes were made, they remained on paper and the grassroots continued to function in the old style. This led to a slow and ineffective functioning of *Panchayats*. Also, several rules, laws, bureaucratic roles and functions seem to work at cross-purposes with *Panchayats*.

- In the past 50 years, India has had a centralised planned economy in which development was a top-down process. The *Panchayat* system is an attempt to do just the opposite: it endeavours to initiate development through a bottom-up process. These conflicting approaches are resulting in an institutional confrontation at the ground level.

- The welfare nature of the Indian State had made people dependent on the State, and therefore space for people's action has become redundant. The *Panchayat* system envisages empowering people and preparing them for participation in the development processes. This has not been achieved to date. It is important that *Panchayats* should revive the space for people's and community action, and convert the dependency and welfare approach into an empowerment and development approach.

- The *Panchayat* system directly elects four people's representatives whose political space overlaps with that of the MPs and MLAs. This is leading to overcrowding and conflict amongst

people's representatives and institutions. It is imperative to clearly define the political space of each type to avoid overlapping and confrontation.

- It is being said that the *Panchayati Raj* system is a fulfilment of Gandhi's dreams. Here, it is important to underscore that Gandhi's *Panchayati Raj* had the self-reliant and autonomous village as its base, whereas in the modern context, villages are neither self-reliant or completely independent. This partial acceptance of Gandhi's philosophy is leading to a major resource crisis for *Panchayats*. In the current system of governance, *Panchayats* have always looked up to the government for funds rather than mobilising their own resources.

Analysing the institutional structure

The institution of the *Panchayat* in each state has its specificities based on the State Act, but a broad framework has been given in the Constitution. The State Acts were made without any field experience, and in the past six years, several lacunae have emerged. Fortunately, Madhya Pradesh has been quick to respond and has made changes. Despite this, certain institutional limitations continue. The general feeling is that all power and authority is vested in the *Sarpanch*, and very little of it is left outside their purview. The whole *Panchayati Raj* system has become too dependent and focussed on the *Sarpanch*. Often, it is referred to as *Sarpanch Raj* and not *Panchayati Raj*. It is also important to realise that *Panches*, who are also elected, have little or no powers. Non-existent powers alienate *Panches* from the functioning of *Gram Panchayat*, and it becomes the *Sarpanch's* domain. As a result, the concept of collective governance and responsibility suffers, leading to decreased accountability and sustainability.

The institutional linkage among the three tiers of *Panchayats* is weak. The link betweem the three tiers is largely focused on financial resource flow, which the district level receives from the state and transfers to *Gram Panchayat* via the block level. Linkages at the level of institutions, or of practice and functioning have not developed. The other existing linkages, such as approval of beneficiary lists of the *Gram Panchayat* by the *Janpad Panchayat*, etc., have not been able to functionally bind the tiers together. Even the process of fund flow is unsatisfactory, and one tier transfers funds to another just as a post office does. The *Janpad Panchayat* has had a bad experience in the past six years of *Pachayati Raj*, as no significant role has been assigned to this tier. Drastic measures are needed to revitalise the institution of *Janpad Panchayat*.

A *Gram Panchayat* comprises two to four villages in many cases. The village of the *Sarpanch* becomes the focus of all development, and dependent villages are neglected. It is important to rectify this imbalance. Similarly, one *Gram Sabha* for all the villages discourages people from dependent villages from participating in the *Gram Sabha*. The new provision of a separate *Gram Sabha* for each village should be rigorously followed. Another problem area for the *Gram Sabha* is the present agenda of meetings dictated by the government. This agenda alienates a substantial number of villagers. Government intervention in the functioning of *Gram Sabha* is a limiting factor.

The linkages between *Panchayats* and nodal development agencies and development departments of the government, such as the Rural Engineering Service and the Department of Forests should be institutionalised. A system of checks, balances and delegation of functions should be worked out between these agencies and elected representatives of the *Panchayats*. Another interesting suggestion regarding various government committees formed in villages, such as the Forest Committee, Watershed Committee, Education Committee etc., (user group committees to implement government missions and programmes) would be to institutionalise links between these committees and *Gram Panchayats*, in ways which would gain the undivided attention of the government for *Panchayats*. Once the government begins to implement its schemes through these committees under the *Gram Panchayat*, the process of strengthening and empowering the

institution of *Gram Panchayat* will automatically be initiated. Interestingly, the Madhya Pradesh government has taken a divergent point of view. According to the government, the various government committees in the village should remain independent of *Gram Panchayat*, as it promotes plurality and democracy at the village level.

Functional experiences

The functioning of *Panchayati Raj* institutions has been mixed. Through an analysis of these experiences, certain pertinent indicators reflecting the status of *Panchayats* emerge. It is important to analyse and document trends that have the potential to affect the processes of *Panchayats*. The first *Panchayat* elections were held very soon after the Madhya Pradesh *Panchayat* Act was passed. At this point villages had not become politically alive in the elections. The experiences of earlier versions of *Panchayati Raj* were also a discouraging factor, as people did not realise the power and authority of the new *Panchayati* system. As a result, elections were not keenly contested, leading to several non-serious candidates being elected. However, the functioning of *Panchayats* in the past five years cannot be dismissed, as it has played a critical role in generating enthusiasm and interest amongst villagers through a demonstration effect. A positive politicisation of the village community has taken place. The second round of elections has proved that people have taken a keen interest either to fight in the elections and challenge existing leadership, or use their vote judiciously. Several first-timer representatives, including those from marginalised sections of society, have entered the arena of grassroots democracy. The policy of rotating the reserved seats of *Panchayat* institutions will also have an unforeseen, positive impact in expanding the base of leadership in the long run, especially for the deprived sections and women. The *Sarpanch* and *Panches* of the present *Panchayati Raj*, after the next election, will not remain in office due to rotation of seats, and, in all likelihood, their seats will go to a different category of reservation. However, these people, with five years of experience under their belt working as *Sarpanches* and *Panches*, will remain ordinary members of *Gram Sabha*, leading to a vibrant *Gram Sabha* with a creditable opposition.

The *Panchayat* system, despite the State Finance Commission and all centrally sponsored schemes, has had to work with limited resources. The *Gram Panchayats* still look to the government for resources for two reasons. Firstly, *Panchayats* are not able to take decisions and often believe that doling out resources to *Gram Panchayat* is the State's responsibility. Second, despite decentralisation, *Panchayats* still do not have adequate power and the authority to generate resources. It is crucial to systematically study the resource situation of *Panchayats* and take necessary and adequate measures. It is important to stress here that most resources flowing to *Panchayats* are tied funds. Therefore, *Panchayats* are unable to decide on an expenditure pattern.

On the basis of practical experience, it is being suggested that government officials assigned to a village (*Patwari, Gram Sevak*, etc.) should help the *Panchayat* system. Committees should be formed with these functionaries and elected representatives. The elected representative could be assigned to different committees. An institutional binding may lead to functional synergy. Another important functional difficulty noted is with regard to the functioning of *Panchayat* Secretaries. The government-appointed *Panchayat* Secretaries are often not based in their assigned villages, and also do not fully cooperate with elected representatives of *Panchayat*. On the other hand, Secretaries appointed by *Panchayat* are too dependent on the *Sarpanch* for their job, and are therefore, subservient. In such situations, the *Sarpanch* becomes all-powerful and a carefully developed system of checks and balances becomes redundant. Finally, it is important to state that despite all the clauses and systems developed to make the *Panchayati Raj* institutions transparent and accountable to the people, they have largely failed. This has happened due to inadequate capacities, village social dynamics and, in a few instances, the emergence of a nexus between vested interests. These deeply embedded patterns will change only in the long term.

The process of empowerment

One of the primary objectives of the 73rd Constitutional Amendment was to ensure social justice and empowerment of the weaker and marginalised sections of society in villages. Some key observations regarding the process of empowerment initiated by the *Panchayat* system are important in understanding the status of *Panchayati Raj*.

Despite the philosophy of empowerment through political participation, the *Panchayat* system has not been able to alter caste relations and deep divisions based on caste lines continue. However, significantly, the *Panchayat* system and reservation of seats have initiated a process of social 'churning'. The divisions and hierarchical structures remain unchanged, but the relationship between the dominant and the marginalised has begun to change. In some instances, as a result of direct participation in processes of governance through the *Panchayat* system, the community has started becoming socially empowered. This is also limited to castes that were not extremely exploited and marginalised. Largely, it has been found that a dominant caste has promoted his dependent candidate from a backward caste as the *Sarpanch*, who then acts as their dummy, while the dominant caste rules by proxy.

On preliminary examination, there is a tendency to deduce that reservation for women in *Panchayats* has apparently had little impact. Innumerable cases of inactive women *Sarpanches* and proxy male *Sarpanches* substantiate this belief. A few might argue that the status of women, especially elected women's representatives, has improved at least symbolically and notionally. It is important to understand that notional empowerment is one of the first steps to be taken in an extremely difficult battle. Importantly, empowerment in some cases has been significant and several women's representatives have become more confident and assertive. However, women as a community have not been significantly affected. In light of this observation, it is important to understand that just political participation cannot ensure women's empowerment. The understanding of social reality and discriminatory practices is needed for evolving supportive mechanisms that can counter patriarchy. The impact of socialisation on varying capacities of men and women can be understood, but it is important to understand the gender bias prevalent in the *Panchayat* system. Through this assessment, the different levels of access by men and women to information and the *Panchayat* system can be highlighted.

The *Panchayat* system has not been able to affect changes in class relations within a village society. The rural poor, landless and small peasants continue to be marginalised even in the *Panchayat* system. The *Panchayat* system is based on social change and empowerment of the marginalised through political participation in the governance process, but does not focus on land reforms or changing relations of production. The *Panchayat* system, through progressive Acts, makes changes in the superstructure without an attempt to affect the base. This, according to several experts, limits the change-potential of the entire *Panchayati Raj* project. The fundamental institution of the *Panchayat* system – the *Gram Sabha*, is very weak. The focus of government and civil society has been on strengthening and empowering *Gram Panchayat*. The need now is to change this agenda and concentrate on the *Gram Sabha*. An empowered *Gram Sabha* can ensure transparent, clean and accountable governance, which will be the real success of the *Panchayati Raj* experiment.

Governance and development agenda

In the post 73rd Amendment phase, although development has still remained a key agenda for *Panchayats*, the scope of these institutions has greatly widened. This now includes social justice and an efficient, honest and accountable form of local self-governance. However, data from the

field suggests that governance has centred on development and other issues have not been able to attract the attention of *Panchayats*.

Frequently in the field it is felt that the *Panchayat* system, which has a large mandate, has limited itself to implementation of government schemes and programmes for welfare and development. The only difference in the implementation of these developmental projects is that previously the bureaucracy was responsible for their implementation, while now they are being implemented by elected representatives of *Panchayats*. The *Panchayats* identify themselves so closely with government schemes and programmes that they act as an extension of the government. Significantly, people and elected representatives also visualise their roles as being limited to implementation of development schemes. In this role, *Panchayats* do not focus on other functions and responsibilities entrusted to them, and therefore the scope for local initiative is diluted. The whole *Panchayat* system, focussing on government schemes and programmes, is unable to express the aspirations and needs of the local people. Another interesting aspect is that *Panchayats* are increasingly focussing on infrastructure development such as roads and buildings. In their attempts to improve infrastructure, service-delivery systems have taken a back seat. Not many *Panchayats* channel their energy into providing drinking water or improving education and health facilities. In this limited vision of *Panchayats*, aspects of human resource development and empowerment are almost completely ignored.

For long-term comprehensive development, it is important that *Panchayats* pay more attention to micro planning processes. For the planning process, the government should provide necessary technical support. Through this process, *Panchayats* will be able to alter the planning process in their favour. Another important area of concern is natural resource management. The *Gram Panchayats* primarily have only natural resources to depend upon. But the management of these is largely under the control of the government. The *Panchayats* should strive to take over control of these natural resources and save them from exploitation. Water and forest resources have already emerged as points of conflict. Although the government has taken steps to include *Gram Panchayats* in the management of natural resources, it is still inadequate. The *Gram Panchayats*, due to scarcity of these resources, becomes dependent on the government. It is important that *Panchayats* are given realistic powers to generate more resources, which will go a long way in making the *Panchayat* system viable, sustainable and successful.

In part due to the hostility from the bureaucracy and certain political classes, and in part due to inadequate governance and managerial skills of *Panchayat* members, a lack of faith is often cited by state-level officials while taking decisions on the routing of community and developmental programmes and funds. *Panchayats* often are the losers. Two recent examples of such programmes in which *Panchayats* were bypassed, are the Literacy Campaign and the Watershed Development programmes. In both cases, *Panchayats* were seen by the State as systems where planning skills were missing and proper monitoring and accounting procedures were yet to be established; hence accountability could not be ascertained. This tendency to hold back resources and power from *Panchayats* adds to the challenge faced by new *Panchayat* members in mobilising support, as it reduces the potential of *Panchayats* to provide alternatives to the poor.

In all these discussions on the *Panchayat* system, emerging distortions in the system have been referred to passingly. Unfortunately, the *Panchayat* system is also infested with corruption and the nexus of vested interests, thereby weakening the *Panchayati* institution. Due to the high level of corruption in *Panchayats* by elected representatives, bureaucracy, contractors and other functionaries, the legitimacy of the institution has diminished in the eyes of the community. Although some examples of clean and accountable local self-governance are available, they are few and far between. This leads us to the core focus area of *Panchayats*' capacities. Much corruption can be controlled and economic and social development ensured, if the *Gram Sabha* is empowered.

The basic hurdle in the empowerment of *Gram Sabha* is the incapacity of the community on issues of governance. Inadequate capacity is a problem in all aspects of *Panchayati Raj*. The elected representatives, lower bureaucracy, women, and marginalised castes all lack the capacity to harness a progressive *Panchayat* system. The emphasis of government and civil society should be on building capacities in all players involved in the *Panchayat* system at various levels, particularly the *Gram Sabhas*.

11. *Gram Swaraj*: New System and its Implications

11.1 The context

Madhya Pradesh took the lead in implementing the *Panchayati Raj* system as envisaged in the 73rd Amendment and was the first state to conduct elections to *Panchayats* in 1994. As discussed earlier in this paper the State government continuously devolved powers and authority to the *Panchayat* institutions and initiated innovative measures to empower, strengthen and institutionalise the *Panchayati Raj* institutions. An analysis of six years of functioning of *Panchayati Raj* in the state clearly indicates that despite several attempts by the government, civil society and other concerned actors, the *Panchayat Raj* institutions could not truly emerge as people's institutions. Unfortunately, the distortions of the existing political systems at the State and Union levels were replicated at the *Panchayat* level and a new class of elite and power centres led by the *Sarpanches* emerged within the *Panchayati* system undermining the spirit of democratic decentralisation. The state government recognised the growing distortions in the *Panchayat* system and they were reflected in the open criticism of the existing *Panchayat* system by the Chief Minister, Mr Digvijay Singh, who has recently said that 'the *Panchayat Raj* has degenerated into *Sarpanch Raj*'.[6] A comprehensive process of evaluation and assessment was initiated by the state government to address the deformity in the *Panchayat* system and to look for possible solutions. The new system of *Gram Swaraj* is a result of this process.

11.2 Process, structure, framework and philosophy of *Gram Swaraj*

On 21st January 2001, Madhya Pradesh government amended the Madhya Pradesh *Panchayat Raj Adhiniyam* (Act), 1993, to rename it as the Madhya Pradesh *Panchayat Raj* (*Sanshodhan*) *Adhiniyam*, 2001. The citation of the amended Act substituted the words '*Panchayat Raj* and *Gram Swaraj*' in place of the words '*Panchayat Raj*'. The addition of words '*Gram Swaraj*' in the citation of the amended Act notifies a significant paradigmatic shift in the fundamental principles of governance in Madhya Pradesh. In fact, the new system of governance *Gram Swaraj*, enacted by the Madhya Pradesh *Panchayat Raj* (*Sanshodhan*) *Adhiniyam* 2001 and operationalised from 26th January 2001, is the most significant change and experiment in the system of governance since the adoption of representative parliamentary democracy in India. The operationalisation of *Gram Swaraj* in Madhya Pradesh will herald the beginning of a new system of governance based on 'direct democracy' instead of indirect representative parliamentary democracy. The relative strengths and weaknesses of direct and representative democracy can be debated however, in the context of the dismal experience of fifty years of functioning of representative democracy; a new experiment of governance based on direct democracy raises hope and optimism. The experience and operationalisation of *Gram Swaraj* will also have serious implications for discourses on governance, democracy and modernity.

Gram Swaraj is a new system of local self-governance at the village level, which moves from indirect to direct democracy. It is based on the premise that in a village people can assemble and sit collectively, and therefore representatives to represent the views, aspirations, needs and interests of the people are not required. The new system intends to give power to the people and not to their representatives. To operationalise this system in the field, it has been decided that *Gram Sabhas* shall be strengthened, which under the new structure will exercise all the powers of *Gram Panchayats* and many more powers will also be devolved to *Gram Sabhas*. *Gram Sabhas* will function as decision-making bodies and to discharge their duties and implement decisions, eight

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[6] Public meeting on right to information at Beawar, Rajasthan, 5th April 2001.

standing committees and additional ad-hoc committees (as and when required) will be constituted, comprising of stakeholders of the work assigned to the committees. These implementation committees shall be accountable and responsible to the *Gram Sabhas*. For example, if a *Gram Sabha* decides to build a road, an ad-hoc *Nirman* (construction) Committee will be constituted comprising of people whose lives would be affected by the construction of the roads – such as people living in the area where the road is being constructed, primary users of the road, etc. It is expected that a committee constituted of end users and stakeholders will ensure transparent, accountable and better quality service[7]. Once the task assigned to the committee is completed, the committees will automatically wither away. Certain subjects, such as education, are of a more permanent nature. Eight standing committees of *Gram Swaraj* have been visualised: Article 7–A of the *Panchayat Raj Avam Gram Swaraj* Act reads, 'The *Gram Sabha* shall for discharging its functions and duties, constitute the following standing committees, namely:

1. *Gram Vikas Samiti* (Village Development Committee)

2. *Sarvjanik Sampada Samiti* (Common Resources Committee)

3. *Krishi Samiti* (Agriculture Committee)

4. *Swasthya Samiti* (Health Committee)

5. *Gram Raksha Samiti* (Village Protection Committee)

6. *Adhosarovachna Samiti* (Infrastructure Committee)

7. *Shiksha Samiti* (Education Committee)

8. *Samajik Nyay Samiti* (Social Justice Committee)'

Article 7–D of the *Panchayat Raj Avam Gram Swaraj* Act clearly states 'the powers, functions and duties of the committee shall be such as may be entrusted to it by the *Gram Sabha* from time to time. Every committee shall be responsible and accountable to the *Gram Sabha* and shall work under its control and supervision.'

The framers of *Gram Swaraj* are completely aware and conscious of the hierarchical social order and inequitable power relations in the village; therefore to protect *Gram Swaraj* from becoming a fiefdom of the privileged few, certain provisions have been inserted as safeguards to protect the interests of the larger community in general and deprived categories in particular. Firstly, the quorum of a *Gram Sabha* should not be less than one-fifth of the total number of members of the *Gram Sabha*. Importantly, of these, not less than one-third should be women, and the SCs and STs shall be represented in proportion to their population in the *Gram Sabha*. This clearly indicates that a generic quota for the deprived, which can be short-circuited, has been discarded and a more stringent safeguard to ensure the participation of deprived communities has been built in. Second, according to the new Act, the *Gram Sabha* is not empowered to take decisions in any circumstance if the meeting lacks quorum. It is essential and obligatory to fulfil the quorum requirement before proceeding with the process of decision-making. This is a marked break from the earlier *Panchayat* Act, which left loopholes to allow *Gram Sabha* meetings to be conducted with incomplete quorum. Thirdly, it is hoped that *Gram Sabha* will take most of the decisions unanimously, however in cases of difference of opinion, the matter should be decided only through a secret vote. The operative word in this provision is 'secret' to provide space to the marginalised voice. Fourthly, the representation of women and marginalised communities in the standing and ad-hoc committees is ensured by reserving a minimum number of seats for them in these committees. Finally, considering the oppressive village reality, a provision of appeal to a three member committee constituting Sub

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[7] The experiences of Digvijay Singh led Madhya Pradesh government working through user groups and stakeholder committees in implementing development plans and schemes have been extremely heartening and successful. These efforts have been relatively much more successful than the government or *Panchayat* implemented programmes and schemes. According to some experts, this positive experience played a critical role in taking decisive steps in favour of *Gram Swaraj*.

Division Officer, *Janpad Panchayat Adhayaksh* and a member of *Janpad Panchayat* of that area against the *Gram Sabha* decision is also present. This provision was incorporated as Article 7–H of the *Panchayat Avam Gram Swaraj* Act to safeguard the rights and interests of deprived and marginalised groups. However, this provision can be used by the powerful to subvert popular decisions taken by *Gram Sabhas*. This provision, according to some critics, fundamentally contradicts the autonomy and spirit of *Gram Swaraj*.

Another progressive innovation of the new *Gram Swaraj* system is to organise separate *Gram Sabhas* for each village[8]. In Madhya Pradesh a *Gram Panchayat* is often constituted of more than one village. To do justice to each village and to make the system of *Gram Swaraj* effective it was imperative to recognise the *Gram Sabha* of each village as independent. However, to resolve issues affecting the whole *Gram Panchayat* a provision of joint *Gram Sabha* has also been inserted[9]. For example, to decide the formula to utilise untied funds and the pattern of expenditure of those funds flowing to the *Gram Panchayat*, a joint *Gram Sabha* shall be convened.

The *Sarpanch* of the *Gram Panchayat* will chair the *Gram Sabha* meetings and every committee formed by the *Gram Sabha* (standing and ad-hoc) will have a *Gram Panchayat* member, although it would be required that the *Panch* is a stakeholder of the work assigned to the committee. The *Panchayat* Secretary will function as Secretary of the *Gram Sabha*.

In the new system the funds will be given to *Gram Panchayat* and then the funds will automatically flow to *Gram Sabhas*. The *Gram Panchayat* will act only as a post office. Ideally, it would be more coherent to directly transfer funds to the *Gram Sabhas*; however, the Constitutional requirement and Union government directives do not allow such a mechanism. The allocation of funds to different villages within a *Gram Panchayat* will be decided by the same prescribed norm which is applied to distribute the funds amongst *Gram Panchayats* by the higher tiers. This would ensure that the dependent village in a *Gram Panchayat* would have access to funds, unlike the present system in which one village corners most of the available funds. The *Panchayat Kosh* will continue to exist and a new *Gram Kosh* will be established, which would 'consist of four parts, (i) *Anna Kosh* (Grain Account) (ii) *Sharam Kosh* (Labour Account) (iii) *Vastu Kosh* (Material Account) (iv) *Nagad Kosh* Cash Account)' (Article 7 (J) (1) of *Panchayat* and *Gram Swaraj* Act). These heads are self-explanatory and would collect food, voluntary labour, donations in kind, such as wood and fodder etc., as well as cash collected through taxes imposed by the *Gram Sabha* and funds flowing from the *Gram Panchayat*. The *Gram Kosh* will be operated by *Gram Vikas Samiti* (Article 7 (J) (4) of *Panchayat* and *Gram Swaraj* Act). Through the resources generated by the *Gram Kosh* and the money flowing from *Panchayat Kosh*, *Gram Swaraj* will manage its expenditure and operational costs. It would be the endeavour of the state government to increase the flow of untied funds to *Gram Sabhas*, so that these can effectively function as units of self-governance. The State Finance Commission will also be encouraged to devolve more untied funds to *Gram Sabhas* flowing through *Gram Panchayats*.

Gram Swaraj has emerged from an extensive process of deliberation, refinement and dialogue. It is also a result of the grassroots experiences of *Panchayati Raj* functioning coupled with Madhya Pradesh government's stated commitment to democratic decentralisation. The Gandhian ideological framework (although not in its entirety) inspired the basic structure and body of this new system of self-governance. On 15th November 1999 a task force was constituted by Madhya Pradesh government under the chairmanship of Mr Digvijay Singh to actualise the transfer of powers to the people. The task force committee comprised of noted Gandhians such as Anna Hazare, Nirmala Deshpande, Subba Rao, B. D. Sharma; it also had representation of the state bureaucracy. This task force, through an extensive process of deliberation, presented the *Gram Swaraj* model. Importantly,

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[8] Rajasthan has taken the lead in this regard as under the Rajasthan *Panchayat* Act even Ward *Sabhas* are recognised.
[9] Article 6 (5) of the *Panchayat Raj Avam Gram Swaraj* Act.

the model was shared with the people and civil society at divisional headquarters and their suggestions were incorporated in the model before the structure of *Gram Swaraj* was finalised.

The primary objective of introducing a new system of *Gram Swaraj* is evidently to transfer power to the people and sincerely to take forward the process of democratic decentralisation to its logical end. The new structure is substantially influenced by the Gandhian commitment to *Gram Swaraj* to facilitate social, economic and political autonomy at the village level. It needs to be appreciated that *Gram Swaraj* is an attempt to radically restructure the governance space according to the Gandhian worldview. *Gram Swaraj* is also an attempt to reduce groupism and animosity being created due to *Panchayat* elections. According to the proponents of *Gram Swaraj*, experience suggests that to lose elections is taken as a personal loss in a village, often leading to disruption of the social fabric. With the strengthening of *Gram Sabha* and introduction of *Gram Swaraj*, gradually the *Panchayat* elections will not be hotly contested and the disruption of the society will be stalled. Another important objective of *Gram Swaraj* is to reassert the village as a social unit. The aim is to help resurrect the village community, which is disintegrating causing considerable adverse consequences.[10]

11.3 Critiquing the experiment

The *Gram Swaraj* experiment has already faced stringent criticism since its inception from different quarters. Leading this group are *Panchayat* purists, who believe that *Gram Swaraj* is an attempt to dilute and disempower the *Panchayati Raj* institutions for political reasons, as the political class became increasingly apprehensive of growing assertion of the *Sarpanches*. Some political analysts believe that *Gram Swaraj* is a move to pacify agitated and perturbed MLAs, whose support is essential for the Chief Minister's survival in the ongoing intra-party feud in the state. However in defence against the criticism of *Panchayat* purists, the task force members reassert that *Gram Swaraj* has been operationalised for transferring power to the people and not for some narrow political compulsions. The members of the task force for *Gram Swaraj* recognise that once *Gram Swaraj* is operationalised, the *Gram Panchayats* will become irrelevant, although they also realise that *Gram Panchayats* are a Constitutional requirement. The task force recognises that the new leadership of *Panchayats* emerging after the second round of elections has political aspirations. Therefore a compromise was worked out to fulfil the Constitutional requirement and to accommodate the *Gram Panchayat* members, providing space to elected members of the *Panchayats* within the *Gram Swaraj* structure (these provisions giving space to elected members of *Panchayats* have already been discussed).

Another criticism of the *Gram Swaraj* is that the *Gram Sabhas* lack the capacity to perform as autonomous units of self-governance. A similar line of criticism is reflected when critics point to the experience of ineffective functioning or lack of functioning of *Gram Sabhas* under the *Panchayat Raj*. These experiences strongly demonstrate that the institution of *Gram Sabha* has remained defunct under the *Panchayat* system. The members of task force defend *Gram Swaraj* by arguing[11] that under the *Panchayati Raj* system no major decisions directly affecting the lives of the people were taken by the *Gram Sabhas*, therefore the attendance and participation in *Gram Sabhas* was low. In the new system, *Gram Sabhas* will take all the major decisions affecting the lives of people and therefore people will have stakes in the proceedings of *Gram Sabhas*, resulting in involvement and participation of the people. In the *Panchayat* system, the government decided the number, date and agenda of *Gram Sabha*, which was often far removed from the interests and life of the common people, ensuing in poor attendance. *Gram Swaraj* will now ensure that *Gram Sabha*

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[10] Several Gandhian workers are working towards this end. A social movement, Bharat Jan Andolan, led by Dr. B. D. Sharma, active in Chhattisgarh and adjoining tribal areas, is focusing its energies on rebuilding the village community.
[11] The researcher interviewed four members of the task force and their views are reflected here.

meetings are more regular – at least one meeting every month. The regularity of the meeting and the enhanced powers of the *Gram Sabha* are intended to ensure an agenda in which the people of the village have stakes. Responding to the issue of limited capacity of *Gram Sabha* a member of the task force posed a counter question. He argued that 'the British gave the same argument while denying independence to India, similarly a lot of hue and cry was raised when *Panchayati Raj* was implemented.' According to him the argument of limited capacity to counter the introduction of *Gram Swaraj* is antithetical to democratic decentralisation. Capacities are best built by entrusting responsibility and not mere one or two day training modules, the need 'is to encourage and facilitate on the job training'. Another task force member realises that *Gram Sabhas* have limited capacities, nevertheless, according to him it cannot be a reason not to implement *Gram Swaraj* as in the longer run it would result in truly democratic and participatory governance. 'The new system of *Gram Swaraj* at worst can only continue to perpetuate the present inertia and apathy of *Gram Sabha*, therefore it is worth a serious try'. The task force in its report does recognise this limitation and recommends specific measures and a plan of action to facilitate the establishment and effective functioning of *Gram Swaraj*.[12]

Another important critique of *Gram Swaraj* is that it does not entrust any judicial or police functions to the *Gram Sabha* and therefore it remains largely an extension of government, acting as a people's development agency, with extremely limited governance functions. *Gram Suraksha Adhiniyam* (Village Protection Act) and *Gram Nyayalaya Adhiniyam* (Village Court Act) operationalised on 26th January 2001, with the *Gram Swaraj* Act, as a package further contradict and infringe on the autonomy of *Gram Swaraj*. The *Gram Suraksha Adhiniyam* gives the SP the authority to appoint a person in each village for village protection. These appointees will be trained and controlled by the SP office and they will report to the same, in effect contradicting the self-governance functions and autonomy of *Gram Swaraj*. The *Gram Nyayalaya Adhiniyam* is an attempt to work out a compromise between the traditional dispute resolution mechanism prevalent in villages and the modern legal system. This Act provides for a court comprising three people, out of which one should have a legal background and none should be representatives or members of any committees. The court is intended to cover 10 *Gram Panchayats*. This system attempts to synthesise the traditional system with the modern legal system but falls short, as it makes one member with legal background mandatory and also the area of 10 *Gram Panchayats* becomes too large for traditional systems to be effective. Therefore these courts established under the *Gram Nyayalaya Adhiniyam* will become the next tier of the existing judicial system, although more accessible than the civil court but without the component of the informal and traditional village system of dispute resolution. This Act does not provide a system of conflict resolution at the village level and therefore does not make up for the absence of judicial functions of *Gram Sabha* under the *Gram Swaraj* system. There is a need for the *Gram Swaraj* system to address these concerns and devise ways of devolving more governance functions to *Gram Sabhas* to enhance the efficacy of the new system. For example, the power of taxation delegated to the *Gram Sabha* is a positive step; more similar steps need to be taken.

Despite the transfer of powers and functions to *Gram Sabha*, the *Gram Panchayat* remains powerful, and it would be a challenge to strengthen the *Gram Sabha* and institutionalise the *Gram Swaraj* and not let the *Gram Panchayat* overshadow the new system. It would also be a challenge to protect and articulate the interests and stakes of the poor and marginalised communities under the *Gram Swaraj* system, given the nature of fractured and inequitable village society in Madhya Pradesh. Therefore, more safeguards are needed to prevent the privileged and powerful from misusing a highly democratic and progressive system.

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[12] Chapter 10 'Vatavaran Nirman' of the Task Force report submitted on 1st January 2001, is devoted to outlining the strategy for mobilisation and facilitation of *Gram Swaraj*.

11.4 Experiences in its operationalisation

Gram Swaraj was introduced on the 26th January 2001, after sufficient preparations as previously mentioned. The Chief Minister himself visited one of the *Gram Sabha* in a neighbouring district to the State Capital to formally announce the provision to the larger masses. Since then various processes have become operational, reflecting upon the potentials and threats for the attainment of *Gram Swaraj*. Some of the experiences in *Gram Swaraj* are presented here.

- *Sarpanches* formed networks/collectives to file writ petitions against the decision of the government, citing that *Gram Swaraj* is violating the spirit of 73rd Constitutional Amendment. They collected resources to go up to the High Court. The collective strength was also utilised to pressurise *Panchayat* representatives into not forming committees.

- Energy was invested to ensure that the person representing the interests of the *Sarpanch* was elected as Treasurer. Moreover, efforts were made to ensure that a large number of *Panchayats*/*Gram Sabhas* do not elect committees under the *Gram Swaraj* framework, so that a stronger case in opposition of the provisions could be developed.

- Influential people have tried to grab the position of Treasurer, as it is essential for the withdrawal of funds from the *Panchayat* account.

- *Sarpanches* have made an effort to formulate committees in such a manner that people of their choice manage *Gram Sabha* meetings. Many of the signatures on *Gram Sabha* attendance are obtained not from those present, but by circulating the register.

- The fund flow mechanisms to transfer resources received in *Gram Panchayat* account were not clearly spelt out. Therefore, *Gram Sabhas* with their autonomous status to take decisions for their own development were unable to function due to lack of resources.

Collective efforts of voluntary organisations to strengthen Gram Swaraj

A group of voluntary organisations saw *Gram Swaraj* as an opportunity to reach out to the *Gram Sabhas* and try to operationalise mandated powers to *Gram Sabhas*. It is realised that positive examples and difficulties faced will help build a collective pressure on the administrative system and political leadership for greater devolution of powers. The collective strength was utilised from the point of view of obtaining a diverse range of experiences as well as bringing in experiences of a larger number of *Gram Sabhas*.

At Gram Sabha level

- There is a complete absence of knowledge on the part of representatives and *Panchayat* Secretary as to how these committees will be functioning. Some of the key areas of ambiguity are:
  - account opening procedures for each *Gram Sabha* and accountability issues
  - responsibility for resolving disputes unresolved at *Gram Sabha*/Committee level
  - overlapping of roles between various committees. Should this be resolved at *Gram Sabha* level or should *Gram Sabha* wait for instructions?

- There is a provision of monthly *Gram Sabha* meetings with an expanded quorum of 20% voters. The top-down model of governance of *Panchayats* has not changed dramatically due to *Gram Swaraj*. Therefore, there is poor attendance in *Gram Sabhas* and the quorum is not being met.

Out of the 157 *Gram Sabhas* visited during March 2001, the quorum could be completed in only 32.4%. A similar situation was observed in June, September and December 2001 meetings and quorum could be completed in less than one-third of *Gram Sabhas*. By and large, the quorum is completed as a formality by passing round registers among households.

- The influential people of *Panchayats* have knowledge about *Gram Swaraj* provisions and have occupied positions in various committees. Therefore, they are utilising them to their advantage, exploiting the ignorance of the poor and socially deprived sections. On the other hand, many *Sarpanches* have formed committees selecting their own favoured people, however, even people selected in different committees are unfamiliar with their duties.

- There is a perceived role of *Panchayats* as development agency of the village, therefore *Gram Sabha* members are still not recognising the role of committees in performing their specified tasks.

- There is a lesser representation of women in committees, especially as heads of the committees, therefore, in reality, the proportion of women in leadership roles has dropped below 33%.

At the level of the government

- With the recognition of each village as an autonomous unit for conducting their own *Gram Sabhas*, there is a significant increase in the total number of self-governance units. Government officials are unable to reach and attend these meetings.

- Due to existing relationships with *Sarpanches*, government officials tend to work only with them. They are yet to recognise the importance of village development committee, as well as Treasurer elected by *Gram Sabha*.

- *Gram Sabha* agenda is still dictated by the *Panchayat* Secretary. Therefore, local issues and problems are still not finding space during the *Gram Sabha* meetings.

- The plans prepared by the committees and duly recommended by *Gram Sabha* do not always obtain approval and resources from higher levels. In this way, the changes have brought nothing new and there is growing dissatisfaction with them.

11.5 Some positive outcomes of *Gram Swaraj*

- Monthly meetings of *Gram Sabha* are mandatory, reducing the time lag between the *Gram Sabha* meetings. Therefore, most of the *Gram Sabhas* have decided a date for the meetings. Gradually, members are getting into the habit of attending *Gram Sabha* meetings on special date. Local issues have started finding space with increased frequency and a reduced time gap.

- Wherever there is a stronger opposition or, in other words when the power is not concentrated in a few hands, broadening the committee leadership base has resulted in representation of voices of dissent. There is a difficulty in building consensus, yet it has been helpful making the process transparent and accountable.

- The quota of reservation for women and *dalits* has ensured their greater representation. This has provided an additional opportunity to them to demonstrate their leadership abilities, which will have an impact in the long run. Orientation programmes organised by voluntary organisations in more than 450 *Gram Sabhas* across the state have clearly demonstrated that the *dalits*, people of socially weaker sections and women have shown great interest to know about *Gram Swaraj*.

- Voluntary organisations have utilised instrumentalities of *Gram Swaraj* to form committees for specific tasks. This was evident during planning interventions to address the drought situations in many *Panchayats*. Temporary implementing and monitoring committees were formed which functioned under *Gram Swaraj* provisions. Therefore participation of *Gram Sabha* and *Gram Panchayat* could be ensured.

- There are various government orders and Gazette notifications to clarify ambiguous issues:
  - It has been clarified that any literate person can become treasurer. He or she does not need 10th standard qualification.
  - In Section 6 of the Madhya Pradesh *Panchayati Raj Avam Gram Swaraj Adhiniyam*, 1993 (No. 1 of 1994) (hereinafter referred to as the Principal Act), in subsection (2), for the words 'Not less than one fifth of the total number of members of the *Gram Sabha* shall form a quorum for a meeting of a *Gram Sabha*' the words 'Not less than one fifth or one thousand, whichever is less of the total number of members of the *Gram Sabha* shall form a quorum for a meeting of *Gram Sabha*' have been substituted.
  - The committees of various development programmes, especially the village education committee, will merge with the existing eight committees of *Gram Swaraj* or their committees will function as a subcommittee of the eight permanent committees.

11.6 Some of the challenges for the success of *Gram Swaraj*

In spite of many initial problems and difficulties that people are facing in managing Governance with a set of committees and a broader base of membership, there are many positive signs, which are reflecting the potential for success of the *Gram Swaraj* system.

- A group of bureaucrats and development practitioners believe that the current form of *Gram Swaraj* is a utopia. Therefore, half-hearted energies are being put into making it a success. Such people expect and aspire to evolve a more realisable model of *Gram Swaraj* which is consistent to the ongoing 73rd Amendment framework, as well as being convenient for the development administration.

- Conscientisation of the *Gram Sabha* is essential in order to make *Gram Swaraj* function effectively, but is a daunting task. There is a need to develop locally adaptable communication strategies so that a large number of people become aware of the provisions of *Gram Swaraj*. Considering the diversity of culture and language, it would require a full scale campaign to reach out to such a large number of people with information.

- It was realised that elected representatives do not have knowledge about their roles and responsibilities. They also lack skills to manage *Gram Sabha* meetings and keep accounts etc. There is now a great need for committee members, now swollen to a very large number, to learn management of democracy and development. There are a few voluntary agencies that are committed to reaching out to *Gram Sabhas* with limited resources.

- The political will of attaining *Gram Sabha* will not be realised unless many conflicting areas with overlaping of powers between various development committees and departments are resolved and are vested with *Gram Sabhas*. In the absence of funds and control over their own resources, it will be extremely dysfunctional to empower *Gram Sabhas*. The commitment of bureaucratic machinery for operationalising *Gram Swaraj* is extremely critical until the point where *Gram Sabhas* become strong enough to make their point heard and start taking an interest in local Governance.

12. Conclusion

The most significant experiment in reforming governance in India from a participatory democratic decentralisation perspective has been the introduction of the *Panchayat* system through the 73rd Constitutional Amendment in the early 1990s. It was expected that the newly created *Panchayat* system, drawing strength from the Constitutional provisions, would emerge as an effective tool of local self-governance and would strongly further the primary objectives of economic growth and social justice. Unfortunately, these expectations have remained largely unfulfilled.

The journey of *Panchayati Raj* in India over the last decade has been extremely complex, slowed by institutional and bureaucratic resistance, lack of political will and support, lack of awareness and capacities at grassroots, inadequate finances and the continuing unequal and non-democratic socio-political organisation of rural society. The experiences of the *Panchayat* system across India have been varied, depending on several factors including political will, nature of bureaucracy and prevalent socio-economic conditions in the region.

Madhya Pradesh is viewed by many as one of the better performing states with respect to its initiatives for democratic decentralisation through *Panchayati Raj*. The most significant reason for this impression is a strong political will at the top level for strengthening and supporting the *Panchayat* system to take its due place in the system of governance. The strong political will and government support to the *Panchayat* system can be clearly seen in the framing of progressive Acts, and continuous delegation and devolution of powers, authority and roles to *Panchayat* institutions. Despite these efforts and initiatives in Madhya Pradesh, the *Panchayat* system continues to be plagued by immense difficulties and faces stiff resistance from several quarters.

This study strongly brings out the contradictory realities of the *Panchayat* system in Madhya Pradesh. On the one hand, there is very progressive legislation, policies and guidelines for the *Panchayats* backed by strong political will. On the other hand the ground reality clearly indicates weak and ineffective implementation of the *Panchayat* system, leading to little progress on the path of real democratic decentralisation.

The study clearly identifies three broad sets of issues that are hampering the development of an effective *Panchayat* system in the state. First is resistance and non-cooperation from the bureaucracy and the existing institutions of governance, evident inadequate financial devolution, the framing of rules contradicting the spirit of *Panchayats*, and red tapism and corruption. In effect it indicates that the state and the ruling classes are still not ready to devolve powers and authority to another level of governance due to diverse vested interests developed over time and therefore they use multiple strategies and mechanisms to stall the process of democratic decentralisation. The second set of factors are resistance from the political class, and the socio-economic and political elites of rural Madhya Pradesh, which view *Panchayats* as a serious threat to their interests and hegemony. These classes in alliance with the bureaucracy and the political class are working to make the *Panchayat* system ineffective. For example, these could be representing the patriarchal forces or the feudal caste forces disturbed by the election of women and *dalits* to position of dominance. Finally, the third set of factors are lack of capacities at grassroots, lack of information among common people about *Panchayati Raj* and lack of political education among the ordinary people whose political role is critical for effective *Panchayat* functioning. For example, despite several years of the functioning of the *Panchayats*, Madhya Pradesh has not been able to build capacities of the elected representatives who could perform effectively as *Sarpanches* by keeping financial records, implementing developmental plans, etc., leaving the real decision-making arena to others who have vested interests. There are many other factors such as the existing political

culture, institutional dynamics and shortcomings of the *Panchayat* system itself, which also contribute to ineffective *Panchayat* functioning in the State.

The study strongly presents the problems of the *Panchayat* system. However, the study also brings out another layer of reality – the process of empowerment of the marginalised and effective use of *Panchayats* for sincere participatory democracy, albeit not so forcefully. The cases of empowerment of women, *dalits*, collective community decision-making, altering the development priorities in favour of the people's needs and aspirations discussed in the report are all very significant examples and raise hopes for the *Panchayat* system, despite its shortcomings. These achievements in the context of a state largely constructed on a colonial model and unequal non-democratic social and political order are extremely significant. As proactive participants in the process of democratic decentralisation it becomes critically important to highlight these successes. In tune with this perspective, a large number of civil society actors have identified the problems and successes of *Panchayats* and are working to consolidate the gains from the *Panchayat* system for people-centric development and effective democratic self-governance.

Due credit has to be given to the government of Madhya Pradesh for its sincerity, openness and commitment to democratic decentralisation. The government has been extremely receptive to ground realities about the inadequacies of the *Panchayat* system and has continuously striven to devise strategies for making *Panchayats* effective institutions of local self-governance. The establishment of *Gram Swaraj* is a testimony to this spirit of innovativeness and sincerity to the process of democratic decentralisation. This new system has attempted to address several of the shortcomings of the previous system of local self-governance and has the potential to facilitate the achievement of the primary objectives of economic growth, people-centric development and social justice. However, the functioning of *Gram Swaraj* in the past year has already set the alarm bells ringing as the initial euphoria dies down. The not so effective start to *Gram Swaraj* clearly indicates that the state has to think very seriously and systematically beyond innovative and progressive ideas to be able to realise the objective of true democratic decentralisation.

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Annex 1 Questionnaire and Interview Schedule

A rigorous questionnaire was prepared on the basis of issues identified. The interview schedule was semi structured and there was space for recording other relevant data. Separate questionnaires were made for different primary stakeholders in the *Panchayati Raj* system. For the study, the primary stakeholders identified were the following:

- Elected *Panchayat* representatives at all three levels (*Adhyaksh* members, *Panches* and *Sarpanches*)

- Members of *Gram Sabha* (people of the village)

- Marginalised members of *Gram Sabha* (SCs, OBCs, landless, poor and women)

- Civil society actors (NGOs and social organisations)

- District administration (*Panchayat* Secretary, *Janpad* and district CEOs, Collector and district departmental heads)

- Politicians (MPs, MLAs and political party members)

- State government officials (Secretary, *Panchayat* Department; Minister, *Panchayat* Department, Secretary, Women and Child Department)

- Others (bureaucrats, former bureaucrats, NGO heads, Academicians, etc.)

Annex 2 Details of Study Area

Districts and *Panchayats* of Madhya Pradesh (Undivided)

Socio-Cultural Regions:

Baghelkhand, Chambal, Chattisgarh, Mahakaushal, Malwa and Bundelkhand, Nimar

Districts:

Jhabua, Raigarh, Satna, Seoni, Shivpuri

***Gram Panchayats*:**

Amankua, Arepa, Badakhuteja, Bamoori, Bara, Bedgaon, Behta, Berger, Bhabra, Bhunkehar, Chandanpur Javaria, Deglawani, Dudha, Dunda-Seoni, Futhoudha, Gadgaon, Gopalganj Gungchelhi, Gwalipu, Haikheda, Jamgaon, Khamuria, Khauria, Khawasa, Khera, Kheriamal, Khoriapur, Kolotra, Kowatal, Krishanganj, Kukurda, Mahloi, Mailli, Majhera, Malara, Malpurchoti, Maroha, Mayawat, Mera, Nohri Kalan, Padigaon, Patelpali, Pathorha, Ramali, Ringol, Rumal, Sahawal, Sakaria, Salehona, Sanda, Saraipalli, Shivpurva, Singholi, Sirsod, Surbaya, Taraimal, Telipali, Tiwariyan, Tumidighaghargaday, Vijaypani

Annex 3 Key Guiding Principles

The key guiding principles for the transfer of powers, functions and programmes from the State government to the *Panchayats* are following:

- *Panchayat* institutions should be developed as institutions of self-governance and not treated merely as institutions of local governance.

- The required administrative structure and machinery should be provided for making *Zila Panchayats* effective bodies of district administration and having the *Janpad Panchayat* as its main implementing agency.

- *Gram* and *Zila Panchayats* should be developed as units of implementation of all such programmes which can be executed within the boundaries of a village. All agencies and organisations that can be managed at the local level should be under the management of *Gram Panchayats*.

- The role of the State government should be limited to policy framing.

- The State government should formulate the public service programmes with advice and cooperation from *Panchayat* institutions, and then entrust implementation to the *Panchayats* within a given framework.

- There should be a clear division between the functions of the *Panchayats* and the State government. The *Panchayat* sector and the government sector should be clearly defined.

- The main responsibility of the *Panchayats* should be to formulate plans for economic development and social justice, and to implement these and other economic development and social justice programmes.

- The *Panchayat* sector should be given the district and lower-level administrative machinery and budgets of departments working in the rural sector.

- The State government's Constitutional rights and responsibilities over the programmes, activities and departments brought under the *Panchayat* system will continue.

- The *Panchayat* system is for the districts and the lower levels; therefore, the functions and the rights of Division and above levels will remain intact and unchanged.

- *Zila Panchayats*, within their financial limitations, can formulate and implement programmes to fulfil and perform their constitutional, legal and State government-specified tasks.

- The decisions of the *Panchayats* should be implemented by the *Panchayat* administration under the control, guidance and supervision of *Panchayat* functionaries.

- Power should be entrusted to *Panchayats* as an institution and not to individuals or office bearers. Similar to the State government's 'Service rules', a similar set of 'Service rules' should be framed for the *Panchayats*, clearly stating who shall exercise power and authority in the name of *Panchayats*.

The key guiding principles in the transfer of power, responsibility, function and programmes to *Panchayats*, and the administrative directives for the implementation of transferred programmes, are as follows:

- Administrative machinery should be transferred to *Panchayats* in accordance with transferred schemes, programmes and plans.

- No employee or officer should work under the twin control of the *Panchayat* and the State government.

- The Administrative machinery should not be transferred on an ad-hoc basis. Wherever possible, a complete transfer should take place. When required, an appropriate demarcation should be carried out in light of the roles and responsibilities given to *Panchayats* and the State government.

- The work, rights, responsibility, budget and machinery of a department up to the district level, has been entrusted to the *Panchayats*. Nevertheless, the divisional officers will be authorised and responsible, as before, for the supervision, control, evaluation, guidance and technical support of these programmes and activities in the *Panchayat* sector. The powers and responsibilities of the district level officers and lower officers are being transferred to *Panchayats* of respective levels. However, *Panchayats* will continue to have existing ties with divisional, and above, officers of the concerned departments.

- The department's functions and programmes are being transferred to *Panchayats*; therefore, the district and lower level officers will work under the *Zila Panchayat* via the Chief Executive Officer. For example, the Department of Food and Civil Supplies, Mineral Resource, *Adim Jati* (tribals) and *Harijan Kalyan* (welfare), etc.

- The departmental officer of the corresponding level should have the required rights to implement the decisions of *Panchayats*, which are within the domain assigned to it.

Annex 4 Reasons for Ineffective Functioning of *Gram Sabhas*

Stakeholder Groups	Perceptions
Sarpanch	Corrupt and non cooperative government officials
	Hindrance/delay/cancellation/non cooperation by CEO, *Janpad*
	Bias in entertaining *Sarpanches* with political clout by *Janpad*
	Lack of accountability of *Janpad* in non-acceptance of GS decisions
	Conflict in village due to politics and parochialism
	Conflict in *Gram Panchayat* over issues
	Ignorance in people about benefits of GS meetings
Upsarpanch/*Panch*	Decisions made only by *Sarpanch*
	Opportunity not given to everyone to speak; only influential people speak
	Inability of people to attend GS meetings for half the year or more due to seasonal migration in search of employment
	Corrupt *Sarpanch*
	Incomplete quorum
Panchayat Secretary	Improper timing of GS meetings
	Distance from venue of meeting poses a constraint
	Participants mainly consist of beneficiaries
	Many in the community do not find any use in attending GS meetings
	Cancellation of meetings due to incomplete quorum
	Insufficient women's participation
	Overbearing influence of influential people
	Groupism and fights amongst villagers as well as *Sarpanch* and *Panch*
	Disregard of GS decisions by the government
	Lack of will to attend GS meetings due to lack of interest shown by government officials and corruption
	Ambitious and ad-hoc planning
	Non allotment/incomplete schemes
General Community	Programmes mainly in favour of marginalised community
	Inconvenient timing of GS
	No follow up activities
	Lack of interest in active participation due to powerful *Sarpanch* and others
	Corrupt *Panchayat* Secretary, *Sarpanch* and government officials
	Lack of transparency leading to misuse of schemes
	Lack of attendance leading to ineffective meetings
	It has become a place to settle personal quarrels
	Distribution of funds is a reason for conflict
	Subservient *Sarpanch* from lower caste
	Split in village due to caste and class level differences
	Laxity on the part of *Sarpanch*
	Because of preparation of agenda by *Janpad*, local agenda gets lost
	Ineffective bureaucracy
	Corruption and non-cooperation at the *Janpad* level
	Cumbersome follow up procedure
Marginalised Community	Strong hold of influential people leading to lack of interest in participation
	Inability to attend GS meetings for a year or more due to seasonal migration in search of employment
	No participation in decision-making
	Meetings announced too late
	Incomplete quorum
	Corruption and non cooperation by government officials

NGOs	Lack of participation in *Gram Sabha*
	Preference to join other committees such as Water Committee etc., and do not attend GS meetings
	Ineffective *Sarpanch* and non implementation of decisions taken in GS by *Sarpanch*
	Insufficient women's participation
	Powers of GS among people/elected representatives not known
CEO (ZP)	Inconvenient timing of GS
	Inability to attend GS meetings due to seasonal migration
	Ambitious and ad-hoc planning
	Limited targets and funds from government
	Interference by political parties
CEO (JP)	Seasonal migration
	Few resources from government
	Political affiliation
	Bias in giving benefits to SCs/STs
	Demand for more than allotted quota of money by *Panch*
	Ignorance about constraint on government officials construed as rejection of proposal, thus creating tensions in relationship
	Top down planning
	Sarpanch Raj
	Step-motherly attitude of government functionaries
Government Officials	Benefit goes to very few people
	Improper timing of GS meetings
	Rejection of proposal leading to dampening of spirit
	Improper knowledge/training leading to skewed implementation
	Uneducated representatives
	Interest in embezzling money

Annex 5 The *Panchayat* Extension to Scheduled Areas (PESA) Act

An Act to provide for the extension of the provisions of Part IX of the Constitution relating to the *Panchayats* to the Scheduled Areas:

1. Notwithstanding anything contained under Part IX of the Constitution, the Legislature of a State shall not make any law under that part which is inconsistent with any of the following features, namely:

    (a) a State legislation on *Panchayats* that may be made shall be in consonance with the customary law, social and religious practices and traditional management practices of community resources;

    (b) a village shall ordinarily consist of a habitation or a group of habitations or a hamlet or a group of hamlets comprising a community and managing its affair in accordance with traditions and customs;

    (c) every village shall have a *Gram Sabha* consisting of persons whose names are included in the electoral rolls for the *Panchayat* at the village level;

    (d) every *Gram Sabha* shall be competent to safeguard and preserve the traditions and customs of the people, their cultural identify, community resources and the customary mode of dispute resolution;

    (e) Every *Gram Sabha* shall
        (i) approve the plans, programmes and projects for social and economic development before such plans, programmes and projects are taken up for implementation by the *Panchayat* at the village level;
        (ii) be responsible for the identification or selection of persons as beneficiaries under the poverty alleviation and other programmes;

    (f) every *Panchayat* at the village shall be required to obtain from the *Gram Sabha* a certification of utilisation of funds by that *Panchayat* for the plans, programmes and projects referred to in clause (e);

    (g) the reservation of seats in the Scheduled Areas at every *Panchayat* shall be in proportion to the population of the communities in the *Panchayat* for whom reservation is sought to be given under Part IX of the Constitution: Provided that the reservation for the Scheduled Tribes shall not be less than one-half of the total number of seats; Provided further that all seats of Chairpersons of *Panchayats* at all levels shall be reserved for Scheduled Tribes;

    (h) The State government may nominate persons belonging to such Scheduled Tribes as have no representation in the *Panchayat* at the intermediate level: Provided that such nomination shall not exceed one-tenth of the total members to be elected in the *Panchayat*.

    (i) The *Gram Sabha* or the *Panchayats* at appropriate level shall be consulted before making acquisition of land in Scheduled Areas; the actual planning and implementation of projects in Scheduled Areas shall be coordinated at the State level;

    (j) Planning and management of minor water bodies in the Scheduled Areas shall be entrusted to *Panchayats* at the appropriate level;

    (k) The recommendations of the *Gram Sabha* or *Panchayats* at the appropriate level shall be made mandatory prior to grant of prospective licence or mining lease for minor minerals in the Scheduled Areas;

    (l) The prior recommendations of the *Gram Sabha* or the *Panchayats* at the appropriate level shall be made mandatory for grant of concession for the exploitation of minor minerals by auction;

(m) While endowing *Panchayats* in Scheduled Areas with such functions as institutions of self-government, a State Legislature shall ensure that *Panchayats* and the *Gram Sabha* are endowed specifically with:

(i) the power to enforce prohibition or to regulate or restrict the sale and consumption of any intoxicant;

(ii) the ownership of minor forest produce;

(iii) the power to prevent alienation of land in the Scheduled Areas and to take appropriate action to restore any unlawfully alienated land of a Scheduled Tribe;

(iv) the power to manage village markets by whatever name called;

(v) the power to exercise control over institutions and functionaries in all social sectors;

(vi) the power of control over local plans and resources for such plans including tribal sub-plans;

(n) The State legislation that may endow *Panchayats* with powers and authority as may be necessary to enable them to function as institutions of self-government shall contain safeguards to ensure that *Panchayats* at the higher level do not assume the powers and authority of any *Panchayat* at the lower level or the *Gram Sabha*.

(o) The State Legislature shall endeavour to follow the pattern of the Sixth Schedule of the Constitution while designing the administrative arrangements in the *Panchayats* at district level in the Scheduled Areas.

2. Notwithstanding anything Part IX of the Constitution with exceptions and modifications made by this Act, any provision of any law relating to *Panchayats* in force in the Scheduled Areas immediately before the date on which this Act receives the assent of the President, which is inconsistent with the provisions of Part IX with such exceptions and modifications shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from the date on which this Act receives the assent of the President.

3. Provided that all *Panchayats* existing immediately before such date shall continue till the expiration of their duration unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of that State or, in the case of a State having Legislative Council, by each House of the Legislature of that State.

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