

# **Strengthening of Panchayats in India: Comparing Devolution across States**

**Empirical Assessment - 2012-13**

**April 2013**

*Sponsored by*



**Ministry of Panchayati Raj  
Government of India**



**The Indian Institute of Public Administration  
New Delhi**

# **Strengthening of Panchayats in India: Comparing Devolution across States**

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**V N Alok**



**The Indian Institute of Public Administration  
New Delhi**

## Foreword

It is the twentieth anniversary of the 73<sup>rd</sup> Amendment of the Constitution, whereby Panchayats were given constitutional status. While the mandatory provisions of the Constitution regarding elections and reservations are adhered to in all States, the devolution of powers and resources to Panchayats from the States has been highly uneven across States.

To motivate States to devolve powers and responsibilities to Panchayats and put in place an accountability framework, the Ministry of Panchayati Raj, Government of India, ranks States and provides incentives under the Panchayat Empowerment and Accountability Scheme (PEAIS) in accordance with their performance as measured on a Devolution Index computed by an independent institution.

The Indian Institute of Public Administration (IIPA) has been conducting the study and constructing the index while continuously refining the same for the last four years. In addition to indices on the cumulative performance of States with respect to the devolution of powers and resources to Panchayats, an index on their incremental performance, i.e. initiatives taken during the year, was introduced in the year 2010-11. Since then, States have been awarded for their recent exemplary initiatives in strengthening Panchayats.

The Report on "Strengthening of Panchayats in India: Comparing Devolution across States - Empirical Assessment 2012-13" further refines the Devolution Index by adding two more pillars of performance i.e. 'capacity building of panchayats' and 'accountability of panchayats' to the existing '4 Fs', i.e. framework, functions, finances, functionaries. The Report also presents six sub-indices of these pillars, expanding the scope of the Devolution Index, to a 'Panchayat Strengthening Index'.

During the Twelfth Five Year Plan, the *Rajiv Gandhi Panchayat Shashaktikaran Abhiyan*, a new Centrally Sponsored Scheme of the Ministry will provide budgetary support to the efforts of the States for strengthening their Panchayats. 20% of available resources under this scheme, will be linked to States' performance on criteria related to devolution and accountability. It is hoped that the findings of this Report would encourage State governments and other concerned authorities, to take greater and more effective steps for devolution of powers and resources to Panchayats as these continue to evolve as efficient instrumentalities of local self governance.

New Delhi  
22 April 2013



Loretta M. Vas  
Secretary to the Government of India  
Ministry of Panchayati Raj





## Acknowledgements

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This volume is based on the report of the study entrusted to the Indian Institute of Public Administration by the Ministry of Panchayati Raj on 7 August 2012. This volume is also the outcome of a research endeavour started in 2004 when the Ministry of Panchayati Raj organised a series of state consultations in the form of seven round tables of state ministers-in-charge of Panchayati Raj. In the fifth round on 'Annual Reports on the State of the Panchayats including preparation of a Devolution Index' held at Srinagar 28-29 October 2004, I presented a concept paper on the devolution index which was developed with Laveesh Bhandari. The paper formed the basis in the subsequent work undertaken at the NCAER and the IIPA in respect of Panchayat Empowerment and Accountability Incentive Scheme (PEAIS), a central sector scheme. Studies for the last four years conducted in IIPA have benefitted immensely from the support and intellectual inputs of Mrs. Rashmi Shukla Sharma, Joint Secretary, Ministry of Panchayati Raj.

As the coordinator of this research project, I'd like, first of all, to thank Mrs. Loretta M Vas, Secretary to the Government of India, Ministry of Panchayati Raj who extended generous support, offered constructive comments and wrote the foreword of this volume. Over these four years, the work has benefitted from the support of a number of people and institutions whom I'd like to thank here. The project could never have been implemented without the co-operation of state governments. I wish to record my sincere thanks to the Principal Secretaries/Secretaries in charge of panchayats and nodal officers in the state governments or SIRD for their continuous support, assistance in making the data available to us and advice at various stages of the study. Officials dealing with the local finance in the Office of the Comptroller and Auditor General and Office of the Accountant General in states were also consulted. I'm grateful to elected representatives and officials at various panchayats for their valuable inputs in the validation of data.

These four years were punctuated by a series of workshops that took place at IIPA, Delhi. These were crucial moments, spent discussing conceptual frameworks, research objectives, methodologies, identifying partners, field work related issues, preliminary findings, comparative perspectives etc. It provided the opportunity to submit our thoughts and receive feedback from a number of actors involved in Panchayat Raj. Some of them offered comments in the National Workshop organised on 5 October 2012 at IIPA, New Delhi. Participants include- Laveesh Bhandari, Jos Chathukulam, Joy Elamon, M.A. Oommen, G. Palanithurai, Mahesh Purohit, M.N.Roy, Atul Sarma, Rashmi Shukla Sharma, Loretta M. Vas, S.M. Vijayanand and state representatives. Some of them particularly, S.M. Vijayanand, M.N. Roy and Rashmi Shukla Sharma offered stimulating comments at the subsequent stages. I express my heartfelt thanks to all of them.

In addition, I wish to thank all the State Secretaries and State Nodal Officers who participated in the National Workshop organised on 6 February 2013. In the past, I had benefitted from the wisdom of many domain experts and senior officers of the Ministry and multilateral institutions who participated and offered comments in various National Workshops organised in 2009 and 2010 with the UN Solution Exchange. The study draws upon the previous three study reports that were brought out in the form of a book. The first two of them were co-authored with Prof. P.K. Chaubey, who took keen interests in the subject.

Thanks are due to team survey agencies namely, Indicus Analytics, Samarthan, CRRID and CRM for the conduct of the survey in 23 states. Dripto Mukhopadhyay, Anup Srivastava, Hakikat Singh and Jos Chathukulam respectively guided the survey team.

The very empirical nature of this research, also means that a number of young researchers, have helped in the investigations, literature survey and data analysis. I want to express our gratitude to all of them particularly to Poornima M, Ramandeep Kaur, Bharati Sahu, Anuj and Swastik. Mahesh Bisht, Dharmender Singh, Sanjeev Kumar, Raj Kumar Jindal and Bimla Goswami helped in the production of the volume. Other units of the Institute including the library, computer centre, account section and administration headed by Registrar Dr. C.Giri provided critical inputs at various stages of the study. I'm thankful to all of them. None of them is however responsible for the remaining errors.

Finally, heartfelt thanks are due to Shri T N Chaturvedi, Chairman, IIPA for his encouragement and guidance.



**V.N. Alok**

## List of Abbreviations

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AAO	Assistant Accounts Officer
ACA	Additional Central Assistance
ADC	Additional Deputy Commissioner
ADC	Assistant Development Commissioner
AEO	Agriculture Extension Officer
AEO	Additional Executive Officer
AEW	Agriculture Extension Worker
ANERT	Agency of Non-Conventional Energy and Rural Technology
APD	Additional Project Director
ARWS	Accelerated Rural Water Supply Programme
ASHA	Accredited Social Health Activist
ATR	Action Taken Report
AWW	Anganwadi Worker
BDO	Block Development Officer
BDPO	Block Development Panchayat Officer
BPL	Below Poverty Line
BP	Block Panchayat
BRGF	Backward Regions Grant Fund
CAA	Constitution Amendment Act
C&AG	Comptroller and Auditor General
CBO	Community Based Organisations
CDO	Chief Development Officer
CEO	Chief Executive Officer
CRSP	Central Rural Sanitation Programme
CHC	Community Health Centre
CIC	Chief Information Commissioner
CO	Chief Officer
CPI	Consumer Price Index
CSS	Centrally Sponsored Scheme
DC	District Collector
DD	Deputy Director
DDC	District Development Commissioner

DDPO	District Development Panchayat Officer
DI	Devolution Index
DM	District Magistrate
DP	District Panchayat
DPAP	Drought Prone Area Programme
DPC	District Planning Committee
DRDA	District Rural Development Agency
DPO	District Planning Office
DPO	District Planning Officer
DPRO	District Panchayat Returning Officer
EA	Executive Assistant
EO	Extension Officer
EO	Executive Officer
EVM	Electronic Voting Machine
GDP	Gross Domestic Product
GIS	Geographical Information System
GoI	Government of India
GP	Gram Panchayat
GPEO	Gram Panchayat Extension Officer
GS	Gram Sabha
GS	Gram Sevak
HDI	Human Development Index
IAY	Indira Awas Yojana
ICDS	Integrated Child Development Services
ICT	Information and Communication Technology
IIPA	Indian Institute of Public Administration
ITDA	Integrated Tribal Development Agency
IWDP	Integrated Wasteland Development Programme
JD	Joint Director
JEO	Joint Executive Officer
KIC	Karnataka Information Commissioner
LAN	Local Area Network
LS	Lok Sabha
MDM	Mid Day Meal Programme
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MMA	Macro Management of Agriculture
MO	Medical Officer
MoPR	Ministry of Panchayati Raj



MPDO	Mandal Parishad Development Officer
NCAER	National Council of Applied Economic Research
NGO	Non Governmental Organisation
NFC	National Finance Commission
NRHM	National Rural Health Mission
NRLM	National Rural Livelihoods Mission
PDI	Panchayat Devolution Index
PDO	Panchayat Development Officer
PEAIS	Panchayat Empowerment and Accountability Incentive Schemes
PEO	Panchayat Executive Officer
PHC	Primary Health Centre
PI	Panchayat Inspector
PMGSY	Pradhan Mantri Gram Sadak Yojana
PRI	Panchayati Raj Institution
PS	Panchayat Secretary
PSEO	Panchayat Social Extension Officer
RGPSA	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan
RS	Rajya Sabha
RTI	Right to Information
SA	Social Audit
SASTA	Social Audit Society of Tamil Nadu
SC	Scheduled Caste
SDI	State Devolution Index
SDO	Sub Divisional Officer
SEC	State Election Commission
SFC	State Finance Commission
SGSY	Swarna Jayanti Gram Swarojgar Yojana
SIC	State Information Commissioner
S. No.	Serial Number
SIRD	State Institute for Rural Development
SO	Section Officer
SSA	Sarva Shiksha Abhiyan
ST	Scheduled Tribe
UN	United Nation
UT	Union Territory
VLW	Village Level Worker
VO	Veterinary Officer
VP	Village Panchayat
WAN	Wide Area Network





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## Executive Summary

*Panchayat*, institution of rural local self-government, forms the last tier of multi order federalism in India. *Panchayats* derives its power from the sub national government, i.e. the state government which has the responsibility to nurture and develop *panchayats*. In this process, the Union Government offers the needed support and handhold the States to fulfill their mandated provisions in the spirit of cooperative federalism. This is discernible from the 73<sup>rd</sup> Constitutional Amendment Act of 1993 embedded in the Constitution as Part IX.

The Union Ministry of Panchayati Raj created in 2004, has the mandate to oversee the fulfillment of provisions in Part IX and article 243 ZD (related to district planning committee) of the Constitution. In 2005-06, the Ministry had introduced the Panchayats Empowerment and Accountability Incentive Scheme (PEAIS) to (a) motivate states to empower the panchayats, and (b) motivate panchayats to put in place accountability framework making their functioning transparent and efficient. Incentive funds under this scheme are given to the States in accordance with their performance as measured by a Devolution Index or a 4Fs index (index of framework, functions, finances and functionaries) formulated and computed by an independent institution.

For the last six years since 2006-07, the devolution index has been developed primarily based on the concept paper by Alok and Bhandari (2004) presented in the Fifth Round Table of Ministers-In-charge of *Panchayati Raj* held at Srinagar in 2004. The Ministry of Panchayati Raj assigns the study annually to the Indian Institute of Public Administration to compute the devolution index.

This year, the study has moved a step forward, and added two more dimensions in the 4Fs arrangement, i.e. ‘accountability’ and ‘capacity building’ in the index making to support a newly launched centrally sponsored scheme on ‘Rajiv Gandhi Panchayat Sashaktikaran Abhiyan’ which has the following goals:

- Promote devolution of powers and responsibilities to *panchayats* as per the spirit of the Constitution;
- Enhance the capacities and effectiveness of *panchayats & gram sabhas*;
- Enable democratic decision making & accountability in Panchayats;
- Strengthen the institutional structure for knowledge creation and capacity building of *panchayats*

Against the backdrop, the following objectives have been set for the study:

- To evaluate the performance of States/Union Territories(UTs) in terms of the devolution of 3Fs in addition to strengthening institutional ‘framework’ (4<sup>th</sup> F) as well as the capacity of *panchayats*
- To examine the accountability framework for *panchayats*, put in place, by States/UTs
- To create cumulative and incremental indices to measure the devolution, frameworks for capacity building and accountability of panchayats
- To rank States and UTs along the above indices

## The Study

The present study assesses the enabling environment that the states have created for the *panchayats* to function as institutions of self-government. The enabling environment created by a state is compared with that of others in terms of various monitorable indicators identified in the study. The analysis begins with a test whether states/UTs have fulfilled the following five mandatory provisions of the Constitution:

- establishment of state election commission [article 243 K],
- holding regular panchayat election [article 243 E],
- reservation of seats for SCs/STs and women [article 243 D],
- establishment of state finance commission at regular intervals [article 243 I], and
- setting up of district planning committees [article 243 ZD].

The first stage shortlists states that pass all five criteria and, the second calculates indices by assigning scores to all indicators including the five indicators reflecting mandatory provisions of the Constitution.

The following table gives a comparison of the indicators considered this year and in the previous year.

## The Method

The methodology for the current study, to a large extent, is based on the previous three studies on Devolution Index. The questionnaire was developed and built upon the previous work by Alok (2013). The

comments and feedbacks on previous work received from the state governments and academics were handy in developing the questionnaire. Further, workshop organised at IIPA on 5 October 2012 to seek the views of the experts and the Secretaries/nodal officers of State *Panchayati Raj* Department served as a valuable input in which indicators pertaining to “Capacity Building” and “Accountability” emerged in rudimentary form. This process was taken forward through continuous consultations with States and the Ministry of Panchayati Raj along with the review of the government reports on various issues, RGPSA guidelines, review of other national and international literature on decentralisation and local governance. Related State Acts, manuals, state reports, government orders etc were also sought to make better judgments. This process culminated in the form of a well-structured questionnaire with few open ended questions.

The questionnaire was pre-tested in Tamil Nadu and Odisha and discussed further in the workshop organised on 20 December 2012 with survey teams. However, the questionnaire had been sent to all State Governments on 12 December 2012 to elicit data. Data was also collected from the field in all states to supplement or validate the data received from state governments.

Data was also collected from the field in 23 states to supplement or validate the data received from State Governments. Elections in the state of Andhra Pradesh and UT of Puducherry have not been conducted for last more than 5 years. Hence, the State and the UT could not be taken into consideration for the present study. States/UTs not covered in the present study are listed in table 1.

<b>DIMENSIONS &amp; INDICATORS</b>	
<b>Devolution Index 2011-12</b>	<b>Devolution Index 2012-13</b>
<b>Framework</b> [Weight 10]	<b>Framework</b> [Weight 10]
<ul style="list-style-type: none"> <li>● State Election Commission</li> <li>● Holding regular <i>Panchayat</i> elections (gap, bye-election &amp; dissolution)</li> <li>● District Planning Committees and their working</li> <li>● Autonomy to <i>Panchayats</i></li> <li>● Reservation of seats for SC/ST &amp; Women prescribed in the conformity Act</li> </ul>	<ul style="list-style-type: none"> <li>● Basic Details of <i>Panchayats</i> [Reservations etc]</li> <li>● <i>Panchayat</i> duration &amp; Elections including State Election Commission</li> <li>● Dissolution and Bye Elections of <i>Panchayats</i></li> <li>● Constitution and Function of District Planning Committee</li> <li>● Role of <i>Panchayats</i> in Parallel Bodies/Institutions</li> <li>● Autonomy to <i>Panchayats</i></li> </ul>
<b>Functions</b> [Weight 30]	<b>Functions</b> [Weight 15]
<ul style="list-style-type: none"> <li>● Functions Assigned to <i>Panchayats</i> and Actual Involvement of <i>Panchayats</i></li> <li>● Involvement of <i>Panchayats</i> in Important Schemes</li> <li>● Functioning of <i>Gram Sabha</i></li> <li>● Transparency in <i>Panchayats</i></li> </ul>	<ul style="list-style-type: none"> <li>● Functions Assigned to <i>Panchayats</i> including Activity Mapping and Actual Involvement of <i>Panchayats</i></li> <li>● Involvement of <i>Panchayats</i> in Important Schemes</li> </ul>
<b>Finances</b> [Weight 40]	<b>Finances</b> [Weight 30]
<ul style="list-style-type: none"> <li>● Empowerment of <i>Panchayats</i> to Impose and Collect Revenue</li> <li>● Funds availability with <i>Panchayats</i></li> <li>● State Finance Commission</li> <li>● Operation of <i>PanchayatNidhi</i>/Fund (receipt &amp; expenditure)</li> <li>● Release of 12<sup>th</sup> and 13<sup>th</sup> Finance Commission Grants to the <i>Panchayats</i></li> <li>● Set of criteria, weight to allocate funds to the <i>Panchayats</i></li> <li>● System of fiscal management, monitoring &amp; evaluation</li> </ul>	<ul style="list-style-type: none"> <li>● 13<sup>th</sup> Finance Commission Grants to the <i>Panchayats</i> – in time and amount</li> <li>● State Finance Commission (SFC) – How effective?</li> <li>● Formula based Fiscal Transfers to <i>Panchayats</i></li> <li>● Empowerment of <i>Panchayats</i> to Impose and Collect Revenue</li> <li>● Funds Available with <i>Panchayats</i></li> <li>● Expenditure of <i>Panchayats</i></li> <li>● Initiatives related to Finances and Accounts recommended by the 13th FC</li> </ul>
<b>Functionaries</b> [Weight 20]	<b>Functionaries</b> [Weight 15]
<ul style="list-style-type: none"> <li>● Accountability of functionaries to <i>Panchayats</i></li> <li>● <i>Panchayat</i> own officials</li> <li>● Role of <i>Panchayats</i> in Parallel bodies</li> <li>● Capacity building of elected representatives/officials</li> <li>● Infrastructure for efficient &amp; effective management of <i>Panchayats</i></li> </ul>	<ul style="list-style-type: none"> <li>● Physical Infrastructure of <i>Panchayats</i></li> <li>● e-Connectivity of <i>Panchayat</i></li> <li>● <i>Panchayat</i> Officials : Sanctioned and actual staff position</li> <li>● Power and Functions of <i>Panchayats</i></li> </ul>
	<b>Capacity Building</b> [Weight 15]
	<ul style="list-style-type: none"> <li>● Institutions involved in Training</li> <li>● Training Activities</li> <li>● Training of Elected Representative and Officials</li> </ul>
	<b>Accountability</b> [Weight 15]
	<ul style="list-style-type: none"> <li>● Accounting and Audit of <i>Panchayat</i></li> <li>● Social Audit of <i>Panchayat</i></li> <li>● Functioning of <i>Gram Sabha</i></li> <li>● Transparency &amp; Anti-Corruption</li> <li>● <i>Panchayat</i> Assessment &amp; Incentivisation</li> </ul>

**Table 1: States not included in the Study**

States/UTs outside the study	States/UTs not covered in the study
Andhra Pradesh (election not held)	Meghalaya (Exempt from Art. 243M)
Puducherry (data not received/ election not held)	Mizoram (Exempt from Art. 243M)
Andaman & Nicobar Islands (data not received)	Nagaland (Exempt from Art. 243M)
	NCT of Delhi ( <i>Panchayats</i> not revived yet)

Finally, the methodology and data received from States and field were presented in a national workshop of State Secretaries/nodal officers organised on 6 February 2013 at IIPA, New Delhi. Views of the States were obtained and some clarifications/additional information were sought from States for final analysis and assessment.

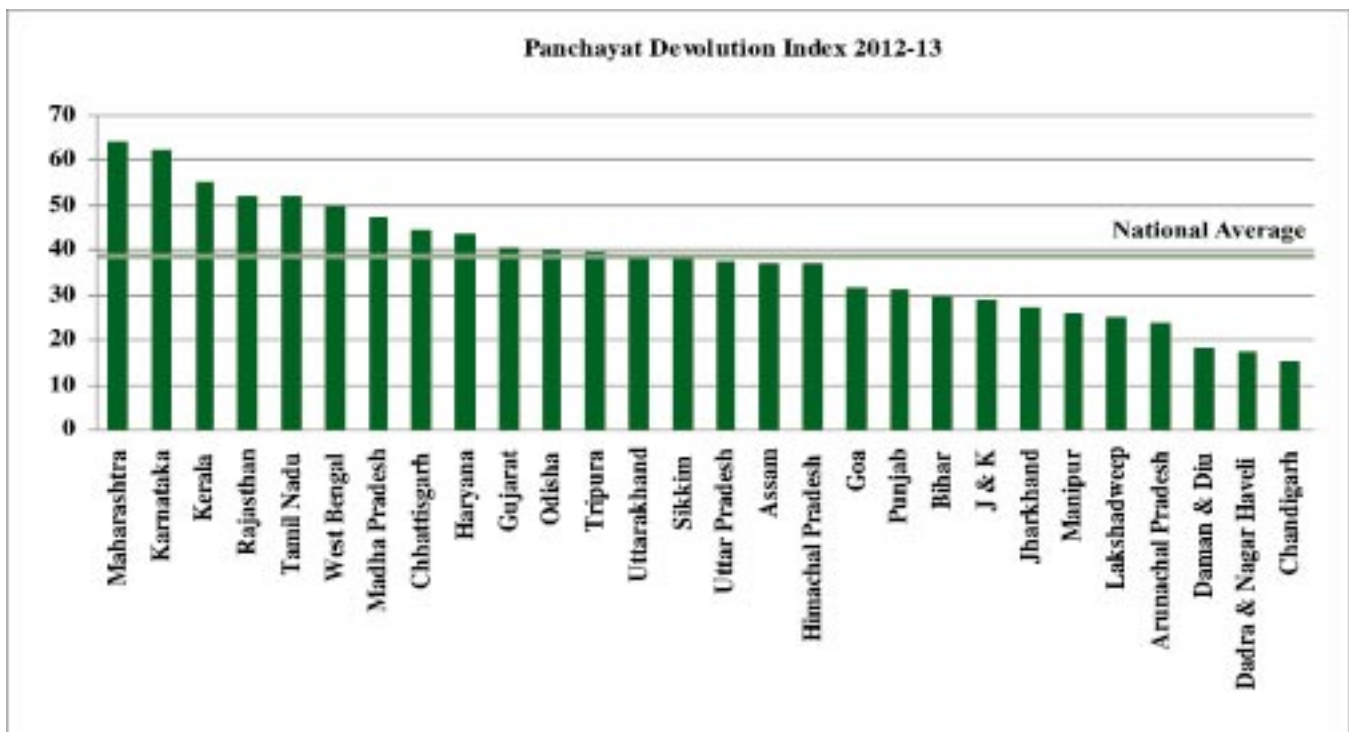
### Cumulative Devolution Index: Overall

The Cumulative Index presents the overall scores and ranks for states/UTs on six identified dimensions. Table 1 gives the values of sub-indices or dimensional

indices as well as the overall Devolution Index (DI), which forms the basis to present the ranks of states/UTs.

Based on the weighted aggregation of six dimensional sub-indices, the composite DI is computed for the states/UTs. Table 1 and Figure 1 states that Maharashtra ranks first for the year 2012-13 with an index value of 64 followed by Karnataka (62.2), Kerala (55.4), Rajasthan (52.1) and Tamil Nadu (52). Further, West Bengal is ranked sixth with a score close to 50. The scores highlight a significant gap between the top two performers and the rest.

**Figure 1**





**Table 2: Overall Devolution Index**

Ranks	States	Framework	Functions	Finances	Functionaries	Capacity Building	Accountability	D
		D <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	D <sub>4</sub>	D <sub>5</sub>	D <sub>6</sub>	
1.	Maharashtra	48.95	56.31	55.50	75.37	75.00	76.64	64.04
2.	Karnataka	67.55	57.96	49.97	63.12	79.04	69.73	62.22
3.	Kerala	41.34	52.86	48.52	68.55	58.77	64.64	55.41
4.	Rajasthan	68.33	52.97	35.61	40.90	79.43	57.25	52.10
5.	Tamil Nadu	69.84	52.33	46.26	39.23	63.40	52.97	52.05
6.	West Bengal	56.84	50.57	35.41	37.67	81.18	53.96	49.81
7.	Madhya Pradesh	60.37	52.61	34.44	39.45	51.41	62.50	47.26
8.	Chhattisgarh	53.75	37.53	31.77	33.68	78.52	48.27	44.61
9.	Haryana	70.39	31.14	36.91	50.19	42.68	46.09	43.63
10.	Gujarat	54.58	38.92	26.55	53.18	46.61	43.76	40.75
11.	Odisha	66.50	51.46	35.11	28.55	19.14	53.04	40.01
12.	Uttarakhand	54.00	53.90	27.23	32.02	43.24	52.85	39.37
13.	Uttar Pradesh	60.02	41.04	26.17	28.57	45.88	41.06	37.34
14.	Assam	44.69	42.76	23.13	21.66	67.84	37.65	36.89
15.	Himachal Pradesh	56.19	22.43	34.92	35.35	36.15	44.32	36.83
16.	Goa	50.70	17.78	18.69	48.23	32.87	41.72	31.77
17.	Punjab	60.24	24.25	17.37	23.64	38.67	46.74	31.23
18.	Bihar	49.78	39.44	19.40	24.29	42.01	21.60	29.90
19.	J & K	15.38	15.28	28.01	23.98	51.61	35.15	28.85
20.	Jharkhand	55.01	18.97	13.95	23.52	46.11	28.48	27.25
<b>North Eastern States</b>								
1.	Tripura	48.10	46.03	28.37	53.34	29.71	46.91	39.72
2.	Sikkim	68.56	45.07	31.37	29.25	41.72	36.30	39.12
3.	Manipur	29.52	12.22	24.00	20.41	45.13	27.27	25.91
4.	Arunachal Pradesh	30.88	17.22	25.17	10.14	34.67	24.85	23.67
<b>Union Territories</b>								
1.	Lakshadweep	48.89	20.79	7.33	39.82	30.95	28.29	25.07
2.	Daman & Diu	56.04	3.43	8.03	33.56	0.00	30.11	18.08
3.	Dadra & Nagar Haveli	28.60	1.11	0.78	39.17	20.85	33.22	17.25
4.	Chandigarh	24.16	7.22	25.86	18.80	0.00	8.14	15.30
<b>National Average</b>		<b>51.40</b>	<b>34.06</b>	<b>29.45</b>	<b>36.99</b>	<b>49.33</b>	<b>43.33</b>	<b>38.52</b>

It may be noted that the states namely Madhya Pradesh, Chhattisgarh, Haryana, Gujarat, Odisha and Uttarakhand emerged as the medium scorers placing themselves much higher than the North Eastern states of Tripura and Sikkim with merely a point above the national average of 38.5.

### Cumulative Index: Dimensional

Tables 1 and 2 also present the dimensional indices or devolution sub-indices. States have been ranked in each of the dimensions and values have also been presented for instant comparison.

### Framework (D<sub>1</sub>)

In the Framework dimension, an attempt is made to include indicators related to the mandatory framework of the Constitution. Table 2 shows that Haryana ranks first with a score of 70.39 followed by Tamil Nadu (69.84), Rajasthan (68.33), and Karnataka (67.55). Odisha, Madhya Pradesh and Punjab are next in this order. Daman & Diu, a UT, and 15 states including a North Eastern state are above the national average of 51.40.

Considering their relative importance, a few indicators figured in Alok (2012) have been moved to other dimensions. For example, the indicator on ‘state finance commission’ has been shifted from Framework dimension to the dimension of Finances. It may be reiterated that Article 243 I related to state finance commission is a mandatory provision in the Constitution. Also, a few indicators used in Alok (2012) have been fortified further. For instance, the questions on state election commission and their activities have been made more intensive under the indicator of ‘panchayat elections’.

### Functions (D<sub>2</sub>)

In the dimension of Functions, Karnataka tops the list with an index value of 57.90. Maharashtra and Rajasthan closely follow with 56.31 and 52.97 respectively. Kerala, Madhya Pradesh, Tamil Nadu, Odisha and West Bengal are other states in that order with scores over 50. It can be noticed that 15 states including two North Eastern states are placed above the national average of 34.06, while all the UTs have scored less. In this dimension too, indicators such as

Figure 2

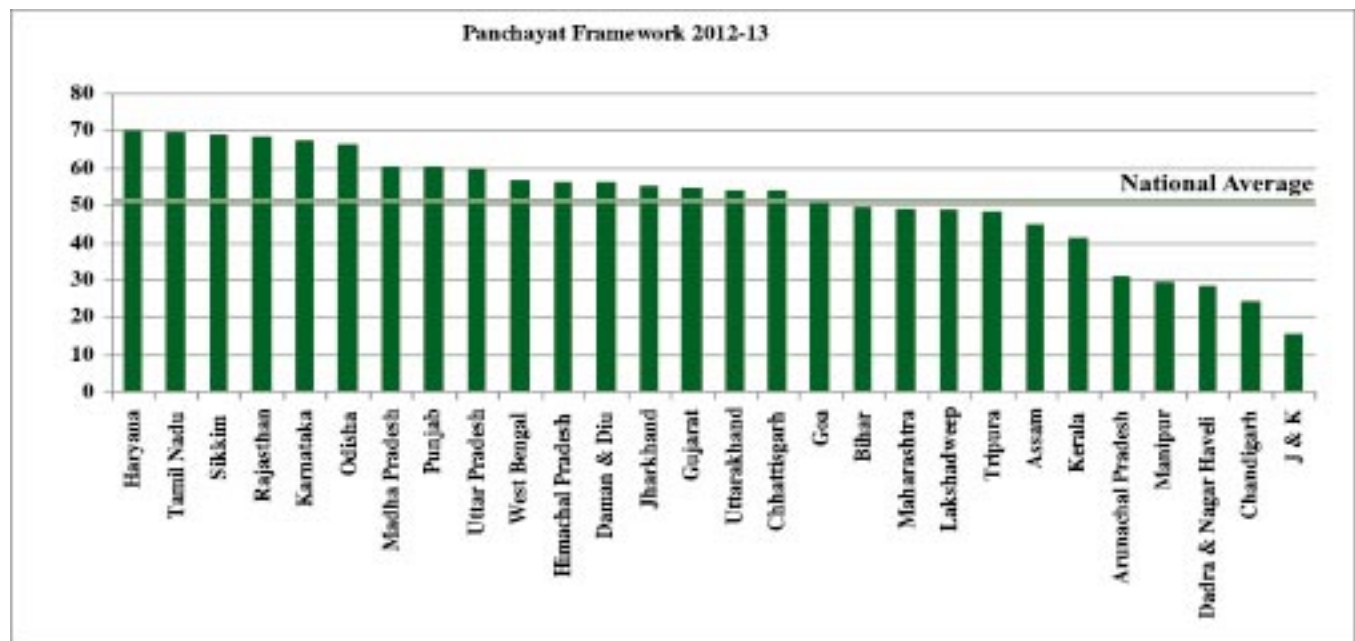
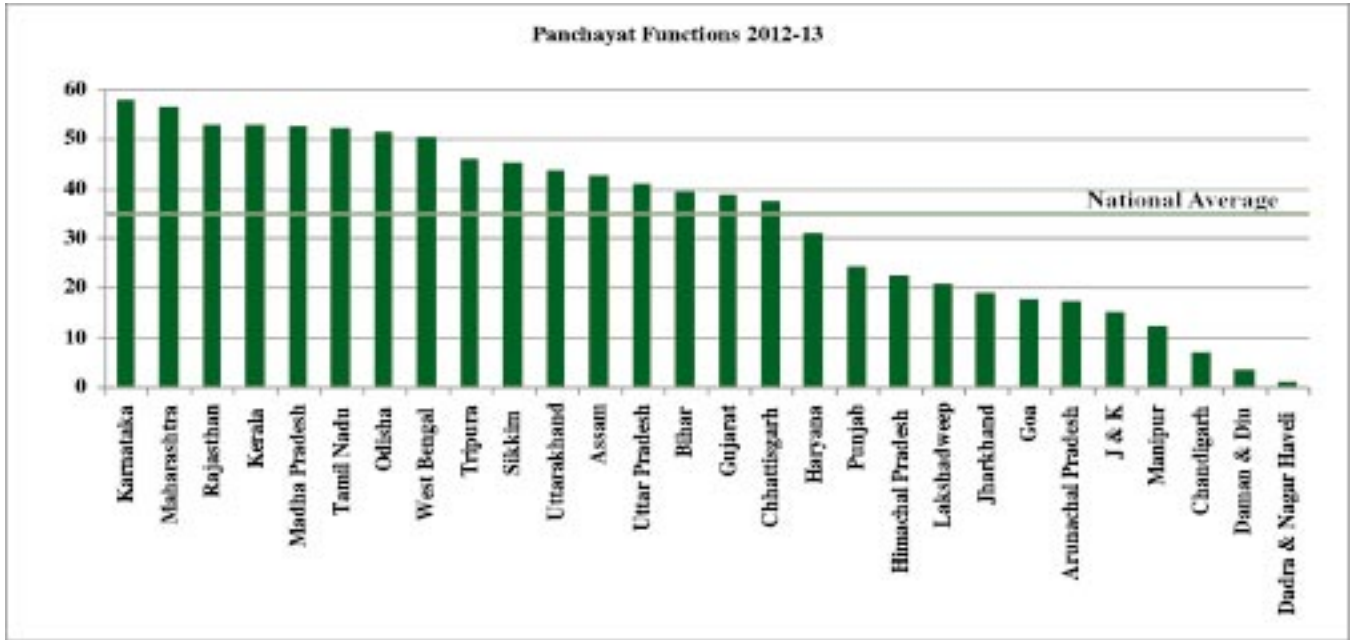


Figure 3

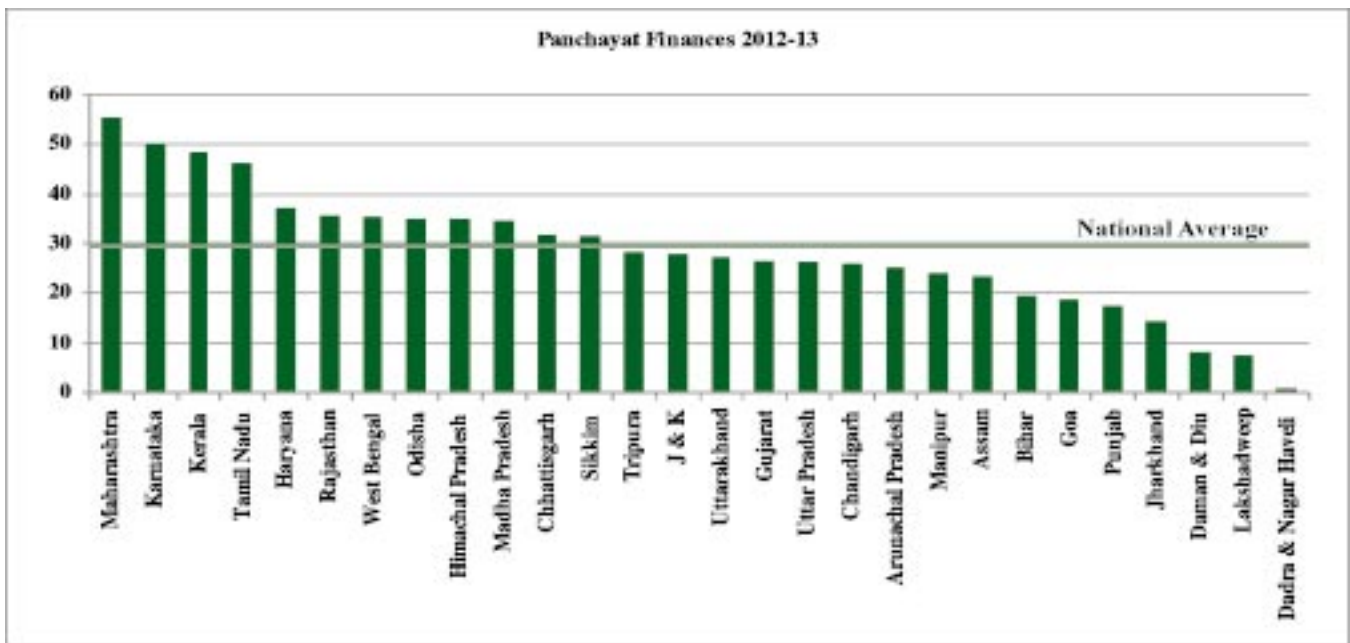


‘functioning of gram sabha’ and ‘transparency in panchayats’, figured in Alok (2012), have been moved to the dimension of Accountability due to its greater relevance to this newly created dimension in this exercise.

### Finances (D<sub>3</sub>)

‘Finances is the most important dimension, carrying the maximum weightage in the index. From Alok (2012), the dimension of finances has been fortified further by adding one more indicator on the

Figure 4



‘expenditures of panchayats’. Table 2 and Figure 4 depicts that Maharashtra is leading with an index value close to 55 followed by Karnataka, Kerala and Tamil Nadu with values of 49.97, 48.52 and 46.26 respectively. Disappointingly, the dimension with maximum indicators registers a low national average of 29.45. However, 12 states including one North Eastern state of Tripura are above the national average in this sub-index.

### Functionaries (D<sub>4</sub>)

The dimension of Functionaries enjoys greater influence due to its relevance in strengthening *panchayats*. Keeping in mind its importance, the indicators of ‘infrastructure of *panchayats*’ and ‘e-connectivity’ were added to the dimension while the already existing indicators of ‘role of *panchayats* in parallel bodies’ and ‘capacity building of elected representatives & *panchayat* officials’ were shifted to the dimensions of Framework and Capacity Building respectively. The respective amendment was made with Alok (2012). As revealed by Table 2 and Figure

5, Maharashtra ranks the highest with the value of 75.37. However, Kerala is ranked as second in this dimension with a score of 68.55 followed by Karnataka with index value of 63.12. Gujarat and Haryana have secured scores above 50.0 along with a North Eastern state of Tripura (53.34). Scores of five other states and the union territories of Lakshadweep (39.82) and Dadra & Nagar Haveli (39.17) are above the national average of 36.9.

### Capacity Building (D<sub>5</sub>)

In the previous exercise Alok (2012), elements of capacity buildings were present under the indicator of ‘training of elected representatives and *panchayat* officials’ in the dimension of Functionaries. It may be noted that capacity building of *panchayat* has been advocated in a number of international, national and regional forums, and is strongly emphasised in the scheme on Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA). Keeping in view its importance, a new dimension of Capacity Building has been

Figure 5

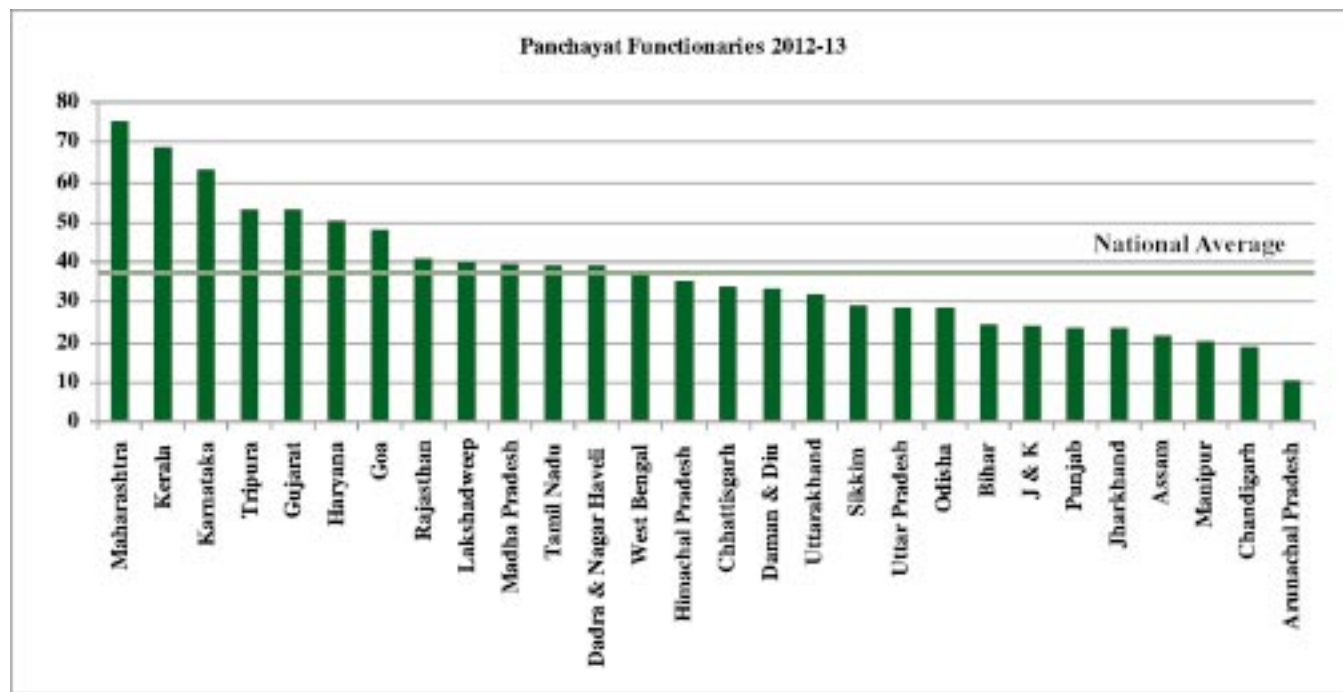
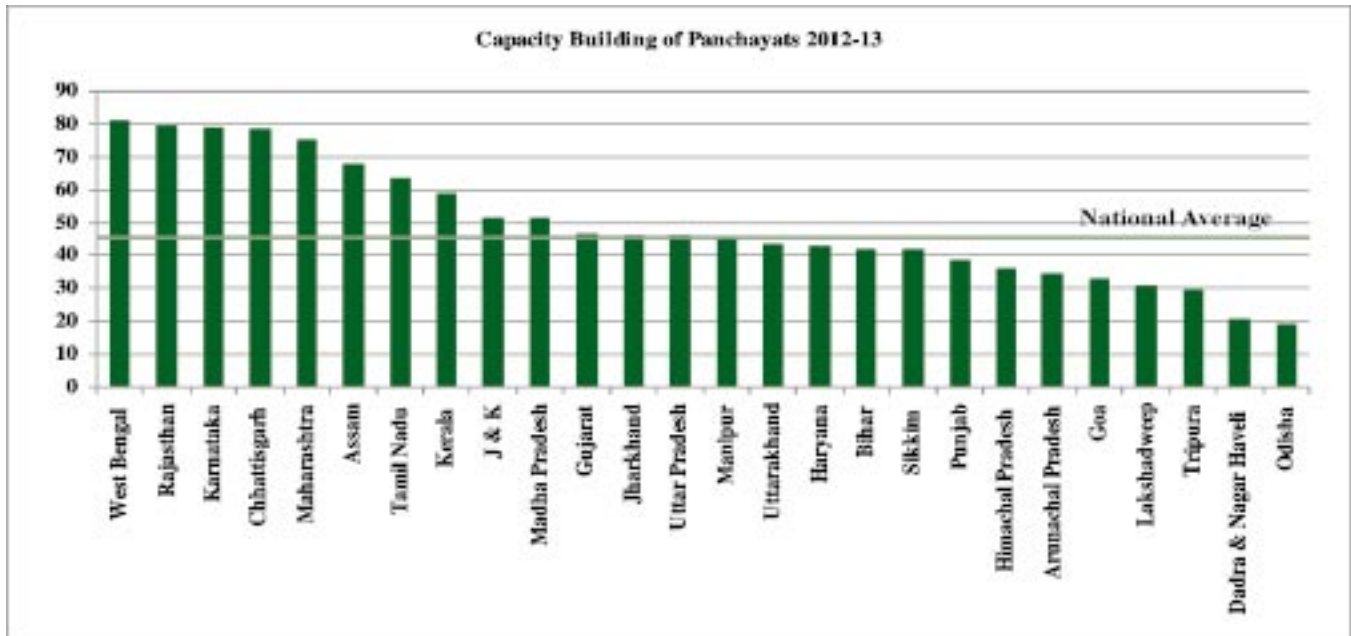


Figure 6



created, which helps in capturing various measures of the states in the strengthening of *panchayats*. From Table 2 and Figure 6, it can be observed that West Bengal secures first rank in Capacity Building dimension with the value of 81.18 closely followed by Rajasthan, Karnataka, Chhattisgarh and Maharashtra with values of 79.43, 79.04, 78.52 and 75 respectively. Tamil Nadu, Kerala, Jammu & Kashmir, Madhya Pradesh and Assam scored more than the national average of 49.3. It is heartening to note that Jammu & Kashmir has made a remarkable achievement in capacity building by scoring index value of 51.61, which augurs well and conveys commitment by the state to strengthen *panchayats*.

### Accountability (D<sub>6</sub>)

‘Accountability’ has been identified as an important dimension, in making *panchayats* answerable to the people and working in a fair and an efficient manner. Indicators such as ‘transparency in *panchayats*’, ‘functioning of *gram sabha*’ and ‘accounting and audit’, which are part of this dimension had been considered under the dimension of Functionaries and Finances in Alok (2012). In this dimension as shown

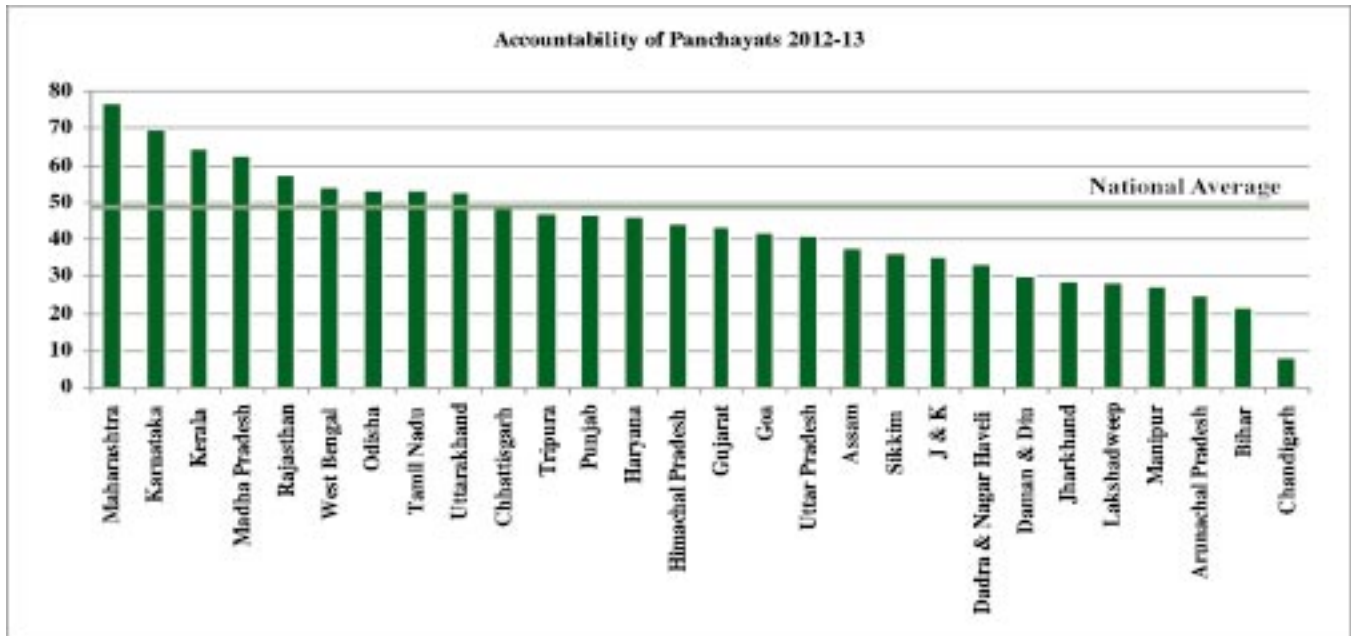
in Table 2 and Figure 7, Maharashtra ranks first with index value of 76.64 followed by Karnataka, Kerala and Madhya Pradesh on 69.73, 64.64 and 62.50 respectively. Rajasthan, West Bengal, Odisha, Tamil Nadu and Uttarakhand are other states in descending order with value more than 50. As many as six states including Tripura, a North Eastern state, scored more than the national average, i.e. 43.3.

Thus, from a comparative analysis of all these dimensions and its indicators, various aspects can be inferred. It can be concluded from the analysis of the dimensions of Functions and Finances that devolution in financial domain, in general, falls short of that in functional domain. It is also found that the achievement in all the dimensions except mandatory framework is below par.

### Ranking of States

It is clear from table 2 that Maharashtra is ranked at the top in the composite Devolution index, as well as in the key sub-indices of finances, functionaries and accountability. It may be noted that the dimension of finances carries maximum weight in the study. Overall

Figure 7



indicator analysis shows that the state has performed pretty well in almost all indicators identified in the study. The state devolves good number of functions to *panchayats* at the same time *panchayats* have been assigned sufficient roles in the vertical schemes designed by the upper levels of governments. The state is among the front runners in releasing the Thirteenth Finance Commission grant in time. *Panchayats* in the state enjoy maximum power to levy taxes and non-taxes. *Panchayats* in Maharashtra utilise funds adequately and share the top slot with their counterparts as far as the indicator related to fund utilisation is concerned. Under the Functionaries dimension, the state provides the best physical infrastructure to *panchayats* along with the required staff. In Capacity Building dimension, the state has the best framework of training on one hand and implementation on the other. The state ranked top in the Accountability dimension as well with an excellent score in the indicator of ‘social audit’. The provisions related to *gram sabha* in the state are considered the best among all the states. It may be recollected that Maharashtra has historical background of strong legal and policy framework. A comprehensive Act for *zilla*

(district) *parishad* and *panchayat samiti* was enacted way back in 1966. A separate Act is in place for *gram panchayats*. Time to time amendments have been made. Development cadre at *zilla parishad* level, in particular, executes these elaborated legal provisions. It may also be recollected that the state had received awards in the past under incremental performance for various policies and campaigns, which the state government had undertaken for devolution to *panchayats*.

Karnataka follows Maharashtra in the Composite Devolution Index. Karnataka occupies the first place in Functions and second place in Finances and Accountability dimensions. Karnataka is as good as Maharashtra in releasing the Thirteenth Finance Commission grants to *panchayats* in time. The constitution and functioning of ‘district planning committees’ are assessed to be the best compared to others. The state has also devolved a good number of functions to *panchayats*. In Functionaries and Capacity Building dimensions, it scored high marks due to good infrastructural support and e-connectivity provided by the state at the grass-root level. Like

Maharashtra, *panchayats* in the state have been assigned maximum powers to collect taxes and non-taxes. *Panchayats* in the state are more transparent than that of other states including Kerala and Maharashtra. Furthermore, *panchayats* of Karnataka are strong in implementing social audit. The state has an efficient capacity building framework to train functionaries at the *panchayats*, particularly the elected representatives. Above all, the *panchayats* gets the largest share in total public expenditure of the state compared to that of others.

Kerala is ranked third in the overall Devolution Index and ranked second in dimensions of Functionaries and third in Finances and Accountability. Functioning of *panchayats* in the state is considered highly transparent which is next only to Karnataka. *Panchayats* in the state are closely involved in the functions assigned and at the same time has a transparent system of transferring money under *panchayat's* window. The institution of state finance commission in Kerala has emerged to be the most effective in the recent past. Kerala has adequate staffs for the effective functioning of *panchayats* as found from the study. Under the indicator of 'fund availability' the state secured the highest scores. So far as the functioning of *gram sabha* is concerned and e-connectivity of *panchayats*, the state is second only to Maharashtra.

It may be noted that Kerala had secured, in the previous three studies, the highest rank in the cumulative index but could not figure in the Incremental Index. Due to the addition of two more dimensions in the present study and the remarkable performances by Maharashtra and Karnataka, in almost all fronts in the recent past, Kerala tumbled down to the third place.

Rajasthan is ranked fourth in the overall index and second in Capacity Building dimension preceded by West Bengal. In the dimension of Functions, Rajasthan is next only to Karnataka and Maharashtra, and is

ranked fourth in Framework dimension. *Panchayats* in the state present an example in their effective role in parallel bodies and exercise their autonomy as local self-government. Thirteenth Finance Commission grants-in-aid strongly support the *panchayats* in the state. In the dimension of Capacity Building, the state is very close to West Bengal, the front runner, in assessing the need and conducting training for *panchayats'* representatives and officials. The state shares the highest score with Karnataka in the effective functioning of 'district planning committees'. The provisions and functioning of '*gram sabha*' in the state is as good as that of Kerala and second only to Maharashtra.

Tamil Nadu is ranked fifth in the overall index and second in the dimension of Framework. With an enviable score it ranks fourth in the Finances dimension. The system of transfer of grants through Thirteenth Finance Commission is quite remarkable in the state. *Panchayat* officials at local level are accountable to *panchayats*. The state has scored high marks in the indicator related to the 'state finance commission'. The expenditure details and fund management is considered to be good in the state. Interestingly, the 'performance assessment and incentivisation' indicator under Accountability dimension is one among the best in Tamil Nadu.

### **The Incremental Index: Overall**

The Incremental Devolution Index is based on the recent initiatives the states have undertaken since April 2011. The index is created on two categories of initiatives. Firstly, the initiatives are listed by the states under various heads of Framework, Functions, Finances, Functionaries, Capacity Building and Accountability. Then, they are scored on three parameters that reflect the commitment of the State to empower *panchayats* and promote the accountability of *panchayats*: (1) Institutional Strengthening of *panchayats*, (2) Improvement in Process and (3) Improvement in Delivery of Services

and Accountability of *Panchayats*.

Each initiative is awarded one to ten marks for each of the parameters. Thus, it can score a maximum of thirty points if the initiative qualifies the best for all parameters. We have taken a maximum of four initiatives under taken by the states. Henceforth, each state can be awarded with a maximum of 120 marks. The exercise has been undertaken on the basis of data provided by each State.

Each state therefore has received scores on four major initiatives as given by each state. These scores are then aggregated using an equal weights approach. This has yielded the final scores on the basis of which states have been ordered.

Results of the incremental exercise are presented in Table 3. There are in all 10 states which have taken initiatives that could be considered worthy on the above parameters. Table 3 reveals that Karnataka has scored the maximum index value of 50.83 followed by Rajasthan and Maharashtra. Other significant scorers are Odisha, Madhya Pradesh and Chhattisgarh. Jammu & Kashmir for the first time came forward under this parameter along with other states. The initiatives undertaken from April 2011 till December

2012 have only been considered. The good initiatives made public before and after the period have not been considered in the present analysis.

Notwithstanding, that panchayats are evolving and the states have to go a long way in devolving powers to panchayats to enable them function as institutions of self-government for economic development and social justice.

**Table 3: Incremental Panchayat Devolution Index 2012-13**

State	Index Value	Rank
Karnataka	50.83	1
Rajasthan	29.16	2
Maharashtra	25.00	3
Odisha	23.33	4
Madhya Pradesh	16.67	5
Chhattisgarh	11.67	6
Haryana	8.33	7
Bihar	7.50	8
Kerala	6.67	9
Jammu& Kashmir	3.33	10



# 1

## Introduction

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Large parts of the twentieth century, around the globe, witnessed a strong tendency towards centralization of governance though democratic in form. This tendency reversed towards the last quarter of the last century and a realisation has been growing, the world over, that decentralised form of governance, *inter alia*, deepens democracy and provides efficient delivery of local public goods. As a result, more and more political, fiscal and administrative responsibilities are being devolved to the local units of government. It is also being felt that fiscal decentralisation can help mobilisation of resources by introducing local solutions and promote equitable growth by mainstreaming the poor in development—thus enmeshing welfare and development concerns together and making the processes of governance more participatory. A careful analysis of the recent developments shows a distinct movement away from over-governance as well as from over-centralisation.

Since India has kept pace with the trend early stage, through consensus and compromise local governments crept into the statute book in 1993. Part IX was inserted by the Constitution (73<sup>rd</sup> Amendment) Act, 1991 w.e.f. 24 April 1993 for panchayats and Part IXA was inserted by the Constitution (74<sup>th</sup> Amendment) Act, 1992 w.e.f. 1 June 1993 for municipalities,<sup>1</sup> making state legislatures responsible for devolving power and authority to local governments in order to enable them to carry out devolved responsibilities.

Notwithstanding, local governments both panchayats and municipalities, are not completely autonomous

of the state, like they used to be once upon a time in recorded history—for which they have been praised by the scholars and thinkers. The present panchayats are part of state governance structure. A fresh lease of life is breathed into them by the respective states, of course under the general direction in the Constitution. They are actually organised under the Dillon's principle, enunciated in late nineteenth century, which holds that local governments are derivative of the state. They are created by the state and they can be decimated by it. It is true that the march of history cannot be reversed easily, yet we cannot turn a blind eye to the fact that the whole structure has been evolved by the state. The local governments in India carry out the functions and responsibilities assigned to them with devolution of power and authority for the purpose. The same was the case before 73<sup>rd</sup> and 74<sup>th</sup> Amendments. The difference is that states have now constitutional obligation to keep them alive and not to relegate them to abeyance for indefinite period. Yet, it is for the states to create an enabling environment in which they can function like self-governing units.

The Constitution of India has clearly demarcated legislative areas between the Union and the states. It is within the province of state list of the Schedule VII, under Article 246, that local governments have to function. Despite Constitutional status being accorded to panchayats, it is the state legislature which empowers panchayats in any real sense. It is under the Conformity Acts<sup>2</sup> of the states that panchayats are

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<sup>1</sup> Earlier, in the original text, Part IX with Article 243 dealing with territories in Part D of the First Schedule was repealed by the Seventh Amendment 1956 for reorganization of the States. That is the reason all articles in Part IX and Part IXA are numbered with 243.

governed in the respective states and in turn they govern public affairs in their jurisdictions.

Under the Constitution Amendment Act (CAA), the state legislature is supposed to devolve responsibilities, powers and authorities to panchayats to enable them to function as institutions of self-government. The legislature of a State may authorise the panchayats to levy, collect and appropriate certain taxes, duties, tolls and fees, etc, and also assign to them the revenues of certain state level taxes subject to such conditions as are imposed by the State government. Further, grants-in-aid may also be provided to these bodies.

New fiscal arrangements necessitates every state under Article 243 I to constitute, at a regular interval of five years, a State Finance Commission (SFC), and assign it the task of reviewing the financial position of panchayats and making recommendations on the sharing and assignment of various taxes, duties, tolls, fees, etc and grants-in-aid to be given to the panchayats from the consolidated fund of the state. The Conformity Acts of the CAA are required to provide for the composition of the commission, the qualifications for its members and the manner of their selection. Every recommendation of the commission is to be laid before the legislature of the respective state.

It is 20 years now since Part IX was incorporated into the Constitution. During the last two decades, one could find enough reasons to cheer. Conformity Acts have been enacted in all the states. Regular elections for panchayats have been conducted in all states<sup>3</sup>. All states have constituted State Finance Commission. Some states have constituted even their fourth generation SFC. These positive developments notwithstanding, panchayats in almost all states

continue to be starved of finances causing major impediment in their growth and effective functioning. Seen with the expanding role and responsibilities of the panchayats, the problem becomes compounded after the CAA became effective.

Generally, the functional responsibilities are closely linked with the financial powers delegated to the local government, however, in practice there is a mismatch between the two, leading to a severe fiscal stress at the local level. Sufficient panchayats' own revenues are not enough even to meet their O&M requirements; therefore they are dependent on the higher tiers of government to finance their activities. The role of SFCs in this context becomes critical in examining not only the revenue sharing arrangements between the state governments and their panchayats, but also the entire range of subjects concerning assignment of taxes, transfers of power and such other subjects for improving the financial health of the panchayats.

It is pertinent to mention here that substantial funds are being transferred to the panchayats through the centrally sponsored schemes (CSSs) and additional Central assistances (ACAs). For long, these CSS transfers were administered and utilised mainly by line departments. In recent years, the panchayats are being increasingly recognized as implementing institutions for the Plan schemes of line ministries. The most important among these is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), where the panchayats at the district, intermediate and village levels have been given specific roles and responsibilities as principal authorities for planning and implementation and 50 per cent of the works in terms of funds are to be executed through panchayats. For other works also they have been entrusted with some responsibilities.

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<sup>2</sup> The 73<sup>rd</sup> Constitutional Amendment Act is the Union Act to establish the third tier of governments and the conformity Acts are state legislations.

<sup>3</sup> Jammu and Kashmir is the last state to conduct its first election for panchayats.

Several schemes have since started assigning a range of responsibilities to the panchayats and depend upon them for grassroot implementations. In addition, there are several important flagship programmes of the Union, which aim at provisioning basic essential services across the country through the panchayats. Institutional mechanism is expected to provide centrality to the panchayats in their planning and implementation.

Against this backdrop, this study aims at rating the states and union territories (UTs) of India – and quantifies the current environment that the states/UTs have created under the framework of the Constitution for devolution of functions, finances and functionaries to various levels of panchayats. In addition, the dimensions of capacity building and accountability have been added. In other words, the study endeavours to quantify the current environment that the panchayats function under. The attempt is to assess how ‘free’ the panchayats are to take independent decisions and implement them.

No doubt the actual performance of the individual panchayats differs and depends upon many other factors; these factors are specific to the state and different level of the panchayats. The enabling environment is also determined by village level factors. To reiterate, the study seeks to measure the ‘enabling environment’ for the functioning of the panchayats that state governments have been able to create.

## **The Objective**

At the initial stage of its inception, the Ministry of Panchayati Raj in 2004 organised seven Round-tables of Ministers In-charge of Panchayats in states. In the Fifth Round-table held at Srinagar in October 28-29, 2004, it was agreed upon to have the Annual Reports on the state of the Panchayats including the preparation of a Devolution Index in the format indicated by Alok and Bhandari (2004).

Subsequently, in 2005-06, the Ministry of Panchayati Raj, Government of India, introduced the Panchayats Empowerment and Accountability Incentive Scheme (PEAIS) with the objective to (a) Incentivise states to empower the panchayats, and (b) Incentivise panchayats to put in place accountability systems to make their functioning transparent and efficient. Funds under this scheme are allocated to states and UTs in accordance with their performance as measured in the Panchayat Devolution Index formulated by an independent institution. For three years, i.e. 2006-07, 2007-08 and 2008-09, the National Council of Applied Economic Research (NCAER) developed the Devolution Index based on the work of Alok and Bhandari (2004). For subsequent four years that is for 2009-10, 2010-11, 2011-12 and 2012-13 the Indian Institute of Public Administration (IIPA) was entrusted to carry out the assessment. The Institute was also suggested to measure incremental panchayat devolution since 2010-11.

Initially, the index used the “3F” framework and measured the extent to which the states had transferred functions, finances, and functionaries to the panchayats. In 2008, an important change was introduced in the estimation of DI by including ‘framework’ as the fourth dimension to the existing 3F structure developed by Alok and Bhandari (2004). The framework dimension tests if states/UTs have fulfilled the mandatory provisions of the Constitution. These mandatory requirements are to be fulfilled by the states/UTs so that they can be qualified to be in the estimation of Devolution Index. This was followed with the change in the subsequent study conducted by the Indian Institute of Public Administration, New Delhi in 2009-10.

- (i) Establishing the State Election Commission,
- (ii) Holding regular panchayats elections,
- (iii) Reservation of seats for SCs/STs and women

- (iv) Establishing state finance commissions (SFCs) at regular intervals, and
- (v) Setting up of district planning committees (DPC).

In this year, the study goes beyond the dimension of “4Fs” and two new key dimensions viz. Capacity Building and Accountability to achieve the goals of RGPSA. To achieve these goals, the following objectives have been set for the study:

- To measure the performance of States/UTs in terms of the devolution of 3Fs in addition to

strengthening institutional ‘framework’ (4<sup>th</sup> F) as well as the capacity of panchayats.

- To examine the accountability framework for panchayats, put in place by States/UTs.
- To create cumulative and incremental indices to measure the devolution, frameworks for capacity building and accountability of panchayats.
- To rank states and UTs along the above indices.

The subsequent sections deal all the above issues in detail. Findings are presented in the last chapter.

# 2

## Two Decades of Panchayats in India : Evolution, Organization and Finance<sup>4</sup>

Within the Indian federal architecture, panchayat due to its proximity to the community is the closest to the notion of direct democracy, distinct from the representative democracy of the union and the states. Panchayat entails deep faith in democracy, in which the common man in the rural area has huge capacity to enjoy a good living for himself and the community under the health environment that the state creates. If a common man appears to be indifferent to the high economic growth, it is because he is devoid of the mainstream national development and has not been provided equal opportunities to participate in activities for his own betterment. The objectives of a panchayat include organising common man in the process of developing themselves through their own efforts on a continuing basis and at the same time enhancing their capacity and self-reliance. This takes shape in the form of ‘citizen participation’ in political processes on one hand and on the other, through ‘service delivery’ of local public goods, e.g. potable drinking water, general sanitation, primary health, elementary education, maintenance of public properties etc. Hence, the key objective of the panchayat is to balance the twin values of ‘citizen participation’ and ‘service delivery’, the basic goals of decentralised democracy<sup>5</sup>, as envisaged in the Report of Balvantray Mehta Study Team (1957) and the subsequent 73<sup>rd</sup> Amendment to the Constitution of India. The Amendment arguably envisions citizen participation within service delivery.

The spirit echoes the following expression that, development requires, “*removal of various sources of unfreedom: poverty as well tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over-activity of repressive states*” (Sen 1999, p. 3).

In 1959, on Mahatma Gandhi’s birth anniversary on 2 October, the first Prime Minister of India, Pandit Jawaharlal Nehru formally launched the new system of Panchayati Raj at Degana village in Nagaur district of Rajasthan. During the same period, a panchayat was formed in Andhra Pradesh as well. In 1959, Nehru led Congress Party had an overwhelming majority at the union and was ruling in all states. Hence, appropriate legal provisions for panchayats were made all across rural India. In the subsequent years, during the regimes of Pandit Nehru and his successor – Lal Bahadur Shastri (1964–66) the system of Panchayat Raj evolved. The new system at the local level has undergone many ups and downs thereafter. Panchayat moved, within the Constitution, from the Directive Principles of State Policy in 1950 to Part IX, exclusively devoted to *panchayat* provisions in 1992. Since the enactment of the Panchayati Raj Act in 1992, the ‘institution of rural local government – the *panchayats*’, has traversed various phase to reach the present stage. The historical context has been traced here to understand the journey of panchayats.

<sup>4</sup> This chapter draws on Alok, 2012.

<sup>5</sup> Appleby (1962) made the distinction between the two phrases, i.e. ‘decentralised democracy’ and ‘democratic decentralisation’ V.K.N. Menon, then Director, the Indian Institute of Public Administration, suggested to him the former. Peter R. de Souza (1999, 2000) also made this distinction and clarified that the former is concerned with democratic practices that exist at the base, whereas, the latter denotes democratic practices which promote the base.

## The Foundation

The rural local government in India is called Panchayat, which literally means an assembly of five persons.<sup>6</sup> These five elderly, nominated persons, over the course of time, were vested with sacred authority and with judicial and executive powers. These village<sup>7</sup> communities were the centers of administration and the custodians of social harmony. Evidence suggests that self-governing village communities have always existed in India. Their roots can be traced in the *Rig Veda*<sup>8</sup> as dating back to approximately 1200 BC. Panchayat in present India has inherited though little from those native local institutions of Indian society, which was predominantly rural in character in the medieval period. Urban communities came up due to

political or religious factors. The headquarters of governments, essentially an urban area, located at strategic places, expanded in size due to increased political, judicial, economic, administrative and military activities. Agra, Delhi, Hyderabad, Lahore, Lucknow, Multan and Poona (Pune) were among the important cities. Temple cities of Hinduism, such as Kashi (Varanasi), Mathura, Prayag (Allahabad) and Madurai are few examples of those religious factors. Most towns were small market places. The Mughals essentially urban people in India preferred to develop urban administration (Saran 1941)<sup>9</sup>. They interfered very little with the ancient customs of village governments. For them the village was a unit for revenue and police.

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<sup>6</sup> "Panchayat comes from *panch*, 'five,' but the body so called is not limited to this number. Many castes in towns and villages have also their own panchayats, which deal with business, social, and religious matters common to the caste" (Royal Commission 1909, p 236).

<sup>7</sup> The Royal Commission describes the village in India as under "The typical Indian village has its central residential site, with an open space for a pond and a cattle stand. Stretching around this nucleus lie the village lands, consisting of a cultivated area and (very often) grounds for grazing and wood-cutting. The inhabitants of such a village pass their life in the midst of these simple surroundings, welded together in a little community with its own organisation and government, which differ in character in the various types of villages, its body of detailed customary rules, and its little staff of functionaries, artisans, and traders. It should be noted, however, that in certain portions of India, *i.e.*, in the greater part of Assam, in Eastern Bengal, and on the west coast of the Madras Presidency, the village as here described does not exist, the people living in small collections of houses or in separate homesteads."

The villages above described fall under two main classes, viz.:-

(1) The 'severalty' or *raiyatwari* village, which is the prevalent form outside Northern India. Here the revenue is assessed on individual cultivators. There is no joint responsibility among the villagers, though some of the non-cultivated lands may be set apart for a common purpose such as grazing, and waste land may be brought under the plough only with the permission of the revenue authorities, and on payment of assessment. The village government vests in a hereditary headman, known by an old vernacular name, such as *patel* or *reddi*, who is responsible for law and order, and for the collection of the government revenue. He represents the primitive headship of the tribe or clan by which the village was originally settled.

(2) The joint or landlord village, the type prevalent in the United Provinces, the Punjab and the Frontier Province. Here the revenue was formerly assessed on the village as a whole, its incidence being distributed by the body of superior proprietors, and a certain amount of collective responsibility still as a rule remains. The village site is owned by the proprietary body, who allow residences to the tenantry, artisans, traders and others. The waste land is allotted to the village and, if wanted for cultivation, is partitioned among the shareholders. The village government was originally by the panchayat or group of heads of superior families. In later times one or more headmen have been added to the organisation to represent the village in its dealings with the local authorities; but the artificial character of this appointment, as compared with that which obtains in a *raiyatwari* village, is evidenced by the title of its holder, which is generally *lambardar*, a vernacular derivative from the English word 'number.' It is this type of village to which the well-known description in Sir Maine's Village Communities is alone applicable, and here the co-proprietors are in general a local oligarchy with the bulk of the village population as tenants or labourers under them." (Imperial Gazetteer, Vol.IV., p279-80 quoted in Royal Commission of Decentralization 1909, Vol 1 p 236-7)<sup>7</sup>

<sup>8</sup> The *Rig Veda* is the oldest religious scripture in the world and the most revered of the Vedas. It consists of more than 1,000 hymns addressed to gods. It refers to rituals, such as marriage and funeral rites, that differ little from those practiced today in Hinduism. It is the source of much Indian thought, and many consider its study essential to understanding India.

<sup>9</sup> In the words of Sir Jadunath Sarkar as documented in Saran, 1941, p231-5.

In that era, each village society made its own laws due to the isolation of each village from the neighbouring hamlets. There were threats from the landlord, the robber or the invader. These intimidations strengthened the requirements of a village organisation such as panchayat. These bodies took charge of almost all the matters of village including disputes and apportioned taxes. Panchayats gave dignity and order to village life, and their deliberations had the great weight of religion and custom (Drummond 1937). In western terms, these village governments have never been 'democratic'. However, the old panchayat whether as a caste tribunal or as a judicial or administrative body, normally conducted its deliberations in the presence of all who cared to attend. All the time the reactions of the listening crowd would be registered and would have their influence. If one of the elders showed partiality or foolishness, it would be remembered by his friends (Tinker 1954). These judicial powers of the panchayats were considerably curtailed under Mughul Rule. In short, the panchayats in ancient India were different in character than the notion advanced in the West:

In ancient India the king was head of the state, but not of the society. He had a place in the social hierarchy, but it was not the highest place. As a symbol of the state, he appeared to the people like a remote abstraction with no direct touch with their daily life, which was governed by the social organisation. (Mookerji 1958, p.4)

### *Panchayat under British Rule*

The British rule in India witnessed the beginning of many modern institutions that sustained and formed the base for the post-colonial governments to build

upon. The local civic body<sup>10</sup> cultivated by the imperial government is one such example. The first municipal body in India was created in Madras (now Chennai) through a Royal Charter issued on December 30, 1687 by King James II on the advice of the Governor of the East India Company, Josiah Child to mobilise resources through local taxes and to control the powers of then Governor of Madras, Elihu Yale who amassed a fortune in his lifetime, largely through secret contracts with Madras merchants, against the East India Company's directive<sup>11</sup>. The municipal corporation was made responsible for many civic functions including the upkeep of town-hall and a school. The Corporation could not come up to the expectations as the citizens objected to new taxes. The first experiment with municipal institution did not pay dividends. The second municipal charter was issued in 1726 to set up municipalities for Calcutta (now Kolkata) and Bombay (now Mumbai) and to reconstitute the Madras municipality.

Meanwhile, there was a transformation in the British rule from the management of a few trading posts into the government of Indian sub-continent. The local bodies developed in a haphazard manner without the legislative sanction or centralised direction. In the North-Western Provinces (now Uttar Pradesh), 'local agencies' were appointed in big towns to assist the District Magistrate in mobilising the resources for police, conservancy and road repairs. The new systems of rural local government had no connections with the ways of old panchayats. The institution of District<sup>12</sup> Magistrate became the key unit of local governance and was the central institution of the revenue system. However, concern for panchayats were shown by some British rulers, which can be

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<sup>10</sup> In British India, rural bodies were 'District Boards', 'District Local Boards' and 'District Councils'. Local authorities were often referred to as 'boards' (Tinker 1954). The phrase 'Provincial Government' had been substituted for the phrase 'local government'. This misled to those not versed with the official terms of British India (Royal Commission 1907).

<sup>11</sup> See wikipedia for detail.

<sup>12</sup> Each district was split up into two smaller areas generally designated *tahsils* or *taluks* and in the immediate charge of native officers. British India contained more than 250 districts. The average area of a district was 4,430 square miles, and the average population 9,31,000.

traced from the following remarks of Sir Charles Metcalfe, based on his experience as provisional governor general of India from 1835 to 1836,

"The village communities are little republics, having nearly everything they can want within themselves, and almost independent of any foreign relations. They seem to last where nothing else lasts. Dynasty after dynasty tumbles down; revolution succeeds to revolution; ... but the village community remains the same.... This union of the village communities, each one forming a separate little state in itself, has, I conceive, contributed more than any other cause to the preservation of the peoples of India, through all the revolutions and changes which they have suffered, and is in a high degree conducive to their happiness, and to the enjoyment of a great portion of freedom and independence" (Mookerji 1958, p. 2).

Subsequently, Sir George Birdwood echoed that earlier expression:

*"India has undergone more religious and political revolutions than any other country in the world; but the village communities remain in full municipal vigor all over the peninsula. Scythian, Greek, Saracen, Afghan, Mongol, and Maratha have come down from its mountains, and Portuguese, Dutch, English, French, and Dane up out of its seas, and set up their successive dominations in the land; but the religious trades-union villages have remained as little affected by their coming and going as a rock by the rising and falling of the tide"* (Mookerji 1958, p.2).

At the same time in 1836, Sleemen recorded the following quote of an old Mossulman Trooper: *"the British have no pleasure in building anything except factories, courts of justice and jails"* (Sleemen 1893).

The aftermath of 1857 revolt saw severe financial stress in the imperial administration. Public debt was mounting. James Wilson was sent from Britain to deal with the crisis as Finance Member. Responsibilities for roads and construction were passed on to municipal

bodies. Fiscal Decentralisation was one of his solutions. This is reflected in his budget speech of 1861,

*"It is of the first importance to break through the habit of keeping everything in dependence on Calcutta and to teach people not to look to Government for things which they can do far better themselves"*.

The details of the proposal were left to the newly created provincial legislatures. Municipal acts were passed in all the major provinces, viz. Bengal, Bombay, Madras, Punjab, North West Provinces, and Central Provinces and every major town became a municipality. As many as 49 municipal committees were constituted; 28 were elected by trade or caste panchayats. The prime concern of these committees was octroi collection, conservancy and road maintenance. Subsequently, Lord Lawrence decided that the cost of town police forces would be borne by the inhabitants of the town and made the following declaration in his resolution:

The people of this country are perfectly capable of administering their own local affairs. The municipal feeling is deeply rooted in them. The village communities ... are the most abiding of Indian institutions. They maintained the framework of society while successive swarms of invaders swept over the country. In the cities also, the people cluster in their wards, trade guilds and panchayats and show much capacity for corporate action... Holding the position we do in India, every view of duty and policy should induce us to leave as much as possible of the business of the country to be done by the people... and to confine ourselves to... influencing and directing in a general way all the movements of the social machine (Gazette of India 14 September 1864, as in Tinker 1954, p.36).

At the same time, after the Mutiny, the panchayats in rural areas also received a stimulus. Education and road cesses on land revenue were attempted through



legislation in many provinces in India. Principle of representation was introduced in rural areas through the Bombay Local Fund Act of 1869. District and Taluk Local Fund Committees, as advisory bodies, were also constituted. District Magistrate was the chairman of District Committees, which administered the cesses on land revenue, largely utilised for road construction.<sup>13</sup> Many believed that hardly any member was elected despite the statutory provision of election and committees were functional for the convenience of District Magistrate. Funds were too small to be utilised to render appropriate civic services. In 1870-71, the Government of Lord Mayo made over to the various provinces the financial responsibility for the administration of police, jails, medical services, registration, education, roads and building, and assigned to each a fixed sum from which such expenditure was to be met. It marked a great step in the direction of fiscal and administrative devolution. Lord Mayo's fiscal scheme was deliberately intended to lead to the development of local self-government by means of municipalities and local boards<sup>14</sup>. Meanwhile, in 1870, the Bengal Village *Chaukidari* Act created 'unions' comprising about 10 or 12 square miles. Panchayats were responsible to raise funds to pay for the village police in these 'unions'. The citizens regarded these panchayats as the agents of the British Government.

Thereafter, Lord Ripon's Resolution on Local Self Government of 18 May 1882 proved to be the most enduring influence on the subsequent debates and discussions on local self-governments in India. Ripon was determined that (i) political education and (ii) administrative efficiency should be central in the perspective of local self-governments. These two objectives are clearly enunciated in the following paragraphs of the Resolution:

*“Political education is the primary function of local government, of greater importance than administrative efficiency (Paragraph 5)*

*As education advances there is rapidly growing up all over the country an intelligent class of public spirited men who it is not only bad policy but sheer waste of power to fail to utilize (Paragraph 6).*

*Rural Boards are to be set up, similar to municipal boards: the units of administration to be small -- the subdivision, tehsil or taluka(Paragraph 10).*

*All boards should contain a two third majority of non-officials; these should be elected whenever possible. Elections to begin immediately in more progressive towns; gradually and by informal experimental methods in smaller towns and the countryside. (Paragraphs 12, 13, 14)*

*Systems of election should be adopted to suit 'the feelings of the people' (Paragraphs 14 & 15)*

*Control should be exercised from without rather than within (Paragraph 17).*

*The chairmen of all local boards should accordingly be non-officials whenever possible (Paragraph 18)”(Tinker 1954, p.44-8).*

Lord Ripon assumed the office of Viceroy after spending 30 years' in politics in the Whitehall. But all his intellect and experience were accompanied by “a lack of stamina, an inner uncertainty” (Tinker 1954, p.43) that created roadblocks for Ripon to bring his ambitious schemes into fruition. Most Englishmen in India argued that his idea of political education should “evolve out of local circumstances; if it has to be created artificially, at least it should be planned in detail by local administrators, and not be imposed ready-made by the central government” (Tinker 1954, p.43). The provincial governments and district officers were reluctant to put Ripon's idea into practise.

<sup>13</sup> District Committee Acts: 1869, Bombay; 1870, Madras; 1871, Bengal, NorthWesternProvinces, Punjab.

<sup>14</sup> Local board was used to denote sub-district boards only while in Madras and Bombay it included both district and sub-district boards.

O'Malley equated Ripon's language with that of A.O. Hume, Founder of the Indian National Congress, who advocated wider franchise, based upon 'class as well as ward representation'.

*"There is a somewhat remarkable similarity in the language used by Lord Ripon and A.O. Hume to describe the situation caused by the impact of western civilization..... It was necessary to provide an outlet for the ambitions and aspirations which had been created by the education, civilization and material progress introduced by the British."* (O'Malley 1941, p.745-6)

On the other hand, Wolf in his work on 'Life of Ripon' wrote that Ripon had later realised that the freedom of panchayat would come at the cost of efficiency in a short run. According to Wolf, Ripon was not the great votary of ballot box, he wanted *"to revive and extend the indigenous system of the country and to make use of what remains of the village system"* (Wolf 1921, p.100).

A network of rural local bodies was part of Ripon's proposal. He proposed to create a 'two tier' system, with district boards<sup>15</sup>, and sub-division or the *tehsil*. The sub-division, *taluk* or *tehsil* would form the maximum area under a local board. The district board was only a supervisory or coordinating authority.

However, district board in all regions except a few was assigned powers with all the funds and almost all the local functions despite provisions in the Acts regarding the delegation of power and responsibility to the local bodies. In practise, the district boards passed some routine works to the sub-district boards.

Lord Ripon's emphasis to build the local self-government upon the ancient foundation of the village system did not work as the local self-government was

*"imposed from above, and the village was the last place to feel its influence"* (Tinker 1954, p.55). However, Gopal Krishna Gokhale, the then Congress President observed in 1906 that local self-government *"still remains all over the country where it was placed by Lord Ripon a quarter of a century ago and in some places it has even been pushed back"*<sup>16</sup>

The 'Royal Commission upon Decentralisation in India' was set up in 1907 with the hope of improvement in system of government by measure of decentralisation. The Commission was mandated to study the financial and administrative relations among the Government of India, provincial governments and subordinate statutory bodies. The Commission was presided over by Sir Henry William Primrose with five other members who were senior I.C.S. officers. Romesh Chunder Dutt was the only Indian member. Subsequently, C.E.H. Hobhouse, Under-Secretary of State for India became the chairman after the resignation of Sir Henry. The Commission recorded huge evidences and submitted several volumes of its report in 1909.

Once again, development of local self-government was viewed as a subset of administrative devolution. The Commission, dismissed, the popular demand and affirmed *'we do not think it possible, even it were expedient, to restore the ancient village system'* but *"an attempt should be made to constitute and develop village panchayats for the administration of local village affairs"* (Royal Commission 1909, p.239). The new system should be introduced 'gradually and cautiously'.

The Commission strongly recommended to keep the panchayat under the district authorities to ensure that *"the movement should be completely under the eye*

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<sup>15</sup> District Board was headed by the District Magistrate/Collector in all provinces except the Central Provinces. However, the provision of election did exist in the legislation of most regions.

<sup>16</sup> Collected speeches of the Hon. G.K. Gokhale (Madras, n.d.), Appendix, p. 149 in Tinker 1954, p. 49.

and hand of district authorities” (Royal Commission 1909, p.240) particularly *tehsildars* and sub-divisional officers. Local officers were entrusted to supervise and guide the panchayat. The sub-district boards were suggested to give grants to panchayat for village sanitation, the construction of minor public works, the management of village schools and petty civil and criminal jurisdiction.

Urban municipal bodies created by British, on the other hand, received a liberal treatment. The Commission recommended chairman and majority of other members in urban bodies to be non-official. The Report stated, “*the chairman should usually be an elected non-official*” (Royal Commission 1909, p.282). The attempt succeeded to shift the attention from panchayat to urban municipal bodies. Like the Royal Commission (1909), the Report of Montague

### Box 1 : Milestones in the Evolution of Panchayats in India

1687	Royal Charter for the creation of Madras Municipal body
1842	Act X to provide first formal measure of municipal bodies
1857	The aftermath of Mutiny saw severe financial stress. Fiscal decentralisation was considered one of the solutions.
1870	Lord Mayo’s scheme of fiscal and administrative devolution. Enactment of Bengal Chowkidari Act.
1882	Lord Ripon’s Resolution on Local Self-Government
1907	The Royal Commission on Decentralisation was constituted.
1948	Debates between Gandhi and Ambedkar on Gram Swaraj, (self-rule)
1957	Balvantray G. Mehta Committee–Recommended panchayat structure at district, block and village levels, elected bodies for five year, devolution of powers to panchayats. Post of Block Development Officer (BDO) was created.
1963	K. Santhanam Committee – recommended limited revenue raising powers to panchayats to raise revenue and setting up of State Panchayati Raj Finance Corporations.
1978	Asoka Mehta Committee –Recommended that the District serve as the administrative unit in the Panchayat structure and two tier panchayats be created at district and block levels.
1985	G.V.K. Rao Committee –Recommended that the block development office (BDO) should be strengthened to assume broad responsibility for planning, implementing and monitoring rural development programmes.
1986	L.M. Singvi Committee – recommended that local self-government should be constitutionally enshrined, and the Gram Sabha (the village assembly) should be the base of decentralised democracy.
1993	The 73 <sup>rd</sup> Amendment to the Indian Constitution – panchayats at district, block and village levels was created through Constitution. Part IX for Panchayats was inserted in the Constitution with 11 <sup>th</sup> schedule that enumerated 29 matters for panchayats.
1996	PESA– Powers of self-government were extended to tribal communities in ‘Fifth Schedule’ areas.
2004	Union Ministry of Panchayati Raj was created.
2009	Thirteenth Finance Commission recommended share of panchayats in the Union Revenue Divisible Pool.

and Chelmsford on Constitutional Reforms (1918) and the Government of India Resolution (1918) emphasised monitoring and control and strengthened administrative structure at the district level. All these developments made a mockery of 'political education' - a central idea of Ripon's Resolution.

Legislations for local self government particularly in the early days of Dyarchy, provided inadequate provisions due to poor drafting. Powers of taxation were not well-defined. It provided enough scope for confusion about the level of administration to introduce the new taxes or change the existing rates. The working relationship of board and staff as well as the local officers was never defined. Government officers were given emergency powers over boards. There was no provision to enforce the decision of departmental audit.

Many amendments or reforms in the legislation proved to be a patchwork and further complicated the matter. As a result, local self government found it difficult to hire technically qualified staff and provide efficient services to citizens.

The first half of twentieth century witnessed freedom movement and little progress in devolution and the economy. In overall, the average annual growth rate of India, from 1914 to 1947 was between 0.73% and 1.22% (Chandra 1997, p.12).

### ***Panchayats in Independent India***

During the struggle for freedom that culminated with independence on 15 August 1947, Mahatma Gandhi stressed the need for *village swaraj* (independent republic): *My idea of village swaraj is that it is a complete republic, independent of its neighbours for its own vital wants, and yet interdependent for many others in which dependence is a necessity*" (Gandhi 1962, p.31).

Gandhi's vision of village swaraj has had perhaps the most powerful influence on the subsequent debates

and discussions on panchayats. In the immediate post-independence period, during the debates on the drafting of India's constitution, sharply discrepant views on panchayats were expressed. In the Constituent Assembly on November 4, 1948, Dr. B. R. Ambedkar, chairman of the Drafting Committee, called village community "a sink of localism, a den of ignorance, narrow-mindedness, and communalism"(Malaviya 1956, 97). Panchayats did not find a place in the first draft of India's constitution. At the insistence of a few Gandhians namely Alladi Krishnaswami Aiyar, N G Ranga, K Santhanam, Shibbanlal Saxena and others, a compromise was arrived at, and panchayats were included only in the non-justiciable part of the constitution, under Directive Principles of State Policy, as Article 40, which reads, "*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-government.*" Without any reference to panchayats, the term *local government* also crept into item five of the State List in the constitution. These provisions are, at best, only discretionary.

In the early 1950s, Gandhi's village swaraj was kept on the back burner in the overall development plan, which was deeply committed to industrialisation, economic growth, and income redistribution (Kohli 1987). The thrust on local governance started with community development which occupied the central place in rural administration in the 50s. S.K. Dey was made Minister of Community Development. There was confusion in the 50s and in 60s due to ambiguous status of panchayats. Some official documents showed panchayats as a culmination of the process initiated in 1882 by Lord Ripon and consummated in Article 40 of the Constitution. Others considered panchayats to be the offspring of the Community Development Programme (Jain 1962) due to some common features between community development and panchayats.

Both emanates from the desire of the “*people to serve their common ends largely through their own efforts*” (Mukherji 1962). It further argues that in the absence of community development programme, panchayat would have been treated as traditional kind of local self-government, under British Rule, to serve the administration of the State Government than as self-governing institutions of the people.

In the late 1950s, community development projects failed to evoke people’s participation. On this issue Balvantray Mehta Study Team was appointed to review the working of the Community Development Programme. The Team expressed dissatisfaction over the centralised functioning of the programme and recommended that public participation in community work should be organised through statutory representative bodies. Some of the main recommendations are as follows:-

- a) A three-tier structure (village, block and district) of institutions of democratic decentralisation, i.e. *Gram Panchayat* at the village level, *Panchayat Samiti* (the basic unit of democratic decentralisation since the area of jurisdiction of the panchayat bodies should be optimum, not too large and not too small) and *Zila Parishad* at the district level.
- b) Establishment of elected local bodies for five years by indirect elections from the village panchayats.
- c) Devolution of necessary resources, power and authority to these bodies.
- d) These bodies would form part in the implementation of various departmental schemes.
- e) *Zila Parishad* would play an advisory role under the chairmanship of the District Collector for necessary coordination. All Presidents of *panchayat samities*, Members of the State Legislature and Member of the Parliament representing a part or whole of a district whose

constituencies lie within the district and district level officers would be members of the *Zila Parishad*. One of the officers of the District Collector would be the Secretary.

- f) The following would be the main resources of village panchayat:
  - *"Property or house-tax as is considered locally suitable;*
  - *Tax on daily, bi-weekly or weekly markets, bazars, hats or shandies, whether located on private land or otherwise;*
  - *Tax on carriages, carts, bicycles, rickshaws, boats and pack animals;*
  - *Octroi or terminal tax;*
  - *Conservancy tax;*
  - *Water rate;*
  - *Lighting rate;*
  - *Income from cattle-pounds;*
  - *Fees to be charged for registration of animals sold within the local area, for the use of Sarais, slaughter house, etc."*(GoI 1957, p.15-16).

A panchayat structure at the district and block levels was also envisioned at this time. An important post of the Block Development Officer (BDO) was created to support old revenue unit of the *tehsil* or *taluk* and develop every village in the respective block. However, this gave rise to a complex system of multiple controls. In the implementation of rural development schemes, the BDO has to seek directions of (i) elected *pradhan* (ii) elected *zila pramukh* (iii) district collector (iv) chief executive officer, *zila parishad* (v) district level officers connected with line departments of states (vi) director/commissioner, panchayats (vii) secretary – in-charge of the concerned district (viii) divisional commissioner (ix) elected member of the *samiti* (x) MLA (xi) M.P (xii) Minister-in-charge of the concerned district (Hooja 2010). In fact, confusion and tension at the district level administration prevailed during this period (Chaturvedi 1964).

As mentioned earlier, on October 2, 1959, India's first Prime Minister (Pandit Jawaharlal Nehru) inaugurated independent India's first Panchayati Raj Institution (PRI) at Nagaur in Rajasthan.<sup>17</sup> At the same time, a panchayat was formed in Andhra Pradesh. By the mid 1960s, PRIs began to be established in all parts of India. To promote decentralised democracy, there was commencement of panchayat elections. By the year 1963, Panchayati Raj legislation had been enacted in 12 States and *Panchayat Samities* and *Zila Parishads* had been established in 10 States. By March 1962, 204,000 village panchayats had been established and these served about 95 per cent of the rural population. *Zila Parishads* was considered to be of the utmost importance for the rural development. The Third Five Year Plan (1961-66) laid considerable stress in rural sector to make India self sufficient for food products. Particular attention had been given to the administrative and functional aspects of Panchayati Raj in the initial two years. To carry out the responsibilities entrusted to them, PRIs at each level were in a position to secure adequate resources both from the State Government and at the local level (GoI 1963). An important contribution of the panchayat movement had been to make available teams of trained workers to serve at block and village level. However, shortage in certain categories particularly women village level workers continued. During this period, four study teams were constituted to study the issues related to a) panchayati raj finances, b) district, block and village plans, c) budgetary and accounting procedures, and d) role and functions of the *Gram Sabha*.

In a number of States, Panchayati Raj Institutions had set up special committees to look after the interests of weaker sections. Thus, till the end of the third plan in

1966, panchayati raj flourished. The Congress lost many seats in early 1967 General Elections. As a result, Prime Minister, Indira Gandhi attempted to consolidate her position by a process of centralisation of political and administrative powers. "*In the process, panchayat went through a phase of desuetude*" (Aiyar 2011, p. 14).

In the Fourth Five Year Plan (1969-74), an outlay of Rs. 115 crores was provided for the schemes of Community Development and Panchayats. Out of this amount, Rs. 98 crores were allocated for the plan schemes of various States and Union Territories. Among all the central sector schemes, the progress of expenditure had been very slow in many schemes particularly (i) composite programme for women and pre-school children, (ii) orientation of school teachers in Community Development. In the centrally sponsored sector, the scheme relating to the Applied Nutrition Programme was making satisfactory progress (GoI 1971).

Panchayati Raj started declining as most initiatives for developments came from the central leadership and sub-national governments fell in line. The word '*panchayati raj*' almost disappeared in various policy documents. Panchayats were marginalised, as elections of these bodies were seldom held and elected bodies were not allowed to take office or dismissed even if allowed.

After the 1975-77 Emergency, Indian National Congress led by Mrs. Indira Gandhi lost the General Election in March 1977. Considering the fact that panchayats had not succeeded to the expectations, the Janata Party Government constituted the committee headed by Asoka Mehta to review the working of panchayats and to suggest measures for their

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<sup>17</sup> During the occasion, Nehru said, "To uplift lakh of villages is not an ordinary task.....The reason for slow progress is our dependence on official machinery. An officer is probably necessary because he is an expert. But this work can be done only if the people take up the responsibility in their own hands.... The people are not merely to be consulted. Effective power has to be entrusted to them..... Real change comes, of course, from within the village, from the very people living in the village, and is not imposed from outside" (Aiyar 2011, p. 11).

strengthening so that an effective decentralised system of rural development could be evolved. The Asoka Mehta identified post 1959 panchayat experience into the following 3 phases:

- (i) Panchayat Ascendancy (1959-64)
- (ii) Panchayat Stagnation (1965-69)
- (iii) Panchayat Decline (1969-77)

The factors including a) absence of political will, b) resistant bureaucracy, c) lack of involvement in planning, d) ambiguity with respect to the role and status of panchayats, and e) the domination of rural elite on panchayats were considered responsible to undermine PRIs (GoI 1978). The main recommendations of the committee as summarised by (Hooja 2010, p.8-9) are as follows:

- (a) “Creation of a two-tier system of Panchayati Raj, with *Zila Parishad* at the district level and, below it, the *Mandal Panchayat* consisting of a number of villages and having a population of 15,000 to 20,000;
- (b) *Nyaya Panchayat*, presided over by a qualified judge, to be kept as a separate body;
- (c) Open participation of political parties in PRIs through elections contested on a party basis;
- (d) PRI elections to be organised by the Chief Electoral Officer of the state in consultation with the Chief Election Commissioner of the country;
- (e) *Zila Parishad* to be made responsible for planning at the district level;
- (f) Reducing the dependence of PRIs on the state funds and, instead, endowing them with powers of taxation;
- (g) Development functions to be transferred to *Zila Parishads*;
- (h) State Government not to supersede the PRIs on partisan grounds; and

- (i) Appointing in the Council of Ministers of the State Government of a Minister for Panchayati Raj, to look after the affairs of the PRIs”.

There were a number of supplementary even dissent notes appended with the Report. M.G. Ramachandran, a Member, opposed the concept of the *Mandal Panchayat* and argued that this would reduce effective and widely prevailing Directly Elected People’s participation. S.K. Dey echoed similar sentiments in his supplementary note. E.M.S. Namboodiripad, another Member, criticised, among others: the recommendation with respect to the compulsory levy of land cess, surcharge on stamp duty, taxes on commercial crops etc. by the panchayats - “*Making these compulsory for the Panchayati Raj Institutions is a proposition with which I can not agree*” (GoI 1978, p. 170). Siddharaj Dhadda found lacuna due to the absence of village panchayat in the Report. He expressed it strongly in his note of dissent.

The Asoka Mehta Committee was the first to recognise the need of constitutional provisions for panchayats. However, the Report remained the part of the bookshelf due to a shift in priorities of the top leadership amidst hectic political activities that led to the fall of Morarji Desai’s government in July 1979 and the subsequent fall of Charan Singh’s government in the same calendar year. Indira Gandhi led Indian National Congress came back to power in January 1980 after the General Election. As usual, powers remained centralised till the assassination of Mrs Gandhi on 31 October 1984.

During the regime of Mrs Indira Gandhi, the panchayat was marginalised and weakened. Programmes for rural development were passed without a reference to panchayats. A conventional chapter on ‘Community Development and Panchayat’ was absent from the Planning Commission documents. However, the phrase ‘community development’ was substituted with ‘rural development.’ The absence of panchayats could

not even be noticed in the Seventh Plan (1985-90) document: About 9,000 crore outlays was allocated for rural development in the 7<sup>th</sup> plan and no role was assigned to panchayats even in the Minimum Needs Programmes (MNP) related to rural sanitation, rural roads, rural health, rural housing, rural energy, etc.(GoI 1985-90).

After the assassination of Mrs Gandhi, her son Rajiv Gandhi became the Prime Minister. After an early election, he came back to power with more than two third majorities in Lok Sabha. A committee headed by G.V.K. Rao was appointed by the Planning Commission on March 1985 to review the existing administrative arrangements for rural development and poverty alleviation programmes and to recommend structural mechanisms for the planning and implementation of these programmes in an integrated manner. The Committee submitted its report in December 1985 and recommended to activate “Panchayati Raj bodies, viz. the *Zila Parishad*, *Panchayat Samities*, Village Panchayats” (GoI, 1985). The Committee emphasised to strengthen the role of block development office in the rural development process.

Another major attempt to regenerate PRIs was made with the appointment of the L. M. Singhvi Committee in 1986. The committee recommended that PRIs should be enshrined in the constitution and ‘*Gram Sabha*’ be the base of decentralised democracy. The Committee showed its displeasure over the irregularity of panchayat elections and dealt with the issue of the role of political parties in panchayat elections. The Committee suggested that non-involvement of political parties should be consensual rather than through legislation. On this issue the supporters of panchayats had two opinions. The Gandhians supported party less democracy while others argued the involvement of political parties to support

candidates with weak economic background (Wadhvani and Mishra 1996). Notwithstanding, the democratic momentum did not find pace to cater to the requirements of rural development.

There were various reasons for this such as: (i) political and bureaucratic resistance at the state level to sharing of power and resources with the local level institutions, (ii) under the existing social structure and property relations, the rural elite appropriated a major share of benefits from development schemes, (iii) low capacity at the local level, and (iv) lack of political will of the local political representatives. Local institutions scored well as long as they were concerned with issues such as primary schools, health centers, village roads, etc (Rao 1989).

In 1989, Prime Minister Rajiv Gandhi proposed to assign constitutional status to PRIs and introduced the 64th Constitutional Amendment Bill. This bill was opposed because it was viewed as an instrument for the union government to deal directly with PRIs and bypass the state governments. The bill was passed in the Lok Sabha (lower house of parliament) but failed in the Rajya Sabha (upper house of parliament) by two votes on October 15, 1989.

Over time, consensus in favour of PRIs grew among all political parties. The National Front government that came into power for a short period introduced a bill for PRIs on September 7, 1990. Finally, the Congress government, led by Narasimha Rao, which came back to power after the assassination of Rajiv Gandhi, introduced a constitutional amendment bill for PRIs in September 1991. After debate and discussion it was passed in the Parliament on 22 December 1992, it became the Constitution (73rd Amendment) Act 1992 (the CAA) on April 24, 1993 after ratification by most State Assemblies.



## Box 2 : Classification of Functions Listed in the 11th Schedule

### Core functions

- Drinking water
- Roads, culverts, bridges, ferries, waterways, and other means of communication
- Rural electrification, including distribution of electricity
- Health and sanitation, including hospitals, primary health centers, and dispensaries
- Maintenance of community assets

### Welfare functions

- Rural housing
- Non-conventional energy sources
- Poverty alleviation programme
- Education, including primary and secondary schools
- Technical training and vocational education
- Adult and informal education
- Libraries
- Cultural activities
- Family welfare
- Woman and child development
- Social welfare, including welfare of the handicapped and mentally retarded
- Welfare of the weaker sections, and in particular, of the Scheduled Castes and Scheduled Tribes
- Public distribution system

### Agriculture and allied functions

- Agriculture, including agricultural extension
- Land improvement, implementation of land reforms, land consolidation, and soil conservation
- Minor irrigation, water management, and watershed development
- Animal husbandry, dairying, and poultry
- Fisheries
- Social forestry and farm forestry
- Minor forest produce
- Fuel and fodder
- Markets and fairs

### Industries

- Small-scale industries, including food processing industries
- *Khadi*, village, and cottage industries.

Note: The Eleventh National Finance Commission gave these classifications to the functions enumerated in the 11th Schedule

Table: 2.1 : Number of Elected Institutions in India by State/UTs

(as on 1 March 2013)

Sl. No.	State	Number of Seats in:		Number of Municipalities	Number of Panchayats			Area per Village Panchayat (Km <sup>2</sup> )	Rural Population per Village Panchayat
		Parliament	State Assembly		District (a)	Intermediate (b)	Village (c)		
1	Andhra Pradesh	42	384	124	22	1097	21660	13	2558
2	Arunachal Pradesh	2	60	NA	17	161	1779	47	489
3	Assam	14	126	89	21	185	2202	36	10543
4	Bihar	40	339	138	38	531	8410	11	8837
5	Chhattisgarh	11	90	162	18	146	9734	14	1710
6	Goa	2	40	14	2	n.a.	189	20	3582
7	Gujarat	26	182	168	26	223	13795	14	2301
8	Haryana	10	90	76	21	119	6083	7	2471
9	Himachal Pradesh	4	68	49	12	77	3243	17	1691
10	Jammu & Kashmir	6	125	82	24	212	4139	54	1843
11	Jharkhand	14	81	39	24	259	4423	18	4737
12	Karnataka	28	299	219	30	176	5627	34	6200
13	Kerala	20	141	58	14	152	978	40	24105
14	Madhya Pradesh	29	231	338	50	313	23006	13	1929
15	Maharashtra	48	367	249	33	351	27902	11	1999
16	Manipur	2	60	28	4	n.a.	161	139	9881
17	Meghalaya (d)	2	60	6	3	0	0	0	0
18	Mizoram (d)	1	40	1	0	0	707	30	633
19	Nagaland (d)	1	60	19	0	0	1110	15	1484
20	Odisha	21	147	103	30	314	6232	25	5020
21	Punjab	13	117	135	22	145	12776	4	1260
22	Rajasthan	25	200	138	33	248	9177	37	4718
23	Sikkim	1	32	12	4	n.a.	341	21	1411

Sl. No.	State	Number of Seats in:		Number of Municipalities	Number of Panchayats			Area per Village Panchayat (Km <sup>2</sup> )	Rural Population per Village Panchayat
		Parliament	State Assembly		District (a)	Intermediate (b)	Village (c)		
24	Tamil Nadu	39	234	719	31	385	12,524	10	2788
25	Tripura	2	60	13	4	23	511	21	5193
26	Uttarakhand	5	70	63	13	95	7555	7	835
27	Uttar Pradesh	80	512	628	75	821	51,914	5	2536
28	West Bengal	42	295	127	18	333	3349	27	17244
	<b>Union Territories</b>								
29	Andaman & Nicobar *	1	n.a.	n.a.	2	7	69	120	3478
30	Chandigarh	1	n.a.	n.a.	1	1	12	10	7677
31	Dadra & Nagar Haveli	1	n.a.	n.a.	1	n.a.	11	45	15457
32	Daman & Diu	1	n.a.	n.a.	1	n.a.	14	8	7204
33	NCT of Delhi (e)	7	70	n.a.	n.a.	n.a.	n.a.	0	0
34	Lakshadweep	1	30	n.a.	1	n.a.	10	3	3368
35	Puducherry *	1	30	n.a.	NA	10	98	5	3324
	<b>India</b>	<b>543</b>	<b>4640</b>	<b>3797</b>	<b>595</b>	<b>6384</b>	<b>239741</b>	<b>25</b>	<b>3097</b>

Source: Alok (2012), Information submitted by State Governments, Provisional Population Totals Paper 1: Census of India, 2011, Parliament of India, available at <http://164.100.47.132/LssNew/Members/Statewiselist.aspx>, accessed on March 27, 2013

- It is also known as *Zilla Panchayat (ZP)/Parishad* in many states.
- The name of the intermediate rung differs from one state to another. It is known as *Mandal Parishad* in Andhra Pradesh, *Anchal Samiti* in Arunachal Pradesh, *Anchalik Panchayat* in Assam, *Janpad Panchayat* in Chhattisgarh and Madhya Pradesh, *Taluka Panchayat* in Gujarat and Karnataka, Panchayat Union in Tamil Nadu, Block Panchayat in Uttar Pradesh, Uttarakhand and Kerala, and *Panchayat Samiti* in many states, including Bihar, Haryana, Himachal Pradesh, Jharkhand, Maharashtra, Odisha, Punjab and Rajasthan.
- In almost all states, it is known as the *gram panchayat*.
- For traditional village and autonomous district councils that exist in these states.
- Panchayat has yet to be revived.

Note :NA : Data not available from given sources,

n.a. : not applicable,

\* : Data pertain to previous year

## Panchayats: Structure, Functions and Finance

### *The Legal Framework*

With the passage of the CAA, panchayats were recognised in the statute book as institutions of self-government<sup>18</sup>. Under the CAA, it became mandatory for each state to enact conformity acts and make the following provisions:

- The establishment of three-tier panchayats with elected members at village, intermediate, and district levels. The intermediate rung need not be constituted in states with a population under 2 million.
- Direct elections to all seats in panchayats at all levels.
- One-third of seats reserved for women and marginalised communities—scheduled castes (SCs) and scheduled tribes (STs)—in all panchayats, according to the population. This provision also applies to the office of chairperson.
- A uniform five-year term in all panchayats, with elections held within six months in cases of premature dissolution.
- Constitution of a State Election Commission (SEC) to supervise and organise free and fair elections to panchayats at all levels.
- Setting up of a State Finance Commission (SFC) at a regular interval of five years to review and revise the financial position of panchayats.

- Establishment of District Planning Committees (DPCs).
- Establishment of a *Gram Sabha* (village assembly) in each village, to exercise such powers and perform such functions at the village level as the state may provide by law.

The state is also expected to assign responsibilities on various matters including those listed in the Eleventh Schedule(see Box 2). The state is also required to devolve concomitant powers and authority to panchayats to carry out the responsibilities conferred on them.

The legislature of a state may authorise the panchayats to levy, collect, and appropriate certain duties and fees and may assign to them the revenues of certain state-level taxes, subject to such conditions as are imposed by the state government. Further, grants-in-aid may also be provided to these bodies. As a result of the CAA, the numbers of panchayats stands at 2,46,720 of which 2,39,741 are village panchayats, 6,384 are intermediate panchayats, and 595 are district panchayats (Table 2.1).

The addition of these democratic institutions has broadened the Indian federal system. The panchayats are seen as the third tier of government. They have also made India the most representative democracy in the world. Today, about 2.9 million representatives stand elected to the three levels of panchayats. About 42.30 per cent are women, 13.70 per cent belong to SCs and 14.6 per cent are STs (Table 2.2). At the village panchayat level, each elected person's constituency comprises about 340 people or 70 families (Government of India 2006).

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<sup>18</sup> Special legal dispensation under the Panchayats (Extension of the Scheduled Area) Act 1996 is given to the panchayats in tribal areas of nine states: Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Odisha, and Rajasthan. Accordingly, the provisions of the CAA have been extended to those areas, with certain modifications respecting the traditional institutions of the areas and recognising the rights of tribal population over natural resources (Singh 2000).

**Table 2.2: Representation of Weaker Sections and Women in Panchayats**

(as on 1 March 2013)

Sl. No.	State	Women Representatives		SC Representatives		ST Representatives		Total (Including General)
		Number	Reservation (%)	Number	Reservation (%)	Number	Reservation (%)	Number
1	Andhra Pradesh	85154	33	46755	18.3	21078	8.3	2,54,487
2	Arunachal Pradesh	3889	33	NA	NA	9356	99	9,356
3	Assam	9903	50	1344	5.0	886	3	26,844
4	Bihar	68065	50	22201	16.3	1053	0.8	1,36,130
5	Chhattisgarh	86538	50	19753	11.0	63864	32	1,58,776
6	Goa	504	33	NA	NA	92	12	1,559
7	Gujarat	39206	33	8340	7.0	23719	14	1,18,751
8	Haryana	24876	33	14684	20.0	NA	NA	68,152
9	Himachal Pradesh	13947	51	7467	22.3	1215	6	27,832
10	Jammu & Kashmir	9452	33	3725	11.0	2708	8	4,117
11	Jharkhand	31157	50	5870	11.0	18136	34	53,207
12	Karnataka	41577	50	17723	18.6	10275	10.8	95,307
13	Kerala	9907	50	867	5.0	120	1	19,107
14	Madhya Pradesh	203806	50	60726	15.0	113642	28.7	2,03,203
15	Maharashtra	101466	50	22175	11.0	30211	15	3,96,918
16	Manipur	836	51	21	2.0	38	2	1,723
17	Odisha	100863	50	16390	16.3	22240	22.1	1,00,863
18	Punjab	29389	35	26937	32.0	NA	NA	84,138
19	Rajasthan	54673	50	18807	17.2	13777	12.6	1,09,345

Sl. No.	State	Women Representatives		SC Representatives		ST Representatives		Total (Including General)
		Number	Reservation (%)	Number	Reservation (%)	Number	Reservation (%)	Number
20	Sikkim	1895	50	77	7.0	418	38	180
21	Tamil Nadu	80398	34	57545	23.0	2542	1	1,19,399
22	Tripura	2044	50	1508	27.0	309	5	5,676
23	Uttarakhand	34494	50	12230	19.0	2067	4	61,452
24	Uttar Pradesh	309511	39	185159	24.0	NA	NA	7,73,980
25	West Bengal	19762	50	17605	42.0	4168	10	51,423
	<b>Union Territories</b>							
26	Andaman & Nicobar *	291	33	NA	NA	NA	NA	856
27	Chandigarh	52	34	26	16.9	NA	NA	149
28	Dadra & Nagar Haveli	49	33	3	2.0	116	75	125
29	Daman & Diu	41	33	4	1.0	16	11	111
30	Lakshadweep	41	33	NA	NA	110	100	110
31	Puducherry *	369	36	239	24	NA	NA	1021
	<b>India</b>	<b>13,64,154</b>	<b>42.3</b>	<b>5,68,181</b>	<b>13.7</b>	<b>3,42,157</b>	<b>14.6</b>	<b>28,84,297</b>

Source: Information submitted by State Governments

Note: Meghalaya, Mizoram and Nagaland are excluded from the purview of 73<sup>rd</sup> Amendment Act of the Constitution.

Note: NA : Data not available from given sources

n.a. : Not applicable,

\* : Data pertain to previous year

**Table: 2.3 Population per Elected bodies in India by State/UTs**

(as on 1 March 2013)

Sl. No.	State	Number of Elected Representatives to:					Population per Elected Representatives to:				
		Parliament	State Assembly	District	Panchayats Intermediate	Village	Parliament	State Assembly	District	Panchayats Intermediate	Village
1	Andhra Pradesh	42	384	119	16774	237594	2015846	220483	465555	3303	233
2	Arunachal Pradesh	2	60	161	1779	7416	691306	23044	5404	489	117
3	Assam	14	126	420	2202	24222	2226377	247375	55277	10543	958
4	Bihar	40	339	1162	11501	123467	2595116	306208	63956	6462	602
5	Chhattisgarh	11	90	321	2783	155672	2321836	283780	51863	5982	107
6	Goa	2	40	50	n.a.	1509	728862	36443	13542	n.a.	449
7	Gujarat	26	182	301	1465	37440	2322447	331778	105451	21666	848
8	Haryana	10	90	395	2891	64866	2535308	281701	38049	5199	232
9	Himachal Pradesh	4	68	251	1682	25899	1714127	100831	21842	3259	212
10	Jammu & Kashmir	6	125	NA	NA	4117	2091488	100391	NA	NA	1853
11	Jharkhand	14	81	445	4423	48339	2354731	406991	47083	4737	433
12	Karnataka	28	299	1013	3659	90635	2183239	204451	34441	9535	385
13	Kerala	20	141	332	2095	16680	1669384	236792	71007	11253	1413
14	Madhya Pradesh	29	231	437	3527	389245	2503364	314275	101558	12583	114
15	Maharashtra	48	367	1955	3910	197338	2341104	306193	28531	14265	283
16	Manipur	2	60	60	n.a.	1663	1360878	45363	26514	n.a.	957
17	Meghalaya (d)	2	60	n.a.	n.a.	n.a.	1482004	49400	n.a.	n.a.	n.a.
18	Mizoram (d)	1	40	n.a.	n.a.	n.a.	1091014	27275	n.a.	n.a.	n.a.
19	Nagaland (d)	1	60	n.a.	n.a.	n.a.	1980602	33010	n.a.	n.a.	n.a.
20	Odisha	21	147	854	6233	93776	1997493	285356	36636	5020	334

Sl. No.	State	Number of Elected Representatives to:					Population per Elected Representatives to:				
		Parliament	State Assembly	District	Panchayats Intermediate	Village	Parliament	State Assembly	District	Panchayats Intermediate	Village
21	Punjab	13	117	324	2715	81099	2131095	236788	49681	5929	198
22	Rajasthan	25	200	1014	5279	103052	2744840	343105	42695	8201	420
23	Sikkim	1	32	110	n.a	989	607688	18990	4373	n.a.	486
24	Tamil Nadu	39	234	1372	13712	223714	1849717	308286	25453	2547	156
25	Tripura	2	60	82	299	5295	1835516	61184	32359	8874	501
26	Uttarakhand	5	70	413	3295	57744	39916304	2851165	318785	39957	2280
27	Uttar Pradesh	80	512	2680	65000	706300	126459	19759	2355	97	9
28	West Bengal	42	295	755	8855	41813	2174946	309653	76489	6522	1381
	<b>Union Territories</b>										
29	Andaman & Nicobar *	1	NA	31	69	776	379944	NA	7740	3478	309
30	Chandigarh	1	NA	10	15	124	1054686	NA	9212	6141	743
31	Dadra & Nagar Haveli	1	NA	11	n.a	114	342853	NA	15457	n.a.	1491
32	Daman & Diu	1	NA	34	n.a	77	242911	NA	2966	n.a.	1310
33	NCT of Delhi (e)	7	70	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
34	Lakshadweep	1	30	25	n.a	85	64429	2148	1347	n.a.	396
35	Puducherry *	1	30	NA	108	913	1244464	41482	NA	3016	357
	<b>All India (28 states)</b>	<b>543</b>	<b>4640</b>	<b>15137</b>	<b>164271</b>	<b>2741973</b>	<b>1385244</b>	<b>24749688</b>	<b>49051</b>	<b>4520</b>	<b>271</b>

Source: Alok (2012), Information submitted by State Governments, Provisional Population Totals Paper 1: Census 2011, Number of Seats in State Assembly, available at. <http://164.100.47.132/LssNew/Members/Statewiselist.aspx>, accessed on March 27, 2013.

Note: NA : Data not available from given sources

n.a. : not applicable,

\* : data pertain to previous year

(d) For traditional gram and autonomous district councils that exists in these states

(e) Panchayat has yet to be revived



**Table 2.4: Representative Democracy in India and Affirmative Action**

(as on 1 March 2013)

SI. No.	States/UTs	Elections to panchayats held	Percentage of Elected Women Representatives			Percentage of Elected SCs			Percentage of Elected STs		
			District	Intermediate	Village	District	Intermediate	Village	District	Intermediate	Village
1	Andhra Pradesh	1995, 2001, 2006	33.0	33.0	33.0	18.3	18.3	18.3	8.3	8.3	8.3
2	Arunachal Pradesh	2003, 2008	33.0	33.0	33.0	NA	NA	NA	99.0	99.0	99.0
3	Assam	2001, 2007, 2013	50.0	50.0	50.0	2.4	3.6	5.2	4.3	3.9	3.2
4	Bihar	2001, 2006, 2011	50.0	50.0	50.0	16.5	16.3	16.3	0.8	0.8	0.8
5	Chhattisgarh	1995, 2000, 2005, 2010	50.0	50.0	50.0	11.0	11.0	11.0	32.0	32.0	32.0
6	Goa	1997, 2002, 2007, 2012	33.0	n.a	33.0	NA	n.a	NA	12.0	n.a	12.0
7	Gujarat	1996, 2001, 2007, 2010, 2013	33.0	33.0	33.0	7.0	7.0	7.0	14.0	14.0	14.0
8	Haryana	1995, 2000, 2005, 2010	33.3	33.3	33.3	20.0	20.0	20.0	NA	NA	NA
9	Himachal Pradesh	1995, 2000, 2005, 2010	53.0	53.0	51.0	25.0	25.0	22.0	8.0	6.0	6.0
10	Jammu & Kashmir	2001, 2006, 2011	NA	NA	33.0	NA	NA	11.0	NA	NA	8.0
11	Jharkhand	2010	50.0	50.0	50.0	12.4	11.6	10.9	33.3	35.2	33.9
12	Karnataka	1995, 2000, 2005, 2010	50.0	50.0	50.0	18.4	18.4	18.6	8.5	9.5	10.8
13	Kerala	1995, 2000, 2005, 2010	50.0	50.0	50.0	5.0	4.0	5.0	1.0	1.0	1.0
14	Madhya Pradesh	1994, 1999, 2000, 2004, 2005, 2010	50.0	50.0	50.0	15.0	15.0	15.0	26.1	27.8	28.7
15	Maharashtra	2000, 2005, 2010, 2012	50.0	50.0	50.0	11.0	11.0	11.0	13.0	13.0	15.0
16	Manipur	1997, 2002, 2007, 2012	53.0	NA	51.0	3.0	NA	2.0	1.0	NA	2.0
17	Meghalaya (d)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
18	Mizoram (d)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
19	Nagaland (d)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20	Odisha	1997, 2002, 2007, 2012	50.0	50.0	50.0	16.3	16.3	16.3	22.1	22.1	22.1

Sl. No.	States/UTs	Elections to panchayats held	Percentage of Elected Women Representatives			Percentage of Elected SCs			Percentage of Elected STs		
			District	Intermediate	Village	District	Intermediate	Village	District	Intermediate	Village
21	Punjab	1994, 1998, 2003, 2008	33.0	33.0	35.0	33.0	33.0	32.0	NA	NA	NA
22	Rajasthan	1995, 2000, 2005, 2010	50.0	50.0	50.0	17.2	17.2	17.2	12.6	12.6	12.6
23	Sikkim	1997, 2002, 2007, 2012	50.0	NA	50.0	7.0	NA	7.0	38.0	NA	38.0
24	Tamil Nadu	1996, 2001, 2006, 2011	35.0	36.0	34.0	23.0	23.0	23.0	1.0	1.0	1.0
25	Tripura	1994, 19999, 2004, 2009	50.0	50.0	50.0	28.0	27.0	27.0	5.0	5.0	5.0
26	Uttarakhand	1996, 2003, 2008	50.0	50.0	50.0	19.0	19.0	19.0	4.0	4.0	4.0
27	Uttar Pradesh	1995, 2000, 2005, 2010	58.0	50.0	39.0	26.0	23.0	24.0	0.0	0.0	0.0
28	West Bengal	1995, 1998, 2003, 2008, 2009	50.0	50.0	50.0	41.0	42.0	42.0	23.0	10.0	10.0
	<b>Union Territories</b>										
29	Andaman & Nicobar *	1995, 2000, 2005, 2010	32.0	33.0	33.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Chandigarh	1999, 2003, 2008, 20012	30.0	40.0	34.7	20.0	20.0	16.9	NA	NA	NA
31	Dadra & Nagar Haveli	1995, 2000, 2005, 2010	33.0	NA	33.0	0.0	NA	2.0	75.0	NA	75.0
32	Daman & Diu	1995, 2000, 2005, 2010	33.0	NA	33.0	1.0	NA	1.0	11.0	NA	11.0
33	NCT of Delhi (e)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
33	Lakshadweep	1997, 2002, 2007, 2012	33.0	NA	33.0	NIL	NA	NIL	NIL	NA	NIL
34	Puducherry *	2006	NA	37.0	36.0	NA	18.0	24.0	NA	0.0	0.0
	<b>All India (28 States)</b>		<b>48.6</b>	<b>47.1</b>	<b>44.3</b>	<b>21.5</b>	<b>22.7</b>	<b>20.6</b>	<b>26.3</b>	<b>31.5</b>	<b>25.2</b>

Source: Information submitted by State Governments, Provisional Population Totals Paper 1: Census 2011, State Election Commission

(d) For traditional gram and autonomous district councils that exists in these states

(e) Panchayat has yet to be revived

Note: NA : Data not available from given sources

n.a. : Not applicable

\* Data pertain to previous year

## Functional Domain

Article 243G of the Constitution empowers panchayats to function as institutions of self-government for the purposes of preparing plans and implementing schemes for economic development and social justice in their respective areas for various matters, including those listed in the 11th Schedule which is merely illustrative and indicative. Unlike the division of powers and functions enumerated in the Union List and State List, no clear demarcation exists between the state and panchayats. It is for the state legislature to make laws regarding the devolution of powers and functions to the panchayats.

Almost all states and union territories claim that they have transferred responsibilities in varying degrees to the panchayats, by enacting laws in conformity with the CAA. However, the functional domain of panchayats pertains only to traditional civic functions in several states. In those states where either the intermediate panchayats or the district panchayats were absent for decades, the functional domain of panchayats does not include adequate developmental responsibilities. States where panchayats have existed for a long time, have repeated the provisions of the old statutes in their new laws with few adjustments. Moreover, many state governments have not framed relevant rules or guidelines as a follow-up measure. A few states realised that the transfer of additional functions requires the transfer of concomitant funds and functionaries to panchayats, enabling them to perform the specified responsibilities. However, panchayats are not very clear about the role they are expected to play in the new federal setup. Almost all of the subjects enumerated in the 11th Schedule are

state concurrent, involving duplication and overlapping (Alok, 2006).

Another challenge before the state government has been the allocation of activities to the appropriate tier of the panchayat system. Traditionally, the lowest-level panchayat—the village panchayat—has been the most active in almost all states. Generally, the village panchayats carry out major functions, including core functions, whereas intermediate and district panchayats in most states are “allotted supervisory functions or act mainly as executing agents for the state government” (Jha 2004, 3). A task force of the Union Ministry of Rural Development on devolution of powers and functions to Panchayats has developed an activity-mapping model on the principle of subsidiarity, which states that any activity that can be undertaken at a lower level must be undertaken at that level in preference to being undertaken at any higher level.<sup>19</sup>

In most states, the functions devolved to Panchayats are subjects rather than activities or sub activities. Only some states like Andhra Pradesh, Kerala, Gujarat, Karnataka, Madhya Pradesh have broken the 29 subjects into activities and sub activities. In Kerala, complementary legislation has even been issued to change the roles of key line agencies (World Bank 2004).

## Finances

It is a general perception that panchayats are financially and technically under equipped to perform even the core functions, much less the welfare functions and other economic functions related to agriculture and industries (see Box 2).

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<sup>19</sup> The Union Ministry of Panchayati Raj, created on May 27, 2004, responsible for the monitoring of the implementation of the CAA, provides technical assistance and expertise if sought by the state governments to accomplish activity mapping within the time frame; there was a consensus, during the roundtables, among all states to complete activity mapping.

Hence, many of the core functions that traditionally belonged to panchayats—drinking water, rural roads, street lighting, sanitation, primary health, and so forth—have not been transferred fully in some states; they are being performed by the line departments of the state Government or the parallel *parastatals*. As a result, the per capita total expenditure of panchayats remains abysmally low in all states except Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Karnataka, Kerala, Maharashtra, and Tamil Nadu<sup>20</sup>.

## Own-Source Taxes

The power of panchayats to impose taxes was considered imperative to enshrine in the constitution under article 243H, to impart certainty, continuity, and strength to panchayats. The Union Minister of State for Rural Development, G Venkat Swamy said while moving the Constitution (73rd Amendment) Bill in Parliament,

*“Constitution (Seventy-third) Amendment cast a duty on the centre as well as the states to establish and nourish the village panchayats so as to make them effective self-governing institutions....We feel that unless the panchayats are provided with adequate financial strength, it will be impossible for them to grow in stature”.*

Devolution of taxes to panchayats can easily be linked with the activities assigned to them, which vary from state to state. From various lists including the list of the 11th Schedule, certain basic functions could be said to be in the exclusive domain of panchayats. Even these essential services require huge funds. To this end, the devolution of taxes to the three tiers of the panchayats needs to be linked to the activity mapping for the devolution of functions and functionaries.

Table 2.6 shows that a variety of taxes have been devolved to different levels of panchayats. The relative

importance of these taxes varies from state to state. The intermediate and district panchayats are endowed with powers to collect very few taxes, whereas village panchayats are given substantial taxing powers. In a number of cases, under the tax rental arrangement, the village panchayats collect taxes and pass them on to the higher level of panchayats (Jha 2004). Property tax, cess on land revenue, surcharge on additional stamp duty, tolls, tax on professions, tax on advertisements, non-motor vehicle tax, octroi, user charges, and the like contribute the maximum to the small kitty of own-source revenue, which contributes only 6 to 7 per cent of the total expenditure of panchayats (Alok 2006). In most states, the property tax contributes the maximum revenue. However, this tax remains inelastic because of inefficient administration in its collection. Its assessment is based on the annual rental value of taxation and its associated evil: under declaration of rentals. However, some progressive states have reformed the tax structure and use the unit area method in determining the tax base.

After own-source revenues, assigned revenues are the most efficient in the dispensation to panchayats. Such revenues are levied and collected by the state government and are passed on to panchayats for their use. Some states deduct collection charges. The practices in assigning revenue are marked by large interstate variation. However, typical examples of assigned revenue are the surcharge on stamp duty, cess or additional tax on land revenue, tax on professions, and entertainment tax. In many states, these taxes form part of the own-source revenue of panchayats.

## Borrowing

No reference is made in the CAA to loans and borrowing by panchayats. Urban local governments, with the approval of their state governments, have floated bonds in the market. In contrast to the general

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<sup>20</sup> The analysis is based on the data received from the Secretariat of the 13th Finance Commission.

Table 2.5: Revenue Power of Panchayats in States at Each Tier

Tax or Fee/States	Andaman & Nicobar Islands	Chandigarh	Goa	Haryana	Himachal Pradesh	Karnataka	Kerala	Maharashtra	Madhya Pradesh	Rajasthan	Sikkim	Tamil Nadu	Tripura	Uttar Pradesh	Uttarakhand	West Bengal
House/Property Tax	V	V	V	V	V	V	V	V	V,I	V,I,D	V	V	V,I,D	D	D	V
Surcharge on house / property tax	V			V		V	V	V	V	V,I,D	V					
Tax on agriculture land for specific purpose				I		V				V,I,D	V	V				
Cess on land revenue or surcharge								I,D		V,I,D	V				V	
Surcharge on additional stamp duty					V					V,I,D		V,I,D	V,I,D			
Tax on professions, trades, calling, and so forth	V		V	V,I			V	V	V,I		V	V		D	D	V,I
Octroi			V	V,I,D				V								
Entertainment tax	V		V	V,I,D		V	V	V	I	V,I,D	V	V,I,D	V,I,D	V	V	
Pilgrim tax or fees	V		V	V,I,D	V	V		V	V	V,I,D	V	V				V,I
Tax on advertisements			V			V	V	V,I,D	V	V,I,D	V	V				V
Education cess				V,I,D		V				V,I,D					D	
Tolls				V,I,D		V				V,I,D		V				V,I,D
Tax on sale of firewood and slaughter houses			V	D		V		V,D	V	V,I,D	V				V	I
Tax on goods sold in a market, haat, fair, and so forth	V		V	I,D		V	V	V,D	V,I	V,I,D	V,D		V,I,D	V,D	V,D	V
Tax on shops and services	V		V	V,I,D		V	V	V	V,I	V,I,D	V,D			V,D	D	V,I
Vehicle tax				V,I,D		V		V,D	V	V,I,D			V,I,D			V,I,D

Tax or Fee/States	Andaman & Nicobar Islands	Chandigarh	Goa	Haryana	Himachal Pradesh	Karnataka	Kerala	Maharashtra	Madhya Pradesh	Rajasthan	Sikkim	Tamil Nadu	Tripura	Uttar Pradesh	Uttarakhand	West Bengal
Animal tax	V		V	V,I,D	V	V			V,I	V,I,D					V,D	
Conservancy rate						V		V		V,I,D						V,I
Lighting rate	V		V		V	V		V	V	V,I,D			V,I,D			V,I,D
Water rate				V	V	V		V,D	V,D	V,I,D	V,D	V	V,I,D	V		V,I,D
Drainage rate	V			V	V	V			V	V,I,D						V
Special tax for community civic services or works			V		V	V	V		V							V,I,D
Surcharge on any tax imposed by village panchayat			V	V		V	V	V		V,I,D	V					
Shops Lease	V					V	V	V,I,D	V,I,D	V,I,D	V					
Pond/Tank Lease						V	V	V,I,D	V,I,D	V,I,D						
Sand Collection Charge						V	V	D		V,I,D						
Minor Minerals Tax						V	V			V,I,D						
Village land lease						V	V	V,I,D		V,I,D						
Fees for license for hat or market																I
Fees for running trade																V
Fees for running dangerous and offensive trade																I
Fees for license for fair or mela																D

Source: Alok (2012)

Note: V=Village Panchayat, I=Intermediate Panchayat, D=District Panchayat. More than one sign indicates the concurrent power of Panchayats for the respective tax/non-tax

belief that panchayat are not empowered to raise loans (Gulati, 1994, Oommen 1995, Rajaraman 2003 and Jha 2000), Local Authorities Loans Act, 1914, a Central Act does exist enabling the grants of loans to local authorities including panchayats (Alok 2009).

### **Intergovernmental Fiscal Transfers**

Proceeds from internal sources contribute an abysmal share to the panchayat pool. Panchayats rely more on fiscal transfers from the state government in the form of shared taxes and grants. State taxes are shared according to the recommendations of the State Finance Commission (SFC). Constitution of the SFC at a regular interval of five years is a mandatory requirement for states.<sup>21</sup> Besides tax sharing, the SFC is assigned the task of reviewing the financial position of panchayats and making recommendations on the assignment of various taxes, duties, tolls, fees, and grants-in-aid to be given to panchayats from the consolidated fund of the state (See Alok 2004, 2008 for details).

The most critical function of the SFCs is to determine the fiscal transfer from the state to local governments in the form of revenue sharing and grants-in-aid. Since the 80th Constitutional amendment, following the recommendation of the 10th Finance Commission (1995–2000), a certain percentage of all union taxes has been devolved to the states. Many SFCs have also adopted this system for the following reasons: First, the system has a self-policy feature; the local body

automatically shares in the buoyancy of state taxes and levies. Second, the system has built-in transparency, objectivity, and certainty; local bodies can anticipate, at the beginning of each fiscal year, their share in the divisible pool. Third, the system enables local bodies to understand the entire economy and take considered views to make their own annual budgetary exercises. In other words, it induces local bodies to generate their own revenue and mobilise additional resources. Fourth, the state government can be neutral in pursuing tax reforms without considering whether a particular tax is sharable with local bodies.

### **National Finance Commission**

So that the SFC does not deter the state legislatures in transferring responsibilities and revenue to the local governments, the CAA goes out of the way to provide that the National Finance Commission should suggest measures to augment states' consolidated funds in light of the recommendations of SFCs. So far, four National Finance Commissions (the 10th, 11th, 12th and 13th) have made their recommendations.<sup>22</sup> All these commissions were severely constrained for reasons emanating partly from the practice and partly from the design of the new fiscal arrangement: the lack of synchronisation of the periods covered by the SFCs with those covered by the National Finance Commission; the absence of a timeframe for action by the state government on the recommendations of the SFC; a lack of clarity in assigning functions,

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<sup>21</sup> The Conformity Acts of the CAA provide for the composition of the SFC, the qualifications of its members, and the manner of their selection. Every recommendation of the commission is to be laid before the state legislature. However, many states have not taken these provisions seriously. The 12<sup>th</sup> and 13<sup>th</sup> Finance Commission and the National Commission to Review the Working of the Constitution have advised those states to provide criteria for the membership of the SFC similar to the provisions of the Union Finance Commission (Alok 2004). Poor treatment of the SFC by many states compelled the prime minister to make this statement: "As far as funds are concerned, the awards of the State Finance Commissions should be fully honoured. There are reports that State Finance Commissions are not constituted, of them not giving awards in time, and of these awards not honoured when given, all of which erode panchayat raj" (Government of India 2004b). However, almost all states have received their first SFC report, and a few states have even received their fourth commissions' report.

<sup>22</sup> The 10th National Finance Commission was not mandated to make recommendations for local governments. Because the CAA became effective before the commission submitted its report, it made recommendations for the newly inserted sub clauses of article 280(3) regarding local governments.

**Table 2.6: Per Capita Own Revenue of Panchayats (All Tiers)**

	State	Per capita (Rs.)		
		2005-06	2006-07	2007-08
1	Andhra Pradesh	62.4	65.7	83.4
2	Assam	3.8	5.3	6.7
3	Bihar	NA	0.8	1.2
4	Chhattisgarh	14.0	14.6	15.6
5	Goa	170.3	201.5	202.0
6	Gujarat	25.7	31.5	41.6
7	Haryana	163.1	173.8	165.6
8	Himachal Pradesh	10.2	10.5	10.8
9	Jammu & Kashmir	0.3	0.3	2.2
10	Jharkhand	0.2	0.2	0.2
11	Karnataka	34.8	44.4	83.8
12	Kerala	121.5	126.4	105.8
13	Madhya Pradesh	13.7	9.7	11.2
14	Maharashtra	92.0	98.4	107.5
15	Manipur	1.9	1.9	2.0
16	Meghalaya	259.7	267.8	292.8
17	Orissa	3.0	3.1	3.1
18	Punjab	91.8	107.2	27.9
19	Rajasthan	3.2	3.4	3.0
20	Tamil Nadu	73.1	83.2	80.2
21	Tripura	3.7	5.2	5.0
22	Uttar Pradesh	6.1	5.5	6.5
23	Uttarakhand	14.2	16.0	0.4
24	West Bengal	12.1	16.3	NA
	<b>All (24 States)</b>	<b>31.0</b>	<b>33.5</b>	<b>34.1</b>

Source: Alok (2012)



**Table 2.7: Own Revenue of Panchayats (All Tiers)****(Rs. Crore)**

<b>Sl. No.</b>	<b>State</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>Annual Growth in 2003-08 (%)</b>
1	Andhra Pradesh	363.7	386.8	495.7	11.4
2	Assam	9.4	13.1	16.7	13.1
3	Bihar	0.0	6.7	9.7	-
4	Chhattisgarh	24.8	26.0	28.1	5.2
5	Goa	11.6	13.8	14.1	12.0
6	Gujarat	86.0	106.5	142.2	13.9
7	Haryana	260.2	280.6	270.3	24.1
8	Himachal Pradesh	5.9	6.1	6.3	0.4
9	Jammu & Kashmir	0.2	0.2	1.8	58.7
10	Jharkhand	0.4	0.4	0.5	14.1
11	Karnataka	125.8	161.5	306.7	29.6
12	Kerala	299.1	313.8	265.0	7.5
13	Madhya Pradesh	66.0	47.5	55.8	1.0
14	Maharashtra	535.0	577.0	635.0	2.1
15	Manipur	0.3	0.3	0.3	10.2
16	Meghalaya	51.0	53.2	58.8	18.7
17	Orissa	9.9	10.1	10.4	2.5
18	Punjab	152.2	178.8	46.7	-9.5
19	Rajasthan	14.9	16.2	14.5	1.8
20	Tamil Nadu	242.9	273.0	259.6	5.3
21	Tripura	1.0	1.5	1.4	27.4
22	Uttar Pradesh	87.2	80.5	96.2	7.6
23	Uttarakhand	9.5	10.9	0.3	-33.0
24	West Bengal	73.7	100.3	NA	NA
	<b>All (24 States)</b>	<b>2430.7</b>	<b>2664.6</b>	<b>2736.4</b>	<b>8.4</b>

Source: Alok (2012)

Table 2.8: Constitution and Submission of SFC Reports and Action Taken Thereon

FIRST STATE FINANCE COMMISSION					
Sl. No.	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
1	Andhra Pradesh	June 1994	May 1997	Nov 1997	1997-98 to 1999-2000
2	Arunachal Pradesh	May 2003	April 2008	Under Consideration	Not Available
3	Assam	June 1995	Feb 1996	March 1996	1996-97 to 2000-01
4	Bihar	April 1994	Not submitted	Not submitted	
5	Chhattisgarh	Aug 2003	May 2007	Under Consideration	2005-06 to 2009-10
6	Goa	April 1999	June 1999	Nov 2001	2000-01 to 2004-05
7	Gujarat	Sep 1994	RLBs-July 1998, ULBs Oct 1998	Aug 2001	1996-97 to 2000-01
8	Haryana	May 1994	March 1997	Sep 2000	1997-98 to 2000-01
9	Himachal Pradesh	April 1994	Nov 1996	Feb 1997	1996-97 to 2000-01
10	Jammu & Kashmir	Jan 2008		Not submitted	2009-10
11	Jharkhand	Jan 2004			
12	Karnataka	June 1994	RLBs-July 1996, ULBs Jan 1996	March 1997	1996-97 to 2000-01
13	Kerala	April 1994	Feb 1996	Feb 1997	1996-97 to 2000-01
14	Madhya Pradesh	Feb 1995	July 1996	July 1996	1996-97 to 2000-01
15	Maharashtra	April 1994	Jan 1997	March 1999	1994-95 to 1996-97 #
16	Manipur	April 1994	Dec 1996	July 1997	1996-97 to 2000-01
17	Meghalaya			Exempt under Article 243 M	
18	Mizoram			Exempt under Article 243 M	
19	Nagaland			Exempt under Article 243 M	
20	Odisha	Nov 1996/Aug 1998 *	Dec 1998	July 1999	1997-98 to 2004-05
21	Punjab	April 1994	Dec 1995	Sep 1996	1996-97 to 2000-01
22	Rajasthan	April 1994	Dec 1995	March 1996	1995-96 to 1999-2000
23	Sikkim	July 1998	Aug 1999	June 2000	2000-01 to 2004-05

Sl. No.	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
24	Tamil Nadu	April 1994	Nov 1996	April 1997	1997-98 to 2001-02
25	Tripura	RLBs-April 1994	RLBs-Jan1996	Feb 1997	RLBs-1996-97 to till date
		ULBs-Aug 1996	ULBs Sep 1999	ULBs-Nov 2000	ULBs-1999-00 to 2003-04
26	Uttar Pradesh	Oct 1994	Dec 1996	Jan 1998	1997-98 to 2000-01
27	Uttarakhand	March 2001	June 2002	July 2004	2001-02 to 2005-06
28	West Bengal	May 1994	Nov 1995	July 1996	1996-97 to 2000-01
<b>SECOND STATE FINANCE COMMISSION</b>					
1.	Andhra Pradesh	Dec 1998	Aug 2002	March 2003	2000-01 to 2004-05
2.	Arunachal Pradesh			Not constituted	
3.	Assam	April 2001	Aug 2003	Feb 2006	2001-02 to 2005-06
4.	Bihar	June 1999	Nov 2003 (Final, five in series)	N.A	1998-99 to 2002-03
5.	Chhattisgarh			Not constituted	
6.	Goa	Aug 2005	Dec 2007	N.A	2007-08 to 2011-12
7.	Gujarat	Nov 2003	June 2006	Under Consideration	2005-06 to 2009-10
8.	Haryana	Sep 2000	Sep 2004	Dec 2005	2001-02 to 2005-06
9.	Himachal Pradesh	May 1999	Oct 2002	June 2003	2001-02 to 2006-07
10.	Jammu & Kashmir			Not constituted	
11.	Jharkhand			Not constituted	
12.	Karnataka	Oct 2000	Dec 2002	Not submitted	2005-06 to 2009-10
13.	Kerala	June 1999	Jan 2001	Jan 2004	2001-02 to 2005-06
14.	Madhya Pradesh	June 1999	July 2003 (1st Report); Aug 2003 (2nd Report); Dec 2003 (3rd Report)	March 2005	2001-02 to 2005-06
15.	Maharashtra	June 1999	March 2002	March 2006	1999-2000 to 2001-02
16.	Manipur	Jan 2003	Nov 2004	Dec 2005	2001-02 to 2005-06 (award period extended to 1.03.2010)

Sl. No.	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
17.	Meghalaya			Exempt under Article 243 M	
18.	Mizoram			Exempt under Article 243 M	
19.	Nagaland			Exempt under Article 243 M	
20.	Odisha	June 2003	Sep 2004	Aug 2006	2005-06 to 2009-10
21.	Punjab	Sep 2000	Feb 2002	June 2002	2001-02 to 2005-06
22.	Rajasthan	May 1999	Aug 2001	March 2002	2000-01 to 2004-05
23.	Sikkim	July 2003	Sep 2004	Feb 2006	2005-06 to 2009-10
24.	Tamil Nadu	March 2000	May 2001	May 2002	2002-03 to 2006-07
25.	Tripura	Oct 1999	April 2003	June 2008	2003-04 to 2007-08
26.	Uttar Pradesh	Feb 2000	June 2002	March 2004	2001-02 to 2005-06
27.	Uttarakhand	April 2005	June 2006	Oct 2006	2006-07 to 2010-11
28.	West Bengal	July 2000	Feb 2002	July 2005	2001-02 to 2005-06
<b>THIRD STATE FINANCE COMMISSION</b>					
1	Andhra Pradesh	Dec 04	Jan 2009	Under process	2005-06 to 2009-10
2	Arunachal Pradesh			Not Constituted	
3	Assam	Feb 2006	March 2008	N.A	2006-07 to 2010-11
4	Bihar	July 2004	Nov 2007	March 2007	2003-04 to 2007-08
5	Chhattisgarh				
6	Goa				
7	Gujarat				
8	Haryana	Dec 2005 Dec 2005	Feb 2008 Dec 2008	Aug 2008 The Final report submitted by Third SFC is under consideration of State Govt.	2005-06 to 2008-09 2006-2011
9	Himachal Pradesh	May 2005	Nov 2007	June 2008	2007-08 to 2011-12
10	Jammu & Kashmir			Not Available	
11	Jharkhand			Not Available	
12	Karnataka	Aug 2006	Dec 2008	Yet to be submitted	2010-11 to 2014-15

Sl. No.	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
13	Kerala	Sep 2004	Nov 2005	Feb 2006	2006-07 to 2010-11
14	Madhya Pradesh	July 2005	Nov 2008	under process	2006-07 to 2010-11
15	Maharashtra	Jan 2005	June 2006	under consideration	2006-07 to 2010-11
16	Manipur			Under process of being constituted	
17	Meghalaya			Exempt under Article 243 M	
18	Mizoram			Exempt under Article 243 M	
19	Nagaland			Exempt under Article 243 M	
20	Odisha	Sep 2008	Feb 2009 (Interim report)	under process	2010-11 to 2014-15
21	Punjab	Sep 2004	Dec 2006	May 2007	2006-07 to 2010-11
22	Rajasthan	Sep 2005	Feb 2008	March 2008	2005-06 to 2009-10
23	Sikkim	March 2009	due Nov 2009	March 2010	2010-11 to 2014-15
24	Tamil Nadu	Dec 2004	Sep 2006	May 2007	2007-08 to 2011-12
25	Tripura	March 2008	awaited	March 2010	2005-06 to 2009-10
26	Uttar Pradesh	Dec 2004	Aug 2008	under consideration	2006-07 to 2010-11
27	Uttarakhand	Dec 2009	NA	NA	NA
28	West Bengal	Feb 2006	Oct 2008	July 2009	2008-09 to 2012-13
<b>FOURTH STATE FINANCE COMMISSION</b>					
1	Andhra Pradesh	NA	NA	NA	NA
2	Arunachal Pradesh	NA	NA	NA	NA
3	Assam	April 2010	Feb 2012	Feb 2012	2009-10 to 2014-15
4	Bihar	June 2007	June 2010	NA	NA
5	Chhattisgarh	NA	NA	NA	NA
6	Goa	NA	NA	NA	NA
7	Gujarat	NA	NA	NA	NA
8	Haryana	April 2010	NA	NA	2009-10 to 2011-12
9	Himachal Pradesh	May 2011	Yet to be submitted	NA	2011-12 to 2016-17

Sl. No.	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
10	Jammu & Kashmir	NA	NA	NA	NA
11	Jharkhand	NA	NA	NA	NA
12	Karnataka			Not constituted	
13	Kerala	Sep 2009	Jan 2011 - I Part	Feb 2011	2010-11 to 2015-16
14	Madhya Pradesh	April 2010	NA	NA	2010-11 to 2015-16
15	Maharashtra	Feb 2011	NA	NA	2010-11 to 2015-16
16	Manipur			Not Constituted	
17	Meghalaya			Exempt under Article 243 M	
18	Mizoram			Exempt under Article 243 M	
19	Nagaland			Exempt under Article 243 M	
20	Odisha	NA	NA	NA	NA
21	Punjab	NA	NA	NA	NA
22	Rajasthan	April 2011	July 2011	Aug,2011	2009-10 to 2014-15
23	Sikkim	July 2012	NA	NA	2014-15 to 2019-20
24	Tamil Nadu	Dec 2009	Sep 2011	NA	2011-12 to 2016-17
25	Tripura	NA	NA	NA	NA
26	Uttar Pradesh	Dec 2011	under process	NA	2010-11 to 2015-16
27	Uttarakhand	Not Due			
28	West Bengal	Not Constituted			

Source: Information Submitted by State Government, Thirteenth Finance Commission 2010-2015, (2009), State Finance Commission Reports of States

Note: NA: Date not available in the given source

**Table 2.9: SFC Recommendations for share in State Resources**

State Finance Commission of	%	Share of Panchayats and urban Bodies	Basis of Distribution
<b>Total Revenue of State</b>			
Andhra Pradesh (I)	39.24	70% and 30%	Development criteria
Arunachal Pradesh(I)	50.00	Not Mentioned	Population, Geographical area, own income efforts, distance from highest per capita income and composite index of backwardness.
Assam(I)	2.0	Not Mentioned	Population.
Goa (I)	36.0	75% and 25 %	Population, Geographical area, Performance
<b>Own Revenue of State</b>			
Andhra Pradesh(II)*	10.39*	65% and 35%	Development Criteria
J & K (I)	13.5	67% and 33%	Not Mentioned.
Kerala (I)	1.0	Not Mentioned	Population.
Karnataka (III)	30.0	70% and 30 %	Not Mentioned
Madhya Pradesh(I)	11.57	25.13 % and 74.87%	Population, area, tax efforts.
Odisha (II)	10.0	80% and 20 %	Population, density, number of holdings, revenue efforts
Sikkim(I)	1.0	100% and 0 %	ULB does not exist in the state.
Sikkim (III)	2.0	Not Mentioned	Population, area of panchayats
Uttarakhand(II)	10.0	60 % and 40 %	Population, area, deprivation index, remoteness index, tax efforts.
Uttar Pradesh (I)	10.0	30% and 70 %	Population (80%); Area (20%).
Uttar Pradesh (II)	12.5	40% and 60 %	Population and area.
<b>Non- Loan gross own revenue</b>			
Karnataka (I)	36.0	85%and 15 %	For panchayats, population, area, index of decentralisation and for ULBs population 67% and illiteracy rate 33% [kar II has followed it]
Karnataka (II)	40.0	80% and 20 %	
<b>State Own Taxes</b>			
Assam(II)	3.5	Based on 1991 census	Population, area, Net District Domestic product
Chattisgarh(I)	4.79	Not Mentioned	Population
Goa(II)	2.0	Not Mentioned	Not Mentioned
Haryana(III)	4.0	65% and 35%	Population , SC Population, Number of Villages, cities and towns and literacy gap.
Kerala (II)	9.0	78.5 % and 21.5 %	Population
Kerala (III)	25.0#	Not Mentioned	Not Mentioned
Kerala (IV)	19.7	Population	Population, area, deprivation index, tax efforts

State Finance Commission of	%	Share of Panchayats and urban Bodies	Basis of Distribution
Madhya Pradesh (II)	4.0	77.33% and 26.67%	Population
Maharashtra (II)	40.0	80% and 20%	Distance from Highest Per Capita Income District, Backwardness, Population, Area, Proportion of Agricultural Income in Total Income of the District, Inverse Primary Income.
Odisha(III)	15.0	75% and 25%	Expected Population 25.8 % and 29.17 % respectively.
Punjab(II)	4.0	67.50% and 32.50%	Population, per capita, revenue, SCs
Punjab(III)	4.0	34% and 66%	Population
Rajasthan(I)	2.18	77.33 % and 22.7%	Population
Rajasthan (II)	2.25	76.6% and 23.4%	Population
Rajasthan(III)	3.5	75.7% and 24.3%	Population
Tamil Nadu(I)\$	8.0	60 % and 40 %	Population
Tamil Nadu (II)	10.0	58% and 42 %	Population, SCs and STs, Per capita own revenue, area, asset maintenance, resource gap.
Tamil Nadu (III)	10.0	58% and 42%	Population, resources, potential, needs
Tripura (I)	50.0	Not Mentioned	Population, Socio-economic backwardness
Tripura (II)	25.0	Not Mentioned	Population
Tripura (III)	20.0	Not Mentioned	Population
Uttarakhand(I)	11.0	42.23 and 57.77	Population and Distance from Rail Head
West Bengal (I)	16.0	Breakup as per population, district wise	Population and % of SC/ST, non literates
West Bengal(II)	16.0	Breakup as per population, district wise	Population 50 % and 7% to other variables, population density, SC/ST, non-literates, IMR, rural population per capita income
West Bengal (III)	2.0	Not Mentioned	Not Mentioned

Source: Alok (2012)

Notes: \$ In Tamil Nadu, the divisible pool called pool B consists of sales tax, motor vehicle tax, state excise revenue and other state taxes. The other pool A consists of levies, which rightly belong to local bodies i.e. surcharge on stamp duties, local cess and local cess surcharge and entertainment tax. The entire proceeds of pool at taxes are recommended to be distributed to the local bodies.

\* Second SFC of Andhra Pradesh recommended 10.39% share as additional devolution over and above the existing annual devolution.

# 25 (Twenty five) per cent of the total State Tax revenue of the year 2003-04 may be transferred to Local Self Governments (LSGs) during the year 2006-07. During each of the four subsequent years amounts derived by applying annual growth of 10 (ten) percent (which would accommodate reasonable rates of inflation and real growth) may be so transferred.



**Table 2.10 Criteria Adopted by National Finance Commissions for Distribution of Grants to States for Panchayats**

Criteria	Weight assigned by		
	11th National Finance Commission	12th National Finance Commission	13th National Finance Commission
Population	40	40	50
Area	10	10	10
Distance	20	20	20
Decentralisation/ Devolution index	20	Not adopted	15
Revenue efforts	10	20	Not adopted
Deprivation index	Not adopted	10	Not adopted
SC/STs Population	Not adopted	Not adopted	10
FC grants utilisation index	Not adopted	Not adopted	5

Source: Alok (2012)

finances, and functionaries to local governments; and heterogeneity in approach, content, and period covered by the various SFCs.

Nevertheless, all the Commissions except the 13<sup>th</sup> Finance Commission recommended ad hoc lump sum grants to panchayats. The 10th National Finance Commission made a provision for Rs 4381 crore, at Rs 100 per capita, to be passed on to panchayats between 1996 and 2000. In the absence of formal disbursement certificates by the state governments, the Central government could release only Rs 3570 crore. Further, the 11th National Finance Commission recommended a grant of Rs 10000 crore for its award period. Certain institution-building activities such as maintenance of accounts, creation of databases, and audits were made the first charge of the fund. The intention of the grant was to induce the panchayats to act as institutions of self-government. The Central government accepted the recommendations, with a

caveat compelling panchayats to raise suitable matching resources.

The grant could not be fully utilised. Many state governments and panchayats raised this point during their interactions with the 12th National Finance Commission.<sup>23</sup> The commission had to emphasise the issue in its report: “*The central government should not impose any condition other than those prescribed by us, for release or utilisation of these grants*” (Government of India 2004d, 262). In its recommendations, the commission attempted to adopt the equalisation principle and allocated Rs. 20,000 crore to improve service delivery by the panchayats primarily for water supply and sanitation. The grants of the National Finance Commission are generally ordained for operation and maintenance and therefore, differ from those of the union ministries and the Planning Commission. Through this transfer, the

<sup>23</sup> State governments also raised this point in the memoranda that they submitted to the 12th National Finance Commission (see <http://www.fincomindia.nic.in>).

commission intended for the panchayats to take overall of the central schemes related to drinking water, including *Swajaldhara*, which had not been operational because funds were not available for operation and maintenance.

The Thirteenth Finance Commission made a major departure from the ad hoc practice adopted by the previous commissions of recommending lump sum grants to local governments both panchayats and municipalities. According to the recommendation of the 13<sup>th</sup> Finance Commission, the grant would be calculated from the volume of the Union divisible pool of the previous year. In this context, the percentage share would gradually increase from 1.5 per cent in 2010-11 to 2.28 per cent in 2010-15. The respective population of panchayats and municipalities would determine their share in the grant.

The grant as recommended by the Commission has two components – a basic component and a performance-based component. The basic is equivalent to 1.50 per cent of the previous year's divisible pool. All states are entitled to have access to this grant for all the five years, as per the criteria and weights recommended by the Commission. The performance grant-effective from 2010-12 was 0.50 per cent for the year 2011-12 and one per cent thereafter, upto 2014-15. Only those states which meet the nine stipulations outlined by the Commission have access to the performance grant (Government of India 2009).

This is a major development with regard to the predictable devolution of finances to panchayats. This is also a positive step towards creating/enhancing the fiscal capacity of panchayats. In a memorandum to the 13<sup>th</sup> Finance Commission, the Ministry of

Panchayati Raj pleaded the Thirteenth Finance Commission to recommend five per cent share in the union divisible pool to the states for panchayats that could be earmarked, *inter alia*, for operation and maintenance of panchayats. Similarly, the Ministry of Urban Development also urged three per cent share to the states, for municipalities in the divisible pool to meet the O&M costs of municipalities. Interestingly, seven states made the same request in their official memoranda. Similar views were expressed in a number of seminars and conferences organised by the 13<sup>th</sup> Finance Commission (Alok, 2008, 2009; IIPA 2009; Shylendra and Rajput 2009).

### Vertical Schemes

The Union Government, through the state governments, provides a majority of panchayat finances in most states. These grant-based transfers from the Planning Commission or union ministries are made in the form of centrally sponsored schemes (CSSs).<sup>24</sup> These schemes are quite large in number. Many pertain to the 29 subjects being implemented by different ministries and departments of the union government. The viability of many schemes has been questioned time and again. The Task Force of Officials in Charge of Panchayati Raj in States has given the following summary of the shortcomings of the implementation of CSSs (Government of India 2004c, 3):

- Rigid conditionalities
- Inconsistent approach to institutional arrangements—CSSs could be panchayat friendly, panchayat parallel, panchayat ignorant, or panchayat unfriendly
- Obsession with financial presentations

<sup>24</sup> The states' contribution to the CSSs was generally 50 per cent in the eight decades, which was reduced to one-fourth in the 1990s because of the tight fiscal situations of the states. The share of the states is being reduced further. Some of the schemes are entirely funded by the national government.

- Inefficient and ineffective monitoring and evaluation of outcomes
- Administrative overload on departments leading to inefficiency in processing requests for funding and delayed financial releases
- Lack of transparency in financial releases

It has been argued that CSSs should be converted to block transfers. The request of the Prime Minister, in his speech to all chief ministers on 29 June, 2004, to “consider if we should adopt a system of providing block grants to districts based on their incidence of poverty to plan and implement strategies that optimise their resource potential” (Government of India 2004b, 8) can be seen in that perspective.

In a landmark development on September 7, 2005, the government of India enacted the National Rural Employment Guarantee Act, to ensure employment

of adult unskilled manual workers for a minimum of 100 days in a financial year. With the union and state governments, panchayats at all levels participate actively in the implementation of the Act.

Hence, substantial tied funds are being transferred to the panchayats through the centrally sponsored schemes (CSSs) and additional central assistance (ACAs). For long, the CSS transfers were administered and utilised mainly by the line departments. In recent years, the panchayats are being increasingly recognised as implementing institutions for the plan schemes of line ministries. The most important of these is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), where the panchayats at the district, intermediate and village levels have been given specific responsibilities as principal authorities for planning and implementation. Village panchayats are required to take minimum 50 per cent value of the works. Progress

**Table 2.11: Allocation of Each Scheme that Entails a Role of the Panchayats**

Scheme	2004-05	2008-09	2010-11
National Rural Employment Guarantee Scheme/SGRY	10,000	16,000	40,000
National Rural Health Mission(NRHM)		11,974	15,672
Mid Day Meal (MDM)	1,507	8,000	9,440
Sarva Shiksha Abhiyan (SSA)	4,754	13,100	15,000
Pradhan Mantri Gram Sadak Yojana (PMGSY)	2,468	7,530	18,996
Accelerated Rural Drinking Water Supply Programme (ARDWSP)	2,900	7,300	9,000
Integrated Child Development Scheme (ICDS)	1,934	5,665	470.12
Indira Aawas Yojana (IAY)	2,500	5,400	9,333.5
Swarnjayanti Gram Swarajgar Yojana (SGSY)	1,000	2,150	2,683
Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	NA	5,055	5,500
Backward Region Grant Fund (BRGF)	NA	4,670	7,300

Source: Alok (2012)

reports from states show an even more encouraging number of 72 per cent.

Since 2004, schemes as shown in the Table 2.11, have started assigning a range of responsibilities to the panchayats and depend upon them for grassroots implementation. In addition, there are several important flagship programmes of the Union, which aim at provisioning basic essential services across the country through the panchayats. Since 2004, the allocations to the programmes, entailing the involvement of the panchayats, have shown a substantial growth. It is a good augury that the institutional mechanisms tend to provide centrality to the panchayats in their planning and implementation.

### **Uneven Development**

Over a period of time panchayats evolved differently across states with respect to its structure, achievements and accountability. Since panchayat is the derivative of the state, it is the responsibility of the sub-national governments to devolve its power and authority, functions and functionaries, rights and duties, and the funds to the structure below, and thus bring the government to the doorstep of the people. It has been done in a variety of ways since states vary in their complexion. The system of decentralisation, whether it is related to constitution and functioning of DPC, or about promoting accountability or capacity building, there is no uniformity as patterns of their evolving vary from one state to another. Such diversity has been depicted in appendix 2.1.

**APPENDIX 2.1: TABLES**

**Table 2.1.1 Constitution and Functioning of District Planning Committee**

S.No.	State	Legislative Provisions related to DPC	DPO Exists	Guidelines for Dist Plan	Functional	Chairman of DPC	Regular Meetings	Number of DPC Constituted	No. of DPC submitted Plan
1	Andhra Pradesh	AP DPC Act, 2005	N.A.	Notified	N.A.	Chairperson of DP	Yes	22	13 BRGF districts
2	Arunachal Pradesh	Order No. PR-23/2006	No	Not Notified	Not Active	Chairman of DP	No	17	n.a.
3	Assam	Sec. 3 of APA, 1994; AP Rules 2002	N.A.	Notified	Not Active	N.A.	No	9	n.a.
4	Bihar	Sec.134 of Bihar PR Act, 1993	N.A.	Notified	Not Active	Adhyaksha of DP	No	38	37
5	Chhattisgarh	Chhattisgarh DPC Rules, 2001	Yes	Notified	Not Active	Minister of the State	Yes	18	6
6	Goa	Sec. 239 of Goa PR Act, 1994	No	Notified	Not Active	Adhyaksha of DP	No	2	n.a.
7	Gujarat	n.a.	No	Notified	Not Active	Minister-in-charge of the dist.	No	N.A.	N.A.
8	Haryana	Sec 214 of Haryana PR Act, 1994	Yes	Notified	Not Active	Concerned DC	No	21	5
9	Himachal Pradesh	Sec 184 of HP PR Act, 1994	Yes	Notified	Active in 2 districts	Minister from State Govt	Yes	N.A.	2 BRGF districts
10	Jammu & Kashmir	District Planning & Development Board, acts as DPC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11	Jharkhand	Sec 123-130 of Jharkhand PR Act 2001	Yes	Notified	Not Active	State Minister of Jharkhand nominated by the Govt	No	19	19

S.No.	State	Legislative Provisions related to DPC	DPO Exists	Guidelines for Dist Plan	Functional	Chairman of DPC	Regular Meetings	Number of DPC Constituted	No. of DPC submitted Plan
12	Karnataka	Section 310 of PR Act	No	Notified	Active	President of DP	No	29	29
13	Kerala	Sec 53 of Kerala Municipality Act, 1994; Kerala DPC Rules 1995	Yes	Notified	Little Active	President of DP	No	15	1 (Kollam)
14	Maharashtra	Maharashtra DPC Act, 1998	Yes	Notified	Active	Dist. Guardian Minister, Ex-Officio Chairman of DPC	Yes	35	35 (2 Urban)
15	Madhya Pradesh	MP DPC Act, 1995	Yes	Notified	Little Active	Minister-in-charge of the dist.	Yes	50	50
16	Manipur	Sec 96 of Manipur PR Act, 1995	No	Not Notified	Not Active	Dy. Commissioner of Districts	No	4	Nil
17	Odisha	Orissa DPC Act, 1998	Yes	Notified	Little Active	A Minister of the State Council of Ministers	No	30	30
18	Punjab	Sec 214 of PR Act, 1994	Yes	Notified	Not Active	Minister	No	N.A.	Nil
19	Rajasthan	Sec 121 of Rajasthan PR Act, 1994	Yes	Notified	Active	Pramukh of DP	Yes	33	32
20	Sikkim	Sec 127 of SP Act, 1993	Yes	Notified	Not Active	Adhyaksha of DP	No	4	Nil
21	Tamil Nadu	Sec 241 of TN Panchayats Act 1994	Yes	Notified	Little Active	Chairman of DP	Yes	28	28

S.No.	State	Legislative Provisions related to DPC	DPO Exists	Guidelines for Dist Plan	Functional	Chairman of DPC	Regular Meetings	Number of DPC Constituted	No. of DPC submitted Plan
22	Tripura	N.A.	Yes	Not Notified	Not Active	Minister of Panchayat Dept	No	4	4
23	Uttarakhand	UK DPC Act, 2007; DPC Rules 2010	Yes	Notified	Little Active	Minister nominated by Govt.	Yes	13	13
24	Uttar Pradesh	UP DPC Act, 1999; DPC Rules 2008	No	Notified	Not Active	Minister nominated by Govt	No	75	75
25	West Bengal	Sec 3 of WB DPC Act, 1994	Yes	Notified	Active	President of DP- ex-officio Chairperson	Yes	17	17
	<b>Union Territories</b>								
26	Andaman & Nicobar	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
27	Chandigarh	Nil	No	Not Notified	Not Active	No	No	No	No
28	Dadra & Nagar Haveli	N.A.	Yes	Notified	Not Active		No	Nil	Nil
29	Daman & Diu	N.A.	No	Notified	Not Active	President of DP	No	1	1
30	Lakshadweep	Sec 85 of Lakshdweep Panchayats Regulation, 1994	Yes	Yes	Little Active	Administrator designated as Ex-officio Chairman	Yes	1	1
31	Puducherry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Source: Information Submitted by State Governments, C&AG Report on Local Bodies of various State;

[http://planningcommission.nic.in/reports/sereport/ser/ser\\_distplan.pdf](http://planningcommission.nic.in/reports/sereport/ser/ser_distplan.pdf)

Note: NA – data not available in given source

n.a- not applicable

Table 2.1.2: Social Audit

S.No.	States	Social Audit Conducted by	Scheme(s) that are Audited	Frequency of Social Audit	Training for S.A	
					Trained by	Trainee
1	Andhra Pradesh	Social Audit Team	MGNREGA	once a year	Nil	N.A.
2	Arunachal Pradesh	n.a.	NA	N.A.	N.A.	N.A.
3	Assam	Gram Sabha	MGNREGA	once in 6 months	State government	ER & Panchayat officials
4	Bihar	Gram Sabha	MGNREGA	N.A.	State government	N.A.
5	Chhattisgarh	Gram Sabha & SA Team	MGNREGA, IAY, BRGF	once in 6 months	State government	ER, Panchayat officials & Citizens
6	Goa	n.a.	MGNREGA	N.A.	N.A.	N.A.
7	Gujarat	NA	NA	N.A.	N.A.	N.A.
8	Haryana	Gram Sabha	MGNREGA	once in 6 months	State government	ER & Panchayat officials
9	Himachal Pradesh	Gram Sabha & SA Team	MGNREGA	N.A.	State government	ER, Panchayat officials, Citizens
10	Jammu & Kashmir	Gram Sabha & SA Team	MGNREGA	once in 6 months	State government & NGOs	ER, Panchayat officials & gram sabha members
11	Jharkhand	Gram Sabha & SA Team	MGNREGA	N.A.	SIRD & ATI	ER, Panchayat officials & Citizens
12	Karnataka	Gram Sabha & SA Team	MGNREGA	once a year	State government	ER, Panchayat officials & Citizens
13	Kerala	Gram Sabha	MGNREGA	N.A.	State government	Citizens
14	Madhya Pradesh	Gram Sabha	MGNREGA, IAY	once in 6 months	State government & NGOs	Citizens
15	Maharashtra	Gram Sabha & SA Committee	MGNREGA, IAY, SSA	once a year	State government	ER, Panchayat officials & Citizens
16	Manipur	Gram Sabha	MGNREGA, IAY	once in 6 months	SIRD	Members of gram sabha
17	Odisha	Gram Sabha & SA Team	MGNREGA, IAY	once in 6 months	State government & NGOs	ER, Panchayat officials & Citizens



S.No.	States	Social Audit Conducted by	Scheme(s) that are Audited	Frequency of Social Audit	Training for S.A	
					Trained by	Trainee
18	Punjab	Gram Sabha	MGNREGA	once a year	State government	ER & Panchayat officials
19	Rajasthan	Gram Sabha	MGNREGA	once in 6 months	State government	N.A.
20	Sikkim	Voluntary Health Association of Sikkim	MGNREGA	once a year	State government	ER & Panchayat officials
21	Tamil Nadu	Gram Sabha & SA Team	MGNREGA	once in 6 months	SASTA*	ER, Panchayat officials & Citizens
22	Tripura	Gram Sabha	MGNREGA	once a year	State government	ER
23	Uttarakhand	Gram Sabha	MGNREGA	once in 6 months	State government	ER & Panchayat officials
24	Uttar Pradesh	Gram Sabha	MGNREGA	once a year	N.A.	N.A.
25	West Bengal	Gram Sabha & SA Team	MGNREGA	once in 6 months	State government	ER, Panchayat officials & Citizens
	<b>Union Territories</b>					
26	Andaman & Nicobar	NA	NA	N.A.	N.A.	N.A.
27	Chandigarh	Gram Sabha	MGNREGA	once in 6 months	N.A.	N.A.
28	Dadra & Nagar Haveli	Gram Sabha	MGNREGA	once a year	Nil	N.A.
29	Daman & Diu	n.a.	NA	N.A.	N.A.	N.A.
30	Lakshadweep	Gram Sabha	MGNREGA	once a year	N.A.	N.A.
31	Puducherry	NA	NA	N.A.	N.A.	N.A.

Source: Information submitted by State Government

Note: NA – data not available in given source

n.a- not applicable

\* Social Audit Society of Tamil Nadu an independent organization, has been established to facilitate social audit by gram sabha

Table 2.1.3: Gram Sabha

S. No.	State	Nomenclature for Gram Sabha	Quorum Prescribed for Gram Sabha	Recommended for Gaurav Gram Sabha
1	Andhra Pradesh	Gram Panchayat	Not specified in Act	Yes
2	Arunachal Pradesh	Gram Panchayat	one-tenth	Yes
3	Assam	Gaon Panchayat	one-tenth	Yes
4	Bihar	Gram Sabha	one-twentieth	Yes
5	Chhattisgarh	Gram Shabha	one-tenth	Yes
6	Goa	Village Panchayat	one-tenth	Yes
7	Gujarat	N.A.	one-twentieth	N.A.
8	Haryana	Gram Sabha	one-third	No
9	Himachal Pradesh	Gram Sabha	one-third	Yes
10	Jammu & Kashmir	Halqa Majlis	N.A.	No
11	Jharkhand	Gram Sabha	one-tenth	No
12	Karnataka	Grama Sabha	one-tenth	Yes
13	Kerala	Grama Sabha	one-tenth	Yes
14	Madhya Pradesh	Gram Sabha	one-tenth	Yes
15	Maharashtra	Gram Sabha	one-seventh	Yes
16	Manipur	Gram Sabha	one-fifth	No
17	Odisha	Gram Sabha	one-tenth	Yes
18	Punjab	Gram Sabha	one-fifth	No
19	Rajasthan	Gram Sabha	as prescribed in PR Act	Yes
20	Sikkim	Gram Sabha	one-fifth	Yes
21	Tamil Nadu	Grama Sabha	one-tenth	Yes
22	Tripura	Gram Sabha	one-eighth	No
23	Uttarakhand	Gram Sabha	once-fifth	Yes

S. No.	State	Nomenclature for Gram Sabha	Quorum Prescribed for Gram Sabha	Recommended for Gaurav Gram Sabha
24	Uttar Pradesh	Gram Sabha	one-fifth	No
25	West Bengal	Gram Sansad	one-tenth	Yes
	<b>Union Territories</b>			
26	Andaman & Nicobar	N.A.	N.A.	N.A.
27	Chandigarh	Gram Sabha	N.A.	No
28	Dadra & Nagar Haveli	Village wise Gram Sabha	one-tenth	No
29	Daman & Diu	Gram Sabha	one-fourth	No
30	Lakshadweep	N.A.	one-tenth	No
31	Puducherry	N.A.	N.A.	N.A.

Source: Information submitted by State Governments, Right to Information Act of India

Note: NA – data not available in given source, n.a- not applicable

Table 2.1.4: Transparency &amp; Anti-Corruption

S. No.	State	Citizens' Charter	Institutions undertaking\ Complaints of Panchayats	Information Officer under RTI			I Appellate Authority under RTI			II Appellate Authority under RTI		
				VP	IP	DP	VP	IP	DP	VP	IP	DP
1.	Andhra Pradesh	Yes	Lokayukta	EO	Supdt, MPDO	Dy. CEO., (DP)	MPDO	MPDO	CEO, DP	SIC	SIC	SIC
2.	Arunachal Pradesh	No	Government Agency	Member Secy	Member Secy	Member Secy	DC*	DC*	DC*	Comsnr, PR	Comsnr, PR	Comsnr, PR
3.	Assam	No	Ombudsman	Goan Panchayt Secy	BDO	CEO	NA	NA	NA	NA	NA	NA
4.	Bihar	No	Ombudsman	PS	Block PR Officer	DPRO	BDO	BDO	DDC	SDO	SDO	DM
5.	Chhattisgarh	Yes	Ombudsman & Lokayukta	Sarpanch	CO of BP	CO of DP	CO of BP	CO of DP	DC	SIC	SIC	SIC
6.	Goa	No	Lokayukta	PS	NA	AAO	BDO	NA	CEO	DD of Panchayats	NA	SIC
7.	Gujarat	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
8.	Haryana	Yes	Lokayukta & DC	Sarpanch	BDPO	DDPO	BDPO	DDPO	ADC	ADC	DC	Director
9.	Himachal Pradesh	Yes	Ombudsman	PS	PI	Supdt.	BDO	BDO	DPO	SIC	SIC	SIC
10.	Jammu & Kashmir	NA	NA	NA	NA	NA	NA	BDO	NA	NA	NA	SIC
11.	Jharkhand	NA	Lokayukta	GS	BDO	DDC	NA	NA	NA	NA	NA	NA
12.	Karnataka	Yes	Ombudsman & Lokayukta	GP Secy	Manager of BP	Dy. Secy of DP	PDO of GP	EO* of BP	CEO of DP	Comsnr, KIC	Comsnr, KIC	Comsnr, KIC
13.	Kerala	Yes	Ombudsman; Tribunal for LSGIs	GP Secy	BDO	Finance officer	DD of Panchayat	ADC*	DP Secy	SIC	SIC	SIC

S. No.	State	Citizens' Charter	Institutions undertaking\ Complaints of Panchayats	Information Officer under RTI			I Appellate Authority under RTI			II Appellate Authority under RTI		
				VP	IP	DP	VP	IP	DP	VP	IP	DP
14.	Maharashtra	Yes	Ombudsman	GS	SO	SO	EO of Panchayat	BDO	Head of DP	SIC	SIC	SIC
15.	Madhya Pradesh	Yes	Ombudsman & Lokayukta	GP Sachiv	P&SEO	Project Officer	P&SEO	CEO, BP	CEO, DP	SIC	SIC	SIC
16.	Manipur	No	D.C. Concerned	PS	NA	CEO	Pr. Secy	NA	Pr. Secy	NA	NA	NA
17.	Odisha	Yes	Ombudsman	PEO Officer designated by BDO	APD	GPEO	BDO	Project Director	SIC	SIC	SIC	
18.	Punjab	NA	NA	Panchayat Secy	BDPO	Dy. CEO	BDPO	DDPO	ADC	SIC	SIC	SIC
19.	Rajasthan	No	Ombudsman (only MGNREGA Complaints)	GS	BDO	CEO of DP	Sarpanch	Pradhan	Zila Pramukha	SIC	SIC	SIC
20.	Sikkim	No	Lokayukta	BDO	NA	DPO*	Addl. DC	NA	Sachiva, Zilla	Jt. Secy (RM&DD)	NA	Jt. Secy (RM&DD)
21.	Tamil Nadu	Yes	Ombudsman	Dy BDO	Dy. BDO (Admin)	Supdt, DP	BDO (GP)	BDO (BP)	Secy, DP	SIC	SIC	SIC
22.	Tripura	No	Lokayukta	I/C.PS	BDO	DPO*	BDO	PEO	DP	DPO	DPO	Cmsnr, RD
23.	Uttarakhand	Yes	Ombudsman	Pradhan	BDO	Apper Mukhya Adhikari	BDO	CDO	CDO	SIC	SIC	SIC
24.	Uttar Pradesh	Yes	Govt. Agency	DPRO	DPRO	Apper Mukhya Adhikari	DD, Panchayat	DD, Panchayat	CDO	NA	NA	NA
25.	West Bengal	No	Ombudsman & Lokayukta	EA	JEO	Secy	Pradhan	EO	AEO	SIC	SIC	SIC

S. No.	State	Citizens' Charter	Institutions undertaking\ Complaints of Panchayats	Information Officer under RTI			I Appellate Authority under RTI			II Appellate Authority under RTI		
				VP	IP	DP	VP	IP	DP	VP	IP	DP
	<b>Union Territories</b>											
26.	Andaman & Nicobar											
27.	Chandigarh	No	Govt. Agency	BDPO	Supdt	Supdt	JD	JD	CEO	NA	NA	NA
28.	Dadra & Nagar Haveli	Yes	Govt. Agency	DPO	NA	AO	CEO	NA	CEO	Secy (Panchayat)	NA	Secy (Panchayat)
29.	Daman & Diu	No	Govt. Agency	GP Secy	NA	H.O, Line Dept	CEO, DP	NA	CEO, DP	CIC	NA	CIC
30.	Lakshadweep	NA	NA	EO	NA	Supdt	Asst. Director, Panchayat	NA	CEO	Director of Panchayats	NA	Director of Panchayats
31.	Puducherry	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: Information submitted by State Governments, Right to Information Act of India

Note: NA – data not available in given source

n.a- not applicable

**Expanded term of Officials:** AAO: Assistant Accounts Officer; AEO: Additional Executive Officer; ADC: Additional Deputy Commissioner; ADC\*: Assistant Development Commissioner; APD: Additional Project Director; BDO: Block Development Officer; BDPO: Block Development Panchayat Officer; CIC: Chief Information Commissioner; CEO: Chief Executive Officer; CO: Chief Officer; Comsnr: Commissioner; CDO: Chief Development Officer; Dy. CEO: Deputy Chief Executive Officer; DC: District Collector; DD: Deputy Director; DDC: District Development Commissioner; DDPO: District Development Panchayat Officer; DM: District Magistrate; DPO\*: District Planning Officer; DPRO: District Panchayat Returning Officer; EA: Executive Assistant; EO: Extension Officer; EO\*: Executive Officer; GPEO: Gram Panchayat Extension Officer; GS: Gram Sevak; JD: Joint Director; JEO: Joint Executive Officer; KIC: Karnataka Information Commissioner; MPDO: Mandal Parishad Development Officer; PDO: Panchayat Development Officer; PEO: Panchayat Executive Officer; PI: Panchayat Inspector; PS: Panchayat Secretary; Pr. Secy:: Principal Secretary; P&SEO: Panchayat Social Extension Officer; RM&DD: Rural Management and Development Department; SDO: Sub Divisional Officer; SO: Section Officer; Secy: Secretary; SIC : State Information Commissioner; # Supdt.: Superintendent.

**Table 2.1.5 e-Connectivity**

Sl. No.	States/UTs	Software adopted				Software developed by State
		PlanPlus	PriaSoft	Local Govt. Directory	Panchayat Portal	
1	Andhra Pradesh	Y	Y	N.A.	N.A.	Property Tax Collection, MIS for Audit, Grievance Monitoring
2	Arunachal Pradesh	Under Process	Under Process	Under Process	Under Process	Nil
3	Assam	Y	Y	Y	Y	Nil
4	Bihar	Y	Y	Y	Y	Nil
5	Chhattisgarh	Y	Y	Under Process	Under Process	Nil
6	Goa	Under Process	Under Process	Under Process	Under Process	INFOGRAM
7	Gujarat	Y	Y	Y	Y	e-Dhara; e-Gram Panchayat
8	Haryana	Y	Y	Y	Y	Empyee Database Mgt System
9	Himachal Pradesh	Y	Y	Y	Y	e-Pariwar Register
10	Jammu & Kashmir	N	N	Under Process	Under Process	Nil
11	Jharkhand	Y	Y	Y	N	Nil
12	Karnataka	Y	Y	Y	Y	www.panchatantra.kar.nic.in; panchamitra.kar.nic.in; WorkSoft; TankSoft, Jammitra; Lokmitra
13	Kerala	N	N	Y	Y	Sulekha; Sevana; Saankhya, etc.
14	Maharashtra	Y	Y	Y	Y	SangramSoft Gram Panchayat
15	Madhya Pradesh	N.A.	N.A.	Y	Y	Audit Management & Social Management Software
16	Manipur	N.A.	N.A.	N.A.	N.A.	N.A.
17	Odisha	Y	Y	N.A.	N.A.	N.A.
18	Punjab	Y (only BRGF districts)	Y	N.A.	N.A.	N.A.

Sl. No.	States/UTs	Software adopted				Software developed by State
		PlanPlus	PriaSoft	Local Govt. Directory	Panchayat Portal	
19	Rajasthan	Y	Y	Y	Y	Nil
20	Sikkim	Y	N.A.	N.A.	N.A.	Nil
21	Tamil Nadu	Y	Y	Y	Y	Participants Information System (training database of ER)
22	Tripura	Y	Y	Y	Y	Record of Rights (ROR)
23	Uttarakhand	Y	Y	Y	Y	Nil
24	Uttar Pradesh	Y	Y	Y	Y	No
25	West Bengal	Y	Y	Y	Y	GPMS, Integrated Fund Management System, SEBA, Aam Admi
	<b>Union Territories</b>					
26	Andaman & Nicobar	N.A.	N.A.	N.A.	N.A.	N.A.
27	Chandigarh	N.A.	N.A.	N.A.	N.A.	N.A.
28	Dadra & Nagar Haveli	N.A.	Y	N.A.	N.A.	Nil
29	Daman & Diu	No	No	No	No	Registration of Birth & Death
30	Lakshadweep	N.A.	N.A.	N.A.	N.A.	Nil
31	Puducherry	N.A.	N.A.	N.A.	N.A.	N.A.

Source: Information submitted by State Governments

Note NA: Not available in given source

n.a: not applicable



**Table 2.1.6: Training Institutions**

Sl. No.	States	State Training Institute	Regional Institutes	Satellite Based Training	
				Yes/No	Where
1	Andhra Pradesh	AMR-AP Academy of Rural Development	Extension Training institutes at 17 districts	No	No
2	Arunachal Pradesh	SIRD	Nil	No	No
3	Assam	SIRD	Resource Centres in IT & Skill Development	Yes	1 Satellite Hub; 20 BRCs
4	Bihar	BIPARD	Divisional Training Centres of PR Dept.	No	NA
5	Chhattisgarh	Thakur Pyarelal Institute of Panchayat & Rural Development (TPIPRD)	6 Extension Training Centres at Kurud, Bilaspur, Jagdalpur, Raigarh, Rajnandgaon, Amibikapur	Yes	110 PRC
6	Goa	Goa Institute of Rural Development & Administration	Nil	No	No
7	Gujarat	SPIPA (SIRD), Ahmedabad	Panchayat Training Centre	Yes	226 BRC
8	Haryana	HIRD, Nilokheri; RGSIPR & CD	Regional Training Centre, Bhiwani	No	No
9	Himachal Pradesh	PRTI at Mashobra, Shimla, Baijnath, Kangra, Thunag, Mandi	NA	Yes	71 BRCs
10	Jammu & Kashmir	IMPA, J&K; SIRD	RETC	Yes	6 RRCs under BRGF
11	Jharkhand	SIRD; SKIPA (ATI)	Central Training Institute, Ranchi; Panchayat Training Institute, Deoghar	No	No
12	Karnataka	Abdul Nazir Sab SIRD, Mysore	Regional SIRDs at Dharwad; PRC at Bangalore; SATCOM Training Centres at Dharwad, Gulbarga, Magalore, Davanagere & Bangalore	Yes	175 BRCs
13	Kerala	KILA; SIRD	—	No	No
14	Maharashtra	SIRD, Yashada, Pune	Gramsevak Training Centres and Panchayat Raj Training Centres	Yes	126 BRCs

Sl. No.	States	State Training Institute	Regional Institutes	Satellite Based Training	
				Yes/No	Where
15	Madhya Pradesh	SIRD, Jabalpur	Panchayat Training Centre, Panchmadi	Yes	313 BRCs
16	Manipur	SIRD	6 DTCs	No	No
17	Odisha	SIRD, Bhubaneswar	3 ETCs at Bhubaneswar, Kalahandi, Keonjhar	No	No
18	Punjab	SIRD	CRRID	No	No
19	Rajasthan	Indira Gandhi Panchayati Raj Evam Gramin Vikas Sansthan, SIRD ,Rajasthan, Jaipur	PTCs at Ajmer, Mandore, Jodhpur, Dungarpur	Yes	200 Blocks
20	Sikkim	SIRD		No	No
21	Tamil Nadu	SIRD	RIRDs	No	No
22	Tripura	PR Training Istitute, A.D. Nagar		No	No
23	Uttarakhand	UIRD, Rudrapur	Extension Training Centres	No	No
24	Uttar Pradesh	SIRD		No	No
25	West Bengal	SIRD; Society for Training & Research on Panchayats & Rural Development (STARPARD); State Prog Mgt Unit	ETCs; DTCs; Dist. Prog Mgt Units	Yes	341 BRCs

Source: Information submitted by State Governments

Note NA: Not available in given source

n.a: not applicable

# 3

## Devolution to Panchayats : The Context

Devolution may be described as the statutory granting of powers and resources from the upper level of government of a sovereign state to government at lower level, such as local level. In other words, devolution provides the base for federal systems and structures of government. Effective decentralisation is not possible without devolution of powers functions, resources and responsibilities.

### Defining 'Devolution'

The devolution of responsibility, powers and resources to local governments including panchayats is essential to promote sustainable decentralisation in India. The word devolution is used in many contexts. It is both compared and contrasted with decentralisation, delegation and de-concentration. Some scholars have articulated that decentralisation involves devolution, delegation and de-concentration. Other feels that decentralisation may proceed without devolution, whereas, devolution necessarily leads to decentralisation. Passing down or descent through successive stages can easily be defined as any of these four processes.

In the context of governance, devolution is concerned with passing on of powers, authority and rights and/or duties and responsibilities or even funds from a higher level of jurisdiction to a lower level jurisdiction and making them autonomous in decision-making. Many a time the lower level jurisdiction is referred to as subordinate or substitute, which may not always be true. For example, in India, much of transfer of funds takes place from the Union to the States under the direction of the Constitution and yet the States are not necessarily subordinate to the Union. This

phenomenon is termed as downscaling government to bring government closer to the people or elected to the electorate (Chaudhri, 2007). It may be noted that the discussion revolves around a situation of extant centralised polity.

The Commission on Scottish Devolution (2008) defines devolution as a process of decentralisation in which power and responsibility is moved outwards and downwards and hence closer to the people. This definition comes closest to our purpose as in India the State, comprising the Union and the states, have tried to move the governance closer to the people by putting the third tier of government on a firmer footing by bringing in 73rd and 74th Constitutional Amendments, which mandate the States to carry out Conformity Acts. Since the Scottish parliament is a body without legislative power it is akin to our *gram sabha*, which can deliberate on every single issue concerning the public affairs and such affairs which can be considered of public good in a larger context, like social justice.

However, in a federal structure like ours, the local governments draw and derive their authority from superior legislative bodies and do not have any legislative power of their own (though they may enjoy considerable decision-making power). The theory of State pre-eminence over local governments was pronounced by John Forrest Dillon in a judgement in Iowa Supreme Court as early as 1868 that, to quote,

*Municipal corporations owe their origin to, and derive their power and rights wholly from, the legislature. It breathes into them the breath of life, without which they cannot exist. As it creates, so it may destroy. If it may destroy, it may abridge and control.*

Dillon's rule contrasts the powers of states, which are unlimited but for restrictions imposed by the constitution, local governments have only those powers which have expressly been granted to them by their state. This strong opinion did not go unchallenged. Thomas Cooley did not agree with Dillon and in a judgement in Michigan Supreme Court in 1871 argued that 'local government is matter of absolute right' (of the people) and 'State cannot take it away'. But the fact of the matter is that local governments are being established and treated according to Dillon's principle. Much we may talk of Gandhi and ancient panchayats in India our local governments, panchayats and municipalities, continue to derive not only their powers but also functions from their respective States.

More recently, economists have begun to see devolution as a way of tightening the political agency between constituents and incumbents to enhance the mechanisms of the so-called 'political agency'. It is different from formal (or legal) federalism, in that the former is a constitutional decision whilst the latter is the result of the political bargaining that takes place both before and after the constitution of a country is determined (Joan Costa Font, 2010).

### **Devolution to Panchayats**

Panchayats, in India, is created through national constitution. Hence, situation in India is slightly different from that of countries like the USA. Unlike the USA, local governments in India do not derive rights from a state constitution as there is none. All governments including local governments emanates from the Constitution. Though the Constitution of India has granted most of the subject matters related with local public affairs to the States, local governments do enjoy certain constitutional rights, which make it obligatory for the States to move forward, through legislative and administrative channels, on devolution of power and authorities as well as duties and responsibilities.

The Article 243G has specifically asked the legislature of a State to endow the panchayats, by law, 'such powers and authority as may be necessary to enable them to function as institutions of self-government' and, further, 'such law may contain provisions for the devolution of powers and responsibilities to Panchayats, at appropriate level'. But the same Article does suggest 'subject to such conditions as may be specified therein'. It has further circumscribed the local domain in terms of preparation of plans for economic development and social justice and implementation of economic development and social justice, as may be entrusted to them. Therefore, there is a lot of scope for the States, as ought to be the case in consistency with federal principles, to play around. They can make or mar local governments, and more so the panchayats. But there is a little role for the Union too, but it has to move through the State only even though by way of a formality.

It is verily expected that outcomes would depend a great deal on the steps taken by the States to empower, enable and facilitate the local governments in their functioning as also the interest shown by the latter. In a real context where a lot of funds are collected at higher levels and country-wide schemes are launched in areas of national importance, it becomes equally important to see the extent to which local people and representatives are involved and allowed to participate.

In a survey-based work, Shah and Shah (2006) find out that the trend of governance in the matters of local public affairs is reversing though slowly but steadily from 'local to central' to 'central to local' and holds that twenty-first century local governance would be based on a new view and vision wherein leadership role would be assumed in a multi-centered, multi-order or multi-level system.

It is critical to recognise that devolution is only one particular form of decentralisation and itself comes in different shapes and sizes, driven top-down and/or

bottom-up by different levels of state and non-state actors, and with differing motivations and expectations (Rodríguez-Pose and Gill 2005; Torrissi et al. 2010).

## Dimensions of Devolution

Devolution is a multi-dimensional approach that organises governance and manages state power along multiple lines. It defines, distributes and constrains the use of state power along multiple lines by combining both vertical and horizontal dimensions. In essence, devolution is founded upon the concept of decentralisation and devolution of power (Javas Bigambo, 2012).

The *raison de etre* for federalism and decentralisation lies in the fact of diversity and plurality of cultures, tastes and preferences on the one hand and geography, topography and resources on the other. Yet there are reasons, history apart, that people choose to be governed by one political dispensation as distinguished from others.

Some scholars working in the area of devolution have often considered political, fiscal and administrative matters (Kearney, 1999), whereas, others have thought it fit to consider funds, functions and enabling institutions. Then there are scholars to suggest dimensions of political, functional and financial devolutions in Indian context (Chaudhuri, 2007). Within the political dimension, Chaudhuri (2007) points to the issues of voice, autonomy and accountability and discusses representation of weaker sections, regularity of elections, etc.

Chaudhuri (2007) rates Indian States on political devolution, functional devolution and financial devolution. He accorded positive and negative marks for their achievements in various sub-dimensions within these dimensions. Four indicators included in political devolution were: regular elections, women's representations, dalit/advansi representation and political autonomy. Within functional autonomy were

included: transfer of functions, transfer of functionaries, district planning committee and expenditure autonomy. Within financial devolution were considered: transfer of funds, flow of funds and share of funds. The scores across States varied from (-) 10 for Bihar to (+) 8 for Kerala while indicators received score in integers.

World Bank (2000) tried to assess the status of rural decentralisation in seven selected States of India in which three dimensions of devolution, viz., political, administrative and fiscal were considered. There were 17 broad indicators and 34 specific indicators. The Eleventh Finance Commission also used an index of decentralisation, based on 10 parameters, as a criterion with 20 per cent weight for devolving its grants to states for onward transfer to panchayats.

A Working Group constituted by the Government of India (2001) has compiled information in terms of number of items from Schedule XI transferred on functions, functionaries and funds along with the status of District Planning Committee. They have put emphasis on the aspects of regularity and conditionality in the devolution of powers and funds.

John and Chatukulum (2003) made an attempt to measure the level of attempt of decentralisation made in Kerala by six indicators through around 20 variables. The indicators they considered were: scope, intensity, commitment, demand for decentralisation, effects in society and theory-practice congruity. Based on qualitative assessment and knowledge of experts they rate Kerala at 2.0 out of a maximum of 4.0. One may note that some are demand side factors and others are supply side ones.

Still others look from the perspective of local autonomy. Wolman (1990) and Wolman et al (2008) summarised the arguments for local autonomy as resting upon values of economic efficiency, political responsiveness and accountability, policy diversity and consequent innovation and learning opportunities.

From the citizens' viewpoint, they indicate a political participation, civic education and leadership development.

For the sake of operationalising and measuring local autonomy, Wolman et al (2008) have considered three dimensions viz., local government importance, local government discretion, and local government capacity. For determining the level of local government importance, they have considered five variables—two within fiscal, one within economic and two related with personnel, detailing the extent to which local governments share the space of the State of which they are derivative organ. For determining the level of second dimensions (discretion) as many as eleven variables are considered. Some of them are structural home rule, functional home rule, range of municipal authority for handling key governmental services (public health, public works, public school management), legal limits on fiscal activities of local governments (property assessment limits, property tax limits, revenue/expenditure limits, state imposition on debt limits). For the third dimension of local government capacity, the factors taken into account were personnel capacity (per thousand citizens), revenue stability (proxied through measures of revenue diversity).

These authors had used factor analysis to convert the variables into factors. Many qualitative variables were assigned the values based on value judgments.

It is possible to critically review these exercises for their deficiencies, however, that would not serve our purpose; for we intend to provide a context for the dimensions and indicators which have gone in consideration for the kind of exercises undertaken in this work.

The variables used in this study for creating indicators are not totally dissimilar but definitely anchored in our specific context.

## Rational for an Index

Given the nature of civilised man, we are inclined to make comparison of situations, events, phenomena, processes and episodes—sometimes for pure curiosity and more often for influencing the results and outcomes which are more likely to be universal. Practically, every simple idea we pick up is multi-dimensional. Even if each dimension can be given a number, it is not easy to make a comparison between two situations or call them state of affairs. For any kind of comparison across time and of or space, we need to reduce the multi-dimensional variety into (real) numbers by constructing an index. GDP for instant can be cited as an example.

It is in this context that the exercise of evolving devolution index initiated. The express purpose is to see how 'free' the panchayats are to take independent decisions in the spheres devolved to them and to gauge the extent to which they are involved and are able to participate in the decision-making process. Since, again, local governments—panchayats in the present context, are derivative of the States, it is the State which has to decentralise itself and devolve its powers and authority, its functions and functionaries, its rights and duties, and its funds to the structures below and thus bring the government to the doorstep of the people. It has to be achieved in a variety of ways since states vary in their complexion. For example, some states have Schedule V areas and some have Schedule VI areas and others have regional reference in the Constitution<sup>25</sup>. This variety would itself be diverse in approaches, forms and contents across the States.

Yet comparisons are often made though at the cost of losing the specificities. It was remarked by Whitehead, a mathematician, that whenever a comparison is made, at least one dimension has to be missed, which makes one entity different from another. But we all tend to do it. With the advances in civilisation and

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<sup>25</sup> This refers Article 244 of the Constitution.

quantification of things, index making has been on increase. Even words ‘much’ and ‘less’ need to be assigned some numbers.

## The Present Context

Devolution formulae for horizontal distribution of resources among States from the Union have been in vogue for long in India, whether they were under the recommendations of the Finance Commissions or the Planning Commission. Resources under many of the centrally sponsored schemes are likewise devolved to the States.

However, when a separate Ministry of Panchayati Raj was set up in 2004, the Prime Minister convened a meeting of the Chief Ministers on 29 June 2004 and decided to have seven roundtable deliberations with the State Ministers-In-charge of panchayats. The theme of the fifth roundtable held at Srinagar was on the annual reports of panchayats including a devolution index. V N Alok and Laveesh Bhandari presented a concept paper on rating the policy and functional environment of PRIs in different States of India, which incorporated the views of a large cross-section of stakeholders, while retaining ease of analysis and index creation.

For operationalising the concept of such an index, the work was assigned to the National Council of Applied Economic Research (NCAER) in 2006-07, 2007-08 and 2008-09. NCAER (2007a, 2007b) found that data was not available from the given sources on some of the indicators suggested by Alok and Bhandari (2004).

In the very first exercise the NCAER used three dimensions delineated in Alok and Bhandari (2004), but in the later exercises they also included a fourth dimension and called it framework. The framework dimension essentially incorporates the constitutionally mandatory requirements which a State must adhere to. However, they used it as an exclusionary criterion rather than to assess the progress a State made within

the scope provided in the mandatory provisions.

In fiscal years, 2009-10, 2010-11 and 2011-12, the Indian Institute of Public Administration was commissioned to carry out the work of measuring the level of devolution carried out by the States. Information was officially received from the State government that was cross-validated. The cross-validation was done in a selection of best panchayats (as informed to the team by the state governments) across all tiers of panchayats. Further, validations were introduced such as referring to the reports of important institutions such as the C&AG and the Thirteenth Finance Commission. An index was constructed each year and the top ranked states were awarded by the Prime Minister on Panchayat Day celebrated on the 24<sup>th</sup> April at Vigyan Bhawan. In 2011-12, Kerala was ranked the first State in the index followed by Karnataka. The Planning Commission used the index in the Third Chapter of the Mid Term Appraisal for the Eleventh Five Year Plan, 2007-2012.

This year in 2012-13, we use a similar framework for ranking and rating the various States of India. Though some changes have been made in the variables and indicators used and the weighting system, the broad framework and consistency checks have been retained. To strengthen the efficiency of panchayat functionaries, capacity building as another dimension has been taken into consideration. Similarly, to assess mechanisms, ensuring accountability of local actors – politicians, government officials etc. to citizens, accountability dimension is framed. The central theme is to measure the commitment of the States and UTs to empower panchayats and promote the accountability of panchayat. The focus of all dimensions is on the goals of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA). In addition, an incremental devolution index has also been computed, which is based on the initiatives undertaken by states in several areas of devolution. The detailed methodology is given in later sections.





Ardent advocates of decentralisation often argue that devolution necessitates corresponding mechanisms ensuring accountability of local institutions to citizens. Local institutions involves local politicians, officials, civil society and others influencing key decisions of panchayats. The assertion is an integral part of Panchayat Empowerment and Accountability Incentive Scheme (PEAIS), a central sector scheme of the Union Ministry of Panchayati Raj. Secondly, Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) of the same ministry amply emphasised the capacity building of panchayat. Hence, each aspect mentioned above has been developed as ‘dimension’ in the present exercise in the construction of Devolution Index. Each indicator of the index has also been strengthened to capture various aspects that take place at the ground level. There were several stages in the development of the Devolution Index 2012-13. At each stage of the index making process, consultation was held with the State Governments, the Ministry of Panchayati Raj and other key experts and resource persons from academia and State PR departments. The consultative forums that was organised include the following:

- National Workshop chaired by the Secretary, MoPR with State Secretaries/Nodal Officers and Experts on Dimensions & Indicators and their Weights at New Delhi on 5 October 2012.
- National Workshop with Field Agencies regarding Data Collection & Validation Exercise at New Delhi on 20 December 2012.
- National Workshop with State Secretaries/Nodal Officers, seeking clarification on the methodology and the data received from States/UTs at New Delhi on 6 February 2013.

- A presentation of the results at the Ministry of Panchayati Raj in a meeting chaired by the Secretary, MoPR at Krishi Bhawan on 18 March 2013.

The various steps involved in the process of devolution index, right from the selection of dimensions till the calculation of final indexing and scoring are as follows:

### States Covered in the Study

All the States and Union Territories, meeting the following criteria, have been included in the exercise of devolution index:

- States/UTs where panchayats exist.
- States/UTs, where the provisions of Part IX of the Constitution are applicable.
- States/UTs that have incorporated Article 243ZD and the mandatory provisions of Part IX of the Constitution.
- States/UTs that have participated by sending filled in questionnaire.

In this regard, all the States and Union Territories are covered in the study except the States of Mizoram, Meghalaya and Nagaland. This is due to the reason that, Part IX of the Constitution does not apply to these scheduled and tribal areas and they are out of the purview of 73<sup>rd</sup> Amendment Act as stated in Article 243 (M). Hence, they have not been considered in the study. Further, the NCT of Delhi is also out of reckoning as panchayats were superseded in 1990 and have not yet been revived.

Thus, as highlighted in table 4.1, 24 states participated in the Devolution Index Survey. Though response was

obtained from the State of Andhra Pradesh, the state could not qualify, as the Panchayat Elections had not been conducted by the State during the survey period, which is a constitutional mandate. On similar ground, Puducherry also could not qualify. The Union Territory of Andaman & Nicobar Island did not participate.

### Construction of Dimensions and Indicators

As specified earlier, the Consultative Forum that was held on 5 October 2012, facilitated the formulation of dimensions and its respective indicators. About 30 members from different parts of the country, including renowned experts, representatives of State Institute of Rural Development, State Governments, etc. shared their views on various dimensions of devolution index which served as a valuable input in which indicators pertaining to ‘Capacity Building’ and ‘Accountability’

emerged in rudimentary form. This process was taken forward through continuous consultations with the States and the Ministry of Panchayati Raj, along with the review of the government reports on various issues, RGPSA guidelines, review of other national and international literature on decentralisation and local governance. Related State Acts, manuals, state reports, government orders, etc. were also sought to make better judgments. This process culminated in the form of a well-structured questionnaire with few open ended questions.

The questionnaire was pre-tested in Tamil Nadu and Odisha, and discussed further in the workshop organised on 20 December 2012 with survey teams. However, the questionnaire had been sent to all State Governments on 12 December 2012 to elicit data.

**Table 4.1 Survey Response from States/UTs as on February 20 2013.**

S.No.	States
1.	Arunachal Pradesh
2.	Assam
3.	Bihar
4.	Chhattisgarh
5.	Goa
6.	Gujarat
7.	Haryana
8.	Himachal Pradesh
9.	Jammu & Kashmir
10.	Jharkhand
11.	Karnataka
12.	Kerala
13.	Madhya Pradesh
14.	Maharashtra
15.	Manipur

S.No.	States
16.	Odisha
17.	Punjab
18.	Rajasthan
19.	Sikkim
20.	Tamil Nadu
21.	Tripura
22.	Uttarakhand
23.	Uttar Pradesh
24.	West Bengal
	<b>Union Territories</b>
25.	Chandigarh
26.	Dadra & Nagar Haveli
27.	Daman & Diu
28.	Lakshadweep

Data was also collected from the field in 23 states to supplement or validate the data received from State Governments. Elections in the state of Andhra Pradesh and UT of Puducherry have not been conducted for last more than 5 years. Hence, the State and the UT could not be taken into consideration for the present study.

Accordingly, the Devolution Index of 2012-13, comprises six dimensions with 23 indicators. Two more dimensions of ‘capacity building’ and ‘accountability’ have been added in 2012-13, to capture panchayat strengthening measures, apart from the other aspects of devolution viz. framework, functions, finance and functionaries. Each dimension represents a distinct component of devolution to panchayats. Though no major changes have been made in the dimensions of framework, functions, finances and functionaries, few questions have been added, so as to make the indicators and dimensions more inclusive reflecting various aspects of panchayat strengthening measures taken by the States. The purpose of the dimensions and what its indicators try to capture has been discussed in the theoretical justification as given below:

### ***Framework***

The framework dimension of the index, tries to capture, whether the basic provisions mentioned in the constitution are adhered to by the States. Framework has been considered a qualifying criterion and is related to institution building as mandated in the Constitution. The framework needs to be seen at two levels. We sought information on details of the functioning of the constitutional institutions set up under the ‘framework’ and quantified them to find out how the states differed in observance of this dimension under the spirit of the Constitution. For example, Article 243 I (4) related to the submission of the report of the State Finance Commission (SFC) with an explanatory memorandum before the Legislature is silent on the time frame though without an intention. As per the spirit of the Constitution, we

assume six months should have been the ideal time frame for each of the State Government to consider the recommendations of its SFC. We accorded zero marks for lapses in observance to build in discriminatory power into the index. Other indicators covered under this dimension include, dissolution of members, constitution and functioning of district planning committee, autonomy to panchayats. All these components form an integral part of devolution exercise, which are basic features towards creating an ‘institution of self-government’ as stated in the Constitution.

### ***Functions***

The dimension of ‘functions’, known as expenditure assignment in the literature of public finance, is given lesser weightage as compared to the dimension of ‘finances’. We read the article 243G more thoroughly than usually done with a fixation on the 29 items enumerated in the XI Schedule of the Constitution. The indicative list in these items was elaborated into 56 functions and the primary functions were given more weights than the secondary functions. We thought it proper to know in detail about empowerment of panchayats for functions and involvement in schemes, as these were transferred to the various tiers of panchayats in varying degrees by the states and union territories. Thus, by formulating a detailed score sheet with different weights to empowerment, enablement and facilitation and preferring legislative action to executive action, for each of the indicators within the dimension, the scores for the states were arrived.

### ***Finances***

‘Finances’ is the most important dimension in our assessment and have been given the maximum weightage in comparison to the other dimensions. This was also the consensus view of the domain experts who participated in the National Workshop on 5 October 2012. As enshrined in the Constitution under Article 243H, the power of panchayats to impose tax

### *Exhibit 4.1: Dimensions & Indicators*

<b>Framework</b>	<ul style="list-style-type: none"><li>● Basic Details of Panchayats<ul style="list-style-type: none"><li>– Reservation of Seats for SC/ST and Women (Art. 243D)</li></ul></li><li>● Panchayats Elections &amp; State Election Commission (Art. 243K)</li><li>● Panchayats duration, Dissolution &amp; Bye Elections (Art.243E)</li><li>● Constitution and Function of District Planning Committee (Art.243ZD)</li><li>● Role of Panchayats in Parallel Bodies/Institutions</li><li>● Autonomy to Panchayats (Art.243F)</li></ul>
<b>Functions</b>	<ul style="list-style-type: none"><li>● Functions Assigned to Panchayats including Activity Mapping and Actual<ul style="list-style-type: none"><li>– Involvement of Panchayats(Art. 243G)</li></ul></li><li>● Involvement of Panchayats in Important Schemes</li></ul>
<b>Finances</b>	<ul style="list-style-type: none"><li>● Thirteenth Finance Commission Grants to the Panchayats</li><li>● State Finance Commission (SFC) – How effective? (Art.243I)</li><li>● Formula based Fiscal Transfers to Panchayats</li><li>● Empowerment of Panchayats to Impose and Collect Revenue (Art.243H)</li><li>● Funds Available with Panchayats</li><li>● Expenditure of Panchayats</li><li>● Recent Initiatives related to Finances and Accounts recommended by the Thirteenth Finance Commission</li></ul>
<b>Functionaries</b>	<ul style="list-style-type: none"><li>● Physical Infrastructure of Panchayats</li><li>● e-Connectivity of Panchayats Panchayats</li><li>● Panchayats Officials:<ul style="list-style-type: none"><li>– Sanctioned and actual staff position</li><li>– Power and Functions of Panchayats</li></ul></li></ul>
<b>Capacity Building</b>	<ul style="list-style-type: none"><li>● Institutions involved in Training</li><li>● Training activities<ul style="list-style-type: none"><li>– Training Mode, Method and Content</li></ul></li><li>● Training of Elected representatives and Officials</li></ul>
<b>Accountability</b>	<ul style="list-style-type: none"><li>● Accounting and Audit of Panchayats</li><li>● Social Audit of Panchayats</li><li>● Functioning of Gram Sabha (Art.243A)</li><li>● Transparency &amp; Anti-Corruption</li><li>● Panchayats Assessment &amp; Incentivisation</li></ul>

is vital, so as to impart certainty, continuity and strength to panchayats (Alok, 2006). In this regard, we made a score sheet, using the principle of descending importance to empowerment, enablement and facilitation and preference for legislative action over executive action, for various possible taxes and non taxes—where major local taxes, e.g. property tax were accorded a value higher than others. Other parameters such as fiscal transfers to panchayats in the form of shared taxes and grants, and the availability of funds with panchayats and the expenditures incurred by them are considered a good substitute for empowerment. Grants under the Thirteenth Finance Commission, the recommendations of SFCs were given due place as the provisions for them had contributed in removing the encumbrances imposed by states.

### ***Functionaries***

‘Functionaries’ forms the main component in strengthening panchayats, equipping them with capable manpower. This helps the panchayats to perform better and function as institutions of self government. The extent to which the government employees are deployed to panchayats and have been made accountable to panchayats’ political executives and whether panchayats have their own employees, the powers and functions of panchayats, etc. form a critical aspect in understanding the aspects related to devolution of functionaries. Further, the infrastructure and e-connectivity which equip the functionaries are also considered in capturing the extent of devolution.

### ***Capacity Building***

Capacity building of panchayats has been getting more attention from scholars and practitioners alike, in recent years. With the enactment of the Constitutional Amendment Act of 1993, the institutions of local self government are expected to perform a wide range of tasks viz. rendering essential civic services like drinking water supply, street lighting, rural roads, health and sanitation. The panchayats are also empowered to impose and collect taxes.

Understanding the critical importance of enhancing the knowledge and skills of elected representatives and panchayat officials at the local level, capacity building of panchayats has been considered an important component in strengthening the panchayats. A new dimension of ‘capacity building’ has been incorporated in the present exercise, which shares an equal weight with the dimensions of ‘functionaries’ and ‘accountability’. It focuses on the establishment of training institutions and training programmes organised by the States/UTs for the officials and elected representatives helping them to perform the tasks efficiently. Thus, to capture the impact of capacity building of panchayats, aspects such as the institutions involved in training, content and method of training, curriculum of training, people trained, etc. formed the basis of this dimension, in the exercise.

### ***Accountability***

With the passage of two decades since the enactment of the Constitutional Amendment Act, one can cheer that the basic structures and legislations are in place to devolve powers and functions to panchayats in almost all states and UTs. However, to strengthen panchayats to function effectively as institutions of local self government, accountability of panchayats has been considered a critical mechanism in recent years. In the exercise of devolution index, this year, the dimension of ‘accountability’ has been formulated and two distinct components of ‘accountability’ viz. accountability of panchayats to people and accountability of functionaries to panchayats have been developed. While components of accounting and audit, panchayat assessment and incentives act as tools to capture accountability of functionaries to panchayats, indicators such as functioning of *gram sabha*, social audit, transparency and anti-corruption covering Right to Information and Citizens’ Charter, are designed to endorse the accountability of panchayats to the people.

The primary objective in all these dimensions is to measure the commitment of the States and UTs to

empower panchayats and promote the accountability of Panchayat. The focus of all six dimensions is on key themes of PEAIS and RGPSA.

## The Concept

Simple indices are linear. In other words, they are weighted sums or averages of the constituents or components that go into making the index. They can be categorised in two broad groups—one having a unit of measurement and other without having a unit. An example of the former is Gross Domestic Product and that of the latter is Consumer Price Index. Components are first converted into such quantities that they can become comparable so that they can be aggregated by adding together. In the case of Gross Domestic Product, quantities are multiplied by their respective prices so that they are all converted into monetary values which can be added together. In the case of Consumer Price Index, price relatives are prepared, which are generally weighted by their expenditure share in the total expenditure.

Similarly, achievements in several dimensions can also be aggregated into a single whole by appropriately designing the index making procedure. Present level of achievement of an entity, like country or state or district, can be divided by the maximum possible achievement. This kind of exercise would confine the range of index between 0 and 1. However, certain index makers feel that achievement should be measured over the minimum possible achievement and therefore, should also be divided by the maximum achievable range. In simple words, excess of actual achievement over minimum achievement should be divided by the maximum excess possible that is maximum achievement minus minimum achievement. This practice is followed by the scholars, organisations and agencies engaged in the business of computation of human development index. One advantage of this procedure is that better discrimination is built-in in the index, particularly when an entity is compared with another rather than when it is compared with itself over time. And an index if used for rating and ranking entities must have it.

Once achievement components are converted into such comparable quantities, they can be aggregated by assigning separate weights or the same weights. While differentially weighted aggregation is called weighted index (average) equally weighted aggregation is often called un-weighted index. Technically speaking, they are cases of linear aggregation.

Many exercises conducted in this area have been adopted, following the principle of information asymmetry and equally weighed aggregation procedure. It is not a principle of non-discrimination. However, we differed from adopting equal weights as we progressed from 4F framework to additional two more dimensions. We reduced the weight of finances from 40.0 percent used in last year to 30.0 percent in the present one, with the addition of extra dimensions. This was also the view of the experts' group participated in the National Workshop on 5 October 2012. The framework dimension, which is a mandatory criterion, has been assigned 10 percent weight, so as to give it a quantitative significance. The remaining weights of 60.0 percent, has been divided equally among functions, functionaries, capacity building and accountability in the ratio of 1:1:1:1.

However, the exercise of assigning weights is conducted not only for overall devolution but also for the individual dimensions. In crux, there is three level of constructs: one, several achievement indicators under each dimension, has been assigned weights; at the next level, weights for the six dimensional indices of devolution and finally at the third level, is the overall devolution index or call it the composite index of devolution. Weights for achievement indicators can therefore be looked from two perspectives, one in relation to the relevant dimension and the other in relation to overall index. Further, the weights for achievement indicators within the relevant dimension follow the order of decreasing importance from empowerment, enablement and facilitation. In our computation exercise the weighted aggregation at dimension level has been arrived by dividing the respective dimension by the total weights of the DI.

There is a specific characteristic that needs to be maintained in creating such indices. The components of the final index need not be complementary if the right results are to be achieved. For instance, we know it thoroughly that dimensions of functions and finances, and the dimensions of functionaries and capacity building are more complementary in nature than substitutes. But the formulas adopted consider them as substitutes. We have taken care in introducing mutually complementing elements in designing questions, which build the indicators for the different dimensions.

### **Designing of Questionnaire**

The designing of questionnaire for the identified dimensions and variables formed a major part of this index making exercise. The questionnaire was prepared in consultation with the stakeholders. The inputs from the National Workshop of 5 October 2012 for the development of dimensions and indicators were used in designing the questionnaire. Inputs received from the study conducted in previous years were also used. Further, the research reports and documents of MoPR, Planning Commission and C&AG, were also referred along with literature from secondary sources related to the six dimensions that were identified. Thus, after making a comprehensive review of the exhaustive sources, the questionnaire was designed, which was improved further through continuous consultations with the State Governments and MoPR. The questionnaire had six distinct blocks on framework, functions, finances, functionaries, capacity building and accountability. By and large, questions were structured but some open ended questions were also provided, mostly to capture state specific traits. The block pertaining to functions and finances also provided scope for clubbing questions in a matrix form. Yet there was a provision for giving 'qualitative' supplements.

### **Seeking Response from States/UTs**

The study was commissioned in August 2012 and the questionnaire was canvassed to the state through post

and email on 12 December 2012 and 20 December 2012 respectively. The Ministry of Panchayati Raj, Government of India also followed up. In addition, a number of documents were also sought so that we could make sound judgments about certain qualitative questions.

### **Validation of Data**

Validation process, also involved field visits to different panchayats from 23 states and the data obtained from such panchayats at all three levels from respective states were cross checked with our database of devolution that was created. Investigators visited 23 states and the data was obtained and validated by the agencies like Indicus Analytics, CRM, CRRID and Samarthan. Based on the visits made, the validators commented on the inaccuracies in the data and also on various achievements that were not included in the indicators. The survey team in the states collected data from a handful of panchayats. These panchayats were selected on the basis of the information provided by the states. Data obtained by the 13<sup>th</sup> Finance Commission from states and Finance Accounts published by the C&AG have been taken into consideration for various analysis. Secondary data from the official website of the MoPR, GoI, PriaSoft, State Panchayati Raj Departments and their respective websites, Reserve Bank of India, C&AG of India and State Accountant Generals have also been used.

In this sense, we were able to quantify the relative performance of the States in putting together an environment for effective devolution in rural India. It has to be noted that, with the addition of two new dimensions and further improvisations of the indicators in different dimensions, there have been changes in the scoring pattern. As a result, the score of each state is not comparable with last year's score.

Finally, the data, results and the other features of the study were presented and discussed on 18 March 2013 at the Ministry of Panchayati Raj in a meeting headed by the Secretary, Ministry of Panchayati Raj.





# 5

## Comparing Devolution across States: Empirical Assessments and Analysis

Comparing devolution across states and union territories is an exercise towards ranking the states on the enabling environment created by them for the *panchayats* to function under. This chapter seeks to analyse the extent to which states have devolved their powers and resources to *panchayats* promoting economic development and social justice. Comparison in the present exercise has been made by involving new dimensions of Capacity Building and Accountability along with Framework, Functions, Finances and Functionaries. The endeavour aims at taking a step ahead in analysing the approaches adopted by each state and union territory towards democratic governance and efficient service delivery at the local level. The forthcoming section of this chapter discusses the empirical assessment of devolution to *panchayats*.

In the study, the enabling environment created by a state is compared with that of others in terms of various indicators identified. National average for each of the indicators and dimensions has also been computed. First, a description of computation for each dimension or sub index is presented in a table along with the values of their respective indicators. States are ranked according to the overall devolution index as well as by each of the six dimensions. Further, a comparative analysis of dimension-wise achievements in devolution, by states, is made. All values are shown in percentages to make comprehension easy.

Two set of indices have been computed -- one relating to cumulative performance and the other to incremental performance. For the purpose, a mix of closed ended and open-ended questions were prepared to assess the stock as well as the recent initiatives

undertaken by the states towards devolution to *panchayats* since April 2011. In the analysis, the North Eastern states and union territories have been treated separately in the tables on Devolution Index (DI) to enable a cross comparison between the two.

It may be noted that the scores and ranks of each dimension, index and national averages are not strictly comparable with that of previous exercises by the same author. This is mainly due to the inclusion of essential dimensions of Capacity Building and Accountability into the Devolution Index, which covered nearly five to six important indicators. Further, more questions/ indicators were added in the traditional four dimensions to make it more inclusive resulting in variations in the score.

### Cumulative Devolution Index: Overall

The Cumulative Index presents the overall scores and ranks for states/UTs on six identified dimensions. Table 5.1 gives the values of sub-indices or dimensional indices as well as the overall DI, which forms the basis to present the ranks of states/UTs.

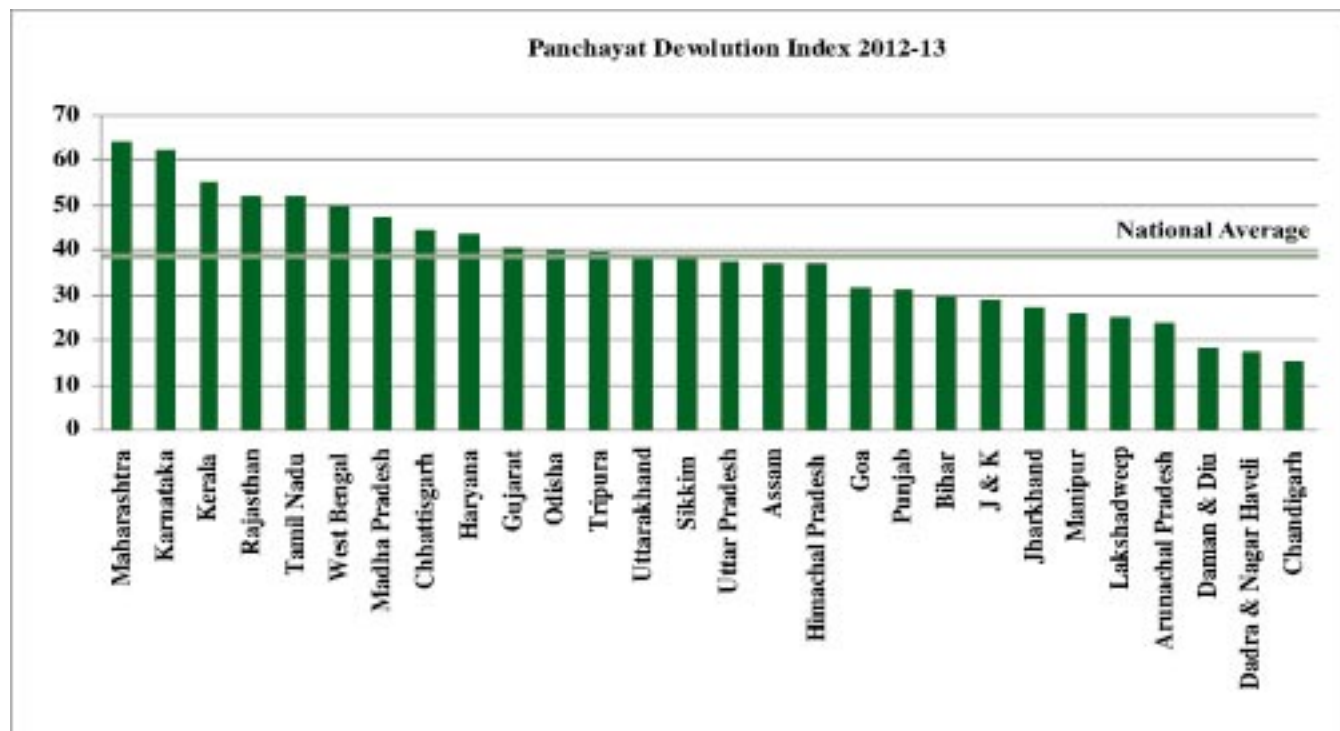
Based on the weighted aggregation of six dimensional sub-indices, the composite DI is computed for the states/UTs. Table 5.1 and Exhibit 5.1 states that Maharashtra ranks first for the year 2012-13 with an index value of 64 followed by Karnataka (62.2), Kerala (55.4), Rajasthan (52.1) and Tamil Nadu (52). Further, West Bengal is ranked sixth with a score close to 50. The scores highlight a significant gap between the top two performers and the rest.

It may be noted that the states namely Madhya Pradesh, Chhattisgarh, Haryana, Gujarat, Odisha and

**Table 5.1: Panchayat Devolution Index and sub-Indices**

Ranks	States	Framework D <sub>1</sub>	Functions D <sub>2</sub>	Finances D <sub>3</sub>	Functionaries D <sub>4</sub>	Capacity Building D <sub>5</sub>	Accountability D <sub>6</sub>	D
1.	Maharashtra	48.95	56.31	55.50	75.37	75.00	76.64	64.04
2.	Karnataka	67.55	57.96	49.97	63.12	79.04	69.73	62.22
3.	Kerala	41.34	52.86	48.52	68.55	58.77	64.64	55.41
4.	Rajasthan	68.33	52.97	35.61	40.90	79.43	57.25	52.10
5.	Tamil Nadu	69.84	52.33	46.26	39.23	63.40	52.97	52.05
6.	West Bengal	56.84	50.57	35.41	37.67	81.18	53.96	49.81
7.	Madhya Pradesh	60.37	52.61	34.44	39.45	51.41	62.50	47.26
8.	Chhattisgarh	53.75	37.53	31.77	33.68	78.52	48.27	44.61
9.	Haryana	70.39	31.14	36.91	50.19	42.68	46.09	43.63
10.	Gujarat	54.58	38.92	26.55	53.18	46.61	43.76	40.75
11.	Odisha	66.50	51.46	35.11	28.55	19.14	53.04	40.01
12.	Uttarakhand	54.00	53.90	27.23	32.02	43.24	52.85	39.37
13.	Uttar Pradesh	60.02	41.04	26.17	28.57	45.88	41.06	37.34
14.	Assam	44.69	42.76	23.13	21.66	67.84	37.65	36.89
15.	Himachal Pradesh	56.19	22.43	34.92	35.35	36.15	44.32	36.83
16.	Goa	50.70	17.78	18.69	48.23	32.87	41.72	31.77
17.	Punjab	60.24	24.25	17.37	23.64	38.67	46.74	31.23
18.	Bihar	49.78	39.44	19.40	24.29	42.01	21.60	29.90
19.	J & K	15.38	15.28	28.01	23.98	51.61	35.15	28.85
20.	Jharkhand	55.01	18.97	13.95	23.52	46.11	28.48	27.25
<b>North Eastern States</b>								
21.	Tripura	48.10	46.03	28.37	53.34	29.71	46.91	39.72
22.	Sikkim	68.56	45.07	31.37	29.25	41.72	36.30	39.12
23.	Manipur	29.52	12.22	24.00	20.41	45.13	27.27	25.91
24.	Arunachal Pradesh	30.88	17.22	25.17	10.14	34.67	24.85	23.67
<b>Union Territories</b>								
25.	Lakshadweep	48.89	20.79	7.33	39.82	30.95	28.29	25.07
26.	Daman & Diu	56.04	3.43	8.03	33.56	0.00	30.11	18.08
27.	Dadra & Nagar Haveli	28.60	1.11	0.78	39.17	20.85	33.22	17.25
28.	Chandigarh	24.16	7.22	25.86	18.80	0.00	8.14	15.30
<b>National Average</b>		<b>51.40</b>	<b>34.06</b>	<b>29.45</b>	<b>36.99</b>	<b>49.33</b>	<b>43.33</b>	<b>38.52</b>

*Exhibit 5.1*



Uttarakhand emerged as the medium scorers placing themselves much higher than the North Eastern states of Tripura and Sikkim with merely a point above the national average of 38.5.

### Cumulative Index: Dimensional

Tables 5.1 and 5.2 also present the dimensional indices or devolution sub-indices. States have been ranked in each of the dimensions and values have also been presented for instant comparison.

#### Framework (D<sub>1</sub>)

In the Framework dimension, an attempt is made to include indicators related to the mandatory framework of the Constitution. Table 5.2 shows that Haryana ranks first with a score of 70.39 followed by Tamil Nadu (69.84), Rajasthan (68.33), and Karnataka (67.55). Odisha, Madhya Pradesh and Punjab are next in this order. Daman & Diu, a UT, and 15 states including a North Eastern state are above the national average of 51.40.

Considering their relative importance, a few indicators figured in Alok (2012) have been moved to other dimensions. For example, the indicator on ‘state finance commission’ has been shifted from Framework dimension to the dimension of Finances. It may be reiterated that Article 243 I related to state finance commission is a mandatory provision in the Constitution. Also, a few indicators used in Alok (2012) have been fortified further. For instance, the questions on state election commission and their activities have been made more intensive under the indicator of ‘panchayat elections’.

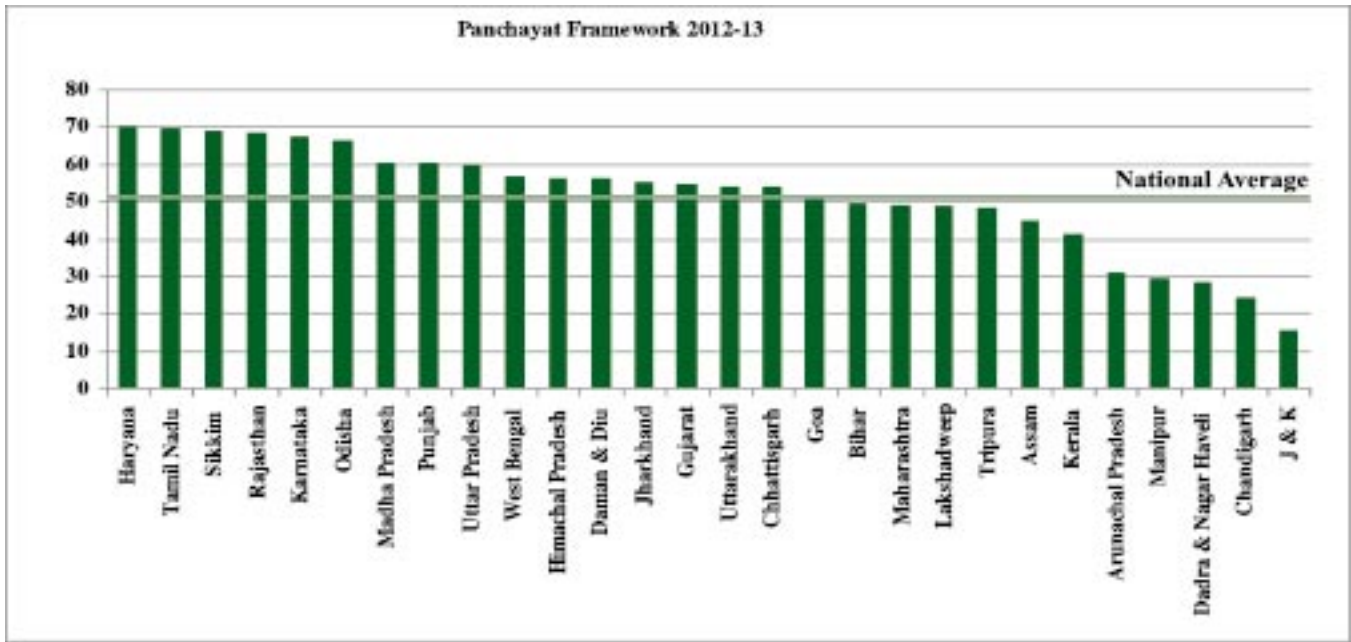
#### Functions (D<sub>2</sub>)

In the dimension of Functions, Karnataka tops the list with an index value of 57.90. Maharashtra and Rajasthan closely follow with 56.31 and 52.97 respectively. Kerala, Madhya Pradesh, Tamil Nadu, Odisha and West Bengal are other states in that order with scores over 50. It can be noticed that 15 states including two North Eastern states are placed above

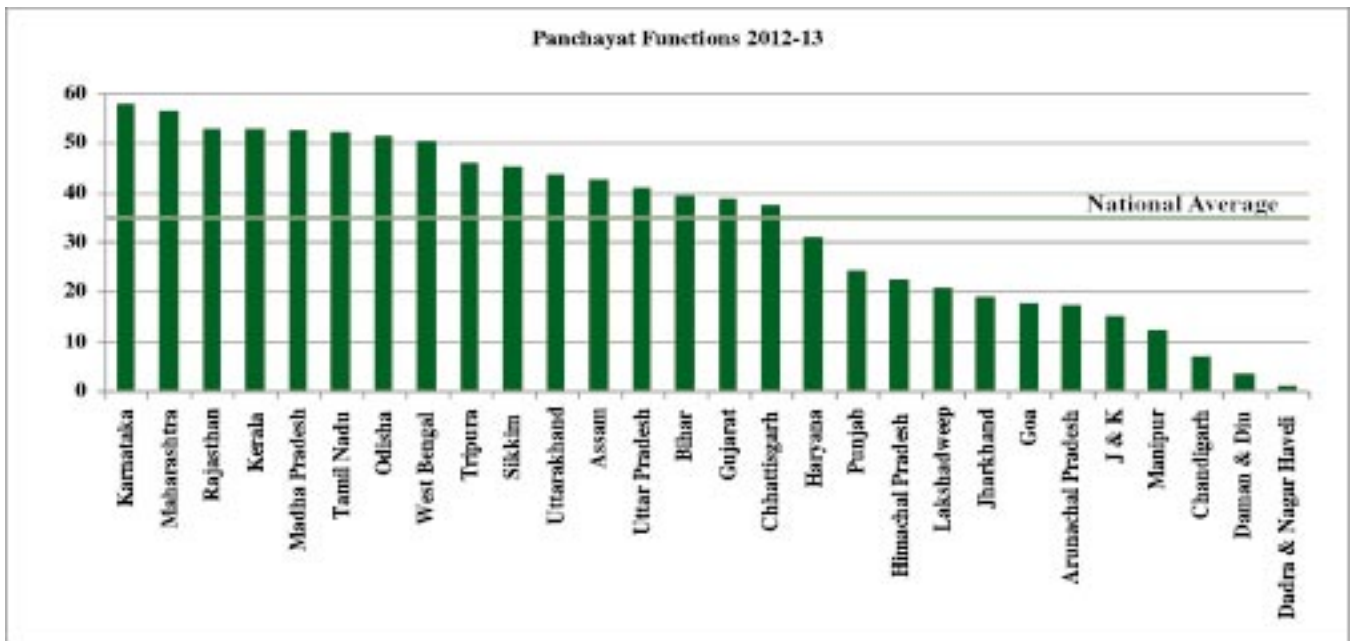
the national average of 34.06, while all the UTs have scored less. In this dimension too, indicators such as ‘functioning of gram sabha’ and ‘transparency in

panchayats’, figured in Alok (2012), have been moved to the dimension of Accountability due to its greater relevance to this newly created dimension in this exercise.

*Exhibit 5.2*



*Exhibit 5.3*



**Table 5.2: States/UTs with Devolution Sub-indices according to Ranks and Values**

Ranks	Framework (D <sub>1</sub> )		Functions (D <sub>2</sub> )		Finances (D <sub>3</sub> )		Functionaries (D <sub>4</sub> )		Capacity Building (D <sub>5</sub> )		Accountability (D <sub>6</sub> )	
	State	Value	State	Value	State	Value	State	Value	State	Value	State	Value
1.	Haryana	70.39	Karnataka	57.96	Maharashtra	55.50	Maharashtra	75.37	West Bengal	81.18	Maharashtra	76.64
2.	Tamil Nadu	69.84	Maharashtra	56.31	Karnataka	49.97	Kerala	68.55	Rajasthan	79.43	Karnataka	69.73
3.	Rajasthan	68.33	Rajasthan	52.97	Kerala	48.52	Karnataka	63.12	Karnataka	79.04	Kerala	64.64
4.	Karnataka	67.55	Kerala	52.86	Tamil Nadu	46.26	Gujarat	53.18	Chhattisgarh	78.52	Madhya Pradesh	62.50
5.	Odisha	66.50	Madhya Pradesh	52.61	Haryana	36.91	Haryana	50.19	Maharashtra	75.00	Rajasthan	57.25
6.	Madhya Pradesh	60.37	Tamil Nadu	52.33	Rajasthan	35.61	Goa	48.23	Assam	67.84	West Bengal	53.96
7.	Punjab	60.24	Odisha	51.46	West Bengal	35.41	Rajasthan	40.90	Tamil Nadu	63.40	Odisha	53.04
8.	Uttar Pradesh	60.02	West Bengal	50.57	Odisha	35.11	Madhya Pradesh	39.45	Kerala	58.77	Tamil Nadu	52.97
9.	West Bengal	56.84	Uttarakhand	43.90	Himachal Pradesh	34.92	Tamil Nadu	39.23	J & K	51.61	Uttarakhand	52.85
10.	Himachal Pradesh	56.19	Assam	42.76	Madhya Pradesh	34.44	West Bengal	37.67	Madhya Pradesh	51.41	Chhattisgarh	48.27
11.	Jharkhand	55.01	Uttar Pradesh	41.04	Chhattisgarh	31.77	Himachal Pradesh	35.35	Gujarat	46.61	Punjab	46.74
12.	Gujarat	54.58	Bihar	39.44	J & K	28.01	Chhattisgarh	33.68	Jharkhand	46.11	Haryana	46.09
13.	Uttarakhand	54.00	Gujarat	38.92	Uttarakhand	27.23	Uttarakhand	32.02	Uttar Pradesh	45.88	Himachal Pradesh	44.32
14.	Chhattisgarh	53.75	Chhattisgarh	37.53	Gujarat	26.55	Uttar Pradesh	28.57	Uttarakhand	43.24	Gujarat	43.46
15.	Goa	50.70	Haryana	31.14	Uttar Pradesh	26.17	Odisha	28.55	Haryana	42.68	Goa	41.72
16.	Bihar	49.78	Punjab	24.25	Assam	23.13	Bihar	24.29	Bihar	42.01	Uttar Pradesh	41.06

Ranks	Framework (D <sub>1</sub> )		Functions (D <sub>2</sub> )		Finances (D <sub>3</sub> )		Functionaries (D <sub>4</sub> )		Capacity Building (D <sub>5</sub> )		Accountability (D <sub>6</sub> )	
	State	Value	State	Value	State	Value	State	Value	State	Value	State	Value
17.	Maharashtra	48.95	Himachal Pradesh	22.43	Bihar	19.40	J & K	23.98	Punjab	38.67	Assam	37.65
18.	Assam	44.69	Jharkhand	18.97	Goa	18.69	Punjab	23.64	Himachal Pradesh	36.15	J & K	35.15
19.	Kerala	41.34	Goa	17.78	Punjab	17.40	Jharkhand	23.52	Goa	32.87	Jharkhand	28.48
20.	J & K	15.38	J & K	15.28	Jharkhand	13.95	Assam	21.66	Odisha	19.14	Bihar	21.60
	<b>North-Eastern States</b>		<b>North-Eastern States</b>		<b>North-Eastern States</b>		<b>North-Eastern States</b>		<b>North-Eastern States</b>		<b>North-Eastern States</b>	
1.	Sikkim	68.56	Tripura	46.03	Sikkim	31.37	Tripura	53.34	Manipur	45.13	Tripura	46.91
2.	Tripura	48.10	Sikkim	45.07	Tripura	28.37	Sikkim	29.25	Sikkim	41.72	Sikkim	36.30
3.	Arunachal Pradesh	30.88	Arunachal Pradesh	17.22	Arunachal Pradesh	25.17	Manipur	20.41	Arunachal Pradesh	34.67	Manipur	27.27
4.	Manipur	29.52	Manipur	12.22	Manipur	24.00	Arunachal Pradesh	10.14	Tripura	29.71	Arunachal Pradesh	24.85
	<b>Union Territories</b>		<b>Union Territories</b>		<b>Union Territories</b>		<b>Union Territories</b>		<b>Union Territories</b>		<b>Union Territories</b>	
1.	Daman & Diu	56.04	Lakshadweep	20.79	Chandigarh	25.90	Lakshadweep	39.82	Lakshadweep	30.95	Dadra & Nagar Haveli	33.22
2.	Lakshadweep	48.89	Chandigarh	7.22	Daman & Diu	8.03	Dadra & Nagar Haveli	39.17	Dadra & Nagar Haveli	20.85	Daman & Diu	30.11
3.	Dadra & Nagar Haveli	28.60	Daman & Diu	3.43	Lakshadweep	7.33	Daman & Diu	33.56	Chandigarh	0.00	Lakshadweep	28.29
4.	Chandigarh	24.16	Dadra & Nagar Haveli	1.11	Dadra & Nagar Haveli	0.78	Chandigarh	18.80	Daman & Diu	0.00	Chandigarh	8.14
5.	Andaman & Nicobar Islands	-9.20	Andaman & Nicobar Islands	-26.39	Andaman & Nicobar Islands	-9.03	Andaman & Nicobar Islands	24.18	Andaman & Nicobar Islands	-15.73	Andaman & Nicobar Islands	-6.39
	<b>Average</b>	<b>51.40</b>	<b>Average</b>	<b>34.06</b>	<b>Average</b>	<b>29.45</b>	<b>Average</b>	<b>36.99</b>	<b>Average</b>	<b>49.33</b>	<b>Average</b>	<b>43.33</b>

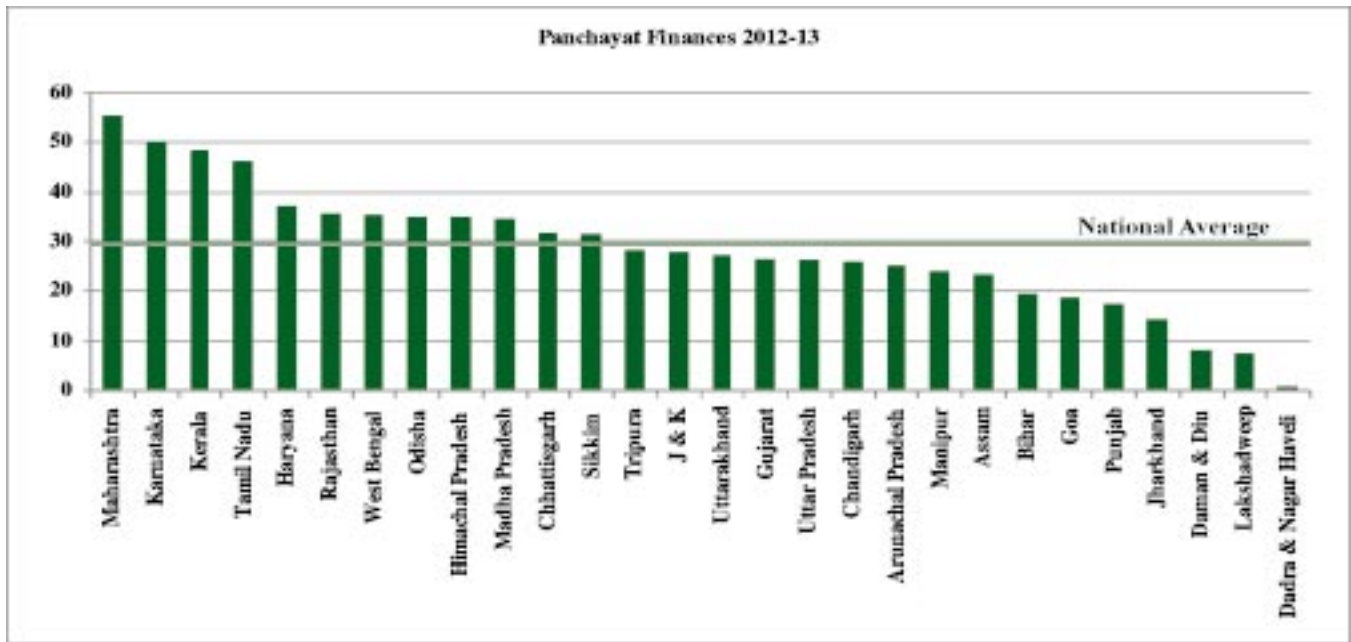
Source: Author's calculation

### Finances (D<sub>3</sub>)

Finances is the most important dimension, carrying the maximum weightage in the index. From Alok (2012), the dimension of finances has been fortified further by adding one more indicator on the 'expenditures of panchayats'. Table 5.2 and Exhibit 5.4 depicts that Maharashtra is leading with an index

value close to 55 followed by Karnataka, Kerala and Tamil Nadu with values of 49.97, 48.52 and 46.26 respectively. Disappointingly, the dimension with maximum indicators registers a low national average of 29.45. However, 12 states including one North Eastern state of Tripura are above the national average in this sub-index.

Exhibit 5.4

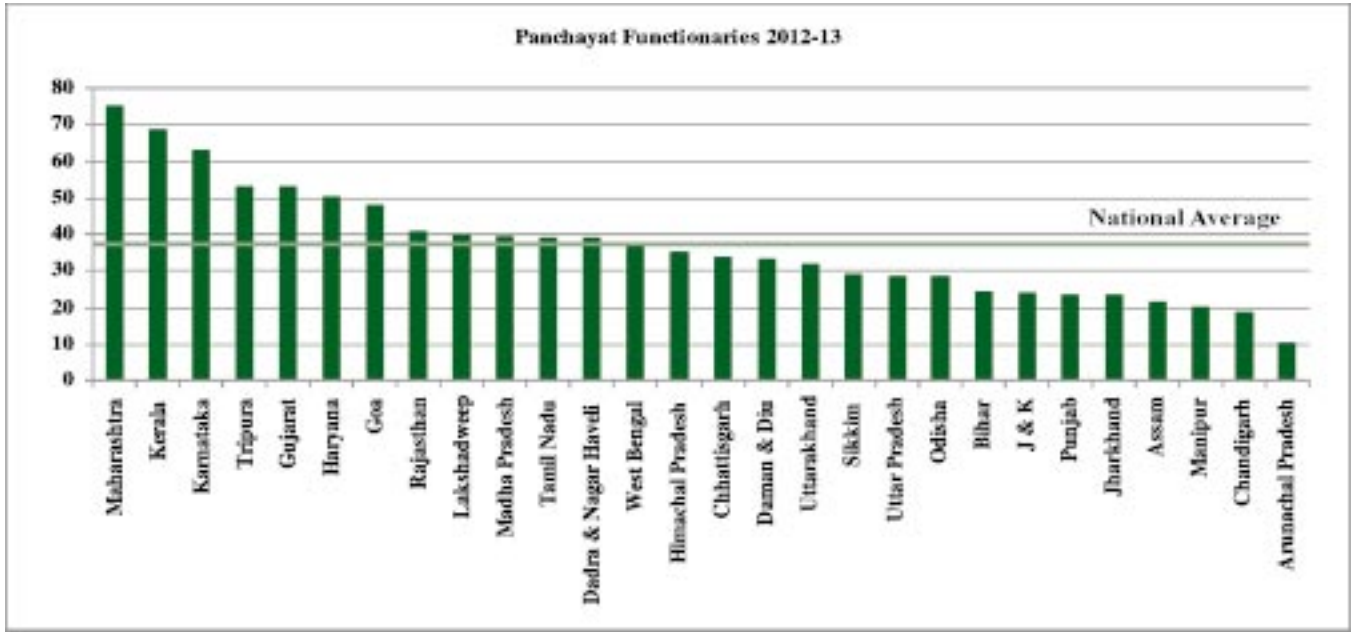


### Functionaries (D<sub>4</sub>)

The dimension of Functionaries enjoys greater influence due to its relevance in strengthening *panchayats*. Keeping in mind its importance, the indicators of 'infrastructure of panchayats' and 'e-connectivity' were added to the dimension while the already existing indicators of 'role of panchayats in parallel bodies' and 'capacity building of elected representatives & panchayat officials' were shifted to the dimensions of Framework and Capacity Building

respectively. The respective amendment was made with Alok (2012). As revealed by Table 5.2 and Exhibit 5.5, Maharashtra ranks the highest with the value of 75.37. However, Kerala is ranked as second in this dimension with a score of 68.55 followed by Karnataka with index value of 63.12. Gujarat and Haryana have secured scores above 50.0 along with a North Eastern state of Tripura (53.34). Scores of five other states and the union territories of Lakshadweep (39.82) and Dadra & Nagar Haveli (39.17) are above the national average of 36.9.

Exhibit 5.5



### Capacity Building (D<sub>3</sub>)

In the previous exercise Alok (2012), elements of capacity building were present under the indicator of ‘training of elected representatives and *panchayat* officials’ in the dimension of Functionaries. It may be noted that capacity building of *panchayat* has been

advocated in a number of international, national and regional forums, and is strongly emphasised in the scheme on Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA). Keeping in view its importance, a new dimension of Capacity Building has been created, which helps in capturing various measures of the states in the strengthening of *panchayats*. From

Exhibit 5.6

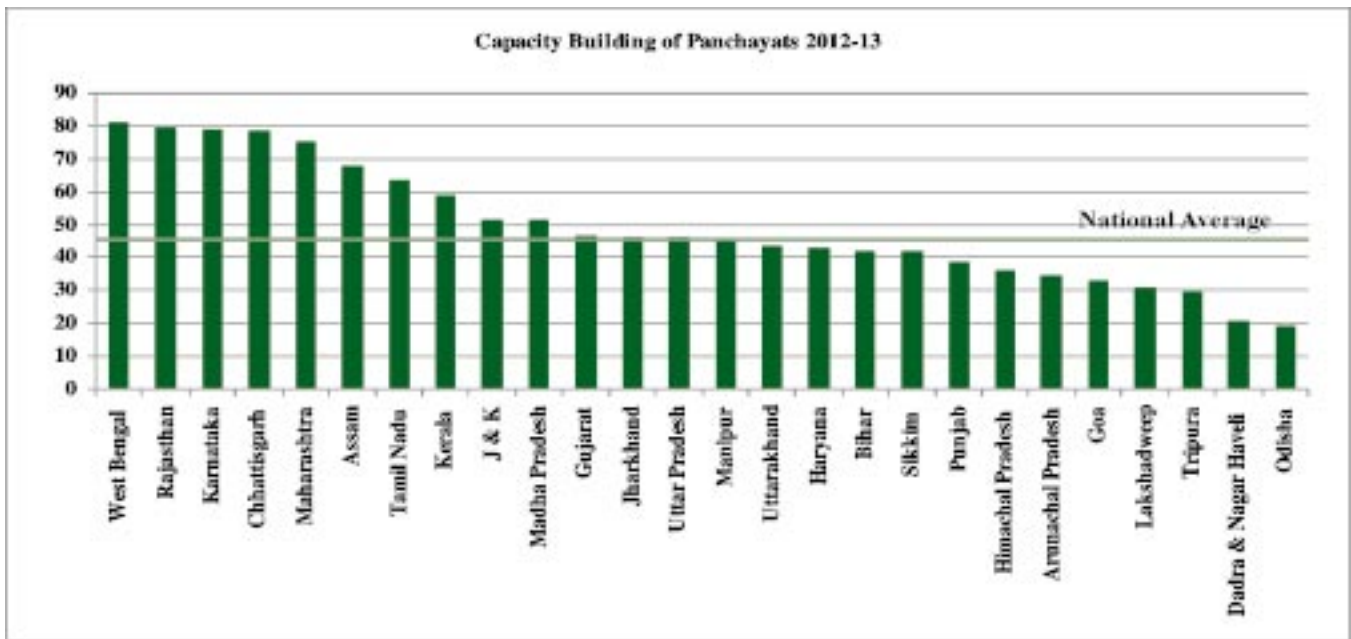




Table 5.2 and Exhibit 5.6, it can be observed that West Bengal secures first rank in Capacity Building dimension with the value of 81.18 closely followed by Rajasthan, Karnataka, Chhattisgarh and Maharashtra with values of 79.43, 79.04, 78.52 and 75 respectively. Tamil Nadu, Kerala, Jammu & Kashmir, Madhya Pradesh and Assam scored more than the national average of 49.3. It is heartening to note that Jammu & Kashmir has made a remarkable achievement in capacity building by scoring index value of 51.61, which augurs well and conveys commitment by the state to strengthen *panchayats*.

### Accountability (D<sub>6</sub>)

‘Accountability’ has been identified as an important dimension, in making *panchayats* answerable to the people and working in a fair and an efficient manner. Indicators such as ‘transparency in panchayats’, ‘functioning of gram sabha’ and ‘accounting and audit’, which are part of this dimension had been considered under the dimension of Functionaries and Finances in Alok (2012). In this dimension as shown in Table 5.2 and Exhibit 5.7, Maharashtra ranks first with index value of 76.64 followed by Karnataka,

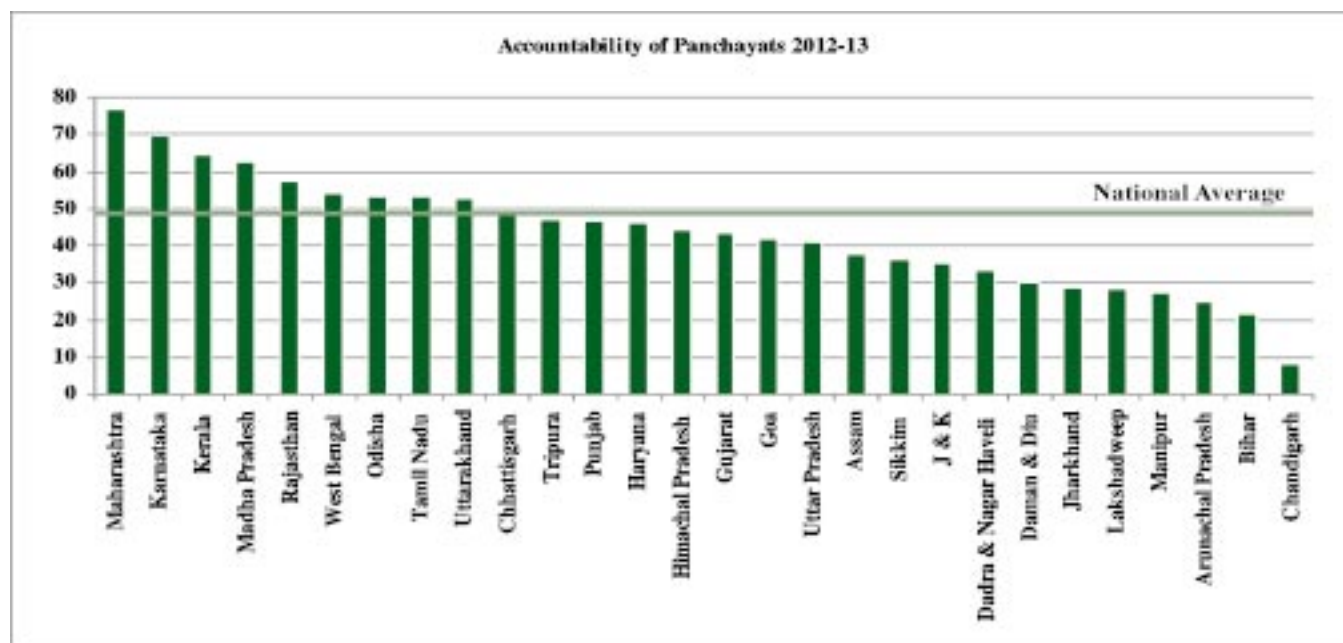
Kerala and Madhya Pradesh at 69.73, 64.64 and 62.50 respectively. Rajasthan, West Bengal, Odisha, Tamil Nadu and Uttarakhand are other states in descending order with value more than 50. As many as six states including Tripura, a North Eastern state, scored more than the national average, i.e. 43.3.

Thus, from a comparative analysis of all these dimensions and its indicators, various aspects can be inferred. It can be concluded from the analysis of the dimensions of Functions and Finances that devolution in financial domain, in general, falls short of that in functional domain. It is also found that the achievement in all the dimensions except mandatory framework is below par.

### Ranking of States

It is clear from Table 5.1 and Exhibit 5.1 that Maharashtra tops the chart in the composite Devolution Index, as well as in the key sub-indices of Finances, Functionaries and Accountability. It may be noted that the dimension of Finances carries maximum weightage in the study. Overall indicator analysis shows that the state has performed pretty well in almost all indicators identified in the study. The state

Exhibit 5.7



devolves good number of functions to *panchayats* at the same time *panchayats* have been assigned sufficient roles in the vertical schemes designed by the upper levels of governments. The state is among the front runners in releasing the Thirteenth Finance Commission grant in time. *Panchayats* in the state enjoy maximum power to levy taxes and non-taxes. *Panchayats* in Maharashtra utilise funds adequately and share the top slot with their counterparts as far as the indicator related to fund utilisation is concerned. Under the Functionaries dimension, the state provides the best physical infrastructure to *panchayats* along with the required staff. In Capacity Building dimension, the state has the best framework of training on one hand and implementation on the other. The state ranked top in the Accountability dimension as well with an excellent score in the indicator of 'social audit'. The provisions related to *gram sabha* in the state are considered the best among all the states. It may be recollected that Maharashtra has historical background of strong legal and policy framework. A comprehensive Act for *zilla* (district) *parishad* and *panchayat samiti* was enacted way back in 1966. A separate Act is in place for *gram panchayats*. Time to time amendments have been made. Development cadre at *zilla parishad* level, in particular, executes these elaborated legal provisions. It may also be recollected that the state had received awards in the past under incremental performance for various policies and campaigns, which the state government had undertaken for devolution to *panchayats*.

Karnataka follows Maharashtra in the Composite Devolution Index. Karnataka occupies the first place in Functions and second place in Finances and Accountability dimensions. Karnataka is as good as Maharashtra in releasing the Thirteenth Finance Commission grants to *panchayats* in time. The constitution and functioning of 'district planning committees' are assessed to be the best compared to others. The state has also devolved a good number of functions to *panchayats*. In Functionaries and Capacity Building dimensions, it scored high marks

due to good infrastructural support and e-connectivity provided by the state at the grass-root level. Like Maharashtra, *panchayats* in the state have been assigned maximum powers to collect taxes and non-taxes. *Panchayats* in the state are more transparent than that of other states including Kerala and Maharashtra. Furthermore, *panchayats* of Karnataka are strong in implementing social audit. The state has an efficient capacity building framework to train functionaries at the *panchayats*, particularly the elected representatives. Above all, the *panchayats* gets the largest share in total public expenditure of the state compared to that of others.

Kerala is ranked third in the overall Devolution Index and ranked second in dimensions of Functionaries and third in Finances and Accountability. Functioning of *panchayats* in the state is considered highly transparent which is next only to Karnataka. *Panchayats* in the state are closely involved in the functions assigned and at the same time has a transparent system of transferring money under *panchayat's* window. The institution of state finance commission in Kerala has emerged to be the most effective in the recent past. Kerala has adequate staffs for the effective functioning of *panchayats* as found from the study. Under the indicator of 'fund availability' the state secured the highest scores. So far as the functioning of *gram sabha* is concerned and e-connectivity of *panchayats*, the state is second only to Maharashtra.

It may be noted that Kerala had secured, in the previous three studies, the highest rank in the cumulative index but could not figure in the Incremental Index. Due to the addition of two more dimensions in the present study and the remarkable performances by Maharashtra and Karnataka, in almost all fronts in the recent past, Kerala tumbled down to the third place.

Rajasthan is ranked fourth in the overall index and second in Capacity Building dimension preceded by West Bengal. In the dimension of Functions, Rajasthan

is next only to Karnataka and Maharashtra, and is ranked fourth in Framework dimension. *Panchayats* in the state present an example in their effective role in parallel bodies and exercise their autonomy as local self-government. Thirteenth Finance Commission grants-in-aid strongly support the *panchayats* in the state. In the dimension of Capacity Building, the state is very close to West Bengal, the front runner, in assessing the need and conducting training for *panchayats*' representatives and officials. The state shares the highest score with Karnataka in the effective functioning of 'district planning committees'. The provisions and functioning of '*gram sabha*' in the state is as good as that of Kerala and second only to Maharashtra.

Tamil Nadu is ranked fifth in the overall index and second in the dimension of Framework. With an enviable score it ranks fourth in the Finances dimension. The system of transfer of grants through Thirteenth Finance Commission is quite remarkable in the state. *Panchayat* officials at local level are accountable to *panchayats*. The state has scored high marks in the indicator related to the 'state finance commission'. The expenditure details and fund management is considered to be good in the state. Interestingly, the 'performance assessment and incentivisation' indicator under Accountability dimension is one among the best in Tamil Nadu.

As shown in Table 5.3 and Exhibit 5.8, Maharashtra and Karnataka which scored above 60 are considered very high in the score of overall Devolution Index followed by Kerala, a high performing state. Rajasthan, Tamil Nadu and West Bengal, scored between 50 and 55, lie under the third category of medium whose performance is fairly well in all sub-dimensions. Similarly, there are eight other states which are categorised as low performers in devolving powers to the *panchayats*. The eight states namely Madhya Pradesh, Chhattisgarh, Haryana, Gujarat, Odisha, Tripura, Sikkim and Uttarakhand lie above the national average. However, other eight states namely Uttar Pradesh, Assam, Himachal Pradesh, Goa, Punjab, Bihar, Jammu & Kashmir and Jharkhand, two North Eastern states (Manipur and Arunachal Pradesh) along with four Union Territories (Lakshadweep, Chandigarh, Daman & Diu and Dadra & Nagar Haveli) are still below the national average i.e. 38.5 and are considered as very low performers.

### Progress in States/UTs: Select Indicator Analysis

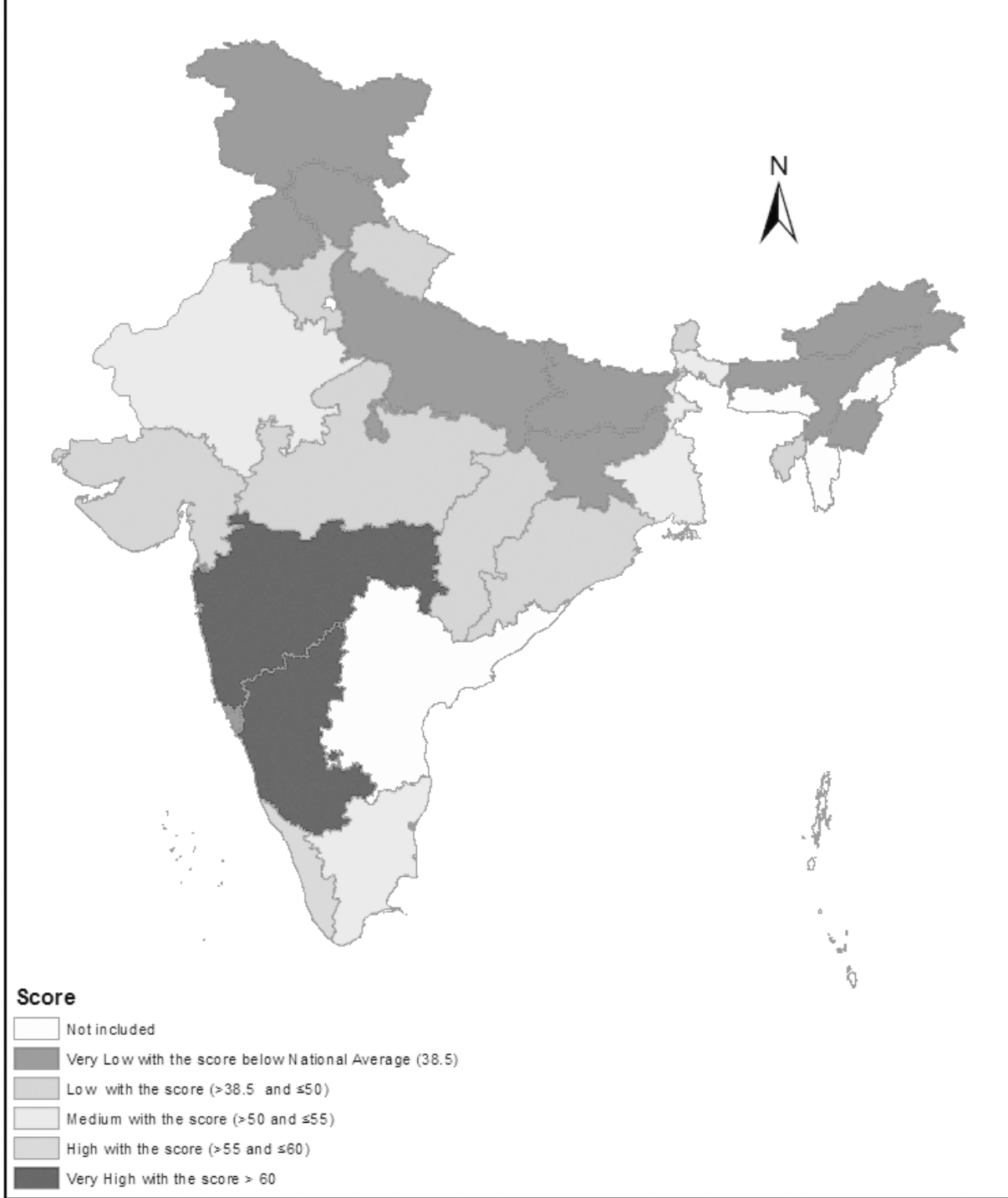
Apart from the overall analysis of the devolution index, which shows the picture of devolution in general, it is also critical to know the performance of various states in select indicators. The highlights are as follows:

**Table 5.3: Categorising States/UTs on the basis of DI Scores:**

Category of States	States
Very High with the score > 60	Maharashtra and Karnataka
High with the score >55 and =60	Kerala
Medium with the score >50 and =55	Rajasthan, Tamil Nadu and West Bengal
Low with the score >38.5 and =50	Madhya Pradesh, Chhattisgarh, Haryana, Gujarat, Odisha, Tripura, Uttarakhand and Sikkim
Very Low with the score below National Average (38.5)	Uttar Pradesh, Assam, Himachal Pradesh, Goa, Punjab, Bihar, Jammu & Kashmir, Jharkhand, Manipur, Lakshadweep, Arunachal Pradesh, Daman & Diu, Dadra & Nagar Haveli and Chandigarh

Exhibit 5.8

## Devolution Index (2012-13): India



- ‘District planning committee’ a mandatory provision in the Constitution is an indicator which is used in computing the overall Devolution Index. Under this indicator, Rajasthan, Karnataka, Madhya Pradesh, Maharashtra, Tamil Nadu and Uttarakhand seems to be active in terms of establishment of district planning committees (DPCs), conducting their regular meetings and also in the submission of district plans. Among all, Rajasthan scored the highest in the constitution and functioning of ‘district planning committees’. Though, it is interesting to note that almost all states have provisions related to constitution of DPCs in their Panchayat Acts, many of them display moderate performance in terms of functioning of DPCs.
- *Panchayats* in the states of Kerala, Odisha, West Bengal, Rajasthan and Karnataka have highest involvement in functions assigned to them, whereas in the other states it can be observed that demarcation of functions is done in varying degrees.
- Under ‘involvement of *panchayats* in important vertical schemes’, which are grant-based transfers from the Planning Commission or Union Ministries, some states have made impressive progress. For example, Tripura is quite progressive followed by Sikkim along with Maharashtra which has good role in vertical schemes designed by the upper level of governments. Karnataka, Tamil Nadu and Madhya Pradesh are other states in the descending order.
- Fiscal transfers through Thirteenth Finance Commission are extremely important for the working of *panchayats*, particularly for covering the operation and maintenance cost. Maharashtra, Karnataka, Rajasthan, Tamil Nadu, Odisha are among the states that releases funds of Thirteenth Finance Commission to the *panchayats* on time.
- ‘State Finance Commission’ that is the most important indicator within the dimension of ‘Finances’, plays an important role in augmenting resources of *panchayats*. It is Tamil Nadu which had the tradition to have effective state finance commission. Lately, Kerala is emerging as leader in this indicator.
- The power of *panchayats* to impose and collect taxes and non-taxes is significant to impart certainty and strength to *panchayats*. In most states, the property tax contributes maximum revenue of *panchayats*. Out of the 24 states, a few namely Kerala, Tamil Nadu, Rajasthan collects maximum tax followed by Himachal Pradesh, Madhya Pradesh and Uttar Pradesh. North Eastern states including Sikkim and Tripura have a long way to go in developing such powers of *panchayats*.
- Social Audit is a vital aspect to bring in transparency in *panchayats*. Maharashtra, Karnataka, Tamil Nadu, West Bengal, Odisha, Gujarat and Uttarakhand have scored well in the segment as compared to other states. Hence, it is safe to say that *panchayats* in these states are more transparent.
- ‘*Gram Sabha*’, basic unit of local democracy, is deemed to safeguard the collective interests of citizens. *Gram Sabha* in Maharashtra, Karnataka, Kerala, Rajasthan, West Bengal and Madhya Pradesh are assessed strong along with that of Tripura.
- Physical infrastructure of *panchayats* in almost all the states is reported to be good. It is found that the provision of *pucca ghar* together with the basic infrastructure exists in states for the working of *panchayats*. Availability of computers, scanners, printers, Lan/Wan facilities along with e-connectivity are reported by most of the states viz. Karnataka, Maharashtra, Kerala, Gujarat, Madhya Pradesh, Tripura, Rajasthan and Haryana as reported by

state governments. Most of the *panchayats* in the states have all the basic necessities which could strengthen the working of *panchayats*.

- e-Connectivity has been identified as one of the objective of MoPR under RGPSA which aimed at supporting all the effective use of information technology (IT) at grass root level or in all rungs of *panchayats*. It aims at computerisation of *panchayats* process and its data so that they are available to the public in electronic mode and acts as a bridge between rural and urban. As many as 18 states and a UT of Dadra & Nagar, out of the total, use Pria Soft and 19 states use Plan Plus. This leads to strengthening the transparency of *panchayats* across states.
- Training of *panchayat* is key to strengthen *panchayats* and plays a critical role in the overall performance of *panchayat*. West Bengal attained remarkably in this indicator followed by Rajasthan, Tamil Nadu and Karnataka.

### The Incremental Index: Overall

The Incremental Devolution Index is based on the recent initiatives that the states have undertaken since April 2011. The index is created on two categories of initiatives. Firstly, the initiatives are listed by the states under various heads of Framework, Functions, Finances, Functionaries, Capacity Building and Accountability. Then, they are scored on three parameters that reflect the commitment of the state to empower *panchayats* and promote their accountability: (a) Institutional Strengthening of *panchayats*, (2) Improvement in Process and (3) Accountability of *Panchayats* in Service Delivery.

Each initiative is awarded one to ten marks for each of the parameters. Thus, it can score a maximum of thirty points if the initiative qualifies the best for all parameters. We have taken a maximum of four initiatives undertaken by the states. Henceforth, each

state can be awarded with a maximum of 120 marks. The exercise has been undertaken on the basis of data provided by each state.

Each state therefore has received scores on four major initiatives as reported by each state. These scores are then aggregated using an equal weights approach. This has yielded the final scores on the basis of which states have been ordered.

Results of the incremental exercise are presented in Table 5.3. There are in all 10 states which have taken initiatives that could be considered worthy on the above parameters. Table 5.3 reveals that Karnataka has scored the maximum index value of 50.83 followed by Rajasthan and Maharashtra. Other significant scorers are Odisha, Madhya Pradesh and Chhattisgarh. Jammu & Kashmir for the first time came forward under this parameter along with other states. The initiatives undertaken from April 2011 till December 2012 have only been considered. The good initiatives made public before and after the period have not been considered in the present analysis.

**Table 5.4: Incremental Panchayat Devolution Index 2012-13**

State	Index Value	Rank
Karnataka	50.83	1
Rajasthan	29.16	2
Maharashtra	25.00	3
Odisha	23.33	4
Madhya Pradesh	16.67	5
Chhattisgarh	11.67	6
Haryana	8.33	7
Bihar	7.50	8
Kerala	6.67	9
Jammu & Kashmir	3.33	10

## Good Practices initiated by States since April, 2011 to Strengthen Panchayats : A Select List

In order to expand the scope and powers of *panchayats* at the local level, the process of reforms have been initiated by various states which helped strengthening of *panchayats*. While some states have taken measures towards meeting the basic requirements of devolution as specified in the Constitution, other states have taken off to the next level in terms of promoting good governance, efficient service delivery, decentralised democracy, transparency, accountability and e-connectivity. Some of the recent initiatives as visible from the efforts of the state governments are presented below for the benefit of other states:

### Karnataka guarantees Services to Citizens through Sakala

With effect from 2 April 2011, the Karnataka government has enacted the Karnataka Sakala Services Act 2011, which guarantees delivery of essential civic services to the citizens of Karnataka, within the stipulated time limit. As per the Amendment Notification No. Samvyashhavi 32, dated 3 September, 2012 about 11 services pertaining to *gram panchayats* are covered under Sakala, which includes maintenance of drinking water, street lights and village sanitation, issue of records such as cattle and crop census, BPL list, e-payment for work executed under developmental schemes, etc. The procedures to be followed for the effective implementation of Sakala has been issued to the concerned state authorities through a circular on 10 January 2013 and the Services Guarantee Act has been introduced in all the *gram panchayats* (5627 in number). Till the submission of this initiative, 1,98,305 applications had been received since 1 April 2012 and 1, 83,809 applicants had been

delivered the services (92.69% of the total). This is a measure to promote transparency in administration and accountability in service delivery to the people.

### Rajasthan revived DPCs and Standing Committees

In 2012-13, measures have been taken by the Rajasthan Government, to strengthen the District Planning Committees and the Standing Committees at all three rungs of the *panchayats*. The Deputy Directors of Plan has been deputed as the Chief Planning Officer, and the DPCs are supported and supervised by the Joint Directors (Statistics), at the Division level. Further, extensive guidelines have been issued by the Government of Rajasthan on 14 July 2011, to revive Standing Committees and strengthen their roles with respect to five departments that have been devolved to *panchayats*.

### Maharashtra revamped Integrated Watershed Management Programme Committee

Government of Maharashtra had launched the project called SANGRAM - Sanganakiya Grameen Maharashtra, a computerised programme for enabling rural Maharashtra to fight against corruption. This project is for effective implementation of development programmes, which is the convergent implementation of administrative reforms, on-line services, computerisation, bio metrics attendance, etc. All government services are made accessible to the common person in her/his locality through common service delivery outlets ensuring efficiency, transparency, and reliability of such services at

affordable costs. E-tendering process and bio-metrics attendance are two tools in SANGRAM project for transparency in governance and administrative control.

In addition, the structure of Integrated Watershed Management Programme (IWMP) committee has been changed as per the order of the Maharashtra Government, dated 27 September 2012. The major provisions are as follows:

- *Gram panchayat Sarpanch* shall be the ex-officio Chairperson of this committee and secretary shall be selected by *Gram Sabha*.
- This committee shall work as sub-committee of *gram panchayat* and will be responsible for operation and maintenance of watershed works, registering new works, accounts maintenance of expenditure, annual reports of accounts.

### **Gram panchayats in Maharashtra are empowered to tax mobile towers and windmills**

In terms of empowerment of *panchayats* to impose and collect taxes, the Maharashtra Government, has made an Amendment in rule 6, of the Maharashtra Village Panchayat Taxes and Fees (Amendment) Rule, 2011, on 21 November 2011 by which the *gram panchayats* can charge tax on mobile towers and windmills, which will help the *gram panchayat* in generating substantial revenue.

### **Odisha launched Gram Sabha Sashaktikaran Karyakrama and Panchayat Helpline**

The Gram Sabha Sashaktikaran Karyakrama (GSSK) campaign was launched on 2 October 2012, which is a drive for social mobilisation and enhancing institutional capacity of *panchayats* through administrative and technical support. This campaign

was mainly conducted through *Palli Sabha* and *Gram Sabha*.

Further, a toll free *Panchayat* Helpline was also launched by the *Panchayati Raj* department on 2 November 2012. This measure was taken to make the government more transparent, accountable and accessible. The helpline contributes to addressing the grievances of the citizens.

### **Madhya Pradesh ratified Panch Parmeswar Yojana**

Panch Parmeswar Yojana, was launched on January 10, 2012, to consolidate the funds made available to *panchayats* in the *Panchayati Raj* account through Integrated Action Plan for Rural Development. As per this initiative, the *Gram Panchayats* would get consolidated funds on the basis of population during the financial year. Under the scheme, a consolidated fund of Rs. 5 lakh is made available to *Gram Panchayats* with a maximum population of 2,000, Rs. 8 lakh to *Gram Panchayats* with the population of 2,000 to 5,000, Rs. 10 lakh to *Gram Panchayats* with the population of 5,000 to 10,000 and Rs. 15 lakh to the *Gram Panchayats* with the population of over 10,000. *Panch Parmeswar* has been regarded an effective mechanism, to facilitate *panchayats* to carry out developmental work in a full-fledged manner.

Till recently, funds under various schemes were made available to *Panchayats* in piecemeal. Panch Parmeswar Yojna will help remove this lacuna. In the recent past, funds were separately received by the *Gram Panchayats* under various heads of 13th Finance Commission, basic grants under State Finance Plan and revenue share from mining and stamp duties due to which they were unable to utilise these funds simultaneously. Under the scheme, every *Panchayat* will be provided funds as per 13th Finance Commission and third State Finance Commission. If any *Panchayat* gets less funds under Panch



Parmeshwar Yojna, it will compensate the shortage from the funds received from mining and stamp duty revenue. Similarly, the *Gram Panchayats* which are getting more funds thus far can get additional funds after utilisation of previous funds. The *Gram Panchayats* have been suggested to chalk out an additional Integrated Action Plan for first two years on the basis of population. Under the scheme, construction of drains and internal roads and *Anganwadi* buildings, wherever previously sanctioned, are being undertaken.

### **Chattisgarh enforces Citizen's Charter through Lok Sewa Guarantee Act 2011**

Through notification dated 16<sup>th</sup> December 2011, a time limit has been stipulated for the delivery of nine public services to citizens by *gram panchayat* and *janpad panchayats*. Responsibilities have also been fixed on certain public authorities for – (a) The delivery of each public service. (b) In the event of default and (c) Appellate authority. Every applicant who cannot obtain public services within the stipulated time shall be entitled to get the compensation as per the Act.

Annex Table 1.1 Scoring Scheme

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
<b>A</b>	<b>Basic Details of Panchayats</b>				
	Constitutional Provisions				
	General elections conducted by SEC (For newly created States, I & II Elections will be deemed as II & III Elections respectively)	I <sup>st</sup> Election = 4		10	4
		II <sup>nd</sup> Election = 6			
		III <sup>rd</sup> Election = 8			
		IV <sup>th</sup> Election = 10			
	Gap between two general elections	Gap > 6 & 1/2 yrs = 0		3	0
		Gap > 6 yrs, = 6 & 1/2 yrs = 1			
		Gap > 5 & 1/2, = 6 yrs = 2			
		No Gap = 3			
	<b>TOTAL</b>		<b>20</b>	<b>13</b>	<b>4</b>
<b>B</b>	<b>Panchayat Elections</b>				
	Is the State Election Commission in place for conducting Panchayat Elections	Yes = 1		1	0
		No = 0			
	If yes, what is the status of SEC in the State	High Court Judge = 5		5	0
		Chief Secretary = 1			
		Others (Specify) = 0			
	Whether, the provision for removal of the SEC is at par with a judge of High Court/Chief Secretary/others	Emolument Yes = 1		1	0
		Emolument No = 0			
		Service Condition Yes = 1		1	0
		Service Condition No = 0			
		Removal Yes = 1		1	0
		Removal No = 0			
	What is the tenure of SEC	Years = 5 = 2		2	0
		Years = 4 & < 5 = 1			
		Years < 4 = 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Do the SECs use Electronic Voting Machines	Yes= 1		1	0
		No=0			
	Whether financial support provided to SEC by the State for the purchase of EVMs	Yes= 1		1	0
		No=0			
	<b>TOTAL</b>		<b>20</b>	<b>13</b>	<b>0</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>C</b>	<b>Dissolution and Bye Elections</b>				
	Number of Panchayats dissolved before the completion of 5 yrs term since 1 April 2009	1- 20% = 5		5	0
		21-40% = 4			
		41-60% = 3			
		61- 80 % = 2			
		81- 100 % = 1			
		Others = 0			
	Whether bye elections conducted within 6 months	Yes= 2		2	0
		No = 0			
	Number of Panchayat Head suspended	Yes=2		2	0
		No = 0			
	Number of Panchayat Members suspended	Yes=2		2	0
		No = 0			
	Number of Head removed	Yes=2		2	0
		No = 0			
	What is the provision in case a Sarpanch is removed/ suspended	SUBJECTIVE		5	0
	Who is in-charge of Panchayat Activities after removal	SUBJECTIVE		5	0
	<b>TOTAL</b>		<b>10</b>	<b>23</b>	<b>0</b>

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
<b>D</b>	<b>Constitution and Function of District Planning Committee</b>				
	Whether there are District Planning Offices	Yes= 5 No = 0		5	0
	If yes, whether it takes into consideration the proposals of TCP, DSO, DIC, etc.	Yes= 5 No = 0		5	0
	Whether the notification/order for DPC is issued by the State Government	Yes = 5 No = 0		5	0
	Whether DPCs is actually functional, e.g. holding meetings for planning purposes; integrating grass root rural and urban plans to District Plans	Yes = 5 No= 0		5	0
	Are there guidelines or rules to make the DPCs functional	Yes = 5 No = 0		5	0
	Has the State issued guidelines for the preparation of district plans	Yes = 5 No = 0		5	0
	Whether Chairperson of DPC is an elected representative of Panchayats/ Municipal bodies	Yes = 5 No = 0		5	0
	Number of DPCs submitted integrated plan to State Government in 2012-13 as percentage of total number of District in the State	1- 20% = 1 21-40% = 2 41-60% = 3 61- 80 % = 4 81- 100 % = 5 Others = 0		5	1
	Does the Plan of DPC form the part of State plan	Yes =5 No = 0		5	0
	Are the Gram Panchayats involved in planning at the local level	Yes = 5 No = 0		5	0
	<b>TOTAL</b>		<b>15</b>	<b>50</b>	<b>1</b>

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
<b>E</b>	<b>Role of Panchayats in Parallel Bodies/ Institutions</b>				
<b>i</b>	<b>TOTAL</b>			<b>60</b>	<b>0</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>ii</b>	<b>TOTAL</b>			<b>100</b>	<b>0</b>
	<b>GRAND TOTAL (i &amp;ii)</b>			<b>160</b>	<b>0</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>		<b>20</b>		
<b>F</b>	<b>Autonomy to Panchayats</b>				
	<b>Suspension</b>				
	Representatives of District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Panchayat Bodies of District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Resolutions of District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Representatives of Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Panchayat Bodies of Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Resolutions of Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Representatives of Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Panchayat Bodies of Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Resolutions of Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	<b>Dismissal</b>				
	Representatives of District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Panchayat Bodies of District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Resolutions of District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Representatives of Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Panchayat Bodies of Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Resolutions of Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Representatives of Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Panchayat Bodies of Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Resolutions of Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Is there provision of Charge Sheet by the State Government	Yes = 5 No = 0		5	0
	<b>TOTAL</b>		<b>15</b>	<b>185</b>	<b>0</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>G</b>	<b>Functions Assigned to Panchayats and Actual Involvement of Panchayats</b>				
	<b>TOTAL</b>		<b>50</b>	<b>500</b>	<b>100</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>H</b>	<b>Involvement of Panchayats in Important Schemes</b>				
	<b>TOTAL</b>		<b>50</b>	<b>230</b>	<b>50</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>I</b>	<b>National Finance Commission (NFC) Grants to the Panchayats</b>				
	Number of release of Grants on time (15 days) as percentage of total number of grants received from NFC during 2011-12 to 2012-13	1-20% = 2 21-40% = 4 41-60% = 6 61-80% = 8 81- 100% = 10		10	0
	<b>TOTAL</b>		<b>10</b>	<b>10</b>	<b>0</b>
<b>J (I)</b>	<b>State Finance Commission (SFC)</b>				
	Whether qualification and manner of selection of members of SFC are prescribed in the Act/ Rules	Yes = 3 No = 0		3	0
	Whether there is Permanent SFC Cell	Yes = 3 No = 0		3	0
	SFC constituted (For new States, Ist SFC, 2 <sup>nd</sup> SFC & 3 <sup>rd</sup> SFC will be deemed as 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> SFC respectively)	Ist SFC = 2 IInd SFC = 5 IIIrd SFC = 8 IVth SFC = 10		10	2



	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Gap is more than 5 year in the constitution of two SFCs	Gap >6 & ½ = 0		3	0
		Gap >6 yrs, =6 & ½ = 1			
		Gap >5 & ½ , =6yrs = 2			
		Gap =5 & ½ yrs = 3			
	Submission of report by the SFCs from the date of constitution	>4 years = 0		3	0
		3 years , =4 years = 1			
		2 years, =3 years = 2			
		<2 years = 3			
	ATR laid before the legislature from the date of submission of report by SFC	>1 & ½ years = 0		3	0
		>1 year, = & ½ year = 1			
		6 months, = 1 year =2			
		< 6 months = 3			
	Most important recommendations of SFC accepted	SUBJECTIVE		5	0
	<b>TOTAL (I)</b>		<b>15</b>	<b>30</b>	<b>2</b>
<b>(II)</b>	<b>Money Transfers to Panchayats on account of the SFC recommendation</b>				
	<b>Sanctioned to Budgeted</b>				
	% of Sanctioned amount to Budgeted in 2010-11	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
	% of Sanctioned amount to Budgeted in 2011-12	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	% of Sanctioned amount to Budgeted in 2012-13 (till date)	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
	<b>TOTAL (i)</b>			<b>15</b>	<b>3</b>
	<b>Released to Sanctioned</b>				
	% of Sanctioned Amount released 2010-11	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
	% of Sanctioned Amount released 2011-12	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
	% of Sanctioned Amount released 2012-13 (till date)	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
	<b>TOTAL (ii)</b>		<b>10</b>	<b>15</b>	<b>3</b>
	<b>TOTAL (II) Money transfers</b>			<b>30</b>	<b>6</b>
	<b>GRAND TOTAL (I&amp;II)</b>			<b>60</b>	<b>8</b>

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
<b>K</b>	<b>Empowerment of Panchayats to Impose and Collect revenue</b>				
	<b>TOTAL</b>		<b>20</b>	<b>225</b>	<b>20</b>
<b>L</b>	<b>Funds Available with Panchayats</b>				
	Panchayats Own Revenue (Avg. of 2010-11 and 2011-12) as percentage of State's Own Revenue (Avg. of 2009-10, 2010-11 and 2011-12)	< 0.5% = 1		10	1
		0.5 -1.0% = 2			
		1.1-1.5% = 4			
		1.6-2.0% = 6			
		2.1-2.5% = 8			
		> 2.5 % = 10			
	Recent Orders to improve the funds of Panchayats	SUBJECTIVE		5	0
	<b>TOTAL</b>		<b>10</b>	<b>15</b>	<b>1</b>
<b>M</b>	<b>Expenditure of Panchayats</b>				
	Does the State have consolidated data on expenditure	Qualifying			
	Revenue Expenditure of Panchayats ( Avg of 2010-11 & 2011-12) as % of total Revenue Expenditure of States (Avg of 2009-10, 2010-11 and 2011-12)	< 2 % = 2		10	2
		2.1 - 4 % = 4			
		4.1-10 % = 6			
		10.1 - 15 % = 8			
		> 15 % = 10			
	<b>TOTAL</b>		<b>15</b>	<b>10</b>	<b>2</b>
<b>N</b>	<b>Recent Initiatives related to Finance and Accounts</b>				
	Supplement to State Budget for Panchayats	Yes = 2		2	0
		No = 0			
	Placing the Annual Report of Panchayat Audit before the State Legislation	Yes = 2		2	0
		No = 0			
	Electronic funds transfer system for Panchayats	Yes = 2		2	0
		No = 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Prescribing qualifications of SFC members following central legislation and rules meant for National Finance Commission (NFC).	Yes = 2		2	0
		No = 0			
	Strengthening Panchayat to levy Property Tax.	Yes = 2		2	0
		No = 0			
	Setting standard for the delivery of essential civic services	Yes = 2		2	0
		No = 0			
	<b>TOTAL</b>		<b>20</b>	<b>12</b>	<b>0</b>
<b>O</b>	<b>Accounting and Audit</b>				
	Does the State law have provisions related to maintenance of accounts and audit of Panchayats	Yes = 5		5	0
		No = 0			
	Whether Budget & Account format for Panchayats as prescribed by C&AG is followed	C&AG = 5		5	0
		States Own Format= 3			
		No Prescribed Format = 0			
	Documents of the panchayats available on internet	Budget Proposals			
		Yes = 2		2	0
		No = 0			
		Accounts Statements			
		Yes = 2		2	0
		No = 0			
		Audited Accounts			
		Yes = 2		2	0
		No = 0			
		Annual Performance Report			
		Yes = 2		2	0
		No = 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	How many Panchayats have disclosed Account Statement online (Percentage to total number of Panchayats)	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Whether the process of updating accounts online is undertaken	Yes = 2		2	0
		No = 0			
	Number of Panchayats audited in the fiscal year 2011-12 (Percentage to total number of Panchayats)	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
	Are the Consolidated Audit Reports of Panchayats for 2011-12 placed in State Assembly	Yes = 2		2	0
		No = 0			
	Has the State developed a Financial Database for revenue and expenditure of Panchayats	Yes = 2		2	0
		No = 0			
	Are there trained staffs for upkeep of accounts at the GP level	Yes = 2		2	0
		No = 0			
	Whether C&AG audits the accounts of Panchayats in the State in addition to Local Fund Audit and others (Gram Panchayat)	C&AG + LFA/CA= 5		5	1
		C&AG = 3			
		LFA/LFA+CA = 2			
		CA = 1			
	Whether C&AG audits the accounts of Panchayats in the State in addition to Local Fund Audit and others (Block Panchayat)	C&AG + LFA/CA= 5		5	1
		LFA/LFA+CA = 2			
		CA = 1			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Whether C&AG audits the accounts of Panchayats in the State in addition to Local Fund Audit and others (District Panchayat)	C&AG + LFA/CA= 5		5	1
		LFA/LFA+CA = 2			
		CA = 1			
	Name of the departments in the State Govt. having Account with Panchayat Head	SUBJECTIVE		5	0
	<b>TOTAL</b>		<b>20</b>	<b>56</b>	<b>5</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>P</b>	<b>Social Audit</b>				
	Is Social Audit conducted in the State	Qualifying			
	Who Conducts Social Audit	Social Audit Team + Gram Sabha = 5		5	2
		Gram Sabha=2			
	Are social audit conducted for these schemes	NREGA Yes = 2		2	0
		No = 0			
		IAY Yes = 2		2	0
		No = 0			
		SSA Yes = 2		2	0
		No = 0			
		ICDS Yes = 2		2	0
		No = 0			
		AAY Yes= 2		2	0
		No = 0			
		Others Yes= 2		2	0
		No = 0			
	How often social audit conducted	Once in 6 months = 5		5	0
		Once in a Year = 3			
		Others = 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Are the reports of social audits put in public domain	Yes = 2		2	0
		No =0			
	Has any ATR is prepared on the report of Social Audit	Yes = 2		2	0
		No =0			
	Are the Action Taken Reports of Social Audit discussed in GS Meeting	Yes = 2		2	0
		No =0			
	Is there any training available at the state to conduct social audit	Yes = 2		2	0
		No =0			
	To whom the training is being imparted for Social Audit	Citizens = 5		13	0
		Panchayat Officials = 4			
		Elected Representatives = 3			
		Others = 1			
	<b>TOTAL</b>		<b>20</b>	<b>43</b>	<b>2</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>Q</b>	<b>Gram Sabha</b>				
	Are a minimum number of Gram Sabha meetings mandated	Yes = 2		2	0
		No = 0			
	Is there a system in the State to monitor and ensure the mandated quorum of GS meetings in each Panchayat	Yes = 2		2	0
		No = 0			
	Is there a mandated Quorum for Gram Sabha meetings	Yes = 2		2	0
		No = 0			
	Has the State issued guidelines as to how the Gram Sabha Meetings can be convened	SUBJECTIVE		5	0
	Whether special Gram Sabha meetings were convened by the State in 2011-12	Yes= 2		2	0
		No= 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Do the Gram Sabha have sufficient funds to convene GS Meeting and for videography/photography of such meeting	Yes = 2		2	0
		No = 0			
	In case of insufficiency of funds, do the State provide fund to Gram Panchayats for convening GS meeting	Yes = 2		2	0
		No = 0			
	In case of non-convening of Gram Sabha, what are the actions taken by the State	SUBJECTIVE		5	0
	Is there Measures taken by the State to promote people's assemblies below Gram Sabha for:	Ward Sabha Yes= 2		2	0
		No = 0			
		Mahila Sabha Yes = 2		2	0
		No = 0			
		Village Forest Committee Yes= 2		2	0
		No= 0			
		Others (Specify) Yes = 2		2	0
		No = 0			
	Has the State taken any measure :	Minutes Preparation of Gram Sabha Meeting			
		Yes = 2		2	0
		No = 0			
		Ensuring that Number of Meetings are held			
		Yes = 2		2	0
		No = 0			
	Has the State recommended for 'Gaurav Gram Sabha' in 2011-12	Yes = 2		2	0
		No =0			
	Steps taken by the State for community mobilisation since April 2011 (New initiatives)	SUBJECTIVE		5	0
	<b>TOTAL</b>		<b>20</b>	<b>24</b>	<b>0</b>



	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>R</b>	<b>Transparency &amp; Anti-Corruption</b>				
	Whether the Panchayats provide information to the public under RTI Act	Yes = 2 No = 0		2	0
	Who is the Information Officer under RTI Act at each Panchayat (GP)	Panchayat Secretary = 5 Any other Authority = 3 None = 0		5	0
	Who is the 1st Appellate Authority under RTI Act (GP)	Panchayat Sarapanch = 5 Any other Authority = 3 None = 0		5	0
	Who is the 2 <sup>nd</sup> Appellate Authority under RTI Act (GP)	State Information Commission = 5 Any other Authority = 3 None = 0		5	0
	How many Panchayats submitted Annual Report to their respective authorities in 2011-12 (Out of Total Panchayats)	1-20% = 1 21-40% = 2 41-60% = 3 61- 80% = 4 81-100 % = 5		5	1
	Has the State made any policy for disclosure of information by the Panchayat to the public	Yes = 2 No = 0		2	0
	Modes used for disclosure of information	Display in Notice Boards = 2 Website = 2 Others = 2		6	0
	Does the State have the provision of Citizens' Charter at each level of Panchayats	Qualifying			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Does the charter have the following:	List of services			
		Yes = 2		2	0
		No = 0			
		Procedure for obtaining the service			
		Yes = 2		2	0
		No = 0			
		Time required for providing service			
		Yes = 2		2	0
		No = 0			
		Grievance redressal of citizens			
		Yes = 2		2	0
		No = 0			
		Others (Specify)			
		Yes = 2		2	0
	No = 0				
	Which institution undertakes the complaints of Panchayat	Ombudsman = 5		5	0
		Lokayukta = 4			
		Govt Agency = 3			
		Others (Specify) = 2			
		No Institution = 0			
	<b>TOTAL</b>		<b>20</b>	<b>45</b>	<b>1</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>S</b>	<b>Physical Infrastructure of Panchayats &amp; e-Connectivity</b>				
	Number of Gram Panchayats having Panchayat 'Ghar' (Pucca Building) as percentage of the total number of Gram Panchayats	Others=2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 %= 10			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Number of Gram Panchayats having Computer & Printers as total number of Gram Panchayats	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 %= 10			
	Number of Gram Panchayats having Scanners as total number of Gram Panchayats	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 %= 10			
	Number of Gram Panchayats having Telephone as total number of Gram Panchayats	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 %= 10			
	Number of Gram Panchayats having Internet as total number of Gram Panchayats	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 %= 10			
	Has State Government taken any measure for construction of new GP buildings, repair of existing buildings, construction of barrier free access, construction of toilets (including separate toilets for women) and electricity and water connections	SUBJECTIVE		5	0
	<b>TOTAL</b>		<b>30</b>	<b>55</b>	<b>10</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
(ii)	<b>e-Connectivity</b>				
	Number of Panchayats having LAN or WAN as total number of Panchayats	1-25 % = 4		10	4
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Panchayats having wireless connectivity as total number of Panchayats	1-25 % = 4		10	4
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Panchayats having e-mail address as total number of Panchayats	1-25 % = 4		10	4
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Panchayats regular in uploading their data online as total number of Panchayats	1-25 % = 4		10	4
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Panchayats using Information Technologies, for service delivery as total number of Panchayats	1-25 % = 4		10	4
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Panchayat officials have trained in computer applications as total number of Panchayat officials	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	In the process of computerization does the Panchayats have the support on a continuous basis	Technical Support			
		Yes = 2		2	0
		No = 0			
		Hardware			
		Yes = 2		2	0
		No = 0			
		Connectivity			
		Yes = 2		2	0
		No = 0			
	Are the software applications adopted in the State	Plan Plus Yes =2		2	0
		No = 0			
		PRIA Soft Yes = 2		2	0
		No = 0			
	How many other software applications are coming up? Please tick, if applicable	Local Govt. Directory = 2		20	0
		Panchayats Profiler=2			
		Asset Directory=2			
		Action Soft=2			
		Grievance Redressal=2			
		Social Audit=2			
		Training Management=2			
		GIS=2			
		Panchayats Portals=2			
		Service Plus=2			
	Has the State developed its own software for the functioning of Panchayats	Yes = 2		2	0
		No = 0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Has the State been nominated for the e-Panchayats Award	Yes = 2		2	0
		No = 0			
	<b>TOTAL</b>			<b>94</b>	<b>22</b>
	<b>GRAND TOTAL</b>		<b>30</b>	<b>149</b>	<b>32</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>T</b>	<b>Panchayat Officials</b>				
	Whether there exists State Panchayat Service	Yes = 2		2	0
		No = 0			
	Number of Gram Panchayats having Secretary (out of total number of Gram Panchayats)	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Gram Panchayats having Technical Assistants (out of total number of Gram Panchayats) [JE, Accountant, Computer Operator - Technical]	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Gram Panchayats having Non-Technical Assistants (out of total number of Gram Panchayats)	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Salaries of the staff paid:	Panchayat = 5		5	1
		State = 1			
	<b>TOTAL (a)</b>		<b>13.3</b>	<b>37</b>	<b>7</b>

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
<b>(I)</b>	<b>Sanctioned and actual staff position</b>				
	Total number of Actual staff as per the percentage of sanctioned staffs	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	<b>TOTAL (I)</b>		<b>13.3</b>	<b>5</b>	<b>1</b>
<b>(II)</b>	<b>Power and Functions of Panchayats</b>				
	<b>TOTAL (II)</b>		<b>13.4</b>	<b>160</b>	<b>20</b>
	<b>GRAND TOTAL (a, I &amp; II)</b>			<b>165</b>	<b>21</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>U</b>	<b>TRAINING INSTITUTIONS</b>				
	Does the State have its own capacity building framework to train the elected representatives and panchayat officials	Yes = 2		2	0
		No = 0			
	Total number of State level dedicated trainers as per the number of total trainers	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Total number of District level dedicated trainers as per the percentage of total trainers	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Is the State level Training Institution an autonomous agency	Yes = 2		2	0
		No =0			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Whether partner institutions/organisations involved in training	Yes= 2		2	0
		No = 0			
	<b>TOTAL</b>		<b>30</b>	<b>16</b>	<b>2</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				
<b>V</b>	<b>TRAINING ACTIVITIES</b>				
(I)	<b>Training Details</b>				
	Whether any Training Needs Assessment for Panchayats is conducted in the State in the last three years	Yes = 5		5	0
		No = 0			
	In case of residential training, is it through hired arrangement or regular institutional arrangement	Both = 5		5	3
		Regular institutional arrangements = 4			
		Hired arrangements = 3			
	Does the State provide training material in local language	Yes = 5		5	0
		No = 0			
	In what form the training materials were provided	Written material = 2		10	0
		Training films = 2			
		Film shows = 2			
		CDs = 2			
		Others =2			
	Is there distance learning through satellite based training	Yes = 5		5	0
		No = 0			
	Number of block resource centres that are in existence (As per the percentage of total number of blocks)	SUBJECTIVE			
	<b>TOTAL</b>		<b>40</b>	<b>30</b>	<b>3</b>



	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
(II)	<b>Training of elected representative and officials</b>				
	Number of trained elected representatives as per the total number of elected representatives in 2012-13	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Number of Panchayat officials as per the total number of Panchayat Officials	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Percentage of elected representatives (women) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Percentage of elected representatives (men) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Percentage of elected representatives (SC) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			

	Variables	Score Matrix	Weight	Maximum Score	Minimum Score
	Percentage of elected representatives (ST) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Percentage of elected representatives (General) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Is there any mechanism to assess the impact of training provided	Yes = 2		2	0
		No = 0			
	<b>TOTAL</b>		<b>30</b>	<b>37</b>	<b>7</b>
	<b>Grand Total(I)&amp; (II)</b>			<b>67</b>	<b>10</b>
<b>W</b>	<b>Panchayat Assessment &amp; Incentives</b>				
	Whether there is Performance Audit for Panchayats	Yes = 2		2	0
		No = 0			
	Number of Panchayats in the State where Performance Audit was conducted during the last financial year 2011-12 as per the total number of panchayats in the State	1-25 % = 4		10	4
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Does the state measure the performance of the Panchayats	Yes = 5		5	0
		No = 0			
	Has the State framed these for assessing the performance of Panchayats under PEAIS	Scoring plans for assessment = 4		10	0
		Questionnaire = 3			
		Indicators = 3			
		None of these= 0			

	<b>Variables</b>	<b>Score Matrix</b>	<b>Weight</b>	<b>Maximum Score</b>	<b>Minimum Score</b>
	Percentage of Number of Panchayats submitted information for the PEAIS in 2011-12 to total panchayats	Others = 2		10	2
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Has the State instituted any other prize (s) for Panchayats	Yes = 2		2	0
		No = 0			
	Has the State instituted any other prize (s) for best performing Elected Representatives	Yes = 2		2	0
		No = 0			
	In what way do you support the activities of the poor performing Panchayats	SUBJECTIVE		5	0
	<b>TOTAL</b>		<b>20</b>	<b>46</b>	<b>6</b>
	<b>RECENT INITIATIVES SINCE APRIL 2011</b>				



(ii)	Status/Parallel Bodies	DRDA	ITDA	District unit of Water & Sanitary Mission	District unit of NRHM	District Agriculture Corporation	District unit of SSA Mission	Other	Other	Other	Total
a	Parallel body merged with Panchayat Institution	20	10	10	10	10	10	10	10	10	
b	Parallel body made an unit of Panchayat Institution	15	8	8	8	8	8	8	8	8	
c	Function of parallel body limited to Fund/accounts Management	10	5	5	5	5	5	5	5	5	
d	Parallel body is Presided/ Chaired by Elected Representatives of Panchayats	5	2	2	2	2	2	2	2	2	
e	Elected Representatives of Panchayats are represented in Board of the body	5	2	2	2	2	2	2	2	2	
f	Parallel Body remains separate, but under the control of Panchayat	5	2	2	2	2	2	2	2	2	
g	Parallel Body remains separate and not under the control of Panchayat Institutions	0	0	0	0	0	0	0	0	0	
	<b>Total Score</b>	<b>20</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>100</b>

Table 2.2: G: Functions Assigned to Panchayats and Actual Involvement Status of Panchayats

Sl. No.	Functions	Delegated by Legislature	Activity Mapping Done	Executive Order Issued with date	Level of Panchayats Actually Undertaking			Total Score
					Village Panchayats	Intermediate Panchayats	District Panchayats	
1.	Drinking Water, Water Supply for Domestic Purpose	2	2	2	2	1	1	10
2.	Roads	2	2	2	2	1	1	10
3.	Culverts	2	2	2	2	1	1	10
4.	Bridges	2	2	2	2	1	1	10
5.	Ferries	2	2	2	2	1	1	10
6.	Waterways	2	2	2	2	1	1	10
7.	Other means of Communication	2	2	2	2	1	1	10
8.	Building Control	2	2	2	2	1	1	10
9.	Land Use and Building Regulation	2	2	2	2	1	1	10
10.	Maintenance of Community Assets	2	2	2	2	1	1	10
11.	Street Lighting, Parking Lots, Bus Stops	2	2	2	2	1	1	10
12.	Public Conveniences	2	2	2	2	1	1	10
13.	Parks, Gardens, Playgrounds (Civic Amenities)	2	2	2	2	1	1	10
14.	Primary Health Centre/Community Health Centre	2	2	2	2	1	1	10
15.	Sanitation & Solid Waste Management	2	2	2	2	1	1	10
16.	Cremation & Burial	2	2	2	2	1	1	10
17.	Public Safety (Noxious Vegetation, Pests & Vermin's)	2	2	2	2	1	1	10
18.	Poverty Alleviation Programmes	2	2	2	2	1	1	10
19.	Family Welfare	2	2	2	2	1	1	10
20.	Women & Child Development	2	2	2	2	1	1	10

Sl. No.	Functions	Delegated by Legislature	Activity Mapping Done	Executive Order Issued with date	Level of Panchayats Actually Undertaking			Total Score
					Village Panchayats	Intermediate Panchayats	District Panchayats	
21.	Social Welfare, Welfare of Handicapped & mentally retarded	2	2	2	2	1	1	10
22.	Welfare of the weaker sections, and in particular, of the Scheduled Castes & the Scheduled Tribes	2	2	2	2	1	1	10
23.	Public Distribution System	2	2	2	2	1	1	10
24.	Vital Statistics Including Registration of Births & Deaths	2	2	2	2	1	1	10
25.	Elementary Education	2	2	2	2	1	1	10
26.	Adult & non-Formal Education	2	2	2	2	1	1	10
27.	Secondary Education	2	2	2	2	1	1	10
28.	Technical Training & Vocational Education	2	2	2	2	1	1	10
29.	Libraries	2	2	2	2	1	1	10
30.	Promotion of Cultural, Educational and Aesthetic Aspects	2	2	2	2	1	1	10
31.	Slum Improvement & Up gradation	2	2	2	2	1	1	10
32.	Fire Services	2	2	2	2	1	1	10
33.	Rural Housing	2	2	2	2	1	1	10
34.	Non-conventional Energy	2	2	2	2	1	1	10
35.	Watershed Development	2	2	2	2	1	1	10
36.	Water supply for Agriculture Purpose, Minor Irrigation, Water Management	1	1	1	1	1	1	6
37.	Agriculture & Agricultural Extension	1	1	1	1	1	1	6
38.	Land Improvement	1	1	1	1	1	1	6
39.	Implementation of Land Reforms	1	1	1	1	1	1	6





**Table 2.3: H: Actual Involvement Status of Panchayats in Important Schemes**

Sl. No.	Central Government Schemes	Level of Panchayats Actually Undertaking in each schemes			Total Score
		Village Panchayats	Intermediate Panchayats	District Panchayats	
1	National Horticulture Mission	6	2	2	10
2	Macro Management of Agriculture (MMA) Scheme	6	2	2	10
3	Micro Irrigation	6	2	2	10
4	Accelerated Rural Water Supply Programme (ARWS)	6	2	2	10
5	Central Rural Sanitation Programme (CRSP)	6	2	2	10
6	National Programme of Nutritional Support to Primary Education (MDM)	6	2	2	10
7	SarvaShikshaAbhiyan	6	2	2	10
8	National Rural Health Mission (NRHM)	6	2	2	10
9	Integrated Watershed Management Programme (DPAP, DDP & IWDP)	6	2	2	10
10	Mahatma Ghandhi National Rural Employment Guarantee Programme (MNREGA)	20	10	10	40
11	Rural Housing / IAY	6	2	2	10
12	SGSY	6	2	2	10
13	PradhanMantri Gram SadakYojana (PMGSY)	6	2	2	10
14	Integrated Child Development Services (ICDS)	6	2	2	10
15	National Rural Livelihood Mission (NRLM)	6	2	2	10
16	National Food Security Mission (NFSM)	6	2	2	10
17	National Social Assistance Program (NSAP)	6	2	2	10
	<b>State Government Schemes</b>				
18	Pension Scheme	6	2	2	10
19	Health and Sanitation	6	2	2	10
20	Other (Specify)	6	2	2	10
	<b>Total</b>				<b>230</b>

Table 2.4: K: Empowerment of Panchayats to Impose and Collect revenue

Sl. No.	Name of Revenues	Collected by State agencies on behalf of Panchayats	Panchayats Actually		Total Scores
			Empowered to Collect	Actually collecting	
1	House or property tax	6	10	10	20
2	Surcharge on house or property tax	3	5	5	10
3	Tax on agriculture land for specific purpose	3	5	5	10
4	Cess on land revenue or surcharge	3	5	5	10
5	Surcharge on additional stamp duty	3	5	5	10
6	Tax on professions, trades, calling, and so forth	3	5	5	10
7	Octroi	1	3	2	5
8	Entertainment tax	3	5	5	10
9	Pilgrim tax or fees	1	3	2	5
10	Tax on advertisements	3	5	5	10
11	Education cess	1	3	2	5
12	Tolls	3	5	5	10
13	Tax on goods sold in a market, haat, fair, and so forth	1	3	2	5
14	Vehicle tax	3	5	5	10
15	Cattle tax	1	3	2	5
16	Conservancy rate	3	5	5	10
17	Lighting rate	3	5	5	10
18	Water rate	3	5	5	10
19	Drainage rate	3	5	5	10
20	Special tax for community civic services or works	1	3	2	5
21	Surcharge on any tax imposed by Gram panchayat	1	3	2	5
22	Minor Minerals Tax	1	3	2	5
23	Pond/Tank Lease	1	3	2	5
24	Village Land Lease	1	3	2	5
25	Shops lease	1	3	2	5
26	Any Other ( Please Specify )	3	5	5	10
27	Any Other ( Please Specify )	3	5	5	10
	<b>Total</b>				<b>225</b>

**Table 2.5: T (ii): Functionary wise Accountability to the three tiers of Panchayats**

Sl. No.	Functionaries	Panchayats Control				Total Score
		Appointment	Transfer	Disciplinary Matter	Others	
1	Primary School Teacher	4	3	2	1	10
2	Secondary School Teacher	4	3	2	1	10
3	High School Teacher	4	3	2	1	10
4	Para Teachers	4	3	2	1	10
5	Child Development Project Officer (CDPO) or equivalent in ICDS	4	3	2	1	10
6	AnganWadi Worker (AWW)	4	3	2	1	10
7	Medical Officer/Veterinary Officer	4	3	2	1	10
8	Primary Health Worker	4	3	2	1	10
9	Accredited Social Health Activist (ASHA)	4	3	2	1	10
10	Agriculture Extension Officer	4	3	2	1	10
11	Agriculture Extension Worker	4	3	2	1	10
12	Block Development Officer ( BDO )	4	3	2	1	10
13	Welfare Extension Officer	4	3	2	1	10
14	Gram Panchayat Extension Officer	4	3	2	1	10
15	Village Level Worker	4	3	2	1	10
16	Any other (Specify)	4	3	2	1	10
	<b>Total</b>					<b>160</b>

**Panchayat Strengthening Index Survey for States-2012–13**

**Annex-3 : Questionnaire**

**As on December 31, 2012**

**(To be answered by the State Government)**

Name of the State : \_\_\_\_\_

Nodal Officer's Name : \_\_\_\_\_ Designation : \_\_\_\_\_

Nodal Officer's Contact Numbers : Tel.: \_\_\_\_\_ Fax : \_\_\_\_\_ Mobile : \_\_\_\_\_ Email : \_\_\_\_\_

**Instructions:**

1. Please read the following notes as well as note (s) against each question.
2. All the sections need to be answered. Please write **-NA-** if not applicable.
3. Please **tick (v)** the appropriate box against each question/ information sought, unless mentioned otherwise. Please make multiple selections, if needed. If a box is not ticked or not filled, it will be treated as **'No'** filled in that box.
4. Please add more rows if need arises and give explanatory notes/observations wherever required. Please read the following table for acronyms.
5. The information sought in this exercise is for research and index making purpose only.

Acronyms	Expansions	Acronyms	Expansions
ARWS	Accelerated Rural Water Supply Programme	LAN	Local Area Network
ASHA	Accredited Social Health Activist	MDM	Mid Day Meal Programme
ATR	Action Taken Report	MMA	Macro Management of Agriculture
BDO	Block Development Officer	MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
BPL	Below Poverty Line	NGO	Non Governmental Organisation
BP	Block Panchayat	NRHM	National Rural Health Mission
C&AG	Comptroller and Auditor General	NRLM	National Rural Livelihoods Mission
CBO	Community Based Organisations	PMGSY	Pradhan Mantri Gram Sadak Yojana
CRSP	Central Rural Sanitation Programme	PHC	Primary Health Centre
DPC	District Planning Committee	RTI	Right to Information Act
DRDA	District Rural Development Agency	SCs	Scheduled Castes
EVM	Electronic Voting Machine	SEC	State Election Commissioner
GP	Gram Panchayat	SFC	State Finance Commission
GIS	Geographic Information System	SGSY	Swarna Jayanti Gram Swarajgar Yojana
GS	Gram Sabha	Sl. No.	Serial Number
IAY	Indira Awas Yojana	SSA	Sarva Siksha Abhiyan
ICDS	Integrated Child Development Scheme	SIRD	State Institute for Rural Development
ICT	Information and Communication Technology	STs	Scheduled Tribes
ITDA	Integrated Tribal Development Agency	WAN	Wide Area Network

**Documents Sought:** Please send the following reports/ documents/ any other relevant material and questionnaire duly filled in to Prof. V N Alok, The Indian Institute of Public Administration, IP Estate, New Delhi, 110002. Please email soft copies of reports/ documents/ any other relevant material and questionnaire to [vnalokindex@gmail.com](mailto:vnalokindex@gmail.com)

SI No.	Documents	Whether such Act/ document made	Year of Publication/ Enactment/ Order	Sending all document	
				Yes	Some
1.	Panchayat Act of State				
2.	Amendments on State Panchayat Act				
3.	Enactment/notification on SFC				
4.	Amendment on SFC				
5.	Report of SFC				
6.	ATR on report of SFC				
7.	Office orders on the ATRs				
8.	Act on SEC				
9.	Amendments on SEC				
10.	Circulars on and by SEC				
11.	Election Notification by SEC				
12.	Act on DPC				
13.	Amendment on DPC				
14.	State Guidelines on DPC				
15.	Circulars on DPC				
16.	Annual Report on Panchayats for the year 2011-2012				
17.	Panchayat Rules				
18.	Compilation of Acts/Amendments/ Rules				
19.	Social Audit Orders and Rules				
20.	RTI Provisions				

## A. BASIC DETAILS OF PANCHAYATS

Sl. No.	Constitutional Provisions	Gram Panchayat	Block Panchayat	District Panchayat
1.	Please write here the name of each level of Panchayat as mentioned in State Act:			
2.	Number of Panchayats at each level:			
3.	Number of Elected Representatives for the entire State at each level of Panchayats:			
4.	Number of Women Representatives for the entire State at each level of Panchayats:			
5.	Number of SC Representatives for the entire State at each level of Panchayats:			
6.	Number of ST Representatives for the entire State at each level of Panchayats:			
7.	What is the percentage of reservation for Women?			
8.	What is the percentage of reservation for Scheduled Castes (SCs)?			
9.	What is the percentage of reservation for Scheduled Tribes (STs)?			
10.	Panchayat elections conducted by SEC (Please mention Month/ Year)	1 <sup>st</sup> Election		
		2 <sup>nd</sup> Election		
		3 <sup>rd</sup> Election		
		4 <sup>th</sup> Election		
11.	Date on which previous/last election was due:			
12.	Date on which previous/last election was held:			
13.	Please mention reason(s), if there was a delay in the conduct of election:			
14.	Please write the nomenclature of 'Gram Sabha' as mentioned in the State Act:			

## B. PANCHAYAT ELECTIONS

S.No.	Please fill up the boxes as per the questions in respective rows.			
1	Is the State Election Commission in place for conducting Panchayat Elections? (Yes/No)			
	If yes, what is the status of the SEC in the State? Please tick if applicable:			
	a) High Court Judge			
	b) Chief Secretary			
	c) Secretary to Govt. of India			
	d) Others (Specify)			
2	Whether, the SEC is at par with a Judge of High Court with respect to:	<b>Emoluments</b>	<b>Service Conditions</b>	<b>Removal</b>
3	What is the tenure of State Election Commissioner?			
4	Who appoints the State Election Commissioner?			
5	Do the SECs use Electronic Voting Machines during elections? (Yes/No)			
	If yes, how many panchayats have been using EVMs for elections? (Give numbers)	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
	Does the State provide financial support to SECs for purchase of EVMs & other Equipment? (Yes/No)			
If no, who provides the fund to purchase EVMs?				
Recent initiatives taken since April 2011?				





#### D. CONSTITUTION AND FUNCTION OF DISTRICT PLANNING COMMITTEE (DPC)

Please answer question no. 1 to 6 and 9 & 10 in “Yes” or “No”. Please mention numbers in question no. 7 and 8

Sl.No.	Questions	Responses
1	Whether there are District Planning Offices?	
	If yes, whether it takes into consideration the proposals of Town and Country Planning, District Statistical Office, District Industry Centre, etc.?	
2	Whether notification/order for DPC is issued by the State Government?	
3	Whether DPCs are functional and holding meetings for planning purposes; integrating grass root rural and urban plans to District Plans?	
4	Are there guidelines or rules to make the DPCs functional?	
5	Whether the State has issued any guidelines for the preparation of district plan?	
6	Whether Chairperson of DPC is an elected representative of Panchayats/ Municipal bodies?	
7	How many DPCs submitted integrated plan to State government in 2011 – 12?	
8	How many DPCs have submitted integrated plan to State government in 2012 – 13 till date?	
9	Does the Plan of DPC form the part of State plan?	
10	Are the Gram Panchayats involved in planning at the local level?	
<p>Please write the composition of DPC. Please mention, from which background nominated members are taken. What is the ratio of elected representatives of Panchayats and Municipalities in the total membership of DPC?</p>		

**E. ROLE OF PANCHAYATS IN PARALLEL BODIES/INSTITUTIONS**

- (i) Please tick in appropriate box to show the nature of control of Panchayats on parallel bodies? The list is only indicative. Please add other important parallel bodies.

Sl. No.	Status/Parallel Bodies	Village Education Committee	Village, Health and Sanitation Committee	Joint Forest Management Committee	Watershed Development Committee	Others	Others
1.	Parallel bodies merged with Gram Panchayat						
2.	Parallel bodies accountable to Gram Panchayat						
3.	Parallel bodies are chaired by <i>Sarpanch</i> /Chairperson/ Ward Member						
4.	Parallel bodies totally separated from Gram Panchayat						
5.	Any other (Please mention)						

Please mention recent initiative(s) that has/have been undertaken since April 2011.

(ii) Please tick in appropriate box to show the nature of control of Panchayats on parallel bodies? The list is only indicative. Please add other important parallel bodies.

Sl.No.	Status/Parallel Bodies	DRDA	ITDA	District unit of Water & Sanitary	Mission	District unit of NRHM	District Agriculture Corporation	District unit of SSA Mission	Others	Others
1	Parallel body merged with the District Panchayat Institution									
2	Parallel body made an unit of the Panchayat Institution									
3	Function of parallel body limited to Fund/accounts Management									
4	Parallel body is Presided/Chaired by Elected Representatives of the Panchayat									
5	Elected Representatives of Panchayats are represented in Board of the parallel body									
6	Parallel body remains separate, but under the control of the Panchayat.									
7	Parallel body remains separate and not under the control of the Panchayat Institution									

Please mention recent initiative(s) that has/have been undertaken since April 2011.

## F. AUTONOMY TO PANCHAYATS

Please write the designation(s) of the authority(ies) who has/have the power to Suspend or Supersede (Dissolve) Panchayats/ Suspend or Dismiss Representatives of Panchayats/ resend the resolutions for reconsideration or quash such resolutions.[Please name the authority/ official whose approval is needed.]

Category	Level of Panchayats	Suspend representatives/ Panchayats	Resend for reconsideration of resolutions	Dismiss/Supersede/ Dissolve/Quash
Representatives of	District Panchayat		*****	
	Block Panchayat		*****	
	Gram Panchayat		*****	
Panchayat Bodies of	District Panchayat		*****	
	Block Panchayat		*****	
	Gram Panchayat		*****	
Resolutions of	District Panchayat			
	Block Panchayat			
	Gram Panchayat			
Is there any provision of charge sheet by State Government? (Yes/No)		<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>

Please mention recent initiative(s) that has/have been undertaken in this regard since April 2011:

**G. FUNCTIONS ASSIGNED TO PANCHAYATS AND ACTUAL INVOLVEMENT OF PANCHAYATS**

Please tick the appropriate box, if answer is “Yes”. Add other important functions but not the revenue collecting functions in this table at the end.

Sl.No.	Functions	Delegated by Legislature	Activity Mapping with date	Executive Order Issued with date	Level of Panchayats Actually Undertaking <i>(Please tick the appropriate box)</i>		
					Gram Panchayats	Block Panchayats	District Panchayats
	<b>Core Functions</b>						
1.	Drinking Water, Water Supply for Domestic Purpose						
2.	Roads						
3.	Culverts						
4.	Bridges						
5.	Ferries						
6.	Waterways						
7.	Other means of Communication						
8.	Building Control						
9.	Land Use and Building Regulation						
10.	Maintenance of Community Assets						
11.	Street Lighting, Parking Lots, Bus Stops						
12.	Public Conveniences						
13.	Parks, Gardens, Playgrounds (Civic Amenities)						
14.	Primary Health Centre/Community Health Centre						

Sl.No.	Functions	Delegated by Legislature	Activity Mapping with date	Executive Order Issued with date	Level of Panchayats Actually Undertaking (Please tick the appropriate box)		
					Gram Panchayats	Block Panchayats	District Panchayats
15.	Sanitation & Solid Waste Management						
16.	Cremation & Burial						
17.	Public Safety (Noxious Vegetation, Pests & Vermin's)						
	<b>Welfare Functions</b>						
18.	Poverty Alleviation Programmes						
19.	Family Welfare						
20.	Women & Child Development						
21.	Social Welfare, Welfare of Handicapped & mentally retarded						
22.	Welfare of the weaker sections, and in particular, of the Scheduled Castes & the Scheduled Tribes						
23.	Public Distribution System						
24.	Vital Statistics Including Registration of Births & Deaths						
25.	Elementary Education						
26.	Adult & non-Formal Education						
27.	Secondary Education						
28.	Technical Training & Vocational Education						

Sl.No.	Functions	Delegated by Legislature	Activity Mapping with date	Executive Order Issued with date	Level of Panchayats Actually Undertaking <i>(Please tick the appropriate box)</i>		
					Gram Panchayats	Block Panchayats	District Panchayats
29.	Libraries						
30.	Promotion of Cultural, Educational and Aesthetic Aspects						
31.	Slum Improvement & Up gradation						
32.	Fire Services						
33.	Rural Housing						
34.	Non-conventional Energy						
	<b>Agriculture and Allied Functions</b>						
35.	Watershed Development						
36.	Water supply for Agriculture Purpose, Minor Irrigation, Water Management						
37.	Agriculture & Agricultural Extension						
38.	Land Improvement						
39.	Implementation of Land Reforms						
40.	Land Consolidation						
41.	Soil Conservation						
42.	Animal Husbandry						
43.	Dairying						
44.	Poultry						
45.	Fisheries						
46.	Social Forestry						

Sl.No.	Functions	Delegated by Legislature	Activity Mapping with date	Executive Order Issued with date	Level of Panchayats Actually Undertaking (Please tick the appropriate box)		
					Gram Panchayats	Block Panchayats	District Panchayats
47.	Farm Forestry						
48.	Minor Forest Produce						
49.	Market & Fairs						
50.	Regulation of Slaughter Houses						
51.	Prevention of Cruelty to Animals						
	<b>Industries</b>						
52.	Water supply for Commercial and Industrial Purpose						
53.	Small Scale Industries						
54.	Food Processing Industry						
55.	Khadi, Gram & Cottage Industry						
56.	Rural Electrification & Distribution						
57.	Any other						
58.	Any other						
59.	Any other						
60.	Any other						

Please mention recent initiative(s) that has/have been undertaken, with respect to the devolution of functions, since April 2011.



## H. INVOLVEMENT OF PANCHAYATS IN IMPORTANT SCHEMES

Please tick the appropriate box (es) indicating respective activities undertaken by Panchayats under each scheme.

Sl.No	Important Union Government Schemes	Levels of Panchayats Actually undertaking in each scheme		
		Gram Panchayats	Block Panchayats	District Panchayats
1	National Horticulture Mission			
2	Macro Management of Agriculture (MMA) Scheme			
3	Micro Irrigation			
4	Accelerated Rural Water Supply Programme (ARWS)			
5	Central Rural Sanitation Programme (CRSP)			
6	National Programme of Nutritional Support to Primary Education (MDM)			
7	SarvaShikshaAbhiyan (SSA)			
8	National Rural Health Mission (NRHM)			
9	Integrated Watershed Management Programme (DPAP, DDP & IWDP)			
10	Mahatma Gandhi National Rural Employment Guarantee Programme (MNREGA)			
11	Rural Housing / IAY			
12	SwarnaJayanti Gram SwarojgarYojana (SGSY)			
13	Pradhan Mantri Gram Sadak Yojana (PMGSY)			
14	Integrated Child Development Services (ICDS)			
15	National Rural Livelihoods Mission (NRLM)			
16	National Food Security Mission (NFSM)			
17	National Social Assistance Program (NSAP)			
	<b>State Government Schemes</b>			
18	Pension Schemes			
19	Health and Sanitation			
20	Any other (specify)			

## I. NATIONAL FINANCE COMMISSION (NFC) GRANTS TO THE PANCHAYATS

Please furnish amount in Rs. Lakh and Date/ Month/Year in the format DD/MM/YYYY.

Instalments of NFC Grants	NFC Grants Released by Govt. of India		Released by State	
	Amount	Received by State on <u>DD/MM/YYYY</u>	Amount	Released to Panchayats on <u>DD/MM/YYYY</u>
1 <sup>st</sup> for the year 2009-10				
2 <sup>nd</sup> for the year 2009-10				
1 <sup>st</sup> for the year 2010-11				
2 <sup>nd</sup> for the year 2010-11				
1 <sup>st</sup> for the year 2011-12				
2 <sup>nd</sup> for the year 2011-12				
1 <sup>st</sup> for the year 2012-13				
2 <sup>nd</sup> for the year 2012-13				

**J. STATE FINANCE COMMISSION (SFC)**

**(I)**

Whether qualifications and manner of selection of members of SFC are prescribed in the Act/ Rules? (Yes/No)				
Whether there is a permanent State Finance Commission Cell? (Yes/No)				
	<b>Period Covered</b>	<b>MM/YY of Formation</b>	<b>MM/YY of Submission of Report</b>	<b>MM/YY of ATR laid before the Legislature</b>
1 <sup>st</sup> SFC				
2 <sup>nd</sup> SFC				
3 <sup>rd</sup> SFC				
4 <sup>th</sup> SFC				
Please State the reasons, if the gap is more than 5 years in the constitution of two SFCs, if there is substantial delay in submission of report by the SFCs or there is substantial delay in laying of the same in the Legislature.				
Please list 5 most important recommendations of last SFC on which ATR is laid before the legislature. Also illustrate the ATR on those recommendations. Please State, if major recommendations of (e.g. Resource Sharing, Assignment of Tax Proceeds, and Grants) have been accepted.				

**(II) Money Transfers to Panchayats on account of the SFC recommendations (Rupees in Lakhs)**

Year	Amount Recommended	Amount Budgeted	Amount Sanctioned	Amount Released
2009 – 10				
2010 – 11				
2011-12				
2012-13 (till date)				



Sl. No.	Name of Revenues	Tick only those revenues collected by State agencies and partly shared with Panchayats	Tick only those revenues collected by the State but transferred totally to Panchayats	Gram Panchayats		Block Panchayat		District Panchayat	
				Empowered to collect	Actually collecting	Empowered to collect	Actually collecting	Empowered to collect	Actually collecting
15	Cattle tax								
16	Conservancy rate								
17	Lighting rate								
18	Water rate								
19	Drainage rate								
20	Special tax for community civic services or works								
21	Surcharge on any tax imposed by Gram Panchayat								
22	Minor Minerals Tax								
23	Pond/Tank Lease								
24	Village Land Lease								
25	Shops Lease								
26	Any other								
27	Any other								

## L. FUND AVAILABLE WITH PANCHAYATS

Please enter the figure in 'Rs. Lakh' only against the appropriate level of Panchayats.

Sl.No.	Break up of Revenue	Panchayats			
		Gram Panchayat	Block Panchayat	District Panchayat	Total
	<b>Financial Year 2010 – 11</b>				
1	Revenue transferred to Panchayats by State				
2	Panchayats Own Revenue including collection from rental, lease, etc.				
3	<b>Plan Grant</b> transferred by State to Panchayats untied to any scheme				
4	<b>Plan Grant</b> transferred by State to Panchayats tied to schemes				
5	<b>Non-Plan Grant</b> transferred by State to Panchayats untied to any scheme				
6	<b>Non-Plan Grant</b> transferred by State to Panchayats tied to schemes				
7	<b>Loan</b> taken by the Panchayats				
8	Any other transfer-Please specify				
	<b>Total</b>				
	<b>Financial Year 2011 – 12</b>				
1	Revenue transferred to Panchayats by State				
2	Panchayats Own Revenue including collection from rental, lease, etc.				
3	<b>Plan Grant</b> transferred by State to Panchayats untied to any scheme				

Sl.No.	Break up of Revenue	Panchayats			
		Gram Panchayat	Block Panchayat	District Panchayat	Total
4	<b>Plan Grant</b> transferred by State to Panchayats tied to schemes				
5	<b>Non-Plan Grant</b> transferred by State to Panchayats untied to any scheme				
6	<b>Non-Plan Grant</b> transferred by State to Panchayats tied to schemes				
7	<b>Loan</b> taken by the Panchayats				
8	Any other transfer-Please specify				
	<b>Total</b>				

Any Government orders issued to improve the funds of Panchayats since April 2011; if so, please describe:

**M. EXPENDITURE OF PANCHAYATS**

Sl.No.	Items	2010-11	2011-12
1	Does the State have consolidated data on expenditure of Panchayats? (Yes/No)		
2	If yes, expenditure on Salaries paid by the State		
3	If yes, expenditure on salaries paid by the Panchayat		
4	Capital Expenditures made by Panchayats		
5	Revenue Expenditures made by Panchayats		
6	Expenditure on Centrally Sponsored Schemes		
7	Expenditure on other Schemes		
8	Total expenditure made by all Panchayats of the State		

**N. RECENT INITIATIVES RELATED TO FINANCE AND ACCOUNTS**

Please mention whether the following have been undertaken with respect to the following:

	Items	Please answer in Yes or No	Which Year it was done
1	Supplement to State Budget for Panchayats		
2	Placing the Annual Report of Panchayat Audit before the State Legislation		
3	Electronic funds transfer system for Panchayats		
4	Prescribing qualifications of SFC members following central legislation and rules meant for National Finance Commission (NFC).		
5	Strengthening Panchayat to levy Property Tax.		
6	Setting standard for the delivery of essential civic services		



## O. ACCOUNTING AND AUDIT

1	Does the State law have provisions related to maintenance of accounts and audit of Panchayats (Yes/No)			
2	Please state recent guidelines and other initiatives introduced since April 2011 in this regard:			
3	Whether Budget & Account format for Panchayats as prescribed by C&AG is followed? (Yes/No)			
	If yes, in which year it was introduced?			
4	Are the following documents of the panchayats available on internet? Please tick			
	a) Budget Proposals			
	b) Accounts Statements			
	c) Audited Accounts			
	d) Annual Performance Report			
	If yes, specify the website, where accounts of Panchayats are available?			
	If not, what are the actions taken to make it online?			
5	How many Panchayats have disclosed Account Statement online? (Please give numbers)	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
6	Who undertook the process of updating accounts online? (Own Staff/Outsourced)			
7	Number of Panchayats audited in the fiscal year 2011-12:			
8	Are the Consolidated Audit Reports of Panchayats for 2011-12 placed in State Assembly? (Yes/No)			
9	Has the State developed a Financial Database for revenue and expenditure of Panchayats? (Yes/No)			

	If yes, how many Panchayats are included in such data? (Please give numbers)			
10	Are there trained staffs for upkeep of accounts at the GP level?			
11	Who audits the accounts of Panchayats in the State? Please tick	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
	C&AG			
	Local Fund Audit			
	Others (Specify)			
Please name the departments in the State Government. having Account with Panchayat Head:				
a)				
b)				
c)				
d)				
Please describe, if recent initiative(s) have been undertaken related to Accounting & Audit since April 2011.				

**P. SOCIAL AUDIT**

1	Please elaborate the Rules and Orders regarding Social Audit in the State. (Copies may be provided)						
2	Is Social Audit conducted in the State? (Yes/No)	<b>Gram Sabha</b>			<b>Others (Specify)</b>		
	If yes, who conducts it :						
3	Please explain the administrative structure for the conduct of social audit:						
4	Are there social audit teams in the State? (Yes/No)						
	If yes, how many such teams are in existence?						
5	Are social audit conducted for these schemes? (Please tick)	<b>NREGA</b>	<b>IAY</b>	<b>SSA</b>	<b>ICDS</b>	<b>AAJ</b>	<b>Others (Specify)</b>
6	How often are the social audits conducted?	<b>Once in a year</b>	<b>Once in 6 months</b>		<b>Others (Specify)</b>		
7	Are the reports of social audits put in public domain? (Yes/No)						
	If yes, how such reports are disseminated?						
8	Has any ATR is prepared on the report of Social Audit? (Yes/ No)						
9	Are the Action Taken Reports of Social Audit discussed in GS Meeting? (Yes/No)						
10	Is there any training available at the state to conduct social audit? (Yes/No)	<b>State Institutions</b>	<b>NGOs</b>	<b>CBOs</b>	<b>Others (Specify)</b>		
	If yes, who imparts the training?						
11	To whom the training is being imparted for Social Audit?	<b>Panchayat Officials</b>	<b>Elected Representatives</b>	<b>Citizens</b>	<b>Others (Specify)</b>		

Recent Initiatives with respect to Social Audit in the Year 2011-12:

**Q. GRAM SABHA (GS)**

1.	Are a minimum number of Gram Sabha meetings mandated? (Yes/No)	
2.	Is there a system in the State to monitor and ensure the mandated quorum of GS meetings in each Panchayat? (Yes/No)	
	If so, please elaborate:	
3.	As per the State Panchayat Act, enumerate the powers and functions of Gram Sabha:	
	a)	
	b)	
	c)	
	d)	
	e)	
4.	Is there a mandated Quorum for Gram Sabha meetings? (Yes/No)	
	If yes, what is the prescribed quorum of GS in the State?	
5.	Has the State issued guidelines as to how the Gram Sabha Meetings can be convened? Please elaborate:	
6.	How many special Gram Sabha meetings were convened by the State in 2011-12?	
7.	Do the Gram Sabha have sufficient funds to convene GS Meeting and for videography/photography of such meeting? (Yes/No)	
8.	In case of insufficiency of funds, do the State provide fund to Gram Panchayats for convening GS meeting?	
9.	In case of non-convening of Gram Sabha, what are the actions taken by the State, if any?	
10.	Elaborate the measures taken by the State to promote people's assemblies below Gram Sabha, including the following in Gram Panchayats?	
	a) Ward Sabha:	
	b) Mahila Sabha:	
	c) Village Forest Committee:	
	d) Others (Specify):	

11.	Has the State taken any measure for the following? (Yes/No)	
	a) Minutes Preparation of Gram Sabha Meeting	
	b) Ensuring that Number of Meetings are held	
	If yes, please elaborate the measures:	
12.	What is the role of Gram Sabha that the State has identified in the following?	
	a) Planning	
	b) Budget Preparation	
	c) Passing of Accounts	
	d) Social Audit	
	e) Preparation of BPL List	
	f) Preparation of Beneficiary list	
	MGNREGA	
	IAY	
	AAAY	
	Others (Specify)	
	g) Preparation of Labour Budget under MGNREGA	
	h) Any other (Specify)	
13.	Has the State recommended for ' <i>Gaurav Gram Sabha</i> ' in 2011-12?(Yes/No)	
14.	Any other steps taken by the State for community mobilisation since April 2011:	
	Recent initiative(s) undertaken since April 2011 to strengthen "Gram Sabha":	

**R. TRANSPARENCY AND ANTI-CORRUPTION**

		<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
1	Whether the following Panchayats provide information to the public under RTI Act? (Yes/No)			
2	Who is the Information Officer under RTI Act at each Panchayat? (mention their designations)			
3	Who is the 1st Appellate Authority under RTI Act? (mention their designations)			
4	Who is the 2 <sup>nd</sup> Appellate Authority under RTI Act? (mention their designations)			
5	How many Panchayats submitted Annual Report to their respective authorities in 2011-12? (Please give numbers)			
6	Has the State made any policy for disclosure of information by the Panchayat to the public? (Yes/No)			
	If yes, what are the modes used for disclosure of information?			
	a) Display in Notice Boards			
	b) Website			
	c) Others (Specify)			
7	Does the State have the provision of Citizens' Charter at each level of Panchayats? (Yes/No)			
	If yes, does the charter have the following? Please tick			
	a) List of services			
	b) Procedure for obtaining the service			
	c) Time required for providing service			
	d) Grievance redressal of citizens			
e) Others (Specify)				

8	Which institution undertakes the complaints of Panchayat? Please tick			
	a) Ombudsman			
	b) Lokayukta			
	c) Govt Agency			
	d) Others (Specify)			
9	Number of cases reported for action by the above institutions in the last fiscal year. (Give numbers)			
10	Number of complaints received against the following. (Please give numbers)	<b>Elected Representatives</b>	<b>Panchayat Officials</b>	<b>Others (Specify)\</b>

Please describe recent initiative(s) undertaken since April 2011 with respect to the transparency in Panchayats:

## S. PHYSICAL INFRASTRUCTURE OF PANCHAYATS & E-CONNECTIVITY

Please write numbers. The list is only indicative. Please add other most important infrastructures in last rows.

### (i) Physical Infrastructure of Panchayats

Sl.No.	Equipment & Applications	Gram Panchayats	Block Panchayats	District Panchayats
1.	How many Panchayats have Panchayat ' <i>Ghar</i> ' ( <i>Pucca</i> building)?			
2.	How many Panchayats have Computers & Printers?			
3.	How many Panchayats have Scanners?			
4.	How many Panchayats have Telephone?			
5.	How many Panchayats have Internet?			
6.	Has the State Government taken any measure for construction of new GP buildings, repair of existing buildings, construction of barrier free access, construction of toilets (including separate toilets for women) and electricity and water connections?			

Recent initiatives taken since April 2011 with respect to infrastructure development:



(ii) e- Connectivity

	Particulars	Gram Panchayats	Block Panchayats	District Panchayats
1	How many Panchayats are connected to each other through LAN or WAN?			
2	How many Panchayats use wireless connectivity?			
3	How many Panchayats have their e-mail address?			
4	How many Panchayats are regular in uploading their data online?			
5	Do the Panchayats use ICT for delivering services? (Yes/No)			
	If yes, how many Panchayats use Information Technologies, for service delivery? (Give numbers)			
6	What all services are delivered using ICT in the Panchayats			
7	How many Panchayat officials have been trained in computer applications?			
8	In the process of computerization do the Panchayats have the following support? Please tick, if applicable			
	a) Technical Support			
	b) Hardware			
	c) Connectivity			
	d) Others (Please specify)			
9	Are the following software applications adopted in the State?	<b>PlanPlus</b>	<b>PRIASoft</b>	
10	How many other software applications are coming up? Please tick, if applicable			
	a) Local Govt. Directory			
	b) Panchayats Profiler			

	c) Asset Directory	
	d) Action Soft	
	e) Grievance Redressal	
	f) Social Audit	
	g) Training Management	
	h) GIS	
	i) Panchayats Portals	
	j) Service Plus	
11	Has the State developed its own software for the functioning of Panchayats? (Yes/No)	
	If yes, name the software developed by the State?	
	a)	
	b)	
	c)	
	d)	
	e)	
12	Has the State been nominated for the e-Panchayats Award?	
	If yes, when the State was nominated?	
Recent initiatives taken since April 2011 with respect to e-Connectivity:		

**T. PANCHAYAT OFFICIALS**

Whether there exists State Panchayat Service? (Yes/No)						
If yes, which year it was introduced:						
Staff Structure of Gram Panchayats	<b>Secretary</b>	<b>Junior Engineers</b>	<b>Technical Assistants</b>	<b>Data Entry Operators</b>	<b>Accountant</b>	<b>Others (Pl.specify)</b>
How many Gram Panchayats have the following staff?(in Numbers)						
Who pays the salary of the above staff? (State or Panchayat)						

- (i) Please give sanctioned and actual staff position of Panchayat's own office only (not other officials under its control) for the entire State/UT.

Sl. No.	Designation of Employee (pls tick where applicable)				Designation of Recruiting Authority	Sanctioned Strength	Actual Number	Vacant
<b>Gram Panchayat</b>								
	Designation	Nature of Appointment		Existence of Rules (Tick)				
		Regular	Contractual	Recruitment Rules	Service Rules			
1								
2								
3								
4								
5								
6								
7								
8								
	<b>Total Employees</b>							

Sl. No.	Designation of Employee (pls tick where applicable)				Designation of Recruiting Authority	Sanctioned Strength	Actual Number	Vacant
Block Panchayat								
	Designation	Nature of Appointment		Existence of Rules (Tick)				
		Regular	Contractual	Recruitment Rules	Service Rules			
1								
2								
3								
4								
5								
6								
7								
8								
	<b>Total Employees</b>							

Sl. No.	Designation of Employee (pls tick where applicable)				Designation of Recruiting Authority	Sanctioned Strength	Actual Number	Vacant
District Panchayat								
	Designation	Nature of Appointment		Existence of Rules (Tick)				
		Regular	Contractual	Recruitment Rules	Service Rules			
1								
2								
3								
4								
5								
6								
7								
8								
	<b>Total Employees</b>							

**(ii) Please specify the power and functions of Panchayats: Please tick in appropriate box**

Sl.No	Officials	Gram Panchayats				Block Panchayats				District Panchayats			
		Appoint-ment	Transfer	Discipli-nary matter	Others	Appoint-ment	Transfer	Discipli-nary matter	Others	Appoint-ment	Transfer	Discipli-nary matter	Others
1	Primary School Teacher												
2	Secondary School Teacher												
3	High School Teacher												
4	Para Teachers												
5	Child Development Project Officer or equivalent in ICDS												
6	AnganWadi Worker (AWW)												
7	Medical Officer/ Veterinary Officer												
8	Primary Health Worker												
9	Accredited Social Health Activist (ASHA)												
10	Agriculture Extension Officer												
11	Agriculture Extension Worker												
12	Block Development Officer ( BDO )												

Sl.No	Officials	Gram Panchayats				Block Panchayats				District Panchayats			
		Appoint-ment	Transfer	Discipli-nary matter	Others	Appoint-ment	Transfer	Discipli-nary matter	Others	Appoint-ment	Transfer	Discipli-nary matter	Others
13	Welfare Extension Officer												
14	Gram Panchayat Extension Officer												
15	Village Level Worker												
16	Any other (Specify)												

Recent initiatives in this regard since April 2011:



**U. TRAINING INSTITUTIONS**

Does the State have its own capacity building framework to train the elected representatives and panchayat officials? (Yes/No)	
If yes, please specify	

1.	Please name institutions responsible for the training of Panchayats:					
	<b>State Level</b>	<b>No. of Trainers</b>	<b>No. of Trainers Dedicated for Panchayats</b>	<b>District level</b>	<b>No. of Trainers</b>	<b>No. of Trainers Dedicated for Panchayats</b>
	a)			a)		
	b)			b)		
	c)			c)		
	d)			d)		
2.	Is the State level Training Institution an autonomous agency? (Yes/No)					
3.	State, if any new training institutes are proposed or coming up. (Yes/No)					
	If yes, mention the name of the institutes/centres and the year proposed for its launching:					
	a)	Year-				
	b)	Year-				
	c)	Year -				
	d)	Year -				
4.	Number of partner institutions/organizations involved in training, if any?					
5.	Whether the institutional support for training is available throughout the year or only after elections?					
6.	How long does the State Institute take to complete the training of all officials and elected representatives?					
Recent initiatives in this regard since April 2011:						

## V. TRAINING ACTIVITY

### (i) Training Details

1	Whether any Training Needs Assessment for Panchayats is conducted in the State in the last three years? (Yes/No)	
2	In case of residential training, is it through hired arrangement or regular institutional arrangement?	
3	What are the topics of training covered in 2011-12?	
	a)	
	b)	
	c)	
	d)	
4	Does the State provide training material in local language? (Yes/No)	
5	In what form the training materials were provided in 2011-12? (Please tick)	
	a) Written material	
	b) Training films	
	c) Film shows	
	d) CDs	
e) Others (Specify)		
6	What are the various methods adopted for training?	
	a)	
	b)	
	c)	
	d)	
e)		
7	Is there distance learning through satellite based training in 2011-12? (Yes/No)	
	If yes, how many block resource centres are in existence? (Please give numbers)	

**(ii) Training of Elected Representatives and Officials**

Level and Year	Total Number of		Number Trained	
	Elected Representatives	Panchayat Officials	Elected Representatives	Panchayat Officials
<b>District Panchayat</b>				
2010-11				
2011-12				
2012-13 till date				
<b>Block Panchayat</b>				
2010-11				
2011-12				
2012-13 till date				
<b>Gram Panchayat</b>				
2010-11				
2011-12				
2012-13 till date				
Percentage of Elected Representatives trained in 2011-2012:	<b>Women</b>		<b>Men</b>	
Percentage of Elected Representatives trained in the following categories in 2011-2012	<b>SC (%)</b>	<b>ST (%)</b>	<b>General (%)</b>	
Is there any mechanism to assess the impact of training provided? (Yes/No)				
If yes, please elaborate:				

### W. Panchayat Assessment & Incentives

1	Whether there is Performance Audit for Panchayats? (Yes/No)			
	If Yes, state the number of Panchayats in the State where Performance Audit was conducted during the last financial year 2011-12.			
2	Does the state measure the performance of the Panchayats? (Yes/No)	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
3	Has the State framed the following for assessing the performance of Panchayats under PEAIS? If yes, please tick			
	a) Indicators			
	b) Questionnaire			
	c) Scoring plans for assessment			
4	How many Panchayats have submitted information for the PEAIS in 2011-12?	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
5	Has the State instituted any other prize (s) for Panchayats? If so, please name & give details			
6	Has the State instituted any prize for best performing Elected Representatives? (Yes/No)			
	If yes, please specify the prize:			
7	In what way do you support the activities of the poor performing Panchayats? Please elaborate:			
Recent initiative(s) taken since April 2011 with regard to Performance Assessment and Incentivisation:				

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