COMMITTEE ON PANCHAYATI RAJ INSTITUTIONS

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ASOKA MEHTA COMMITTEE REPORT

Recommendations

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1. We are departing from the conventional mode of presenting our views, suggestions and recommendations in the form of an itemized summary because our main endeavour throughout has been to lay down a new approach towards the Panchayati Raj Institutions—not in the usual point-by-point way but rather in concentrical circles, as they interact and depend on one another. The formulation of structures, functions and the utilisation of financial, administrative and human resources of Panchayati Raj Institutions should, in our opinion, be determined on the emerging functional necessity of management of rural development. In our Report, we have attached importance to the direction rather than specifics on certain items usually done and hitherto highlighted in various cognate Reports. The institutional, structural and functional specifics of Panchayati Raj would, in our opinion, vary over time as well as space; we can do no more than indicate the spectrum of possibilities while the various State Governments would have to work out the actual details keeping in view their changing requirements. Whatever be the variations, they have to be round the crucial theme of linking institutions of democratic decentralisation with socially motivated economic development.

2. In this approach, it is not necessary to dwell too long on the past, except to locate the trend and draw guidance for the future. The dis-association of the growing and complex programme of development with Panchayati Raj Institutions which were considered inadequate, the inability of the bureaucracy to be attuned to execute the programme through elected bodies, the lack of political will to foster these institutions, several internal deficiencies in the functioning of Panchayati Raj Institutions and, above all, the lack of clarity about the concept itself have weakened the entire system.

3. Part of the disappointment arises from the syndrome that they have not been assigned significant functions and tried continuously and with zest. The development programmes were not channeled through them. Some of the comments like the emergence of oligarchic tendencies are inherent in the social milieu, and some others are common to other tiers of the polity also. Panchayati Raj Institutions should not be singled out for these comments. It has many achievements to its credit in introducing a process of democratic seed-drilling in the Indian soil, in breaking the gulf between the bureaucratic elite and the people and in generating a new leadership not merely relatively young in age but pro-social change in outlook.

4. Panchayati Raj, like democracy at the national and State levels, is both an end and a means. As an end, it is an inevitable extension of democracy; as a means, it would continue to be responsible for discharging obligations entrusted to it by the national and State Governments in spheres not yet transferred to its exclusive jurisdiction. Altogether, both as an end and a means, Panchayati Raj should contribute to the philosophy as well as practice of a rich, rewarding life in rural India.

5. The establishment of democratic bodies below the State level is an imperative from the political and socio-developmental perspectives. Democratic institutions with periodic elections at all levels will provide a forum for the assertion of their strength in large number by the weaker sections. With the people and political parties having adequate opportunities to exercise power at various levels, national energy in political recrimination will yield to constructive competition and mutual co-operation in developmental activities among political parties.

6. Our recommendation to transfer substantial quantum of powers from the State Government to the local bodies, is bound to have concern with the existing scheme of distribution of powers between the Union and the States, which would require a
detailed but separate consideration. In order to achieve requisite status as well as continued functioning, the Committee agree that some provision in the Constitution deserves a careful consideration of the Government of India.

7. On account of growth of the span, spatial scatter and the complexities of the development activities, as also significant changes in the strategies, the context of institution-building in rural India has undergone a change since the submission of the Report of Balvantray Mehta Study Team in 1957.

Among the striking changes in rural India, considered in Chapter II, the most important have been (a) imparting of dynamism to agriculture which was previously stagnant (b) the enlargement of the concept of agriculture to cover allied occupations like dairy, piggery, fishery, social forestry, etc. which are of special relevance for the economy of the weaker sections (c) assured availability, on an increasing scale, of new agricultural technology including scientific utilisation of major and minor irrigation (d) emerging shifts in national policies towards cottage, village and rural industries at localised production points (e) increasing possibilities for absorption of institutional credit for effective implementation of productive projects (f) growing importance of marketing, involving a series of extra-local transactions (g) the emergence of growth centres and need for tackling the rural-urban continuum (h) increasing emphasis on group action and conjoint activities (i) growing concentration on special efforts to organise and assist the weaker farmers in particular and poorer sections of society in general and finally (j) coupled with the developmental urges, the evolving need for provision of the welfare and municipal utilities requiring, in the rural areas, different types of technical servicing functions.

8. The institutional, structural and functional contours of Panchayati Raj have to be in conformity not only with the accelerating pace of development but also with its strategies and policies. New structures of development administration or local level development management will have to take into account the functional necessities of the on-going development thrust. Panchayati Raj Institutions in the coming decades should, therefore, be equipped to undertake democratic development management under conditions of rapid changes, continuous growth and sustained innovations in all spheres of rural life.

9. State Governments should realise the social costs of administering expanding development programmes from a distance or through only governmental machinery. When they delegate the responsibilities for implementation to lower levels, they can concentrate on refinement of strategies and higher-level policy-making in the management of challenges of development administration in areas such as rural land structural deficiencies, agricultural modernization, rural industrialisation, credit universalisation and planning for fuller utilisation of natural resources.

**Structures, Composition and Election**

10. The institutional design for Panchayati Raj should take into account the functional necessity of propelling the on-going developmental thrusts, build upon the intricacies at the appropriate levels and transmit the impulse to the people through location-specific involvement.

11. The emerging scenario of the dynamics of development necessitates that the technical expertise of a high order be made available at levels below the State to sustain the momentum of rural development, which, in many cases, have been already administratively decentralised at the district level. The inescapable compulsion, therefore, is that the district should be the first point of decentralisation, under popular supervision, below the State level.
12. Below the district level, the balance between technological requirements and possibilities for meaningful participation by the people in development management can, in our view, be best achieved, by grouping a number of villages to constitute Mandal Panchayats. These would not only ensure an economic viability; this will enable the people's representatives to exercise democratic supervision over the large number of micro-projects which are to be implemented at the local levels in the coming years. Most of these projects are not entirely village-based but would require a span of technology beyond the capacity of a Village Panchayat The attention to the family-based programme, often covering as many as four hundred families, needs larger unit to tackle them than at present Such a Mandal Panchayat would cover a population of 15,000 to 20,000 and would also facilitate the forging of necessary linkages with schemes for development of focal points and growth centers and would ensure efficient management of the growing rural-urban linkages.

IV.2 to IV.8

13. While our preference is for two tiers - a district-level Zilla Parishad and a Mandal Panchayat - we are conscious of the fact that two other tiers are already in existence and it may take time for the suggested institutional design to take shape and become fully operational. The block-level Panchayat Samitis, where they exist now, would be converted into non-statutory executive committees of Zilla Parishads and when the Mandal Panchayats become active, most of their functions would be taken up by the Mandal Panchayats. As a transitional structure, the Block can, therefore, continue as per the convenience of the States keeping in view their requirements and the stage of development. At the village level, the people would be involved in Mandal Panchayats through Village Committees which would look after the municipal functions and related welfare activities. Till the Mandal Panchayats are constituted, a federation of existing Village Panchayats may be desirable.

IV.6, IV.6.1, IV.6.2

14. Regarding the composition of the various tiers of Panchayati Raj, we would like to suggest only a broad pattern. We would, however, like to make it clear that whatever be the structural arrangements, the directly elected element must preponderate over the others at all levels. In the elections, the Scheduled Castes and Scheduled Tribes should get representation on the basis of their population. The Chairman of Zilla Parishad will be elected indirectly. The President of the Mandal Panchayat may, however, be elected directly or indirectly as the States may decide. The term of all the elected tiers should be 4 years, and, as far as possible, election to all these bodies should be held simultaneously.

IV.11.3, VII.8.3

15. Our proposals regarding the structures would have to be necessarily modified in case of areas with predominant tribal population or in hilly or desert areas. Thus, in tribal areas Mandal Panchayats may be formed for smaller population as necessary. Again, the tehsils/blocks where strong traditional tribal organisations are functioning, they may be allowed to look after their social functions. Similarly, structures established by the Constitution under Schedule VI need not be disturbed.

IV.7.1, IV.7.2, IV.8.1, IV.8.2

16. The Zilla Parishad should consist of six types of members, viz. members elected from suitably demarcated electoral divisions, Presidents of the Panchayat Samitis on an ex-officio basis, nominees of bigger municipalities, nominee of district level cooperative federation, two women who have secured the highest number of votes in the Zilla Parishad elections (in the event of no women coming forward for election, two women may be coopted) and two coopted members—one with special interest in rural development and the other drawn from University/College teachers. The Chairman of the Zilla
Panshad would be elected from amongst the directly elected and ex-officio- members by all the members.

(IV.9)

17. (a) The Zilla Parishad would function through a number of committees, the more important ones being constituted for Agriculture, Education, Small Industries, Finance and Public Works. The composition of all the Committees would be on the basis of proportional representation so as to ensure representation to all sections and shades of opinion. A Committee of the Chairmen of these Committees will function as the Standing Committee of the Zilla Parishad. There will be a Committee on Social Justice in Zilla Parishad as well as at other levels also.

(b) All members of the Zilla Parishad and M.L.A's., M.L.Cs. and M.Ps. from the concerned district shall constitute the Planning Committee at the district level for plan formulation and periodic review.

(c) A suitable Committee for dealing with the problems of Education staff like transfers to be comprised of members of Zilla Parishad, a representative of the State Government and the District Education Officer with a view to bring in evenness and method in transfers and postings.

(IV.10, IV.15, VII.10.1, VII.10.2, VI.11, V.5.3)

18. Panchayat Samitis, till they continue to exist, should consist of the following categories of members: (1) Presidents of the Mandal Panchayats, where they have been constituted, on ex-officio basis, (2) Zilla Parishad members elected from electoral divisions in the Mandal Panchayat areas, (3) nominees of smaller municipalities and block-level cooperative federations, (4) one coopted member, having special interest in rural development. The President of the Panchayat Samiti would be elected from amongst the ex-officio and directly elected members of the Zilla Parishad from the Samiti area by all the members. In approximately 1000 Talukas/Blocks (where either the Scheduled Castes constitute 20 per cent of total population or the Scheduled Tribes are majority of population) the Chairmanship of Panchayat Samitis can be reserved for them.

(IV.9, VII.8.4)

19. The Mandal Panchayat would consist of the following categories of members:

(a) 15 members directly elected on village-cum-population basis;

(b) representatives of Farmers' Service Societies;

(c) two women securing the highest votes in Mandal Panchayat elections (if none contested, two women may be coopted).

The President of the Mandal Panchayat would be elected by the directly elected members from amongst themselves. The President may, however, be elected directly as the States may decide. Seats may be reserved for Scheduled Castes/Scheduled Tribes on a population basis in the Mandal Panchayat. A Committee with all women members of the Panchayat represented on it would also ensure that decisions are made by women themselves on priorities and choices in welfare and development programmes specifically for women and children.

(IV.9, VII.9.2, X.10.2)

20. The Village Committees would consist of the following categories of members: (1)
members elected to Mandal Panchayat from the respective electoral unit, (2) members elected to the Zilla Parishad from the respective electoral units, (3) representatives of small and marginal farmers. The Village Committee will be presided over by the Member of Mandal Panchayat elected from the village concerned.

(IV.9)

21. The Gram Sabha has an important role in activating the democratic process at the grass-roots and deserves genuine encouragement. The proposed Village Committees would have the special obligation to organise two Gram Sabha meetings every year to explain to the people what programmes the Mandal Panchayats are executing in their area and to channelise the people's feedback to the Mandal Panchayat.

(IV.5)

22. The Nyaya Panchayats like the Gram Panchayats were adopted as institutions for dispensation of justice at the local rural level.

The working of Nyaya Panchayat has shown mixed results, in most cases they remained inactive. The administration of justice on a decentralised basis has its merits but the functioning of the existing Nyaya Panchayats have not been able to elicit popular satisfaction.

The Committee are of the view that Nyaya Panchayats should be kept as separate bodies and should not be mixed with the people elected for development panchayats. The members of development panchayats wield executive powers and there are chances that justice may suffer if the two functions are combined.

The Committee are in favour of a combination of a qualified judge to preside over a bench of separately elected Nyaya Panches. The elected Nyaya Panches will not be entitled to seek re-election; they should serve in an area other than that from which they have been elected.

(IV. 18, IV.18.1, IV.18.2, IV.18.3)

23. Panchayati Raj elections should be conducted by the Chief Election Officer of the State in consultation with the Chief Election Commissioner.

24. The State Government should not supersede the Panchayati Raj Institutions on partisan grounds and if supersession becomes necessary, these should be replaced by an elected body within six months. The State Governments should not postpone elections of Panchayati Raj Institutions.

(IV.16)

25. Participation of political parties in Panchayati Raj elections would ensure clearer orientation towards development programme and facilitate healthier linkages with higher level political process. Direct elections coupled with programme-based contests, would offer great scope to weaker sections for availing of the opportunities offered by the political system.

(IV.14)

Functions

26. The functions devolved upon Panchayati Raj Institutions being highly location-specific, exhaustive list of functions, in an all-India perspective, will not have much operational relevance. Local priorities in all development programmes vary from region to region and it is, therefore, necessary that the States and the Union Territories should have adequate scope for evolving their own list of functional priorities.
27. Our basic approach with regard to decentralisation is, that of spectrum of functions and tiers; development being a dynamic process, functions cannot remain static. Periodic adjustments would, therefore, have to be made in the functions devolved upon Panchayati Raj Institutions to suit the changing requirements. But this does not mean that decentralisation can be viewed as a political charity or administrative concession. The functional agenda of Panchayati Raj Institutions would be inescapably determined by the unfolding logic of "dynamics of development"; in the interests of effective implementation State Governments would have no choice but to decentralise adequate powers and functions and provide proportionate financial resources at the relevant local levels.

28. Keeping in view the foregoing approach, all the development functions relating to a district which are now being discharged by the State Government would have to be placed under the Zilla Parishads. Some of the functions which can be so decentralised include: agriculture and allied sectors, health, education, communications, rural industries, marketing, welfare of backward classes, family welfare, etc. Even under these heads certain parts may have to be with the State Government. Thus, functions such as agricultural research, college and university education, medium irrigation projects and other similar items involving complications or cutting across district boundaries may not be transferred to Zilla Parishads.

29. Under the new scheme envisaged by us, the decentralisation would commence with the district as the first point and further movement below will take place depending upon the situation in each State. Broadly, the Zilla Parishad will handle all the decentralised State programmes and plan for them at the district. The Mandal Panchayat will handle the implementation work.

30. Mention is needed of cooperation (which should remain outside the purview of Panchayati Raj Institutions) and education (which must be entrusted to Panchayati Raj Institutions). In our view, cooperation should not be under the Zilla Parishad as it would be placing one set of elected bodies under another. The Panchayati Raj Institutions can limit themselves to motivating and organising the co-operative movement at this stage. As regards education, we feel that it can be transferred to Zilla Parishad with the proviso that a committee should be specifically constituted to look after transfers and postings. Supervision by local bodies will, in our view, not only improve the attendance of teachers but it is anticipated that the ratio of drop-outs will decrease. The programmes on adult education will also be accelerated.

31. The entrustment of development functions to Panchayati Raj Institutions would remain incomplete unless all the Panchayati Raj Institutions are vested with the authority to take their own decisions and plan according to their own requirements. Planning would, therefore, be an important function to be discharged by the Zilla Parishads.

32. The functions of the Mandal Panchayats would have to be viewed from a new angle. They would be responsible for implementation of the schemes and projects assigned by the Zilla Parishad. These would be many. They would have to play a promotional role in activating community action, build up organization and project formulation. They would continue to perform the functions conventionally assigned to them under various statutes. They would have increasing role to play in the sphere of municipal and welfare functions.
33. Elaboration of an omnibus list of Mandal Panchayat functions has no relevance unless there is genuine decentralisation accompanied by corresponding resources. The foregoing classification of the Mandal Panchayat functions would, indeed, facilitate the process of decentralisation by helping the task of identification of areas in which further decentralisation can take place. What is, therefore, needed at the Mandal Panchayat is purposive work allocation and transfer of money component along with the functions assigned to them for implementation. This would not only introduce clarity into the expenditure pattern, as also help the State-level Heads of Departments in specifying the operational procedures for execution of various plan projects. In general, Mandal Panchayats have to administer, coordinate, and provide institutional supervision to on-going field level projects.

(V.7, V.7.3, V.7.4, V.7.5, V7.5.1)

34. The Panchayati Raj Institutions in general and the Mandal Panchayat in particular can play an important role in the sphere of municipal and welfare functions by supplementing the State Plan outlays in this regard. Many of these requirements might be so local that even such comprehensive programmes as the R.M.N.P., may not be able to cover them; but the Mandal Panchayats are more intimately concerned about such items,

(V.9)

35. In view of the fast moving developments and transitions, the regulatory functions may continue to be vested in the Collector but such regulatory functions which are germane to implementation of various development programmes should be assigned to the appropriate tier of Panchayati Raj. Further, the Revenue Department should be reoriented to encourage and facilitate the working of Panchayati Raj Institutions.

(V.10, V.10.1, V.10.2)

36. The devolution of regulatory functions upon the Panchayati Raj Institutions may be reviewed in due course of time when the Zilla Parishads have been properly established and are in a position to make and implement their own plans with the quantum of resources available or placed at their disposal.

(V.10.5)

37. The Mandal Panchayats would have to be suitably integrated with growth centres. They would have to take the necessary decisions concerning marketing, input supplies, credit and servicing and welfare requirements in association with other organisations in this regard.

(V.11)

38. In due course of time the Mandal Panchayats will have to be the base-level organisation for project implementation and as such they would not only take over the functions of the Block but higher level technical expertise will be made available at lower levels. Some of the block-level functions would have to be moved upwards as only the district-level body would be competent to discharge them.

(V.12.1, V.12.2)

**Planning**

39. With the district as the strategic level for economic planning, the Zilla Parishad should be made responsible for planning at the district level. The appreciation of the total
resources, the credit availability and the necessary strategy formulation covering several blocks would be feasible at the district level. An elected Zilla Parishad would also provide the much needed correctives to the techno-economic plans. The production and employment programmes prepared at the Block level will fit into the totality of the plan.

(VI.1, VI.6.1, VI.8)

40. A professionally qualified team should be stationed at the district level for preparation of district plans. The composition of this group would be on the lines suggested by the Expert Group on Block level Planning. While formulating the plans, the expertise of the district level staff should take into account a cross section of all shades of public opinion relevant to the district.

(VI.9.1, VI.9.2)

41. The State Government would have to provide continuous assistance in the process of district planning. It would have to ensure that the national objectives relating to weaker sections are pursued by the Panchayati Raj Institutions. They will also have to provide the financial and physical parameters as well as technical expertise to the technical group. It should also ensure equitable allocation of resources and fixation of long-range priorities.

(VI.10)

42. The district plan prepared by the technical group would be placed before the "committee of the whole" of the Zilla Parishad where the MPs, MLAs and MLCs are also members.

(VI.11)

43. The State Government should provide necessary machinery for examining the district plans to enable formulation of the State Plans. It should also hold a dialogue with the Zilla Parishads in this regard.

(VI.12)

44. The District Planning should take care of urban-rural continuum. The District Plan should also analyse data on growth points and growth centres in order to provide for necessary economic flows.

(VI.13.1, VI.13.2)

45. Intensive exploitation of new opportunities of resources earmarked for the Weaker Sections should be a part of the plan process itself. The District Social Justice Committees will be of considerable help in this regard.

(VI.13.3)

46. The on-going exercise of District Planning should also take into account the formulation of sound projects and short-term action plans covering areas of specific endowments, poverty belts and specific target groups.

(VI.13.4)

47. In order to avoid the problem of non-implementation and nonabsorption of the many "delivery systems" which are already functioning, the several implementation components of all the local-level projects should be analysed in advance and greater attention should be paid towards synchronization and orchestration of the activities of the project-level functionaries of the different disciplines. Coherent activity analysis, standardized micro-project plans including flow-charts of goods, services and functionaries
will also have to be prepared so that the Mandal Panchayat can play an effective role in administrative coordination and institutional supervision.

(VI.14.1.VI.14.2)

48. At present, some districts are too large to facilitate drawing up of composite plans. Keeping in view, among others, the guidelines of compactness, effectivity, manageability and the number of representatives in the Zilla Parishad, smaller districts would be desirable.

(VI.15)

49. To begin with, the Mandal Panchayats may be limited to implementation and promotional roles, but they would have a key role in supplying the necessary information about the various schemes and suggest the potential areas of development as well as their requirements to the Zilla Parishad. They would have to play this role on a continuing basis and not merely by holding a meeting to consider the draft plan or sending their comments on it to the Zilla Parishad. The planning unit at the district level should take note of the views articulated by the Mandal Panchayats from time to time.

(VI.17)

50. The total credit inflow for agricultural development is expected to rise significantly in the years to come. The Panchayati Raj Institutions should, therefore, pay greater attention to the institutional finance rather than concentrating on budgetary sources as in the past. This would be possible only if the Panchayati Raj Institutions pay due attention to ensuring greater responsiveness in project implementation by ascertaining the views of the beneficiaries since these require considerable people's participation like the Revised Minimum Needs Programme.

(VI.18, VI.19)

51. The Panchayati Raj Institutions should not only be regarded as a, forum for obtaining the views of people's representatives but, in due course, they should become capable of planning for themselves within the resources available to them.

(VI.20)

**Weaker Sections**

52. The Scheduled Castes and the Scheduled Tribes constitute the bulk of the rural poor and their welfare has been enjoined by the Directive Principles of State Policy. Besides, a number of development programmes have been launched for this purpose. The inability as well as the structural inadequacies of the Panchayati Raj Institutions to benefit the weaker sections of society have made us very anxious to provide structural as well as programmatic remedies to ensure that they derive, in adequate measure, the benefits of the planned development of the country. Their confidence in the developmental role of Panchayati Raj Institutions and participation in the functioning should be assured through several measures.

53. Among the institutional devices for ensuring adequate representation commensurate with their numbers we would like to recommend the following: (i) In order to provide a fair deal to Scheduled Castes and Scheduled Tribes their representation in all Panchayati Raj Institutions should be on the basis of their population, (ii) 666 talukas/blocks where the Scheduled Castes constitute more than 20 per cent of the population and in 329 talukas/blocks where Scheduled Tribes constitute a majority of population, the principle
of reservation should be extended to elective offices, (iii) the reservation system can be supplemented by formation of Social Justice Committees where the Chairman should be only from Scheduled Castes/Scheduled Tribes, (iv) with a view to provide political support to the objective of protection of the interests of the weaker sections, a Committees of the Legislature with, as far as possible, majority representation of MLAs/MLCs belonging to Scheduled Castes/Scheduled Tribes should be set up to review the working of the programmes meant for these communities. This Committee would also be responsible for Social Audit of funds earmarked for Scheduled Castes/Scheduled Tribes.

(VII.9.2, VII.9.3, VII.10.1., VII.10.2)

54. In order to ensure that the weaker sections of society derive maximum benefits from the various plans we would like to suggest that there should be an independent authority to carry out 'Social Audit' of the funds and programmes earmarked for the Scheduled Castes and Scheduled Tribes and ensure that projects designed for them are implemented in a way that the desired impact is not diluted. To begin with, a separate wing may be created in the existing audit set up and the Collector may be made responsible for supplying to the Government all the data required for Social Audit.

(VII. 11.1)

55. Development programmes leading to diversification of occupational pattern have a great degree of relevance for the Scheduled Castes and Scheduled Tribes; the Panchayati Raj Institutions should be involved in opening up these occupational vistas in rural areas in such fields as dairying, poultry farming, piggery, fisheries, scrub jungle forestry, etc.

(VII.13.1VII.14.2)

56. Panchayati Raj Institutions as people's institutions can provide the field-level support to Finance/Development Corporations for Scheduled Castes/Scheduled Tribes, (which are in operation in some States and should be established where not yet in existence) providing financial and technical assistance for various programmes beamed at Scheduled Castes and Scheduled Tribes.

(VII. 15)

57. It should be the special responsibility of the State Government to ensure, through purposeful administrative measures (both protective as well as developmental), that the scale-neutrality of the new technology is maintained, credit flow is made accessible to the poorer sections of society for credit-worthy programmes and development of their skills is continuously fostered. A number of physical resources are still available under the control of Panchayats and Panchayat Samitis, which are not being fully realized for the benefit of the poorer sections of the community. In some cases certain influential people in the village have encroached upon such resources. The State Governments should undertake necessary eviction proceedings and launch a vigorous drive to restore these to the Panchayati Raj Institutions; it is also necessary that the relevant regulatory functions should be placed under the Panchayati Raj Institutions as part of their developmental functions.

(VII. 15)

58. Among the various development programmes which can be implemented for the benefit of Weaker Sections on the hitherto unused or neglected communal resources we would like to make a special mention of social and farm forestry and brackish water pisci-culture. Composite culture of brackish water fish and prawns has an immense economic potential which must be harnessed for the benefit of the Weaker Sections. The scientific utilisation of unused areas under reserve forests and protected forests as well as the areas lying between villages and reserve forests where various easement rights prevail can be used to settle landless labour as well as provide effective support to animal husbandry. A time-
bound programme to link up the development of such land and water resources with the poorer families should be made an important part of States’ responsibility to be implemented through Panchayati Raj Institutions and continuously monitored by the Social Audit Agencies, the Social Justice Committee and the Committee of Legislature.

(VII.16.3, VII. 16.4, VII.16.5, VII.16.6)

**Administration**

59. Our basic approach to remoulding of the administrative organisation of Panchayati Raj Institutions is that administration must drape well with the body politic and fit its contours. With the decentralization of the functions of the State Government, all the concerned district-level officials would, therefore, have to be placed under the Zilla Parishads and lower tiers. A separate development administration functioning on a decentralized basis would, thus, develop along with a composite Zilla Parishad Secretariat.

60. The constitution of elective organisation to supervise and direct development programmes would certainly upset the existing administrative routines but the various problems of personnel management and personal adjustments should not be allowed to stand in the way of this change over; the administrative apparatus would have to adapt itself to this fundamental change.

(VIII.3.1, VIII.3.2)

61. The Maharashtra and Gujarat experience provides many pointers to tackle the problems relating to promotions, protection of pay and other emoluments and maintaining uniformity in service conditions. Generally speaking, all staff of Gazetted rank in Class I and Class II should continue to remain on the cadres of the State Government while the Class III and Class IV should be fully handed over to the Panchayati Raj Institutions. There should be adequate provision for inter-changeability between the State level officers and Class I and Class II working under the Zilla Parishads. The recruitment of the Zilla Parishad staff may be done by independent State-and district-level boards.

(VIII.3.3)

62. All developmental staff with the Zilla Parishad should be placed under an officer to be designated as the Chief Executive Officer of Zilla Parishad. The Chief Executive Officer will achieve horizontal coordination vis-a-vis the other district heads who will be Secretaries of the respective subject committees of the Zilla Parishad with Chief Executive Officer being an invitee to the Committees' sittings.

(VIII.4, VIII.5.1)

63. Zilla Parishad will be responsible for policy formulation supported by any specific decisions taken by its committees, but the main responsibility for the entire implementation work should be that of the Chief Executive Officer. The development executive should be of a sufficiently high rank; a person who has successfully "done" a district for a period of not less than 3 years should, therefore be appointed as Chief Executive Officer.

(VIII.5.2, VIII.5.3)

64. Some transitional, mainly personnel, problems involved in division and transfer of the entire district staff into State and District cadres are inevitable.

(VIII.6)

65. Even after the decentralization of district-level functions to Panchayati Raj Institutions, the State Government would continue to maintain some district-level staff for the execution of
its schemes but the extent of dualism of staff would be restricted to State functions which would be determined at the time of decentralizing the powers to the Zilla Parishad.

(VIII.7)

66. The Collector would continue to exercise the regulatory, revenue and other functions assigned by the State Government. He would also organize and help the conduct of ‘Social Audit’. The role of the Collector may have to be reviewed later when some of the regulatory functions of the State are sought to be transferred to the Zilla Parishad.

(VIII.9)

67. Mandal Panchayat would be handling the developmental as also municipal and welfare functions. It would, therefore, be possible for them to have a full-time Panchayat Executive Officer, instead of part-time assistant. His salary and emoluments should be appropriate to attract sufficiently qualified personnel. There is considerable staff of different development departments at the field level: in due course, this staff (e.g. such officials as the Agricultural Extension Officer, the Veterinary Stockmen, the Fisheries Extension Assistant, Commercial Crop Extension Workers, Small Industries Promotion staff and the health sub-centre staff etc.) should move to the Mandal Panchayat level.

(VIII.10.1)

68. As far as technical inputs are concerned, the line-hierarchy will not be broken. The staff in the Zilla Parishad will be under the control of their superiors for technical matters giving scope for technical line control but they would be under the Chief Executive Officer for purposes of administrative control. The Confidential Character Rolls of the District level technical staff written by the Chief Executive Officer will, therefore, be countersigned by the concerned Head of Department. The Confidential Character Rolls of the Chief Executive Officer, written by the Chairman, could be countersigned by the Commissioner of the Division.

69. On account of increase in the volume of development work and their growing complexity, it would be necessary to constantly study the developmental requirements and mould the structures and functions of the State-level departments looking after the Panchayati Raj Institutions. There should be a Minister for Panchayati Raj whose main tasks would be as follows: -

(a) Enactment of Panchayati Raj legislation;

(b) Elections to Panchayati Raj Institutions;

(c) Training of elected office bearers and executive officers and administration of all Training Centres meant for the Panchayati Raj system as a whole;

(d) Promotion of Audit of Panchayati Raj Accounts;

(e) Review of Panchayati Raj activities for report to the State Legislature;

(f) Promotion of camp training of elected members of Panchayati Raj.
For the routine administrative work, a strengthened Directorate of Panchayati Raj and a Secretariat Department under a Development Commissioner would be necessary but all the development departments would have to play a role in the successful working of Panchayati Raj Institutions.

(VIII.13.2, VIII.13.3, VIII.13.4)

70. As a part of the evolution of a new administrative culture, the Heads of Departments from the State Headquarters can call on Chairman, Zilla Parishad on their visits to the districts to acquaint him with the essential features of the visit. The Chairman, Zilla Parishad should also establish rapport with the various State level Directors for achieving smoother and streamlined delivery systems.

(VIII. 12)

71. The Panchayati Raj statutes should be so framed as to facilitate the transfer of full powers. The responsibility of the Council of Ministers at the State level is particularly significant in this regard as two Committees of Legislature will be looking after the entire performance of Panchayati Raj Institutions.

(VIII. 13.5)

72. The State Government should also arrange for periodical independent evaluation of the working of Panchayati Raj Institutions by independent agencies including educational institutions with the Universities playing an important part.

(VIII. 13.6)

73. The Government of India also have the special obligation to strengthen the process of democratic development management at the rural level. They have to ensure that development programmes falling in the district sector do not, in any way, by-pass the Panchayati Raj Institutions. The suggestions made by us such as increasing the training facilities will require the Centre to play a positive role.

(VII.14)

**Financial Resources**

74. The current situation in the flow of funds to Panchayati Raj Institutions from diverse channels has been analysed and the possibilities have been pointed out for either strengthening or emulating the procedures from other States, for augmenting the resources. While this process may have to continue for sometime, it requires to be emphasised that any proposals for financial devolution or financial decentralization should not emanate from a traditional approach but from our basic commitment to the logical imperatives of the dynamics of development which clearly postulate the entrustment of a great deal of developmental functions at the district level, with the Mandal Panchayat playing a key implementational role.

1 (IX. 12.1)

75. Apart from the budgetary devolution from the State Government, the Panchayati Raj Institutions also should mobilise enough resources of their own. No democratic institution can continue to maintain its operational vitality by depending upon external resources. The thesis "no taxation, only representation" should be discouraged. For this purpose, all Panchayati Raj Institutions should have compulsory powers of taxation. A select list of taxation powers should be given to the Panchayati Raj Institutions and out of them some should be made compulsory. It is not possible to have a standard list for all States. But certain taxes like house tax, profession tax,
entertainment tax, special taxes on 'land and buildings' should be levied compulsorily by the Panchayati Raj Institutions at appropriate level.

(IX.12.2, IX.5.4)

76. The taxation powers given to the Panchayati Raj Institutions should be limited and specific and must not operate inequitously. Certain occupations and professions in whom the weaker sections predominant should be exempted, through statutory provisions, in order to ensure social justice.

(IIX.5.4)

77. Incentives can be offered for optional taxes realised. These may take the shape of award of prizes or provision of matching grants.

(IIX.10.4)

78. In addition to taxes, the Panchayati Raj Institutions should levy fees/taxes for services like lighting, sanitation, water supply, etc. The maxima and minima of these fees should be laid down to avoid arbitrariness or lack of uniformity.

(IIX.12.3)

79. At this stage, land revenue, cess on land revenue, cess on water rate, surcharge on stamp duty, entertainment tax and show tax, etc., should also be assigned to the Panchayati Raj Institutions with higher percentage to Mandal Panchayats. To provide local initiative, the Panchayati Raj Institutions must be statutorily empowered to request the State Government to increase the cesses. In this context, the Committee recommend the complete transfer of land revenue to Panchayati Raj Institutions in a phased manner over a period of five years taking into account the buoyancy of other taxes.

(IIX.12.4, IX.8.2, IX.8.3)

80. In the emerging rural development programme, the transfer of public properties such as porambokes, grazing lands, unreserved forests, orchards, public lands, cattle ponds, fishery tanks, ferries, quarries, etc. would have great significance and these should be statutorily vested in the Mandal Panchayat in cases where it is not already done. This is not a mechanical transfer but for the purposes of maximising the yield out of these resources; this activity will increase as a part of their functions. In the emerging context of escalation in their potentialities and fiscal worth, markets, hats, shandies, fairs, etc. will be a significant source of revenue. Hence, custody of such fairs, hats and other markets should be vested with the Panchayati Raj Institutions.

(IIX.12.5)

81. With a sizeable population-base and a territorial jurisdiction covering a number of "markets" the Mandal Panchayat would be able to tap a more diversified resource-base with greater intensity and elasticity. It is these revenue yielding sources that should be built up both with budgetary support of Government and institutional finances. Such sources will be mostly with Mandal Panchayats but can be transferred to Zilla Parishad, depending upon the size of the source. A scheme of support by State Government from budgetary sources carrying small or no interest supplemented by institutional finance would go a long way in helping the Panchayati Raj Institutions to proceed with their aims of establishing remunerative enterprises.

(IIX.11.3)

82. Apart from the taxation powers of their own and transfers effected through several
possibilities indicated earlier, a permanent annual grant of not less than Rs. 2.50 per capita should be available to the Mandal Panchayats. It should be the objective; the quantum of several transfers should be, at least, to this target.

(IX.12.6)

83. As the power to impose taxes should not be divorced from the responsibility for their collection, the officials of the Panchayati Raj Institutions should themselves collect the taxes.

(IX.6.1)

84. Combination of Patwari and Secretary as per the suggestion of the Santhanam Team is not desirable. At the time of consolidation of holdings, the provision for reserving areas for common purposes should be strictly enforced and these should be entrusted to the Mandal Panchayats. It would be possible for the Mandal Panchayat to economise on too many part-time or full-time low paid Secretaries and get the services of a better paid Secretary who would look after the collection of taxes and also be responsible for the other functions entrusted to the Mandal Panchayats.

(IX.6.2, IX.6.3)

85. The burden of collection of land revenue should be left optional to the concerned Panchayats, but the Mandal Panchayats collecting and revenue should get a commission commensurate with the results so as to provide a built-in incentive. When the Mandal Panchayat comes into full-fledged existence the policy, may, however, be reviewed again.

(IX.6.4)

86. When all functions relating to Plan implementation at District level are transferred to the Zilla Parishad, this will also involve transfer of the finance along with projects. The allocation of the projects/plan funds has to be done on a formula worked out to achieve equity among the Districts and weightage to backward areas. Further, the non-plan expenditure incurred at the District or lower levels should also be under the administration of the respective tiers, since it would be conducive for composite development work and build up the capabilities of Panchayati Raj Institutions.

(IX.9.4)

87. Administrative expenditure on the salaries, allowances, etc. of the staff transferred as on the date of transfer, be given as a grant to the Zilla Parishads or to the other concerned tiers.

(IX.10.3)

88. The appointment of a State Finance Commission does not appear to meet the situation. The major need is more to achieve an equitable distribution of plan allocations.

(IX.10.9)

89. The establishment of a new financing body, like a Panchayati Raj Finance Corporation, dependent partly on public borrowing, is not likely to add to the total availability of the credit. What is required in this context is a greater rural orientation to all the financial institutions to facilitate greater flow of credit to rural areas.

(IX.11.6)

90. The pattern of budgeting, followed by the Panchayati Raj Institutions, should be simple.

(IX.13.2)

91. The State Governments also will have to evolve a budgetary procedure which will indicate the transfers of different types to the Panchayati Raj Institutions.

(IX.13.4)
92. Each State Government may, taking into account the local circumstances, prepare comprehensive guidelines for the use of their officers and Panchayati Raj Institutions for preparation as well as for approval of budgets.

(IX.13.5)

93. An important element to be emphasised both in the preparation of the budget as also in its format is the emphasis need to be placed on sufficient allocation and earmarking of the funds for the projects for the Weaker Sections. The quantum provided and the appropriate utilization for the target-groups would be within the jurisdiction of the Social Audit.

(IX.14.6)

94. Approval of budget by a higher authority seems to be a desirable practice, as it provides a linkage and also enables the higher level tiers of Panchayati Raj to know what is happening at the lower tiers and also to make suggestions for better utilization of such funds.

(IX.13.7)

95. A sufficiently high ranking finance officer should be placed at the district level as the entire plan and non-plan funds would be under his supervision.

(IX.13.8)

96. Every State should endeavour to present consolidated finance accounts of Panchayati Raj Institutions to the Legislature.

(IX.14.1)

97. State Governments should immediately review the delay in audit which is partly caused by inadequate staff and partly by lackadaisical procedures.

(IX. 14.2)

98. Quick clearance of the outstanding audit objections pertaining to Panchayati Raj Institutions has special importance in view of the proximity and involvement of people's representatives with the expenditure at these grass-root levels.

(IX.14.3)

99. A concurrent audit by the Examiner of Local Funds Accounts should be made operative instead of post audit.

(IX.14.4)

100. Procedures for submission of utilisation certificates by the Panchayati Raj Institutions for the grants given by Government must be made simpler.

(IX.14.5)

101. The State Governments should consider the establishment of a Committee of the Legislature to be specifically concerned in the financial and physical performance of
Panchayati Raj bodies. Along with the consolidated finance accounts, the State Government should also lay on the Table of the Legislature, an Administrative Report on Panchayati Raj Institutions.

(IX.15, IX.16)

**Human Resources Development**

102. The human factor is not only a component of growth but also shapes the texture of the society. In many ways, therefore, the human resource is more vital than the financial. Development of human resources should be, therefore, a primary feature of Panchayati Raj Institutions.

(X.I)

103. There should be three types of training: (i) for officials; (ii) for elected representatives; and (iii) combined courses for both officials and elected representatives together. The programme content would vary as suited for each participating group.

(X.3, X.4, X.5)

104. The training programmes, covering officials as well as non-officials, would be of a staggering dimension. This would require not only the activation of the existing institutions but also considerable augmentation of their numbers and resources. Suitable remedial measures should also be taken to resuscitate and revitalize the State-level training institutions.

(X.6, X.7, X.7.1)

105. The National Institute of Rural Development should be the apex all-India institution for training of trainers, field studies, developing consultancy capabilities, research work and improvement in the level of training in the States. Its faculty should be strengthened and upgraded for this purpose. The Government of India has an important role to play in this regard.

(X.7.3, X.7.4, VIII.14)

106. There should be an evaluation for each of the training programmes so that it will be possible to make necessary modulations from time to time.

(X.7.5)

107. Importance should be attached to the programmes for adult education to develop the latent civic consciousness in all the people and thus strengthen the faith in the working of the Panchayati Raj Institutions. The Panchayati Raj Institutions should have a major role in organising such programmes.

(X.8)

108. As a large segment contributing for the successful operation of a democratic system, special attention is to be paid to the role of women in Panchayati Raj Institutions. Their role could be strengthened in two ways: by allowing them to participate in the election processes more actively and also by giving them opportunities for decision making.

(X.9, X.10.1)
109. To secure their participation in elections, for the two seats reserved for women in the Zilla Parishad and Mandal Panchayat, any woman who gets the highest number of votes in the election, even if she does not win, should be taken in as a coopted member.

(X.10.2)

110. There should be a Committee of Women to operate and look after specific programmes which largely concern women and children. This would ensure that they do not become victims of the processes of change and that decisions are made by women themselves on priorities and choices involved in their programmes. Such a Committee should have the powers of the Mandal Panchayat with reference to the programmes specifically assigned to them.

(X.10.3)

111. In designing the Rural Industrialisation programmes there should be special efforts to concentrate on programmes to provide gainful employment to rural women. This will also strengthen their management capabilities.

(X.10.4)

112. The formation of Manila Mandals should be encouraged.

(X.11)

113. The present and the future success of the democratic process through Panchayati Raj Institutions lies with the rural youth.

(X.12)

114. Rural youth is not yet fully covered by the Yuvak Mandals; this weakness has to be attended to. Young farmers clubs can be formed to activate the interest of the rural youth both in Panchayati Raj Institutions and rural development.

(X.13)

115. The Yuvak Mandals should be given the status of an associate body in Panchayati Raj Institutions through suitable legislative measures.

(X.13)

116. Panchayati Raj Institutions have a motivational task in organizing Nehru Yuvak Kendras.

(X.14)

117. It would be advantageous to organise National Service Scheme camps through the Panchayats.

(X.15)

118. The role of voluntary agencies in mobilizing people's support for Panchayati Raj will be crucial. They should be strengthened and encouraged to supplement the efforts of the Panchayati Raj Institutions. The motivational and promotional role of the Panchayati Raj Institutions should be clearly spelt to build up and facilitate the work of voluntary agencies and women's organisation.

(X.11, X.17)

119. Voluntary agencies with requisite expertise, proven standing and well-equipped organization can assist Panchayati Raj Institutions in the planning process. They can be involved in formulation of projects and schemes and to create strong public opinion in support of measures aimed at social change.

(X.18)
Relationship With Other Institutions

120. The Panchayati Raj Institutions are expected to take up the overall view of the economic and social well being of the people, while the cooperatives have to meet the economic requirements. The relationship between the Panchayati Raj Institutions and cooperatives has thus to be coordinate rather than of a subordinate character.

(XI.2, XI.3)

121. The pattern of functional relationship between the Panchayati Raj Institutions and the cooperatives will broadly be of five types: -

(i) Functions which could more appropriately and effectively be discharged by Cooperative Institutions.

(ii) Functions requiring concurrent and conjoint action of Panchayati Raj and Cooperative Institutions.

(iii) Cooperatives functioning as agents of Panchayati Raj Institutions.

(iv) Functions in respect of which Cooperatives require facilities from the Panchayati Raj Institutions.

(v) Where Cooperatives participate in functions which are essentially the responsibility of Panchayati Raj Institutions.

(XI.3.1, XI.3.2)

122. Panchayati Raj Institutions should undertake the promotional and coordination work like motivation and organisation of cooperatives. The regulatory functions in respect of cooperatives should be done by the cooperatives themselves.

(XI.4)

123. Representation from the cooperatives on the Panchayati Raj Institutions will be helpful in providing an institutional dialogue between the Panchayati Raj Institutions and the cooperatives. A reciprocity of representation of Panchayati Raj Institutions on the cooperatives does not appear to be necessary.

(XI.5)

124. Urban-rural relationship is to be viewed in the context of needs of a developing economy and the attendant processes of affording higher level of services and facilities. Integration of rural-urban areas in a balanced reciprocity of economic and social growth can be achieved by linking up the rural areas with urban focal points.

(XI.6)

125. With the existing small panchayats, in due course, giving place to larger Mandal Panchayats, the relationship between the Mandal Panchayats and small municipalities would become more purposive and meaningful; with some amount of equality, they can even enter into formal relationships for supplies and services.

(XI.8.1)
126. The merger of small municipalities with Mandal Panchayats would be desirable. The focal points and growth centres will facilitate this process.

(XI.8.2)

127. For purposes of composite planning, the District Plan should encompass the developmental aspects of urban areas and the civic aspects of rural areas.

(XI.8.3)

128. The representation of the municipalities in Zilla Parishad and other appropriate areas will strengthen the process of urban bodies integrating their work with that of the Mandal Panchayats.

(XI.8.4)

129. Smaller Municipalities should be treated at par with Mandal Panchayats for providing benefits flowing through various Special Agencies such as SFDA, MFAL etc. to the people living in these towns.

(XI.8.5)

130. Panchayati Raj Institutions can assist the Centre and State- sector corporations and boards established particularly for commercial activities with promotional and marketing components. In this context, the role of Panchayati Raj Institutions would consist of creating the local organization and locating the area-wise specialities.

(XI.9)

131. Zilla Parishad will be responsible for assessing the overall credit requirements and arranging for its inflow by localizing the needs and locating the areas. The lower tiers should follow this up.

(XI.10)

132. Mandal Panchayats should assist in the establishment of Regional Rural Banks by providing necessary infrastructure and also help the banks in verification procedures or in the analysis of the viability of loan proposals.

(XI.11)