

**PANCHAYATI RAJ IN INDIA : A REGIONAL
ANALYSIS OF IT'S FINANCIAL AND
SOCIAL DIMENSION**

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CHANDIP SINGH



**CENTRE FOR STUDY OF REGIONAL DEVELOPMENT
SCHOOL OF SOCIAL SCIENCES
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI - 110067
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जवाहरलाल नेहरू विश्वविद्यालय
JAWAHARLAL NEHRU UNIVERSITY
Centre for the Study of Regional Development
School of Social Sciences
New Delhi-110067

CERTIFICATE

I, Chandip Singh, certify that the dissertation entitled “PANCHAYATI RAJ IN INDIA: A REGIONAL ANALYSIS OF IT’S FINANCIAL AND SOCIAL DIMENSION” for the degree of MASTER OF PHILOSOPHY is my bonafide work and may be placed before the examiners for evaluation.

Chandip Singh
(CHANDIP SINGH)

Forwarded by

Sucharita Sen
(Dr. SUCHARITA SEN)
SUPERVISOR

S.K. Thorat
(PROF. S.K. THORAT)
CHAIRPERSON

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In the loving memory of my Daadi.

इस पथ का उद्देश्य नहीं,
श्रान्त भवन में टिक रहना,
किन्तु पहुँचना उस सीमा तक,
जिसके आगे राह नहीं।

- प्रसाद

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Chapter 1

INTRODUCTION

The term 'decentralisation' has been the most talked about topic, in the field of governance and economics. The intense deliberations on the term has brought to the fore the erstwhile debate of '*Small is beautiful*' vs. '*Large is useful*'. The term also seems to be carrying forward the connotations of latest 'development paradigm', particularly, so, in the context of the developing countries, where the so called 'trickle down effect' seems to be completely blocked and out.

1.1 Decentralization Defined

'Decentralization' can be defined as the process of transferring the authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations and/or the private sector. The terminologies most often used to discuss decentralization is that proposed by **Rondinelli (1981)**, who distinguishes between four different categories of decentralization: (i) **de-concentration** is defined as a transfer of power to local administrative offices of the central government; (ii) **delegation** is the transfer of power to sub-national government and/or other government entities; (iii) **devolution** is the transfer of power to sub-national political

entities; and (iv) **privatization** is the transfer of power to the private sector.

Alternatively and simplistically, though elaborately, we can understand the **types of decentralization**, under the following heads, viz., political, administrative, fiscal and market decentralization. Drawing distinctions between these various concepts is useful for highlighting the many dimensions to successful decentralization and the need for coordination among them (**Olson, 1986**). Nevertheless, there is a clear overlap in defining any of those terms and the precise definitions are not as important as the need for a comprehensive approach. The above mentioned type of decentralization can also appear in different forms and combinations across countries, within countries and even within sector.

1.11 Political Decentralization

Political decentralization aims to give citizens or their elected representatives more power in public decision-making. It is often associated with pluralistic politics and representative government, but it can also support democratization by giving citizens, or their representatives, more influence in the formulation and implementation of policies. Advocates for political decentralization assume that decisions made with greater participation will be better informed and more relevant to diverse interests in society

that those made only by national political authorities. The concept implies that the selection of representatives from local electoral jurisdictions allows citizens to know better their political representatives and allows elected officials to know better the needs and desires of their constituents.

Political decentralization often requires constitutional or statutory reforms, the development of pluralistic political parties, the strengthening of legislative, creation of local political units, and the encouragement of effective public interest groups.

1.12 Administrative Decentralization

Administrative decentralization seeks to redistribute authority, responsibility and financial resources for providing public service among different levels of government. It is the transfer of responsibility for the planning, financing and management of certain public functions from the central government and its agencies to field units of government agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations.

The three major forms of administrative decentralization - deconcentration, delegation and devolution - each having different characteristics.

Deconcentration: Deconcentration is often considered to be the weakest form of decentralization and is used most frequently in unitary states. It redistributes decision making authority and financial and management responsibilities among different levels of the **central** government. It can merely shift responsibilities from central government officials in the capital city to those working in regions, provinces or districts, or it can create strong field administration or local administrative capacity under the supervision of central government ministries.

Delegation: Delegation is a more extensive form of decentralization. Through delegation central governments transfer responsibility for decision making and administrations of public functions to semi autonomous organizations not wholly controlled by the central governments, but ultimately accountable to it. Governments delegate responsibilities when they create public enterprises or corporations, housing authorities, transportation authorities, special authorities, etc. Usually, these organizations have a great deal of discretion in decision making. They may be exempted from constraints on regular civil service personnel and may be able to charge users directly for services.

Devolution: Devolution is the third type of administrative decentralization. When governments devolve functions, they transfer authority for decision making, finance, and management to quasi-autonomous units of local government with corporate

status. Devolution usually transfers responsibilities for services to municipalities that elect their own councils, raise their own revenues, and have independent authority to make investment decisions. In a devolved system, local governments have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. It is this type of administrative decentralization that underlies most political decentralization.

1.13 Fiscal Decentralization

Financial responsibilities is a core component of decentralization. If local governments and private organizations are to carry out decentralized functions effectively, they must have an adequate level of revenues - either raised locally or transferred from the central government - as well as the authority to make decisions about expenditures. Fiscal decentralization can take many forms, including, (a) self-financing or cost recovery through user charges; (b) co-financing or co-production arrangement through which the users participate in providing services and infrastructure through monetary or labour contributions; (c) expansion of local revenues through property or sales taxes or indirect charges; (d) inter governmental transfers that shift general revenues from taxes collected by the central government to local governments for general or specific user; and (e) authorization of

municipal borrowing and the mobilization of either national or local government resources.

1.14 Economic or Market Decentralization

The most complete form of decentralization from a governments perspective is Economic decentralization (through privatization and deregulation) because they shift responsibility for functions from the public to the private sector. Privatization and Deregulation are usually, but not always, accompanied by economic liberalization and market development policies. They allow functions that had been primarily or exclusively the responsibility of government to be carried out by business, community groups, cooperative, private voluntary associations, and other non-government organizations.

Privatization: Privatization can range in scope from learning the provision of goods and services entirely to the free operation of the market to 'public-private partnership' in which government and the private sector cooperate to provide services or infrastructure.

Deregulation: Deregulation reduces the legal constraints on private participation in service provision or allows competition among private suppliers for services that in the past had been provided by the government or by regulated monopolies.

In recent years, privatization and deregulation have become more attractive alternatives to governments in developing countries. Local governments are also privatizing by contracting out service provision or administration.

Having gone through the various forms of decentralization, it would be equally important to look at the conditions needed for successful decentralization.

1.2 Conditions for Successful Decentralization

Experiences in many countries as well as scholarly studies show that several conditions are necessary for successful decentralization. These conditions may vary over space, as well as in their magnitude, nevertheless their collective importance remains unhindered (**Olson, 1986**). These conditions can be summarized as follows:

1.21 Security of Existence: A first necessary conditions for strong local government is security of existence, clearly, local governments cannot perform properly if their existence is in constant jeopardy by the ability of authorities on higher levels of government to dissolve them easily at any time. Secure existence requires that members of local bodies only be dismissed for specific, pre-determined reasons and under formal procedures that require the dismissing authority to show that the dismissed person has violated the law. Clear criteria and procedures are also

needed in cases of dissolution of the local councils / municipalities / panchayat or for the alteration of their territories.

1.22 Resources and Autonomy: The success of decentralization efforts depends to a very large extent on the availability of sufficient resources and the possibility of using these resources autonomously. This requires, among other things, the right of local governments to collect local taxes and fees and to get funds from the central government necessary for the execution of task transferred to them; the right to spend this money without excessive prior control by higher levels of governments; the right to take decisions on local activities including local development projects without undue interference by national planning authorities; and technical support and advice from the centre.

1.23 Accountability and Transparency: In every administrative organization, it is of paramount important to introduce a clear concept of accountability. Such accountability has two dimensions.

- (i) Making local governments and their members accountable to the people means that the citizens can elect those who rule them and have the possibility to assess their performance at the time of re-election. This requires transparency of governmental actions and possibility to access relevant information such as budgets, accounts, plans etc. Citizen

must also know that office bearers who have violated the law will be punished in all cases.

- (ii) Local government are also accountable to the higher levels of government. Accountability to several authorities might create confusion and insecurity at lower levels that would be detrimental to the idea of efficient administration. Only well-defined responsibilities provide for the degree of transparency and security needed by authorities at lower levels who have to make certain decisions on their own. Therefore, a high degree of transparency in the relations between local governments and the supervising authorities is necessary.

1.24 Political will and Partnership: Experience has shown that the success of decentralization efforts depends, to a large extent on a clear vision regarding the position and function of local government and on a strong political will to implement that vision. It also depends on the willingness of both the central and the local level to see each other as partners in an ongoing process.

1.25 A Strong Legal Framework: Without a strong legal framework clearly setting out the powers, rights and duties of local governments, it is often impossible to know how, who is responsible for what. This allows central authorities to interfere easily in local affairs and leaves the local authority with no possibility of stopping such interference.

Having discussed the conditions necessary for meaningful and sustainable decentralization, now let us have a look on the changing face of decentralization.

1.3 Changing Face of Decentralization

To begin with, the disillusionment with highly centralized systems, lead to the embarkment on the administrative decentralization in general and deconcentration in particular. Deconcentration was seen first as a more efficient way of organizing the work of public administration, which would make it possible to appreciate the usefulness of each category of citizens. It was thus considered a condition for the efficient functioning of the state. But it was also admitted that the necessity for coordination and that of having the general interest prevail in government action, meant that the state could not cede all it's powers to local jurisdictions. Therefore, the transition from deconcentration to decentralization did not occur in the 1960s and 70s. As for as the rural development sector is concerned, the principal method of intervention by the states during the 60s and 70s was the launching of huge integrated rural development projects. They were characterized by a high degree of public intervention and limited delegation to semi-public agencies with well defined function. In spite of the deconcentration of some of the huge projects, the centralized management style was one of the reasons which rendered them unsuitable. The lessons from

these experiments indicate the difficulty of obtaining significant results through heavily centralized methods.

During the 80s and more intensely during the 90s, governments have tried to overcome the flaws of deconcentration by transferring decision making powers, not to local levels of central government organs, or to semi-autonomous public agencies, but rather to elected official of local jurisdiction and to other organizations. Decentralization by devolution is therefore, the transfer of functions, resources and decision making to citizens themselves, who would exercise the powers ceded to either their local government or to their representative organization.

In this regard, it is pertinent to note that the forces of globalization and localization have been moving forward, hand in hand (**Shahid Yusuf, 2000**). Globalization has forced the nation-state to focus it's attention on supranational issues and increasingly circumscribed it's choices. At the same time, localization is forcing states to take note of sub national dynamics and accommodate local demands. It seems that the notion of the *global village* and the *sons of the soil* are growing on each other. Globalization and localization enhance the prospects for rapid and sustainable growth in developing countries. The increased availability and more efficient allocation of resources, freer circulation of knowledge, more open and competitive milieu, and improved governance could all contribute to faster growth. But there are risks too.

Globalization entails greater exposure to external shocks and capital volatility - as the financial crisis that erupted in 1997 demonstrated, as well as the threat to environment. Decentralizing measures introduced to satisfy local demands may lead to macroeconomic instability if fiscal imprudence by sub national entities is not vigorously disciplined.

Having taken note of the changing faces of decentralization, now let us analyze the debate of decentralization vs. centralization.

1.4 A Critical Analysis of the Rationale of Decentralization

Much of the decentralization which has taken place in the past decade has been motivated by political concerns (**Rondinelli, 1983**). For example, in **Latin America**, decentralization has been an essential part of the democratization process as discredited autocratic central regime were replaced by elected governments operating under new constitutions. In **Africa**, the spread of multi-party political systems is creating demand for more local voice in decision making (**Wunsch and Olowu, 1990**). In some cases, (particularly in **East Asia**) decentralization appears to be motivated by the need to improve service delivery to large populations and the recognition of the limitations of central administration.

In case of **India**, there has always been a tradition of *village autonomy*, because the village was the basic unit of jurisdiction as well as resource mobilisation. The Indian village have survived all the ravages of history and the autonomous, self-sufficient local governments had thus ensured the continuity of life and tradition. At all times the village was the unit of government (**Basham, 1967**). Apart from the traditional factor, Gandhiji also made a strong plea for *Gram Swaraj*. Outlining his views on *gram swaraj*, Gandhiji wrote in **Harijan** (July 28, 1946),

"Every village should be a republic or a panchayat, having full powers. It follows, therefore, that every village has to be self-sustained and capable of managing its affairs even to the extent of defending itself against the whole world This does not exclude dependence on and willing help from neighbours or from the world. It will be a free and voluntary play of mutual forces". (**Kurukshetra, 1995**).

The Gandhian concept of *gram swaraj* has been incorporated as a directive principle (**Article 40**) in the Indian Constitution. The two factors, mentioned above have facilitated the decentralization of the Indian polity.

In any case, the process of democratization that swept the world, has been the major force behind decentralization. As the Nobel Laureate, **Amartya Sen** observed in **1999**, "*A country does not*

have to be judged to be fit for democracy, rather it has to become fit through democracy. This is truly a momentous change".

Although the main reason for decentralization around the world is that it is simply happening, yet the proponents of decentralization put forward arguments of several hues to advocate it (**Benett, 1990**). These arguments be summarized as follows:

- Decentralization moves the government closer to the people, and therefore ensures the cognizance of the local social and political aspirations. This proximity also develops a sense of accountability and responsiveness and encourages participation of the people in governance.
- Economists justify decentralization on the grounds of allocative efficiency. The rationale is that decisions about public expenditure that are taken by a level of government closer and more responsive to a local constituency are more likely to reflect the demand for local services than similar decision taken by a remote central government. The *secondary* yet important benefit in this is that people are more willing to pay for services which they find to be responsive to their priorities, especially if they have been involved in the decision-making process with regard to delivering the services.

Although politics is the driving force behind decentralization in most countries, fortunately, decentralization may be one of those

instances *where good politics and good economics may serve the same end*. The political objectives to increase political responsiveness and participation at the local level can coincide with the economic objectives of better decisions about the use of public resources and increased willingness to pay for local services.

However, there are others, who oppose this enthusiastic and vigorous decentralization (**Prud'homme, 1995**), which can be put follows:

- At macro level, an important concern has been that decentralization may make stabilization policies more difficult to implement, and indeed, may itself lead to destabilizing levels and composition of public expenditure and public debt.
- The rapid decentralization and sub-nationalization may lead to the problem of coordination at a central level. The decentralized units may have their specific political and economic compulsions which might be difficult to coordinate.
- Experience has shown that policies at extreme sub-national level is guided, too far, by parochial mind sets, which gives the politics, an abysmal profile. The practice of corruption also gets mushroomed.

Thus we find that there have been counter arguments for decentralization, which are as vociferous as the arguments in favour of it.

Centralization and decentralization are not "either-or" conditions. In most countries an appropriate balance of centralization and decentralization is essential to the effective and efficient functioning of government.

Having discussed the theoretical aspects of decentralization, let us now take up the Indian case in details, wherein, we would discuss the various aspects of Panchayati Raj Institutions in India.

1.5 Panchayati Raj in India

Self governing rural bodies are described in the Indian context as institutions of democratic decentralization or panchayati raj. The term 'panchayati raj', connotes 'Panchayats', the traditional Indian decision making body at the village level, as well as 'Raj'; which means governance. In India, the Panchayati Raj Institutes were formally introduced in 1959. Though in 1952, during the first five year plan, the programme of community development was started to create among the rural people of India an active interest in national schemes of economic planning and social reconstruction. But this government sponsored programme of community development could not bring the rural people within the orbit of planning and they could not bring the rural people

within the orbit of planning and they could not become active and willing participants in plan implementation at the village levels.

In January 1957, a study team on community development, headed by Shri **Balwant Rai Mehta** was appointed to review the working of the community development programme. The team was asked to study among other things "the organisational structure and methods of work of the panchayats". This team which submitted its report in late 1957 suggested the establishment of 'Panchayati Raj' or 'Democratic Decentralization'. The major recommendations of Balwant Rai Mehta Committee on democratic decentralization were:

1. There should be a three-tier structure of local self-government from the village to the district, with village at the bottom and district at the top with its intermediary link of institutions all organically related to one another;
2. There should be genuine transfer of power and responsibility to these institutions of local government;
3. Adequate resources should be transferred to these bodies to enable them to discharge those responsibilities;
4. All programmes of social and economic development formulated through the network of planning should be channeled through those institutions;

5. The whole system of Panchayati Raj should facilitate further devolution and dispersal of power, responsibilities and resources in the future.

These recommendations were accepted by the National Development Council in 1958. In 1959, after taking stock of the situation arising out of the variation in different states, it was recommended that while the broad patterns and the fundamental of the Panchayati Raj institutions might be uniform, there should not be any rigidity in details of the pattern, in view of the vastness of the country and the complexity of its problem.

India's experiment with democratic decentralization started in Rajasthan with the formal inauguration of Panchayati Raj by Jawaharlal Nehru on October 2, 1959 at Nagaur. Though the Panchayats started functioning all over the country, yet it could not make much headway in its purposes.

In order to review the functioning of the panchayati raj institutions, the Janata Party government appointed a committee under the chairmanship of Shri **Asoka Mehta** in December, 1977. The committee stressed upon the basic soundness of the panchayat raj institutions and recommended a design for effective decentralization in order to bring into existence such organisation, technical competence and leadership of a higher order, as would

be capable of doing justice to the dynamics of development. the main recommendations of the Asoka Mehta Committee are:

1. The district should be the first point of decentralisation, under popular supervision below the state level;
2. Below the district level, the development management can be best achieved, by grouping a number of villages to constitute Mandal panchayats;
3. The preference of the committee is for two tiers - a district level Zila Parishad and a Mandal panchayat;
4. Panchayati Raj elections should be conducted by the chief election officer of the state in consultation with the chief election commissioner;
5. Participation of political parties in Panchayati Raj elections would ensure clearer orientation towards development programme and facilitate healthier linkages with higher level political process;
6. All the development functions relating to a district which are now being discharged by the state government would have to be placed under the zila parishad

The recommendations of the Asoka Mehta committee were considered at the conference of the Chief Ministers, in May 1979.

There was a general agreement regarding the need for increased decentralization; however, a difference of opinion regarding structural pattern was also there.

1.6 Performance of Panchayati Raj Institutions

A general discussion, on how Panchayati Raj Institutions have performed in some states would provide an insight into the structural and operational aspects of Panchayati Raj. Structure and functions of the Panchayats in various states have been changing over the years. In Assam, there have been shifts in the tiers and functions assigned. In Andhra Pradesh, the Zila Parishads, endowed with limited executive functions, have shown encouraging results in areas like education; the performance of the Panchayat Samitis too has been noticeable. In Rajasthan, which was first to launch Panchayati Raj, along with Andhra Pradesh, the Samitiis worked with enthusiasm in the initial phase. In Gujarat, since 1965 state wide panchayat elections have been held six times and almost regularly. It is the state where panchayat elections were conducted even during the emergency.

Overall, the process of decision making is brought closer to the people through panchayati raj. According to Rajani Kothari, "Operating through these institutions, a new kind of political functioning has emerged at the local level who may , in course of

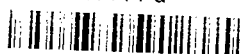
time, become more powerful than the elected representatives at the state and national levels" (Kothari, 1970).

In spite of these achievements, the Panchayati Raj has also been plagued by problems like, the lack of political will and also a non-motivated bureaucracy (Mishra, 1986).

1.7 The New Panchayati Raj System: The 73rd Amendment Act

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To revitalize the Panchayati Raj, Rajiv Gandhi Government introduced 64th Constitutional Amendment in the Parliament in 1989 and V.P Singh government introduced 74th Constitutional Amendment bill in September 1990. However, the Lok Sabha was dissolved and both the bills could not be passed. The P.V. Narsimha Rao government introduced the 72nd Constitutional Amendment bill in Parliament in September, 1991 for strengthening the Panchayati Raj institutions in the country. the bill was passed as the 73rd Constitutional Amendment Act, 1992 by the Parliament which was notified by the central government through official gazette on April 20, 1993, as it got ratification by the state legislatures and was assented by the President of India. the 73rd Amendment Act, 1992 has added a new part IX consisting of 16 articles and the Eleventh Schedule to the constitution. The following features were added to the constitution under Article 243 A to O (**Seventy third Amendment Act, 1992, Constitution of India**).

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Gram Sabha: Article 243A provides that the Gram Sabha may exercise such powers and performs such functions at the village level as the legislature of a state may by law provide. The 73rd Amendment thus envisages the Gram Sabha as the foundation of Panchayati Raj system. 'Gram Sabha' means a body consisting of persons registered in the electoral rolls relating to village comprised within the area of panchayat at the village level.

Constitution of panchayats: Article 243B visualizes a three-tier Panchayati Raj system. It provides that in every state there shall be constituted panchayats at the village, intermediate and district levels. Small states having a population not exceeding twenty lakhs have been given an option not to constitute the panchayats at the intermediate levels.

Composition of panchayats: Article 243C provides that, subject to the provisions of this part the legislature of a state may by law make provisions with respect to the composition of panchayats. However, the ratio between the population of the territorial area of a panchayat at any level and the number of seats in such panchayats to be filled by election shall, so far as practicable, be the same throughout the state.

All the seats in a panchayat shall be filled by persons chosen by direct election from territorial constituencies in the panchayat area. For this purpose each panchayat's area shall be divided into

territorial constituencies, such that the ratio between the population of each constituencies and the number of seat allotted to it, so far as practicable, be the same throughout the panchayat area.

The legislature of a state may by law provided for representation of following persons in panchayats:

- (a) The chairpersons (chairman) of the panchayats at the village level, in the panchayat at the intermediate level or in case of state not having panchayats at the intermediate level in the panchayats in the district level;
- (b) The chairpersons of the panchayats at the intermediate level, in the panchayats at the district level.
- (c) The members of Lok Sabha and the Legislative Assembly of the State representing constituencies which comprise wholly or partly a panchayat area at the level other than the village level, in such panchayats.
- (d) The members of the Rajya Sabha and Legislative Council of the state where they are registered as electors.

The Chairperson of a panchayat and other members of panchayats whether or not chosen by direct election from territorial constituencies in the panchayat area shall have the right to vote in the meetings of panchayat.

The chairperson of a panchayat at the village level shall be elected in such a manner as the legislature of a state may by law, provide the chairperson of a panchayat at the intermediate level or district level shall be elected by, and amongst, the elected member thereof.

Disqualification for membership: A person shall be disqualified for being chosen as, and for being a member of panchayats.

(a) If he is so disqualified by or under any law for the time being in force for the purposes of elections to the legislature of the state concerned;

(b) If he is so disqualified by or under any law made by the legislature of the state.

But no person shall be qualified on the ground that he is less than 25 years of age, under (a), if he had attained the age of 21 years.

If any question arises as to whether a member of a panchayat has become subject to any of the qualifications mentioned in Clause (1) the question shall be referred for the decision of such authority and in such manner as the legislature of a state may, by law, provide.

Reservation of seats in panchayats: Article 243D provides that in every panchayats seats shall be reserved for the scheduled castes and scheduled tribes. The number of seats so reserved shall be, as nearly as may be, in the same proportion to the total

number of seats to be filled by direct election in that panchayat as the population of the SCs and STs in that panchayat area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a panchayat.

Out of total number of seats reserved under Clause (i) not less than 1/3 seats shall be reserved from women belonging to the SCs and STs [Clause (2)]. Out of total number of seats to be filled by direct election in every panchayat not less than 1/3 (including the number of seats reserved for SCs and STs women) seats shall be reserved for women. Such seats may be allotted by rotation to different constituencies in a panchayat (Clause 3].

The office of the chairpersons in the panchayats at the village or any other level shall be reserved for SCs, STs and women in such manner as the legislature of a state may, by law, provide. But the number of offices of chairperson reserved for the SCs and STs in the panchayats at each level in any state shall be, as nearly as possible, in the same proportion to the total number of such offices in the panchayats at each level in proportion of the total population of the SCs and STs in the state. However, not less than 1/3 of the total number of the offices of chairpersons in the panchayats at each level shall be reserved for women. The number of offices reserved under this clause shall be allotted by rotation to different panchayats at each level.

The reservation of seats under Clauses (1) and (2) and the reservation of offices of chairperson (other than the reservation for women) under Clause (4) shall cease to have effect on the expiration of the period (50 years) specified in Article 334 (Clause 5).

Reservation for backward classes: The legislature of a state is empowered under Clause (6) to make provision or reservation of seats in any panchayat or office of chairpersons in the panchayats at any level in favour of backward classes of citizens.

Duration of Panchayats: According to Article 243E every panchayat, unless so ones dissolve under any law for the time being in force, shall continue for five years from the date appointed for its first meeting. No amendment of any law in force shall have effect of causing dissolution of a panchayat at any level which is functioning before such amendment till the expiration of its normal period of five years.

A election to constitute a panchayat must be completed:

- (a) Before the expiry of its duration;
- (b) Before the expiration of a period of six months from the date of its dissolution.

But where the remainder of the period for which the dissolved panchayat would have continued in less than six months, it shall

not be necessary panchayat would have continued in less than six months, it shall not be necessary to hold any election under this clause for constituting the panchayat for such period.

Powers, authority and responsibility of panchayats: Article 243G, provides that subject to the provisions of this constitution the legislature of a state may, by law, endow the panchayat with such powers and authority as may be necessary to enable them to function as an institution of self government. Such law may contain provision for the devolution of powers and responsibilities upon panchayats subject to such conditions as may be specified therein, with respect to:

- (a) The preparation of plans for economic development and social justice
- (b) The implementation of schemes for social development and social justice as may be entrusted to them including those in relation to the matters listed in the 11th schedule.

The matters listed in the **Eleventh Schedule** are as follows:

1. Agriculture, including agricultural extension;
2. Land improvement, implementation of land reforms, land consolidation and soil consolidation
3. Minor irrigation, water management and watershed development
4. Animal husbandry, dairying and poultry

5. Fisheries
6. Social forestry and farm forestry
7. Minor forest produce
8. Small scale industries, including food processing industries
9. Khadi, village and cottage industries,
10. Rural housing
11. Drinking water
12. Fuel and fodder
13. Roads, culverts, bridges, ferries waterways and other means of communication
14. Rural electrification, including distribution of electricity
15. Non-conventional energy sources
16. Poverty alleviation programme
17. Education, including primary and secondary schools
18. Technical training and vocational education
19. Audit and non-formal education
20. Libraries
21. Cultural activities
22. Markets and fairs
23. Health and sanitation, including hospitals, primary health centres and dispensaries
24. Family welfare
25. Women and child development
26. Social welfare, including welfare of the handicapped and mentally retarded

27. Welfare of weaker sections, and in particular, of the scheduled castes and scheduled tribes
28. Public distribution system
29. Maintenance of community assets

It is to be noted that Article 243G is subject to the provisions of the constitution. this means that the normal distribution of powers Under Articles 245 and 246 cannot be effected by the state legislature while resting with powers and authority upon the panchayats.

Powers to impose taxes and funds of panchayats:

Article 243H empowers a state legislature to make by law provision for imposing taxes etc. by the panchayats such a law.

- (a) Authorize a panchayat to levy, collect and appropriate such taxes, duties, tolls and fees levied by higher authority for such purpose and subject to such limits;
- (b) Assign to a panchayat such taxes, duties, tolls and fees levied and collected by the state government for such purposes and subject to such conditions and limits
- (c) Provide for making such grants in aid to the panchayats from the consolidated fund for the state; and

- (d) Provide for constitution of such funds for crediting all money received, by or on behalf of the panchayats and also for the withdrawal of such money therefrom.

Finance Commission

Article 243-I provide for the establishment of Finance Commission for reviewing financial position of the panchayats. The governor of a state shall within one year from the commencement of the constitution (73rd Amendment) Act, 1992 and thereafter at the expiry of every fifth year, constitute a finance commission. The legislature of the state may by law, provide for the composition of the commission, the qualifications requisite for appointment of its members and the manner in which they shall be selected.

It shall be the duty of Finance Commission to review the financial position of the panchayats and to make recommendations to the governor as to:

- (a) the principles which should govern.
- (i) The distribution between the state and the panchayats of the net proceeds of the taxes, duties tolls an fees leviabale by the state, which be divided between them under this part and allocation between the panchayats at all the levels of their respective shares of such proceeds

- (ii) The grants-in-aid to the panchayats from the consolidated fund of the state.
- (b) the measures needed to improve one financial position of the panchayats
- (c) any other matter referred to the financial commission by the governor in the interests of sound finance of the panchayats.

The commission shall determine its procedure and shall have such powers in the performance of its functions as the state legislature may, by law, confer out. The governor shall cause every recommendation made by the commission together with an explanatory memorandum as to the action taken thereon to be laid before the legislation of the state.

Audit of accounts of panchayats

The legislature of a state may, by law make provision with respect to the maintenance of accounts by the panchayats and the auditing of such accounts.

Elections to the panchayats

Under Article 243K the superintendence, direction and control of the preparation of electoral rolls and conduct of all elections to the panchayats shall be vested in a state election commission consisting of the state election commissioner to be appointed by

the governor. Subjects to the provisions of any law made by the state legislature the conditions of service and tenure of office of the state election commissioner shall be such as the governor may by rule determine. The state election commissioner shall not be removed for his office except in like manner and on like grounds as a judge of a high court. The conditions of service of the state election commissioner shall not be varied to his disadvantage after his appointment.

The governor of state shall, when so requested by the state election commissioner make available to commission such staff as may be necessary for the discharge of its functions.

The state legislature may, subject to the provision of this constitution, by law, make provisions with respect to all matters relating to or in connection with elections to the panchayats.

Part not to apply to certain areas: Article 243M provides that, Part 9 shall not apply to the following areas:

1. The scheduled areas referred to in clause (1) and tribal areas referred to in clause (2) of Article 244.
2. The state of Nagaland, Meghalaya and Mizoram.
3. The hill areas in the state of Manipur for which district councils exists under any law for the time being in force.

4. To panchayats at the district level of the hill areas of the District of Darjeeling in the state of West Bengal for which Darjeeling Gorkha Hill council exists under any law for the time being in force,
5. Shall affect the functions and powers of the Darjeeling Gorkha Hill Council constituted under such law.

Notwithstanding any thing in this constitution

- (a) The State Legislature of Nagaland, Meghalaya and Mizoram may, by law, extend this part to that state, except these areas referred to in clause (1) if the Legislation Assembly of that state passes a resolution to that effect by a majority of the total membership of that House and by a majority of not less than two-third of the members of that house present and noting.
- (b) Parliament may, by law extend the provision of Part 9 to the scheduled areas and Tribunal areas referred to in Clause (1) subject to such exceptions and modification as may be specified in such law, such law shall not be deemed to be amendment of this constitution for the purpose of this article 368.

Continuance of existing laws and panchayats

Article 243N provides that notwithstanding anything in Part 9 or any provision of any law relating to panchayats in force in a state immediately before the commencement of the Constitution (73rd Amendment) Act, 1992, which is inconsistent with the provisions of Part 9, shall continue to be in force until amended or repealed by a competent legislature or other competent authority or until the expiration of one year from such commencement, whichever is earlier.

However, all the panchayats existing immediately before such government shall continue till the expiration of their duration, unless sooner dissolved by resolution passed by the Legislative Assembly of that state or in a state having a legislative council, by each house of the legislature of that state.

Courts not to interfere in electoral matters:

Article 243O bars the interference by court in electoral matters of panchayats. It provides that notwithstanding anything in this constitution the validity of any law relating to the delimitation of constituencies or the allotment of seats to such constituencies made under Article 243K shall not be called in question in any court.

The validity of an election to any panchayat can be challenged only through an election. Petition presented to such authority and in such manner as provided by any law made by the legislature of a state.

1.7.1 Critical Evaluation of the 73rd Amendment Act

Though the 73rd amendment has been hailed as a very progressive step towards decentralized governance, yet it is flawed in two major respects. Firstly, the act has not clearly defined the role of political parties. Nowhere it mentions that political parties can enter into election arena in their formal capacity. In a society, as much dominated by political parties, as ours, it is not feasible to ignore them (Fadia, 2000). Secondly, it is completely silent over the relationship between Panchayati Raj Institutions and local level bureaucracy. Due to lack of defined roles for the two, both used to move in different directions, primarily due to lack of proper coordination. This had been one of the important causes of failure of the Panchayati Raj Institutions (Mishra, 1986). Unfortunately, the present amendment to the constitution too has left this problem untouched and has authorized the state legislatures to make suitable provisions to tackle the lacunae.

Nevertheless, it goes to the credit of the 73rd Amendment Act, that, it has created a third level of governance, as aptly pointed out by Nirmal Mukarji, "The amended constitution requires the states to

constitute panchayats as institutions of self government, not only for villages but also at intermediate and district levels. Consequently, there will henceforth be three strata of government: the union, the states and the panchayats. A more radical change is difficult to visualize. It's implications are far reaching" (Mukarji, 1999).

Thus, we find that, inspite of some short comings, the 73rd Amendment Act is a landmark in India's decentralized democracy.

1.8 Objective of the Study

The 73rd amendment had brought some very radical changes in the existing Panchayati Raj institutions. The new dispensation had emphasised on two crucial aspects, viz. Finances of the panchayats and reservation in representation of women and scheduled caste and scheduled tribe. In this light, the present study has the following objectives.

1. To critically analyse and understand the formula prepared by the Eleventh Finance Commission for devolution of fund to the panchayats. An attempt has also been made to analyse the financial conditions of the panchayats in various states, at three point of time viz. 1990-91, 1994-95 and 1997-98.

2. To analyse and understand the social status of various states, with particular reference to the condition of women and try to relate it with their level of representation in the panchayats.
3. To analyse the representation of scheduled caste and scheduled tribe in the panchayats.
4. To give a historical perspective and bring out a qualitative relationship between the formation of cultural regions and the status of women and scheduled caste population.

1.9 Data Base

Data for finances of panchayats at various levels have been collected from Relevant Finance Commission Report, Government of India, 1997. The data on agricultural productivity (value of major crops per capita) has been collected from the profile of districts, Centre for Monitoring Indian Economy, 1993. Statewise Women Representation at various levels of panchayats as well as scheduled caste and scheduled tribes representation in elections held after 73rd amendment are based on the publication of institute of social science "status of Panchayati Raj in the states and union territories of India". While rural population and SC, ST population figures are taken from Census of India, General Population tables 1991. Sexwise Rural literacy, Rural fertility rates, percent of married women in 10-19 age group, Rural Female Life Expectancy and Sex Ratio have been collected from profile of states 1991, a Census of India publication.

1.10 Methodology

Keeping the objectives in mind, we have tried to analyse the financial situations of the panchayats at various levels. The financial condition of the panchayats has been dealt for three points of time 1990-91, 1994-95 and 1997-98, and for two components, they are:

- (i) Revenue
- (ii) Expenditure

The revenue component is further analysed for two sub-components viz.

- (a) Own revenue
- (b) Other revenue

Similarly, the expenditure component has been analysed for two sub-components viz:

- (a) Expenditure on core services
- (b) Expenditure on other services

For the analysis of the related data, correlation, regression, growth rates and percentages are the statistical tools used.

Further for analysing the social status of the states, following social indicators have been taken.

1. Sex ratio
2. Rural fertility rates
3. Disparity in rural literacy rates
4. Rural female life expectancy
5. Percentage of married females in 10-189 age group

In order to arrive at composite index of social status, we have conducted, the Principal Component Analysis. The factor score thus, arrived at, has been used to correlate with the level of women representation in various states. Further, significant correlation results have been put to regression analysis and therefore the extent of explanation of relationship has been calculated. For the analysis of the level of scheduled caste and scheduled tribe representation at the Gram Panchayat level, deviation of the level of representation from the percentage of their respective population in major states have been calculated.

Furthermore, an attempt has been made for **Qualitative Analysis** to explain the status of women and scheduled castes in various

states. This has been done by giving a historical perspective to the explanation.

Cartographic Techniques

For analysing the data, cartographic techniques have also been used. Map has been used to show the social status of the various states. Bar diagram have been used to analyse the financial conditions of the panchayats, as well as, the level of women representation in various states.

1.11 Limitations

The study is constrained by the non-availability of some of the required data. For Chapter 2, the break-up of data on expenditure on 'other services' is not available. Similarly, for chapter 3, the data on women SCs and STs representation in panchayats, is not available for all the states, for the pre-73rd amendment period.

1.12 Organisation of the Study

The study has been divided into four chapters, the theme of which is as follows:

Chapter one – this chapter is an introductory one, which discusses two broad themes. Firstly, it deals with the debates and dimensions of decentralization and secondly, it deals with the **Panchayati Raj** in India.

Chapter two – This chapter deals with the financial aspects of the Panchayats at all three levels and for three point of time, viz. 1990-91, 1994-95 and 1997-98.

Chapter Three – This chapter deals with the social dimensions of panchayats. Herein the level of the women representation and SCs and STs representation is analysed.

Chapter four – This chapter incorporates the summary and conclusion of the study

Chapter 2

THE FUNCTIONING OF PANCHAYATI RAJ: AN ANALYSIS OF ITS FINANCIAL DIMENSION

The seventy-third amendment act was meant to bring about a revival of the decaying Panchayati Raj institutions. At the core of this revival strategy was imparting financial strength to the panchayats. Under the new dispensation, Article 243G, 243H, and 242I were specifically spelt out to impart financial power and autonomy to the panchayats (See section 1.7).

2.1 Framework of Analysis:

This chapter attempts to analyse the financial condition of the Panchayats, at the three levels. The financial support for the panchayats comes from primarily two sources firstly, the revenue generated by itself by virtue of its several taxation authority and secondly, the panchayats of various states receive grants from the finance commission. The former is categorised as own revenue and the latter, as other revenue. The new dispensation had envisaged a financially independent panchayats, in the long run. Therefore, the 'own revenue' component becomes all the more important. In order to understand the own revenue, we firstly, analyse its break-up into various taxes, across the states. Thereafter, we attempt to correlate the 'own revenue' with agricultural productivity of the

various states, to understand the relationship between the revenue generating capacity of the states and the revenue actually generated.

Thereafter, we also analyse the 'other revenue' component and the formula for devolution of fund, devised by the Eleventh Finance Commission.

Similarly, we also analyse the expenditure aspect of Panchayats, by analysing the expenditure on 'core services' and 'other services'. For the purpose of analysis, we have taken only the 16 major states.

2.2 Statewise analysis of the Panchayat revenues

As already mentioned, the revenue of the panchayats come from two sources, viz. own revenue and other revenue. Before going into the state-wise analysis of the 'own' and 'other' revenue, let us first look at the components of the own revenue. There are several taxes, through which the panchayats generate their own revenue. These taxes vary from state to state, according to the state panchayat acts. Furthermore, these taxes can be either obligatory or optional depending upon the Acts. Table 2.1, depicts the taxation powers assigned to village panchayats as per the state panchayat Act.

Table 2.1: State-wise Taxation Powers Assigned to Village Panchayats as per the State Panchayats Act

Sl. No	State	Property/House/Land Tax	Profession Tax	Taxes/Fees on Vehicles	Advertisement/Hoarding etc. Tax	Trade/Market Tax/Fee	Taxes/Fees on visitors to Fairs/Melas/Pilgrims etc.	Tax/Toll/Fees on Animals, Ferries etc.	Sanitation/Conservancy/Drainage Tax	Water Rate/Tax/Fee	Lightning rate/Tax/Fee	Octroi/Lilagaram/sale of goods tax	Entertainment Theatre Tax/Addl. Duty	Special Tax on Adult male member	Surcharge/Tax on Land Revenue/Land	Cess/Betterment Charges Addl. Stamp duty on transfer of property	Fees of Buses, taxies, auto stand, cart stand etc.	Fees/Tax on grazing land/Ag. Land	Fees for shop/stalls/hats/slaughter house	Building Fee. Agents Fee etc.	Seigniorage Fee	Show Tax/Fees on Cinema Hall	Fees on rest houses, saria, building, land, cattle pond etc.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.	Andhra Pradesh	B		P	B	B		P	B	B	B	B			P	B		P	P	P	P		P
2.	Assam	B	B				B	P	B	B	B	P	B				P		P				
3.	Bihar	P	P	P			P	P	P														
4.	Gujarat	P	B	P		P	P	P	P	P	P	P	P				P	P					
5.	Haryana	B				P	P	P	P	P	P			P	P	P							
6.	Himachal Pradesh	B				P		P	P	P	P			P	P	P							
7.	Karnataka	B		P	P	P	P	P		P			P				P	P					
8.	Kerala	P	P		P				B	B	B		P		B	B						B	
9.	Madhya Pradesh	B	B	P		B		B	B	P	B						P	P		P			P
10.	Maharashtra	B	P	P		P	P	P	P	B	P	P	P		B		P	P	P				
11.	Orissa			P		P		P	P	P	P						P		P	P			P
12.	Punjab	B	B	P			P		P	P	P		B			B							
13.	Rajasthan	P		P		P	P			P		P		P									
14.	Tamil Nadu	B		B												B							
15.	Uttar Pradesh	B		P		P	P	P	P	P	P		P						P		B		
16.	West Bengal	B		P		P	P	P	P	P	P		B			B		P					

Note: B - Indicates obligatory levy and P - Optional levy

Source: Bohra O.P. (2001), "Decentralisation and Fiscal Significance of Village Panchayats", in **Humansising Development Trends in Public Administration**, edited by Suresh Mishra and Rajvir Dhaka, 2001, Sustainable Development Foundation, New Delhi.

Table 2.2: State-wise Taxes Levied and Collected by Village Panchayats

Taxes	Andhra Pradesh	Assam	Bihar	Gujarat	Haryana	Himachal Pradesh	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Orissa	Punjab	Rajasthan	Tamil Nadu	Uttar Pradesh	West Bengal
Property/House Tax	LC				LC	LC	LC	LC	LC	LC	LC	LC	LC	LC		LC
Lighting Tax					LC				LC	LC	LC					
Water Tax/Rent Tax				LC					LC	LC						
Drainage Tax	LC			LC					LC		LC					
Sanitation Tax										LC						
Latrine Tax											LC					
Octroi										LC						
Profession Tax				LC			LC	LC	LC	LC				LC		
Entertainment Tax/Fees				LC			LC	LC		LC	LC			LC		
Vehicle Tax/Tolls	LC			LC			LC	LC		LC	LC					LC
Pilgrim Tax				LC			LC			LC				LC		
Land Tax (Non-Ag)				LC												
Shop/Cart Rate		LC														LC
Others																LC
Special Tax	LC															
Rents, Buildings									LC							
Special Tax on Property				LC												
Education Cess				LC												
Ag. Land Tax							LC	LC		LC				LC	LC	
Tax on Extraction and export of sands, stone, bajri and slates						LC										

LC = Taxes levied and collected by VPs

Source: Bohra O.P. (2001), "Decentralisation and Fiscal Significance of Village Panchayats", in **Humansising Development Trends in Public Administration**, edited by Suresh Mishra and Rajvir Dhaka, 2001, Sustainable Development Foundation, New Delhi.

From the table 2.1, it is quite evident that, all the sixteen major states have many taxes, either obligatory or optional, to generate revenue from. The most common taxes across the states are property/house/land taxes, taxes/fees on vehicle, trade/market tax, sanitation/drainage tax, water tax, lighting tax etc. Among these taxes, property tax is obligatory in most of the states. The other taxes are optional in majority of the states. However, it would be very interesting to analyse as to how many states actually levy and collect the taxes which their respective panchayats act have provisioned. Table 2.2, depicts the state-wise taxes levied and collected by village panchayats. It is quite obvious that all the states are not levying even all the taxes that have been provisioned. Some of the states are not even levying and collecting the obligatory taxes. States like Andhra Pradesh, Assam, Madhya Pradesh, Kerala, West Bengal etc. come under this category.

New let us analyse the collection of own revenue and the other revenue across the states.

We analyse the revenue of the panchayats for three point of time, viz, 1990-91, 1994-95 and 1997-98.

The situation in 1990-91 can be analysed from Figure 2(a), wherefrom it is clear that Karnataka leads in so far as total revenue per thousand rural population is concerned. It is followed by Gujarat, Maharashtra, Andhra Pradesh and Rajasthan. On the other extreme is Bihar, with the lowest total revenue per thousand population, followed by Assam, Himachal Pradesh, and West Bengal. The other states lie in between these two extremes. The situation on the break up of the total revenue front, would become clear if we look at the percentage composition of own and other revenue.

Figure 2(a)
INDIA
DISTRIBUTION OF TOTAL REVENUE OF PANCHAYATS (ALL TIERS)
1990-91

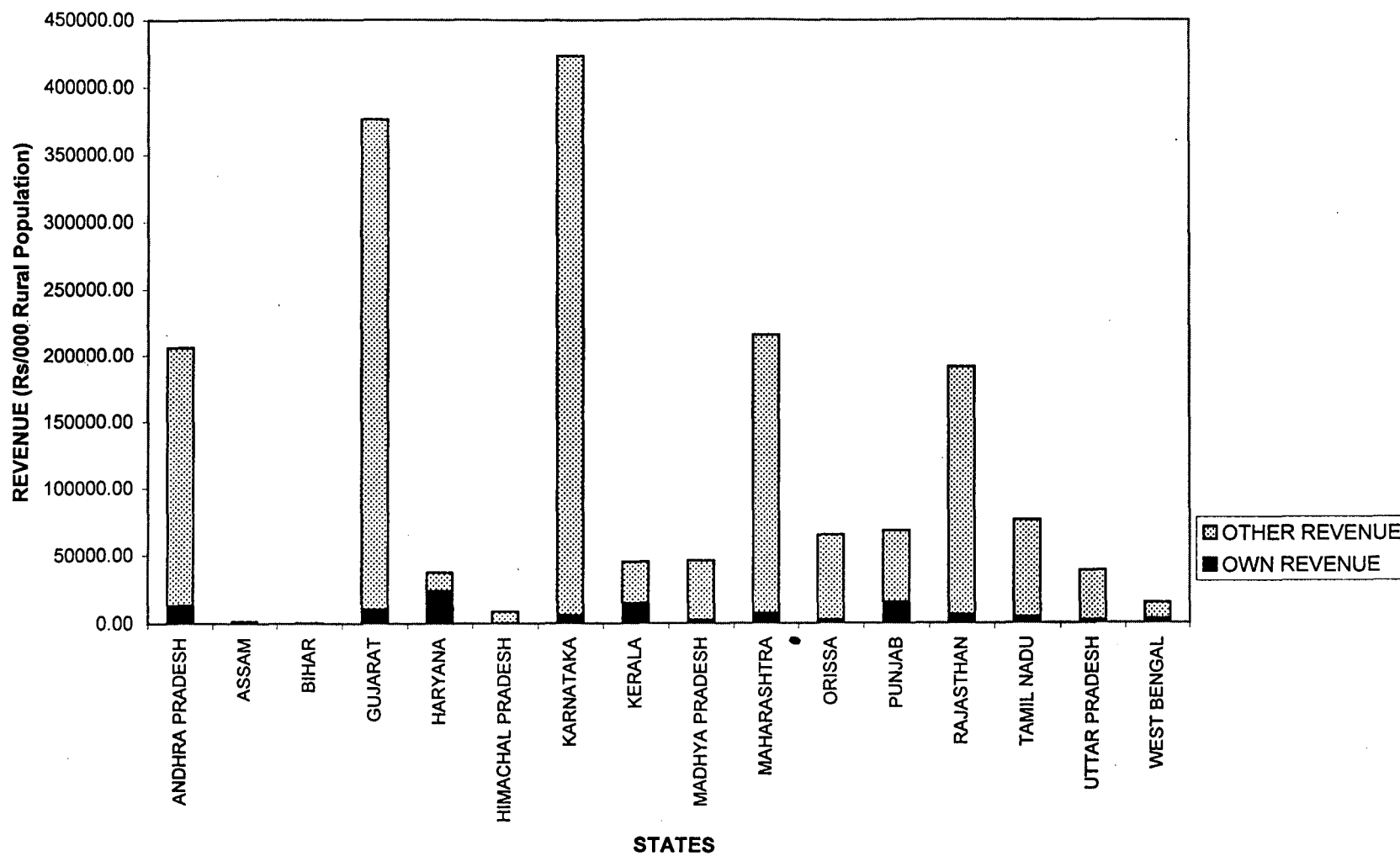


Table 2.3**Percentage share of total revenue of Panchayats across states**

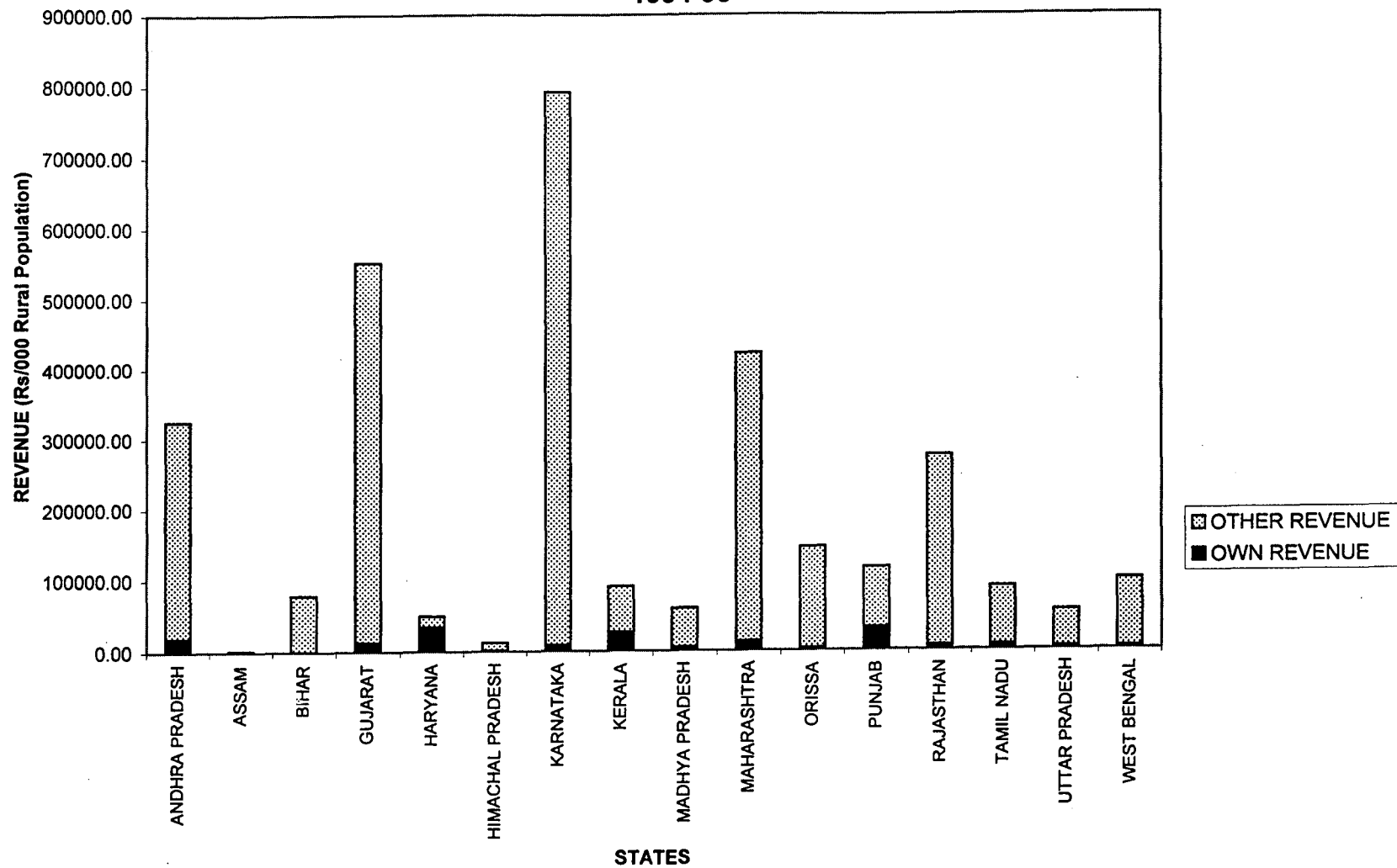
States	1990-91		1994-95		1997-98	
	Own revenue	Other revenue	Own revenue	Other revenue	Own revenue	Other revenue
Andhra Pradesh	6.27	93.73	5.88	94.12	5.49	94.51
Assam	100.00	0.00	87.97	12.03	22.32	77.68
Bihar	0.00	100.00	0.00	100.00	0.00	100.00
Gujarat	2.70	97.30	2.25	97.75	1.1	98.19
Haryana	63.49	36.51	69.40	30.60	62.20	37.80
Himachal Pradesh	0.50	99.50	9.39	90.61	2.68	97.32
Karnataka	1.32	98.68	1.00	99.00	0.80	99.20
Kerala	32.41	67.59	28.74	71.26	10.08	89.92
Madhya Pradesh	5.11	94.89	8.54	91.46	1.80	98.20
Maharashtra	3.27	96.73	3.08	96.92	3.39	96.61
Orissa	3.31	96.69	2.02	97.98	1.09	98.91
Punjab	22.12	77.88	27.28	72.72	39.78	60.22
Rajasthan	3.22	96.78	2.35	97.65	2.02	97.98
Tamil Nadu	5.62	94.38	7.58	92.42	8.06	91.94
Uttar Pradesh	5.30	84.70	6.36	93.64	5.28	94.72
West Bengal	19.71	80.29	2.99	97.01	4.02	95.98
India	5.60	94.57	4.02	95.98	3.50	96.50

Source: Calculated from Table 2 of Appendix.

From table 2.3 it is clear that the other revenue dominates the revenue composition in most of the states. This shows the inabilities of the panchayats in generating their own funds. In so far as percentage share is concerned, the own revenue wise scenario is led by Assam (100 per cent), followed by Haryana (63.49 per cent), Kerala (32.41 per cent), Punjab (22.12 per cent) and West Bengal (19.71 per cent). On the other hand, the own revenue component is hardly present in the states like Bihar (0 per cent), Himachal Pradesh (0.5 per cent), Karnataka (1.32 per cent), Gujarat (2.7 per cent) and Maharashtra (3.27 per cent). Most of the other states, though in between these two extremes, are on the lower side.

In 1994-95, as is evident from Figure 2(b), Karnataka has the highest total revenue per thousand rural population. It is followed by Gujarat, Maharashtra, Andhra Pradesh and Rajasthan. On the other side are the states like Assam, Himachal Pradesh, Haryana, Madhya Pradesh and Bihar. In so far as percentage share of own revenue is concerned, from Table 2.3 it is clear that Assam is still at the highest position with 87.97 per cent , of its total revenue coming from own efforts. It is followed by Haryana (69.4 per cent), Kerala (28.74 per cent) and Punjab (27.28 per cent). On the other

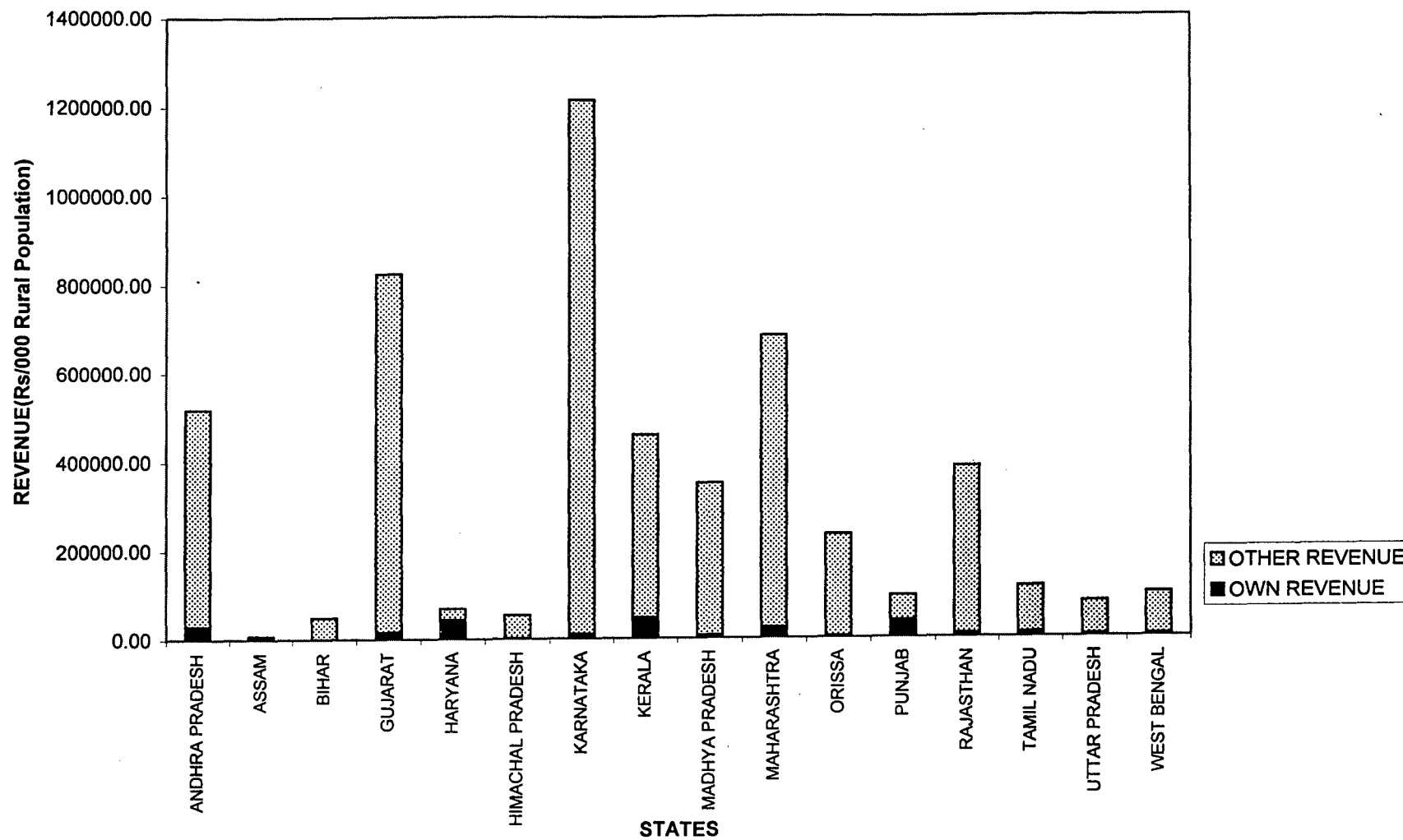
Figure2(b)
INDIA
DISTRIBUTION OF TOTAL REVENUE OF PANCHAYATS (ALL TIERS)
1994-95



hand, Bihar is at the bottom with no own revenue. It is followed by Karnataka (1 per cent), Orissa (2.02 per cent), Gujarat (2.25 per cent), and Rajasthan (2.35 per cent). Infact apart from the four states mentioned in the higher category, all the states have the proportion of own revenue to total revenue below 10 per cent . It can also be noticed that West Bengal which had 19.71 per cent of the total revenue as own revenue in 1990-91, has dropped to 2.99 per cent .

In 1997-98, as can be seen in Figure 2(c), Karnataka, once again leads the list of total revenue, followed by Gujarat, Maharashtra, Andhra Pradesh and Kerala. On the lower side of the list are the states of Assam, Bihar, Himachal Pradesh, Haryana and Uttar Pradesh. The proportion of own revenue to the total revenue can be analysed from Table 2.3. Haryana occupies the highest position with 62.2 per cent , followed by Punjab (39.78 per cent), Assam (22.32 per cent) and Kerala (10.08 per cent). The remaining states have their proportion of own revenue below 10 per cent . The lowest position is occupied by Bihar (0 per cent), followed by Karnataka (0.8 per cent), Orissa (1.09 per cent), Madhya Pradesh (1.80 per cent) and Gujarat (1.81 per cent).

Figure 2(c)
INDIA
DISTRIBUTION OF TOTAL REVENUE OF PANCHAYATS (ALL TIERS)
1997-98



Thus we find that in all the three point of time, the panchayats have heavily relied upon the other revenue, i.e. grants from above. This is rather disappointing because even in the post seventy third amendment period, the situation has not improved, inspite of the fact that a lot of taxes have been brought under the domain of the panchayats. However, one thing should be noted here, that most of the states which have shown meagre or no 'own revenue' are the large northern states, which have very less capabilities of collecting revenue, because of their weak economic base. On the other hand, are the states like Punjab and Haryana, which have a very strong economic base, therefore, their high percentage of own revenue cannot be directly attributed to their efforts through the panchayats.

Here it would not be out of place to discuss the growth rates of the various components of revenue.

Table 2.4**Compound Growth Rates of Revenue of Panchayats across states
(1991-1998)**

States	Own revenue	Other revenue	Total revenue
Andhra Pradesh	119.79	153.09	151.01
Assam	14.96	-	415.12
Bihar	-	10091.63	110091.63
Gujarat	47.03	121.27	119.27
Haryana	80.37	90.59	84.10
Himachal Pradesh	3285	511.70	525.44
Karnataka	73.90	188.18	186.67
Kerala	216.44	1253.16	917.15
Madhya Pradesh	168.29	687.87	661.32
Maharashtra	227.93	216.06	216.44
Orissa	18.46	267.56	259.30
Punjab	149.88	7.44	38.95
Rajasthan	26.65	103.97	101.49
Tamil Nadu	116.58	47.14	51.04
Uttar Pradesh	105.03	105.78	105.74
West Bengal	37.64	707.60	575.52
India	82.81	198.62	192.65

Source: Calculated from Table 2 of Appendix.

From the table 2.4, it is clear that the total revenue of all the states has increased at a very high rate. The case of Bihar stands out where the growth rate in the total revenue has been a staggering 10091.63 per cent ! But a closer look makes us understand that the state had a very low base to start with, therefore even a normal increase is manifested as a huge increase.

Also, all the increase in case of Bihar has come from the other revenue component, with no contribution from the own revenue component. Thus, the staggering growth rate in the total revenue of Bihar is at best a statistical illusion. Then there are states like Kerala, Madhya Pradesh and West Bengal where the growth rates as high as above 500 per cent , which once again is due to these states having a low base. The only difference in the case of these states is that in their cases the own revenue component has also played a role. On the other hand there are states like Punjab, Tamil Nadu and Haryana where the growth rate is below 100 per cent , but in these states the major contribution has come from the own revenue component.

Having discussed the revenue scenario, for the three point of time, it would also be worthwhile to analyse the own revenue generated

vis-à-vis the revenue generating capability of the panchayats of the various states. For this we have correlated the 'own revenue' with the agricultural productivity, in terms of per capita value of major crops, for all the three point of time. The results of the correlations are as follows. For 1990-91 the coefficient of correlation is 0.669, which is significant at 0.01 level. The adjusted R^2 (regression) for it is 0.409, meaning thereby that it explains 40.9% of the phenomena. For 1994-95, the coefficient of correlation is 0.772, which is significant at 0.01 level. The adjusted R^2 for it is 0.567, thereby explaining 56.7% of the phenomena. For 1997-98, the coefficient of correlation is 0.638, which is again significant at 0.01 level. The adjusted R^2 for it is 0.362, thereby explaining 36.2% of the phenomena.

Thus we find that, there is fairly high correlation between the 'own revenue' generated and the per capita value of major crops. Thus, most of the states which have generated less of own revenue are the one's which also have low agricultural productivity. Table 2.5 depicts the agricultural productivity of the various states.

Table 2.5
Output of Major Crops, 1993

Sl. No.	States	Rs. per person
1.	Andhra Pradesh	799
2.	Assam	599
3.	Bihar	368
4.	Gujarat	657
5.	Haryana	1553
6.	Himachal Pradesh	442
7.	Karnataka	866
8.	Kerala	792
9.	Madhya Pradesh	755
10.	Maharashtra	580
11.	Orissa	710
12.	Punjab	2420
13.	Rajasthan	643
14.	Tamil Nadu	809
15.	Uttar Pradesh	813
16.	West Bengal	603

Source: Profiles of Districts, Centre for Monitoring Indian Economy, 1993

From Table 2.5 and Table 1 (Appendix) it is quite clear that states like Bihar, Himachal Pradesh and West Bengal hardly have the general rural economic strength, whereas the states like Punjab

and Haryana have much better capabilities of generating more 'own revenue'.

Therefore it becomes imperative, that the 'other revenue' is properly devolved, in order to meet the financial requirements of the panchayats. One of the major source of other revenue is the devolution of funds by the finance commission. The Eleventh Finance Commission has devised a formula for fund devolution. Let us now critically analyse the methodology adopted for devising that formula. Section 2.3, critically analyses the formula of fund devolution.

2.3 Methodology adopted for determining the allocation to states towards panchayats

The allocation for each state has been determined on the basis of a five-fold criterion, explained below:

1. **Rural Population** (Weight = 40 per cent): In considering the rural population of the states, the 1991 census figure have been adopted.
2. **Geographical area** (weight = 10 per cent): In considering the geographical rural areas of the states, the 1991 census figures have been adopted.

3. **Distance from per capital agricultural income** (weight = 20 per cent): The average per capita GSDP from primary sector (at current prices, excluding mining and quarrying) has been arrived at by using the GSDP figures published by CSO and projected population figures, published by registrar general of India, for three years, viz. 1994-95, 1995-96 and 1996-97. Distance of each state is measured from the reference highest point, viz. the highest average per capita GSDP, plus half of the standard deviation. The distances are weighted by the rural population (1991) of the respective state to arrive at its share.
4. **Own revenue efforts of the panchayats** (weight = 10 per cent): The own revenue efforts of the panchayats in each state have been measured against two indicators, viz. (I) the states own revenues and (ii) GSDP from primary sector excluding mining and quarrying. This is explained further below:
- (i) The own revenue collection of the panchayats in each state is measured against the own revenue collection of the state government for three years, viz. 1995-96, 1996-97, and 1997-98. The average of these ratios is weighted by the rural population (1991) to arrive at the share of each state. This index has been given a weight of 5 per cent in the total allocation.

- (ii) The own revenue collection of the panchayats in each state is measured against the GSDP from primary sector excluding mining and quarrying for the years 1994-95, 1995-96 and 1996-97. The average of these ratios is weighted by the rural population (1991) to arrive at the share of each state. This index has been given a weight of 5 per cent in the total allocation.

5. **Index of Decentralization** (weight = 20 per cent): The index of decentralization has taken into account the following ten indicators:

- (i) Enactment of state panchayat legislation in conformity with 73rd Constitutional Amendment Act (CAA): States have been graded on a scale of 5 for their promptitude in the enactment of conformity legislation, with reference to the date of bringing into force the 73rd CAA, i.e. 24th April, 1993. Marks have been assigned as 5,4,3,2, and 1 for bringing in such legislation within 3 months, 3 to 6 months, 6 to 9 months, 9 to 12 months and above 12 months respectively. No mark has been assigned for those states that have not brought in such legislation so far.
- (ii) Intervention/restriction in functioning of the panchayats: The level of autonomy made available to the panchayats in the State Panchayat Legislation has been measured in terms

of the provisions relating to three kinds of intervention/restrictions, viz. (a) power to suspend/dissolve the elected bodies, (b) power to suspend/remove the elected officials and (c) power to suspend/cancel the resolution/orders of the panchayats. These have been measured on a scale of 5 each for each tier of the panchayats and marks assigned as under:

Authority for intervention	Marks
None	5
State government	4
Head of the Department/Commissioner/Zila Parishad	3
District Collector	2
Sub-divisional Officer	1

States having three-tier panchayats have been measured against a total of 45 marks and those having two-tier panchayats, 30 marks.

(iii) Assignment of functions to the panchayats in the state panchayat legislation vis-à-vis the Eleventh schedule: The 29 functions listed in the Eleventh Schedule of the Constitution have been grouped¹ as core functions (5 items), welfare functions (13 items) agriculture and allied (9 items) and industries (2 items). Assignment of each function has been

¹ Functions appearing in the Eleventh Schedule at Serial Nos. 1,13,14,23, and 29 are classified as core functions, Sl. No. 10,15 to 21,214, to 28 as welfare functions as industries. (refer chapter 1.7)

measured on a scale of 5, giving 5 marks for assigning function to the village panchayats; 4 to the intermediate panchayats; and 2, to the district panchayats. For assignment of a function concurrently to the panchayats at village level as well as to one or more at higher tiers, 5 marks are awarded. The core functions are given a weight of 3, welfare functions 2, and the remaining, 1.

- (iv) Transfer of functions to the panchayats by way of rules/notifications/order of state governments: The methodology indicated for item (iii) above has been adopted here too, while comparing the status of actual transfer of functions to the panchayats in the state by way of rules/notifications/orders of the state government.
- (v) Assignment of taxation powers to the village panchayats as per state panchayat acts: A list of 23 taxes has been prepared that includes the taxes provided for levy by the village panchayats in the various state panchayat legislation. Of these, the house/property tax has been given a weight of 3, profession tax, 2 and the remaining taxes, 1 each. For an obligatory levy, 5 marks and for optional, 3 marks are assigned.

- (vi) Levy of taxes by village panchayats: The methodology indicated for item (v) above has been adopted here too, while comparing the actual levy of taxes by the village panchayats in the states.
- (vii) Constitution of State Finance Commissions and Submissions of Action Taken Reports: The promptness of the State governments both in (a) constitution of the State Finance Commission (SFC) and (b) submission of Action Taken Report (ATR) on the SFC report is measured on a scale of 5 each. For the first item, the date of constitution of SFC has been reckoned from 24th April, 1993. States that constituted the SFC within 12 months, are assigned 5 marks; within 12 to 24 months, 3; 24 to 36 months, 1; and beyond 36 months, zero. As regards the ATR, states that submitted it within 3 months of the Report of the SFC, are assigned 5 marks; 3 to 6 months, 4; 6 to 12 months, 3; and beyond 12 months, zero.
- (viii) Action taken on major recommendations of the SFC: The major recommendations of the SFCs are grouped as those relating to devolution of resources and 'others'; and given a weight of 2 and 1, respectively. For a recommendations

where final decision has been taken, 5 marks and where only partial decision taken 3 marks are assigned. For a recommendation under consideration, no mark is given.

- (ix) Elections to the Panchayats: States have been graded for their promptitude in conducting elections to the panchayats in accordance with the 73rd CAA as per the following scale:

Election held	Marks
No delay	5
12 to 24 months	4
24 to 36 months	3
36 to 48 months	2
Above 48 months	0

- (x) Constitution of District Planning Committees: States that have constituted the District Planning Committees in all the districts, have been assigned 5 marks, whereas those that have constituted it in some districts only, 3 mark. No mark is assigned to the state that has not constituted any district planning committee so far.

Based on this criteria, the state's share in regards to Panchayats fund, has been calculated as follows (Table 2.6)

Table 2.6**Share of States in Fund Allocation for Panchayats**

Sl No.	States	Composite index for state's share
1.	Andhra Pradesh	9.503
2.	Arunachal Pradesh	0.348
3.	Assam	2.918
4.	Bihar	9.813
5.	Goa	0.116
6.	Gujarat	4.351
7.	Haryana	1.839
8.	Himachal Pradesh	0.821
9.	Jammu & Kashmir	0.930
10.	Karnataka	4.926
11.	Kerala	4.120
12.	Madhya Pradesh	8.943
13.	Maharashtra	8.209
14.	Manipur	0.235
15.	Meghalaya	0.320
16.	Mizoram	0.098
17.	Nagaland	0.161
18.	Orissa	4.320
19.	Punjab	1.933
20.	Rajasthan	6.137
21.	Sikkim	0.066
22.	Tamil Nadu	5.826
23.	Tripura	0.356
24.	Uttar Pradesh	16.89
25.	West Bengal	7.222
	Total	100.00

Source: Eleventh Finance Commission Report, Government of India, 1997.

Though the devolution formula of the Eleventh Finance Commission has been hailed as an innovative one, because it has,

for the first time devised an index of decentralization (weightage = 20 per cent), taking into account, ten criterion. However, the formula seems to be flawed on the following issues:

- Under the fifth criteria (index of decentralization), the first item allots marks to the states, for bringing out legislations, conforming to the 73rd amendment. Neither, this criteria is perfectly time bound nor does it says anything on stay orders put by courts or any other question of law.
- Overall the formula is heavily biased towards rural population. Though it is understandable that the whole panchayat system is meant for rural population, therefore the bias. Yet, it gives the populous states, a straightaway edge, merely because of their population size.

Since, the formula is heavily biased towards rural population, it would be interesting to analyse the relationship between the state's share of the allocation (Table 2.6) and their respective proportion of rural population (Table 2.7).

Table 2.7**Statewise Proportion of Rural Population**

Sl No.	States	Proportion of rural population (1991)
1.	Andhra Pradesh	7.74
2.	Arunachal Pradesh	.12
3.	Assam	3.16
4.	Bihar	11.95
5.	Goa	0.11
6.	Gujarat	4.31
7.	Haryana	1.96
8.	Himachal Pradesh	0.74
9.	Jammu & Kashmir	0.94
10.	Karnataka	4.94
11.	Kerala	3.41
12.	Madhya Pradesh	8.10
13.	Maharashtra	7.69
14.	Manipur	0.21
15.	Meghalaya	0.23
16.	Mizoram	0.06
17.	Nagaland	0.16
18.	Orissa	4.35
19.	Punjab	2.26
20.	Rajasthan	5.40
21.	Sikkim	0.06
22.	Tamil Nadu	5.84
23.	Tripura	0.37
24.	Uttar Pradesh	17.76
25.	West Bengal	7.87
	Total	100.00

Source: Census of India, 1991

In order to understand the relationship of the two variable viz., rural population and share of panchayat allocation, we correlate

them. The correlation value comes to be 0.987 and it is significant at 0.01 level. The Adjusted R² (regression) also shows that 97.4 per cent of the relationship is explained. Thus we find that the index of state's share of panchayat allocation is hugely influenced by the rural population. It seems that the elaborate formula devised by the Eleventh Finance Commission, has served a limited purpose and the state's share of allocation, by and large correspond to the proportion of rural population.

Having discussed the revenue component of the financial scenario of the panchayats, across the states, let us now discuss the expenditure component.

2.4 The statewise analysis of panchayat expenditure

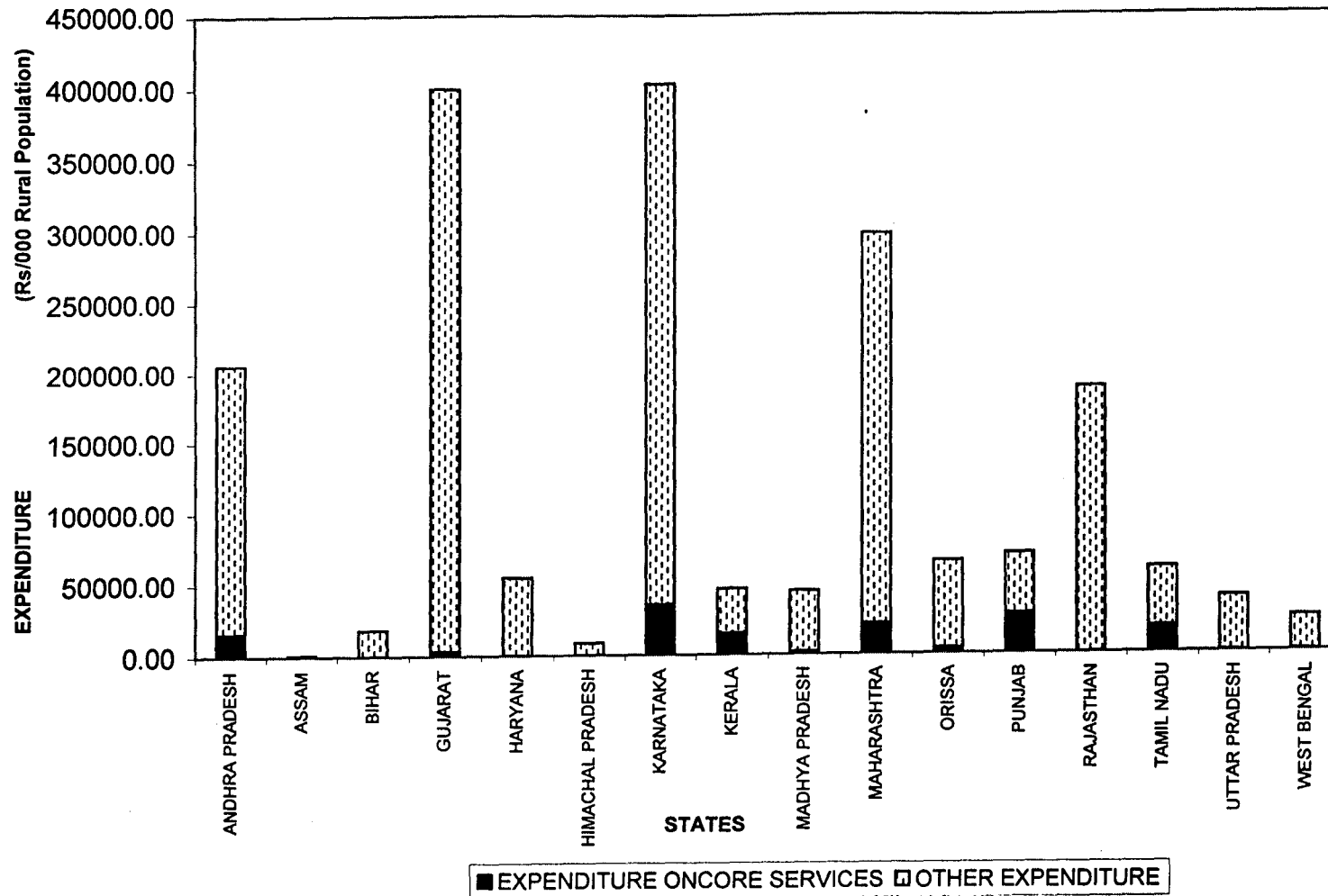
Table 2.8: Percentage share of total expenditure

States	1990-91		1994-95		1997-98	
	Core revenue	Other revenue	Core revenue	Other revenue	Core revenue	Other revenue
Andhra Pradesh	7.57	92.43	9.84	90.16	16.11	83.89
Assam	0.00	100.00	35.86	64.14	26.67	73.33
Bihar	0.00	100.00	0.00	100.00	0.00	100.00
Gujarat	0.82	99.18	0.76	99.24	0.73	99.27
Haryana	0.00	100.00	0.00	100.00	0.00	100.00
Himachal Pradesh	0.00	100.00	0.00	100.00	0.00	100.00
Karnataka	8.77	91.23	10.23	89.77	9.77	90.23
Kerala	32.01	67.99	27.29	72.71	11.94	88.06
Madhya Pradesh	3.51	96.49	5.38	94.62	3.16	96.84
Maharashtra	7.04	92.96	6.24	93.76	7.45	92.55
Orissa	5.55	94.45	2.48	97.52	1.24	98.76
Punjab	39.46	60.54	45.47	54.53	24.54	75.46
Rajasthan	0.00	100.00	0.74	99.26	0.76	99.24
Tamil Nadu	30.25	69.75	30.15	69.85	33.40	66.60
Uttar Pradesh	0.54	99.46	1.10	98.90	5.58	94.42
West Bengal	1.59	98.41	0.36	99.64	0.35	99.65
India	5.83	94.17	6.42	93.58	7.43	92.57

Source: Calculated from Table 5 of Appendix.

The total expenditure of the panchayats of various states in 1990-91 have been depicted by Figure 2 (d). From the Figure 2(d) it can be seen that Karnataka occupies the first position in total

Figure 2(d)
INDIA
DISTRIBUTION OF TOTAL EXPENDITURE OF PANCHAYATS (ALL TIERS)
1990-91



expenditure, it is followed by Gujarat, Maharashtra, Andhra Pradesh and Rajasthan. On the other hand, Assam is at the bottom of the list, followed by Himachal Pradesh, Bihar and West Bengal. If we look at the proportion of expenditure on core services to total expenditure (Table 2.8), we find that the highest position is occupied by Punjab (39.46 per cent), followed by Kerala (32.01 per cent) and Tamil Nadu (30.25 per cent). All the remaining states spend less than 10 per cent on the core services. At the bottom of the list is Assam, joined by Bihar, Haryana, Himachal Pradesh and Rajasthan. These five states do not spend any amount on the core services, which is, to some extent a sad commentary on the developmental initiatives taken up by the panchayats of these states in 1990-91. However, herein the limitations of the data should be properly understood. The core services include only four services viz. Water supply, street lighting, sanitation and roads, out of the several services allotted to the panchayats. The remaining services come under the category of 'other services'. Some of the 'other services' can be as important as the 'core services', but since the break-up of the funds for 'other services', is not available, we are constrained to that extent. Therefore, broadly, the 'core services' can be taken as the essential and basic services, and can be considered important in all areas. On the

other hand, the 'other services' have several items, which differ in importance for state to state.

In 1994-95, the total expenditure continued in its earlier trend only [Figure 2(e)]. The highest position is occupied by Maharashtra, followed by Karnataka, Gujarat, Andhra Pradesh and Rajasthan. On the other hand, Himachal Pradesh has the lowest position, followed by Assam, Uttar Pradesh and Madhya Pradesh. In so far as the proportion of expenditure on core services to the total expenditure is concerned, it is given in Table 2.8 wherein Punjab occupies the highest position with 45.47 per cent, followed by Assam (35.86 per cent), Tamil Nadu (30.15 per cent) and Kerala (27.29 per cent). The case of Assam is particularly remarkable because from zero percent in 1990-91, it has increased its expenditure on core services to 35.86 per cent . On the other hand Bihar, Haryana and Himachal Pradesh continue to spend nothing on core services.

In 1997-98, in so far as total expenditure is concerned, occupies the first place [Figure 2(f)], followed by Maharashtra, Gujarat, Andhra Pradesh, and Rajasthan. On the other hand states like Assam, Himachal Pradesh, Uttar Pradesh and Bihar have performed rather badly. As for the proportion of expenditure on

Figure 2(e)
INDIA
DISTRIBUTION OF TOTAL EXPENDITURE OF PANCHAYATS (ALL TIERS)
1994-95

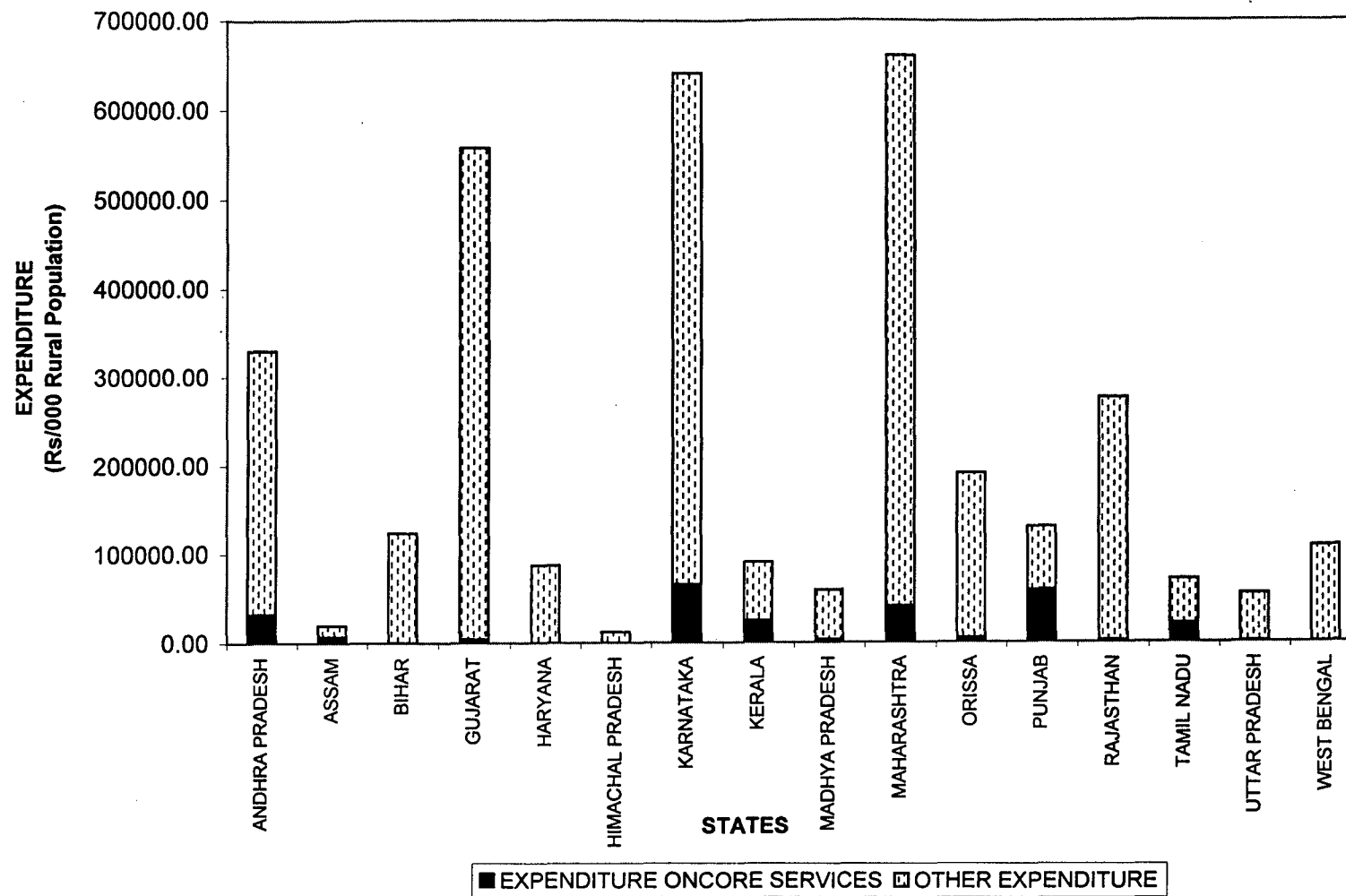
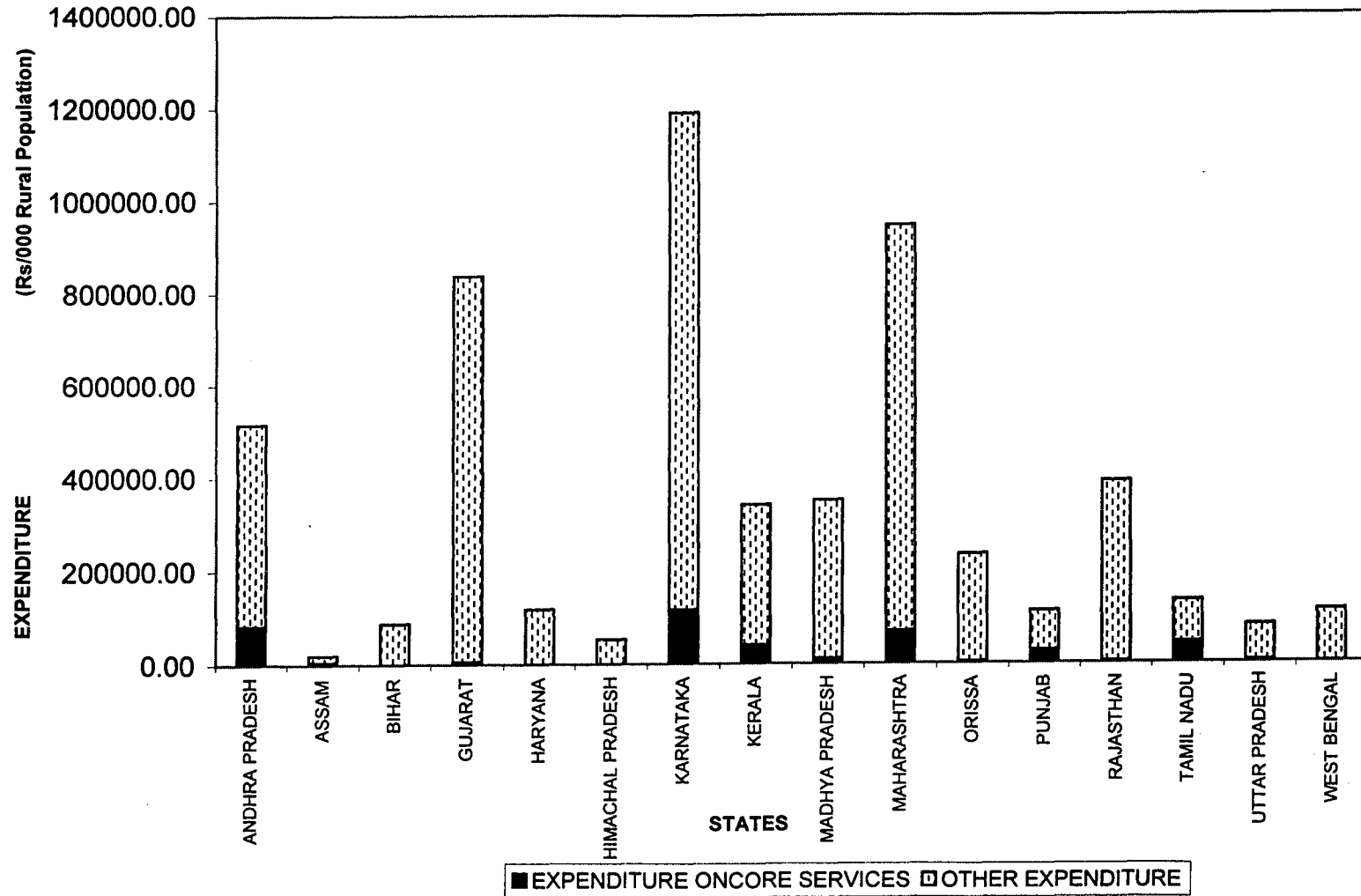


Figure 2(f)
INDIA
DISTRIBUTION OF TOTAL EXPENDITURE OF PANCHAYATS (ALL TIERS)
1997-98



core services to the total expenditure is concerned (Table 2.8), Tamil Nadu occupies the first position with 33.4 per cent , followed by Assam (26.67 per cent), Punjab (24.54 per cent) and Andhra Pradesh (16.11 per cent). The lowest position is jointly held by Bihar, Haryana and Himachal Pradesh, as they do not spend anything on core services. Other states, which have just managed to spent something on core services are West Bengal (0.35 per cent), Gujarat (0.73 per cent) and Rajasthan (0.76 per cent).

Thus we find that, most of the states have fared dismally in so far as spending in the core services are concerned. Though other services, have their own importance but broadly speaking, the core services can be equated with the developmental initiatives. Therefore, the step motherly treatment meted out to the core services becomes all the more deplorable.

Now let us discuss the growth rates of the expenditure, which is given in Table 2.9.

Table 2.9**Compound growth rates of expenditure of panchayats across states (1991-1998)**

States	Core Services	Other Services	Total Services
Andhra Pradesh	432.64	127.15	150.27
Assam	-	1295.49	1803.13
Bihar	-	384.51	384.51
Gujarat	87.55	110.07	109.89
Haryana	-	115.75	115.75
Himachal Pradesh	-	525.38	525.38
Karnataka	229.33	192.24	195.50
Kerala	176.05	858.33	639.92
Madhya Pradesh	610.37	691.29	688.45
Maharashtra	235.98	216.09	217.49
Orissa	-19.73	275.69	259.30
Punjab	-0.76	98.84	59.54
Rajasthan	32221.39	105.38	106.94
Tamil Nadu	146.61	113.26	123.35
Uttar Pradesh	2044.25	98.55	109.13
West Bengal	1.12	364.31	358.53
India	273.14	187.90	192.87

Source: Calculated from Table 5 of Appendix.

From the table above, it becomes clear that Assam has the highest growth rate of the total expenditure. Its growth rate for the period 1990-91, to 1997-98 is a huge 1803.13, which is obviously due to a very low base. The other states having very high growth rate are Madhya Pradesh, Kerala and Himachal Pradesh. In case of Madhya

Pradesh, the growth rates in both core services and other services is quite balanced. The states having relatively lower growth rates are Punjab, Rajasthan, Uttar Pradesh and Gujarat.

Having discussed the expenditure component of the panchayat finance, we would like to understand the relationship between existing infrastructure related to the services included under the core services. Out of the four services that are there under the core services, we have take three of them, due to unavailability of the data, and correlate these three variables, with the expenditure on core services, for the three point of time. For 1990-91, the coefficient of correlation for the safe drinking water, toilet facility and density of rural roads are 0.172, 0.095 and 0.307 respectively, all of which are insignificant. For 1994-95 the correlation results are, 0.198, 0.124 and 0.236 respectively, all of which are insignificant. For 1997-98, the correlation results are -0.041, 0.007 and 0.199 respectively, all of which are insignificant. Thus, we find that the expenditure of core services, is by and large not related to the existing infrastructure. Therefore, the states which are incurring more expenditure on core service, can be categorised as the states, which are emphasizing on the basic facilities. In fact in many states, where the core service infrastructure already exists, the states may be still spending to improve them, whereas, in some states where the expenditure on core services is required, may not be spending enough on core services.

Having discussed the various aspects of finances of the panchayats, we can draw two broad conclusions. Firstly, we find that, throughout the period of study, most of the states have depended heavily on the devolved funds (other revenue)), however, it has to be understood that in these states, where the rural economic base is rather weak (low agricultural productivity), it is difficult for the Panchayats (given that they have started functioning under the new dispensation, only a few years back) to collect their own revenue, of a high tune. Therefore, the implication is that the other revenue should continue to help the panchayats, to establish themselves as the third strata of government.

Secondly, we find that most of the states have made very high expenditures or 'other services' via-a-vis the 'core services'. However, since the other services include a whole gamut of services, which vary in importance, from state to state, therefore, it cannot be definitely said that these are non-performing states. Yet, the states which are doing well on the 'core expenditure' front can at least be put in the category of performing state.

Having discussed the financial aspect of panchayats, it would be worthwhile to also discuss the social aspect of the panchayats, and this would be the basis of our next chapter.

Chapter 3

THE FUNCTIONING OF PANCHAYATI RAJ: AN ANALYSIS OF ITS SOCIAL DIMENSION

In this chapter, we try to attempt an analysis of the social dimensions of the Panchayati Raj. Panchayati Raj in India was not only conceived as a measure of administrative decentralization, it was also thought to be a vehicle of social change and a social movement in itself. It is in this light that we need to examine the impact of Panchayati Raj on our social fabric and vice versa. As discussed earlier, Panchayati Raj in India has been moulded and remoulded, a number of times. Of the several avatars that it has had, the latest one, i.e., the 73rd Amendment has been hailed to be the most progressive of all, because for the first time there has been explicit mention of reservations for women and other weaker sections of the society.

3.1 The Reservation Provision of the Seventy Third Amendment

Article 243D provides that in every panchayats seats shall be reserved for the scheduled castes and scheduled tribes. The number of seats so reserved shall be, as nearly as may be, in the same proportion to the total number of seats to be filled by direct election in that panchayat as the population of the SCs and STs in that panchayat area bears to the total population of that area and such

seats may be allotted by rotation to different constituencies in a panchayat.

Out of the total number of seats reserved under clause (1) not less than one-third seats shall be reserved for women belonging to the SCs and STs [Clause (2)]. Out of total number of seats to be filled by direct election in every panchayat not less than one-third (including the number of seats reserved for SCs and STs women) seats shall be reserved for women. Such seats may be allotted by rotation to different constituencies in a panchayat [Clause (3)].

The office of the chairpersons in the panchayats at the village or any other level shall be reserved for SCs, STs and women in such manner as the legislature of a state may, by law, provide. But the number of offices of chairperson reserved for the SCs and STs in the panchayats at each level in any state shall be, as nearly as possible, in the same proportion of the total population of the SCs and STs in the state. However, not less than one-third of the total number of the offices of chairperson in the panchayat at each level shall be reserved for women. The number of offices reserved under this clause shall be allotted by rotation to different panchayats at each level.

The legislature of a state is empowered under Clause (6) to make provision or reservation of seats in any panchayat or office of

chairpersons in the panchayats at any level in favour of backward classes of citizens.

3.2 Statewise analysis of women representation at various levels of panchayats

It is very important to analyse and understand the women representation at the various levels of panchayats, even though one-third reservation has been prescribed constitutionally. This is so because any representation above the prescribed proportion would be very welcome and would infact show the tenacity of the state concerned in bringing about women empowerment. On the other hand any drop in representation below the prescribed proportion would be seen as not only a constitutional impropriety but also as hesitation on the part of the state concerned to bring about the much required transformation in the role of women in grassroot level politics.

Before going into the issue of representation of women in the post 73rd amendment panchayat elections, let us have a look at the chronology of the elections held in the various states (for convenience of analysis, we have take the 16 major states). The table 3.1 below depicts the year of panchayat elections (post 73rd amendment) last held in various states.

Table 3.1**Post 73rd Amendment Panchayat Elections**

States	Year
Andhra Pradesh	1995
Assam	1997
Bihar	2001
Gujarat	1995
Haryana	1994
Himachal Pradesh	1995
Karnataka	1994
Kerala	1995
Madhya Pradesh	1994
Maharashtra	1997
Orissa	1997
Punjab	1998
Rajasthan	1995
Tamil Nadu	1996
Uttar Pradesh	1995 & 96
West Bengal	1998

Source: Status of Panchayati Raj in the States and UT's of India, 2000, Institute of Social Sciences.

From the table above, it can be seen that Madhya Pradesh, Karnataka and Haryana were the ones to take lead in holding the post 73rd amendment panchayat elections. In fact, Madhya Pradesh was the first state to put in place a fully functional panchayati system. Bihar, on the other hand has been the last one to conduct election under the new panchayati stipulations. In fact by 1997, majority of the states had held panchayati elections under the 73rd amendment act.

Now let us discuss the representation of women in these elections.

Table 3.2 and Figure 3(a), 3(b) and 3(c) depicts the statewise women representation (for convenience of analysis we have taken 16 major states) at various levels of panchayats. It can be noticed that there are clear fluctuations in the proportion of representation of women.

Table 3.2

**Statewise Women Representation at Various Levels of Panchayats
in Post 73rd Amendment Elections**

	Gram Panchayat	Panchayat Samiti	Zila Parishad
States	%	%	%
Andhra Pradesh	33.84	31.01	33.21
Assam	30	29.97	28.02
Bihar	32.04	31.04	31.23
Gujarat	33.35	33.4	33.38
Haryana	33.1	33.37	33.33
Himachal Pradesh	32.93	33.59	33.33
Karnataka	43.79	40.21	36.45
Kerala	37.81	36.39	34.67
Madhya Pradesh	32.93	34.17	33.72
Maharashtra	33.33	33.31	33.31
Orissa	35.27	35.55	34.43
Punjab	35.35	13.36	32.48
Rajasthan	32.48	33.1	33.2
Tamil Nadu	33.67	35.51	34.72
Uttar Pradesh	25.54	24.07	25.4
West Bengal	35.56	35.14	34.02

Source: Status of Panchayati Raj in the State and UT's of India, 2000, Institute of Social Sciences.

Figure 3 (a)
INDIA
WOMEN REPRESENTATION AT GRAM PANCHAYAT LEVEL
1990s

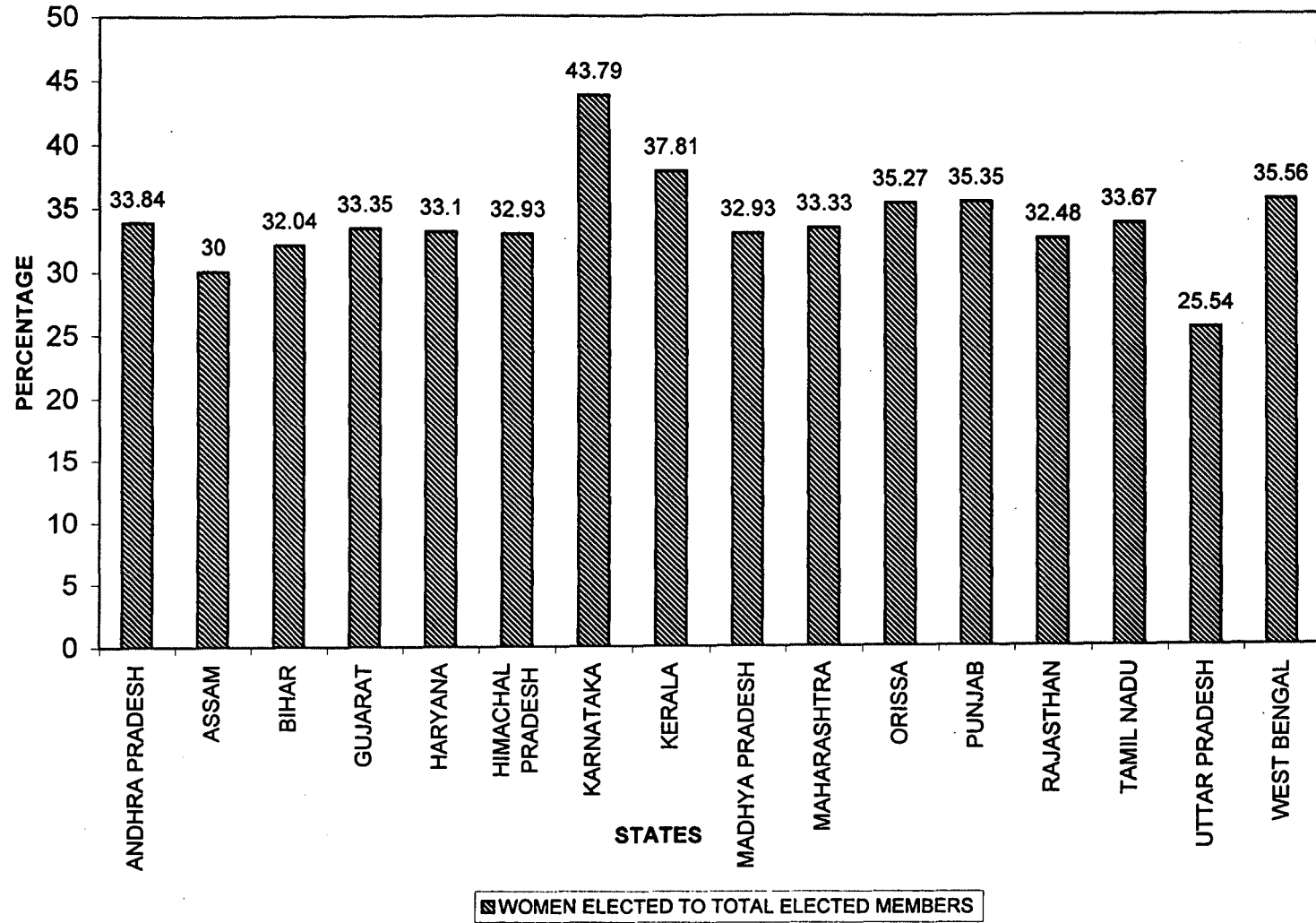


Figure 3 (b)
INDIA
WOMEN REPRESENTATION AT PANCHAYAT SAMITI LEVEL
1990s

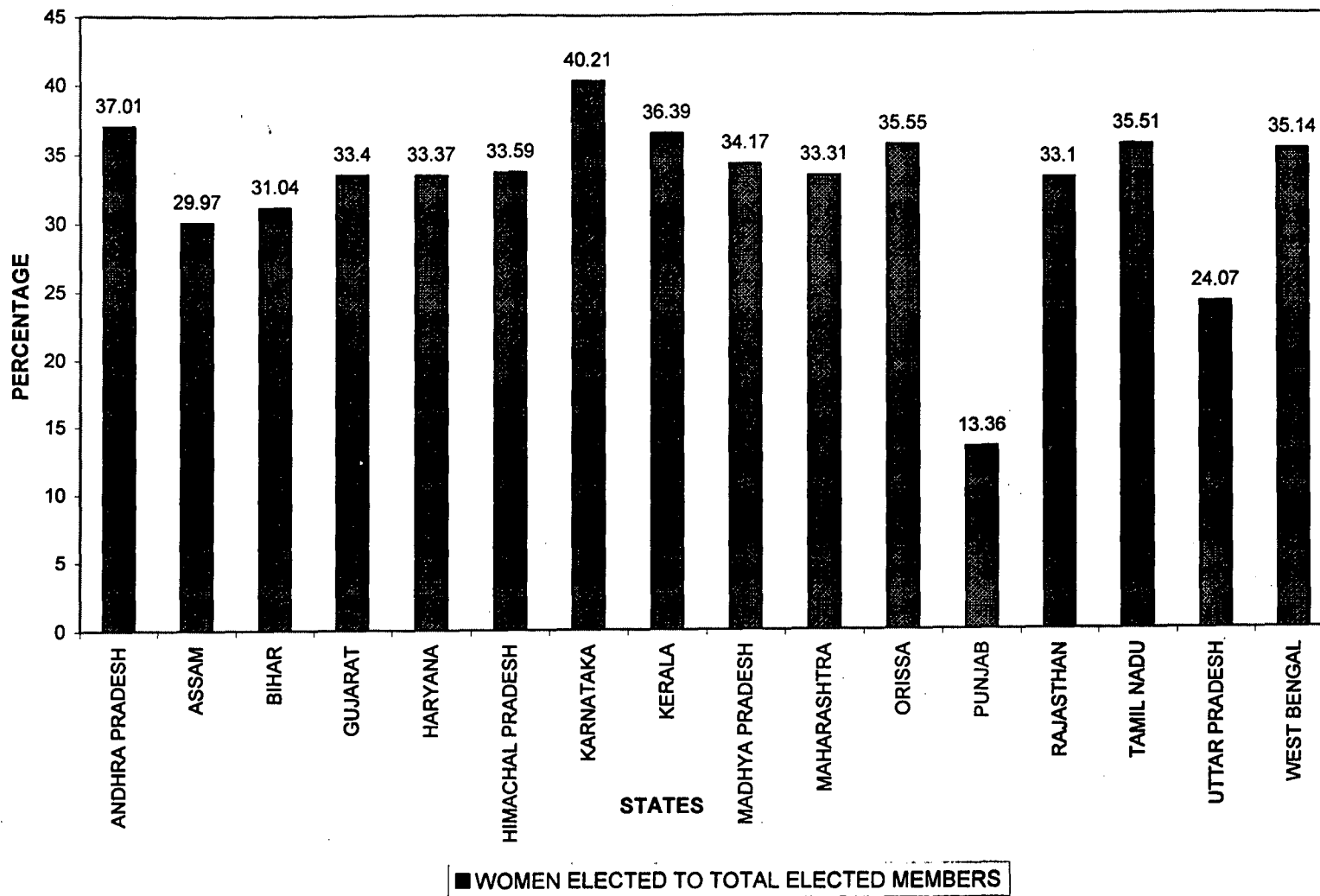
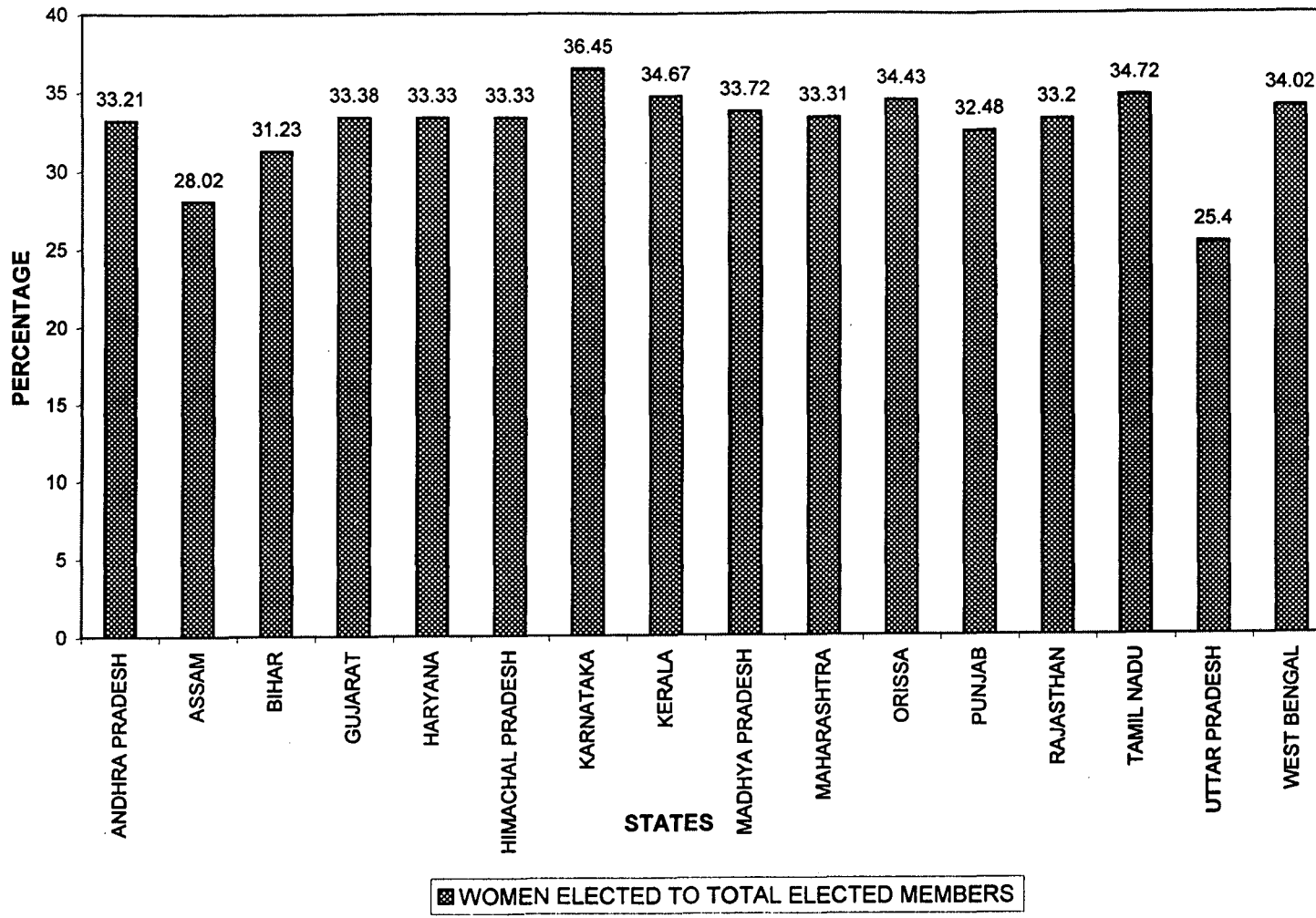


Figure 3 (c)
INDIA
WOMEN REPRESENTATION AT ZILA PARISHAD LEVEL
1990s



From the table 3.2, let us examine the women representation at Gram Panchayat level. As can be noticed that Karnataka tops the list by having 43.79% of women representation at this level. It is followed by Kerala (37.81%), West Bengal (35.56%), Punjab (35.56%) and Orissa (35.27%). On the other extreme is Uttar Pradesh, which has only 25.54% of women representation, is much below the one-third mark. Among the other laggard states are Assam (30%) and Bihar (32.04%). In between these to extremes are the remaining states with most of them hovering around the one-third mark, like Gujarat (33.35%), Maharashtra (33.33%), Haryana (33.1%), Himachal Pradesh (32.93%) and Madhya Pradesh (32.93%). Thus, we notice that though most of the states have women representation around the stipulated one-third mark, there are others which have deviated negatively from the stipulated norm.

At the Panchayat Samiti (Intermediate) level the scenario is more or less the same as at the panchayat level with some exception. Here too, Karnataka leads with 40.21% followed by Andhra Pradesh (37.01%), Kerala (36.39%), Orissa (35.55%) and Tamil Nadu (35.51%) . Here it is quite conspicuous that out of the five leading states, four are the major southern states. On the other hand, Punjab with 13.36% is at the bottom, Uttar Pradesh and Assam with 24.07% and 29.97% are

not much better. Most of the remaining states hover around the one-third mark.

At the Zila Parishad (District) level, Karnataka once again leads with 36.45%, followed by Tamil Nadu (34.72%), Kerala (34.67%), Orissa (34.43%) and West Bengal (34.02%). On the other extreme, Assam (28.02%) and Bihar (31.23%).

Having gone through the proportions of women representation at various levels of panchayats in different states, several trends can be identified. Firstly, it can be clearly noticed that the four major southern states viz. Karnataka, Andhra Pradesh, Kerala and Tamil Nadu perform excellently. In fact all of them have good rankings, particularly Karnataka and Kerala, the former leading at all the three levels. Secondly, the northern states have not performed well, particularly Uttar Pradesh and Bihar, which have consistently fallen short of the mandatory one-third mark. Infact, Punjab at the panchayat Samiti level has performed abysmally low with a meagre 13.36% though there are others like Himachal Pradesh and Haryana which have been doing well. In eastern India, West Bengal and Orissa have performed very well and have also been able to add a few percentage points to the one-third mark. But Assam had proved to be the Achile's heel of eastern India, with its performance below par at all

three levels. In western and central India, all the states viz. Gujarat, Rajasthan, Madhya Pradesh and Maharashtra have all performed equally well, with nothing much to choose between them.

Before going into the reasons of the different performances of the states, in so far as the women representation in panchayat elections are concerned, let us first try to analyse the social status of the states concerned. This can possibly give us some clue to the performance differentials of the states. This is because, the representation of women in panchayats, over and above the constitutional provisions is also a reflection of their social empowerment. Therefore, let us conduct a principal component analysis of a few social indicators across the states.

3.3 Principal Component Analysis of Social Indicators: A State wise Analysis:

In order to conduct the principal component analysis of the social indicators, the following indicators have been taken statewide.

1. **Sex Ratio** – This indicator has been taken because it reflects the social perception towards women, right from their time of birth or even before.
2. **Rural Fertility rate** – It has been taken because it indicates the involvement of women in child bearing and rearing activities,

thereby debarring her from her general upliftment. Since it is a negative indicator, it's reciprocal has been taken.

- 3. Disparity in rural literacy rate** – It shows the disparity between the literacy rates of males and females of the rural area, thereby bringing out the relative deprivation of women on the literacy front. For calculating the disparity, we have used David Sopher's formula of disparity index. The formula is:

$$D_s = \text{Log} \frac{\text{Male Literacy}}{\text{Female Literacy}} + \text{Log} \frac{100 - \text{Female Literacy}}{100 - \text{Male Literacy}}$$

- 4. Rural Female Life Expectancy** – This indicates the general level of health in the rural areas.
- 5. Percentage of Married Female in 10-19 age group** – This indicator has been taken to reflect on the incidences of underage marriage. It also reflects the prolonged span of maternity among the women. Since it is also a negative indicator, it's reciprocal has been taken.

After taking the above mentioned indicators, we have conducted a Principal Component analysis, the factor score of which, is given state wise in Table 3.3.

Table 3.3
Social Status of Women

States	Factor score	Rank
Andhra Pradesh	0.15	6
Assam	-0.04	10
Bihar	-0.95	13
Gujarat	0.06	7
Haryana	-0.62	12
Himachal Pradesh	0.72	4
Karnataka	0.21	5
Kerala	2.61	1
Madhya Pradesh	-1.06	145
Maharashtra	0.00	8
Orissa	-0.16	11
Punjab	0.92	2
Rajasthan	-1.39	16
Tamil Nadu	0.85	3
Uttar Pradesh	-1.29	15
West Bengal	-0.01	9

Source: Calculated from Table 9 of the Appendix.

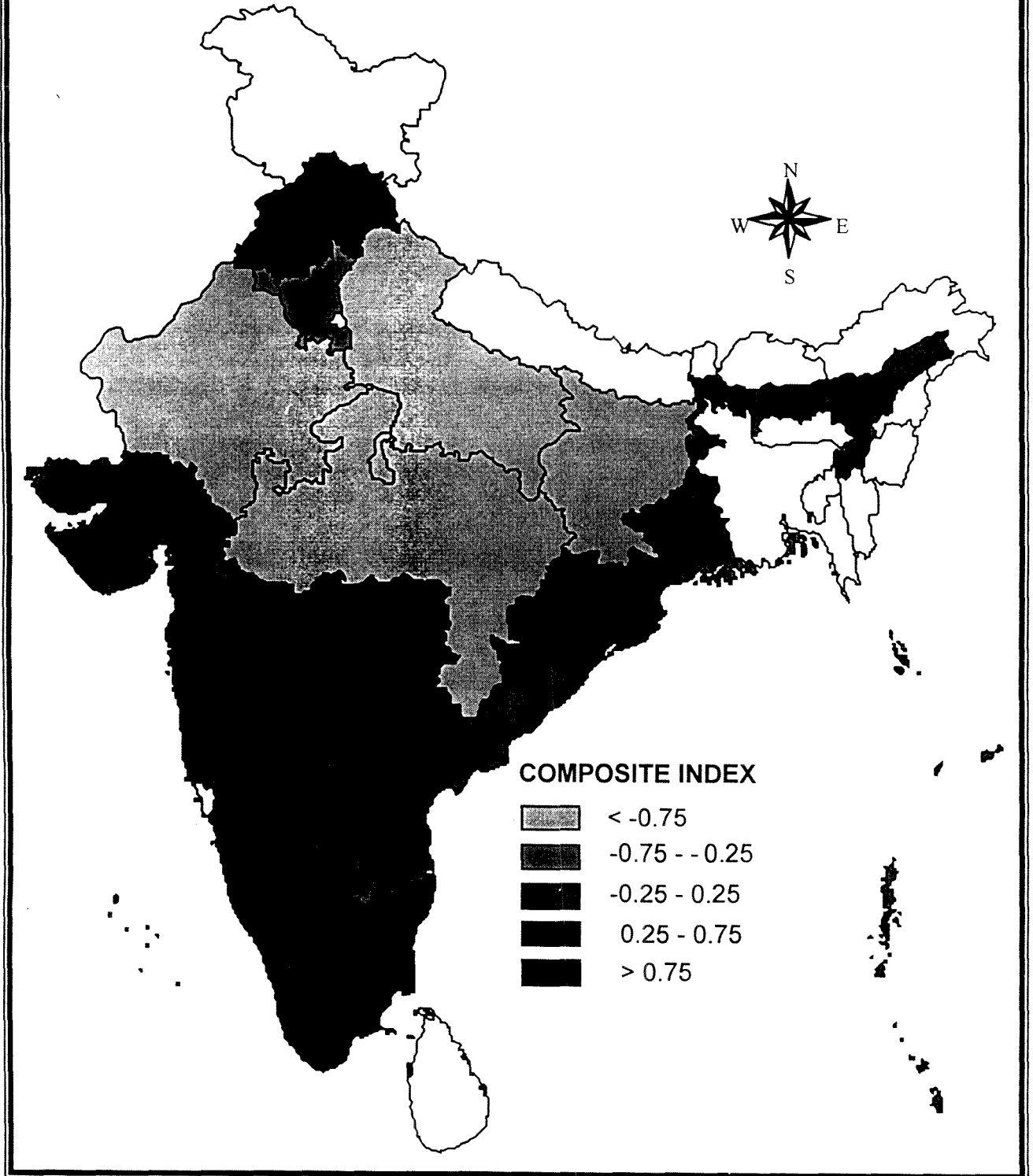
It is quite evident from Table 3.3 and Map 3A, that Kerala tops the list, followed by Punjab and Tamil Nadu. It is not surprising that Kerala has emerged as the leader, because it has witnessed a lot of social churning particularly in the post-independence period. Infact, Punjab coming at number two, is to some extent, a surprise, but then

Map : 3A

INDIA

SOCIAL STATUS OF WOMEN

1990's



the data reveals that it has been doing well consistently with regards to most of the indicators, except for the sex ratio. On the other hand, Rajasthan is placed at the bottom of the list, followed by Uttar Pradesh, Madhya Pradesh and Bihar which have been aptly named as the BIMARU states. Himachal Pradesh has done very well to get to the fourth rank. Overall, the southern states have performed much better as compared to the northern states.

Now let us try to correlate the level of women representation and the factor scores of the respective states. At the Gram Panchayat level, the coefficient of correlation is 0.506, which is significant at 0.05 level, the adjusted R^2 (regression) comes to be 0.203, which means that it explains only 20.3% of the relationship. At the intermediate level the correlation comes to be 0.075, which is not significant. Even at the Zila Parishad level the correlation is 0.413, which again is not significant.

Thus, it can be safely put, that there is not much bearing of the social status of women, in various states, on the women representation. In fact these results point out that some of the states which have a low concerned, may be having a relatively higher level of women representation, merely because of the stipulated norms and therefore may not be serving the purpose of women empowerment. The case of

states like Haryana, Bihar, Madhya Pradesh and Rajasthan, which have as low rank as 12th, 13th, 14th and 16th respectively, and a relatively high level of women representation, corroborates the above argument.

In this context, it seems that women empowerment through panchayati raj is not dependent on, their social status in the states. If anything, the reservation of women in panchayat itself should be serving the purpose of women empowerment and may also have a bearing on the overall development of the state in the long run.

3.4 The Historical Factor

We have already seen that the social and economic positions of the states were not able to explain our queries. Therefore, the question arises as to what factors would have played a role in the different levels of women representation in panchayats? We now try to explain this in terms of historical and cultural factors and political factors themselves.

The status of women can be related to the historical process that have been moulding the regional societies in India. Majumdar, while analysing the evolution of regional powers, states that broadly, in Indian history there have been five periods, when there has been relative stability in society. These periods are Indus Valley Civilization,

Mauryan period, Gupta period, Mughal period and British period. In these period, due to the relative stability, the position of women improved slightly (Majumdar 1977). But Thapar adds a regional dimension to it. She points out that inspite of the relative stability, the north Indian region was witness to continuous invasions and wars, this resulted in the society getting dominated by militaristic and succession issues, which were generally male dominated (Thapar, 1990). Therefore the issue of the status of women was put on the backburner. The issue of women well being got intertwined with their protection, rather than 'intra social upliftment', whereas in the south, the society was not militarily driven, therefore women could gain in status.

Perhaps a more detailed and comprehensive theoretical perspective to this issue was given by Iravati Karve (Karve, 1953). She has outlined the kinship organisation in various regions of India. at the base of her study there are two arguments. Firstly, though agriculture developed in the Indian valley, but it was carried to southern India by the indigenous Dravidans in the event of Aryan invasion. Since in south India the agricultural lands were limited, therefore, the presentation of land became very important.

This led to the practice of cross-cousin marriage, which ensured that the land remained with the family. Since the women, even after her marriage remained in the family, her status was not subjugated. Whereas in north India, there was no paucity of agricultural land and hence no need for its preservation. This led to 'generalised' or 'open-ended' marriage system, wherein the status of women got subjugated.

Secondly, the north India was continuously invaded by outsiders. This necessitated the formation of broad based military alliance, both at family and kingdom level. This led to the practice of 'generalized exchange', wherein women's exchange led to alliances. Again, in South India, there was not much of outside invasion, therefore no such need was felt.

These two factors have led to the crystalization of patriarchal, patrilineal and patrilocal society, in north India and Matriarchical Matrilineal and Matrilocal society in south India.

Karve has further analysed kinship organisation at zonal level.

The north Indian kinship organization is characterized by four basic principles: (a) territoriality, (b) genealogy (c) incest taboo, and (d) local exogamy. The south Indian kinship organization is characterized by (a) principle of immediate exchange, (b) a policy of social consolidation, (c) clustering of kin group in a narrow area, (d) no

sharp distinction between kin by blood and kin by marriage (e) greater freedom for women in society. In central India the kinship organizations is a mix of patrilineal and matrilineal pattern. The region in the vicinity of the north has patrilineal pattern, whereas the region in the vicinity of south has matrilineal pattern. North eastern India the society is mostly matrilineal but there is a distinction, that the Mundari speaking population in this region is patrilineal, whereas Monkhmer speaking population is matrilineal.

Thus we find that the difference in status of women in the north and south India is more to do with historical and cultural factors.

Lastly, the political factors also play in important role. States irrespective of their location in north or south, may perform well if the political will is there. Kerala and West Bengal are located at two extremes, but the panchayati raj has been functioning very well in these two states. the level of women representation in these two states is also quite high. Both these states have been governed by leftist government for a long period. The leftist government's commitment to the values of 'equality in society' must have also played its role. similarly, in Madhya Pradesh and Karnataka the Panchayati raj has been functioning smoothly due to political will of the government at the helm. The opposite is true for states like Bihar. Thus it is amply clear that political factors do play an important role.

Having analysed the representation of women in panchayats, it would also be an worthwhile exercise to look at the representation of the scheduled tribes in the new panchayati raj dispensation. This would give us an idea of how the panchayati raj has enabled the weaker sections of the society to enter the grass root politics and thereby into the mainstream.

Given below is Table 3.4, in which the statewise population percentage of SCs and STs are given, along with their percentage representation at panchayati level.

TABLE 3.4
STATEWISE REPRESENTATION OF SCs AND STs AT GRAM PANCHAYAT LEVEL

States	SC Population % to total population	% SC elected member	Deviations	ST population % to total population	% St elected member	Deviations
Andhra Pradesh	15.93	16.77	0.84	6.31	6.64	0.33
Assam	7.4	8.1	0.7	12.83	13.2	0.37
Gujarat	7.41	3.84	-3.57	14.92	7.73	-7.11
Haryana	19.75	21.77	2.02	0	0	0
Himachal Pradesh	25.34	20.94	-4.4	4.22	3.68	-0.54
Karnataka	16.38	22.22	5.84	4.26	9.39	5.13
Kerala	9.92	12.23	2.31	1.1	1.32	0.22
Madhya Pradesh	14.54	13.7	-0.84	23.27	27.96	4.69
Maharashtra	11.1	13.43	2.33	9.27	5.58	-3.69
Orissa	16.2	9.12	-7.08	2.21	14.58	-7.63
Punjab	28.31	31.38	3.07	0	0	0
Rajasthan	17.29	14.99	-2.3	12.44	13.08	0.64
Tamil Nadu	19.18	19.85	0.67	1.03	0.75	-0.28
Uttar Pradesh	21.04	14.93	-6.11	0.21	0.12	-0.09
West Bengal	23.92	28.06	4.44	5.6	7.45	1.85

Source: Status of Panchayati Raj in States and Uts of India, 2000, Institute of Social Sciences.

From the table 3.4, we now correlate the population percentage with representation percentage for both SCs and STs. The correlation value in case of SCs is 0.857, which is significant at 0.01 level (therefore the explanational level is 99%) and in case of STs the correlation value is 0.895, also at 0.01 level (explaining 99%). Theoretically the correlation values for both SCs and STs should have been 1, because the reservation is according to the population percentage. This deviation could be both welcome and unwelcome, because if the deviation is positive, meaning thereby if more SCs and STs are getting elected, than the stipulated percentage than it is an welcome sign and vice versa.

Now let's take a look at the table 3.4 once again to find out the correspondence between the population percentage and representation percentage. We find that all the southern states viz. Karnataka, Andhra Pradesh, Kerala and Tamil Nadu have got representation percentage more than the population percentage in the SC category. Karnataka in particular has about 6 percentage points higher representation of SCs as compared to its population percentage. In north India, Punjab and Haryana have positive deviation but most of the north Indian states have a negative deviation viz. Himachal Pradesh, Rajasthan and Uttar Pradesh. In eastern India West Bengal and Assam have positive deviation, the

former having an impressive 4.5 percentage point over the population percentage. Orissa however has a substantial negative deviation. In western Indian Maharashtra is the only state with positive deviation.

From the above scenario it is obvious that in the southern state the SCs have got better representation than in other parts of the country. Infact, political will and political control is the key in this context. So, in cases like West Bengal it seems to be political will and in cases like Punjab it seems to be the political importance of the SCs.

This phenomena can also be explained with some historical caste movements in different regions. The southern states, particularly, Tamil Nadu and Kerala have experienced several caste movements in the late eighteenth century and early nineteenth century. The important movement in this region were Aravippuram Movement (1888), Shri Narayana Guru Dharma Paripalana Movement (1902), Temple Entry Movement (1924), all of which were led by Narayan Guru. Vaikom Satyagraha (1924) led by K.P. Kesava, Justice Movement by C.N. Mudaliar, T.M. Nair and P.tyagaraja, Self respect Movement (1926) by E.V. Ramaswamy Naicker 'periyar' etc. (Bipan Chandra, 1987). These movements had a definite impact on bringing down the caste rigidities, thereby aiding in uplifting the status of the lower caste.

In contrast to this, there was no major caste movement in the north India, therefore the caste rigidities could not get ameliorated. Perhaps the only major movement, which had some base in the north, was the Arya Samaj, which had a good following in the states of Punjab and Haryana. Incidentally, these two states have done well on the SC representation front.

In the eastern India, West Bengal was a pioneering state in so far as reform movements are concerned. Bramho Samaj (1828), by Raja Ram Mohan Roy, Young Bengal Movement (1829) by Henry Vivian Derozio, Ramkrishna Movement (1897) by Swami Vivekananda and movement by Ishwar Chandra Vidyasagar, have all helped in bringing down the social rigidities. Therefore, West Bengal seems to have done well in so far as representation is concerned. Assam, which was part of Bengal till the Independence of the country, has also done well.

In Western India, most of the reform movements were concentrated in Maharashtra, like Paramhansa Mandali (1849), Satyasodhak Samaj (1873) by Jyotiba Phule, Social Service League by Narayan Malhar Joshi and Depressed Classes League by Baba Saheb Ambedkar, had a great influence in reducing the caste disparities. Therefore, it is no surprise that apart from Maharashtra, no other state in the western India has performed well.

Thus, it is apparent by now, that historical movements have played a very important role in bringing about the different social structures in different regions of the country..

In so far as the STs are concerned, states like Karnataka and Madhya Pradesh have positive deviation. The case of Karnataka is particularly appreciable because it has got double the representation of STs as compared to their population. other states like Andhra Pradesh, Assam, West Bengal, Rajasthan and Kerala have also get positive deviation. On the other hand states like Orissa and Gujarat have large negative deviations. Other states which have not fulfilled the stipulations are Himachal Pradesh, Maharashtra, Tamil Nadu and Uttar Pradesh.

Having analysed the women representation as well as the SC and ST representation, we find that some of the states have even failed to fulfill the stipulated reservation mark. This is a grave situation, because the whole new dispensation on panchayati raj, through the 73rd Amendment Act was supposed to be a harbinger of empowerment of the weaker sections of the society, right at the grass root level and thereby bringing overall equality in the society. Faced with a situation, that we have come through in this exercise, a proper monitoring agency need to be set up vis-à-vis the functioning of the post 73rd

Amendment Panchayati Raj. Nevertheless all is not lost, there are some states which are doing very well and they need to continue the good work done till now. This may also generate the much needed demonstration effect for the laggard states.

To sum up, this chapter analyses the social aspects of the functioning of the panchayats. Herein the representation of women, SCs and STs in the panchayats has been analysed. Firstly, the level of women representation has been analysed. The variation in the level of women representation across the states is firstly explained by the social status of the various states. This is done by preparing a composite index of the social variables of the states, by using Principal Component Analysis. Thereafter, this composite index has been correlated with the level of women representation, the result of which is insignificant. Thereafter, the variation in status of women, is associated qualitatively with historical and cultural factors operating in different regions of the country, thereby leading to the crystallization of different social formations.

Similarly, the variations in the representation of the scheduled castes in the panchayats have been qualitatively associated with the occurrence or non occurrence of the caste movements in the various states of India.

Chapter 4

CONCLUSION

The study has analysed the various facets of the concept of decentralization and its application in India as the Panchayati Raj. Decentralization, as a concept of governance, has emerged in all parts of the world, particularly in the developing countries, where it has been advocated as a panacea for the misgovernance, so rampant in these countries.

Decentralization can have several aspects, like political, administrative and financial. In fact, in most of the developing countries, it is more of administrative and political decentralization, that has taken place. In this context, the post seventy third amendment Panchayati Raj in India, is rather a monumental step, because, apart from imparting political and administrative autonomy, the act also aims at providing financial self sufficiency to the panchayats. This comprehensive decentralization in India has been facilitated by two factors. Firstly, the presence of the traditional institution of panchayats in the villages, right from the ancient period and secondly, the staunch advocacy for 'Gram Swaraj' or 'village autonomy' by Gandhiji. The new dispensation has tried to incorporate the suggestions and recommendations of the various committees and

studies, that preceded the amendment. However, the new dispensation is not totally free from flaws. In fact, it has got two serious shortcomings, that, neither it is clear, on the role of political parties, nor on the role of bureaucracy vis-à-vis the functioning of the panchayats.

Thereafter, the study analyses the financial aspects of the Panchayats. The financial aspect of panchayats have been dealt from two point of views, viz., the revenue and the expenditure. Firstly, the revenue aspect has been analysed under the heads of own revenue and other revenue. To start with, the breakup of the own revenue has been analysed, across the states, because the taxes by which own revenue is generated varies from state to state. Apart from this variation, the taxes can be either obligatory or optional for levying and collection or optional for levying and collection based on the different Panchayats Acts of the various states. Thereafter, the actual levy and collection of taxes by various states has been analysed. It is sad to note that many states like, Assam, Andhra Pradesh, Madhya Pradesh, Himachal Pradesh, Uttar Pradesh etc. are not levying and collecting the taxes which have been promised. Some of the states are not even levying and collecting the obligatory taxes.

We have also correlated the own revenue generated, with the agricultural productivity, to understand the variations in the own revenue generation, the result of which is positive and significant for all the three point of time. Thus, it appears that the own revenue generation, apart from being dependent on the taxation initiatives taken by various panchayats, is largely dependent on the revenue generating capabilities of the various states. Since, a large member of states have performed dismally on the own revenue front, largely because of their revenue generating limitations, the other revenue component becomes very important and relevant. In any case, the post seventy third amendment panchayats in India, are in their stage of infancy, therefore, they need the financial support to consolidate themselves. Once, the importance of the 'other revenue' comes to the fore, we critically analyse the formula for fund devolution, desired by the Eleventh Finance Commission. The formula has given excessive weightage to the rural population, thereby benefiting the populous states. The less populous but poor states like Himachal Pradesh and Assam are the ultimate losers.

Secondly, we have also analysed the expenditure aspect of the finances of panchayats. Since, most of the states have incurred more expenditure on other services, we have also analysed the relationship between the expenditure on core services and the existing

infrastructure of the items included under the 'core services'. The coefficient of correlation comes to be insignificant for all the cases, thereby pointing out to the fact, that expenditure on core services or other services, is not necessarily related to the existing rural infrastructure of the states. From here it can be said that, though in many states the core services may be present adequately, yet these states may be improving them, whereas, in some other states, where the core services are not up to the mark, may still not be incurring expenditure on core services.

With respect to effective social representation in the Panchayati Raj Institutions, there is a lot of variation in the level of women representation across the states, even though, there is a minimum stipulated norm of one third reservation for women. It is disappointing to note that, some of the states have not even touched the minimum stipulation. Thereafter we have correlated the level of women representation, with the social status of respective states. However the results of the correlation, comes to be significant at 0.05 level, only at the Gram Panchayat level. At the Panchayat Samiti and Zila Parishad level the results are insignificant.

These results point out that some of the states which have a low social status may have had high level of women representation,

merely because of the constitutional stipulations, and here the empowerment of women would just be on pen and paper, whereas the real decision making capacity may not be with them. States like Haryana, Bihar, Madhya Pradesh and Rajasthan, which have as low rank as 12th, 13th, 14th and 16th respectively, are cases in point, where the level of women representation has been around the stipulated norm.

This paradox is further explained by a qualitative and theoretical association, between the level of women representation and the historical and cultural factors of the various regions. These factors have led to crystallization of different social formations, in the different regions of the country, for e.g., matrilineal, matriarchal and matrilocal society in the southern region and patrilineal, patriarchal and patrilocal society in the northern region, have been crystallized by the historical and cultural factors and they manifest themselves in the overall status of women, in this respective regions.

A qualitative association, has also been attempted to explain the representation of the scheduled caste, by linking it with the various caste movements that have occurred in the different regions of the country. We find that in southern region, where a plethora of caste movements have taken place, thereby mitigating the social rigidities,

which is manifested in the better level of representation of scheduled caste. Similarly there have been caste movements in Eastern India, whereas, north India had been devoid of it. All these variations are reflected in the level of representation of the scheduled castes.

Thus, the study analyses the two crucial dimension of the functioning of Panchayati Raj in India, viz. financial and social.

There are a few **policy implications** of the present study. Firstly, as we have noticed that, the panchayats of the several states, though with a few exceptions, are heavily dependent on the other revenue component. This brings out the importance of the other revenue and the method of its devolution, to the fore. Utmost care and analysis should go into the devolution of the funds to the state panchayats, for example, the efficiency on the revenue generation front should be given more incentives, and the devolution should not be allowed to get diluted by too much concern for population only, because only when the funds are properly devolved then it can be ensured that the panchayats consolidate themselves, in the long run.

Secondly, in so far as women representation is concerned, we have noticed that a lot of states have not even met the stipulated norm of representation. Even in the states where this norms have been met, there is hardly any real transfer of decision making power to the

women. The government should go in for large scale social empowerment of the women, before they can actually be politically empowered. Mass literacy among the women would serve to meet this end. The government should also monitor the representation of women and see to it that the stipulated norms of representation are met.

At an overall level, the government should go in for social empowerment of the weaker sections of the society, before they are politically empowered.

TABLE 1
REVENUE OF PANCHAYATS AT ALL TIERS

(in lakh Rs)

STATES	OWN	OTHER	TOTAL	OWN	OTHER	TOTAL	OWN	OTHER	TOTAL
	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE
	1990 - 91	1990 - 91	1990 - 91	1994 - 95	1994 - 95	1994 - 95	1997 - 98	1997 - 98	1997 - 98
ANDHRA PRADESH	6269.57	93790.47	100060.04	9294.67	148856.74	158151.41	13779.69	237378.88	251158.57
ASSAM	300.96	0	300.96	326.05	44.59	370.64	345.99	1204.32	1550.31
BIHAR	0	359.08	359.08	0	59164.15	59164.15	0	36596.09	36596.09
GUJARAT	2745.07	99071.21	101816.28	3366.38	146078.56	149444.94	4036.11	219217.6	223253.71
HARYANA	2939	1690	4629	4272	1884	6156	5301	3221	8522
HIMACHAL PRADES	2	401.72	403.72	54.3	524.08	578.38	67.7	2457.34	2525.04
KARNATAKA	1733.05	129709.57	131442.62	2464.47	243281.12	245745.59	3013.72	373792.82	376806.54
KERALA	3131.51	6530.42	9661.93	5561.33	13791.34	19352.67	9909.34	88367.25	98276.59
MADHYA PRADESH	1194.17	22173.46	23367.63	2581.22	27652.6	30233.82	3203.83	174697.64	177901.47
MAHARASHTRA	3420.51	101099.43	104519.94	6306.88	198381.31	204688.19	11217	319530.01	330747.02
ORISSA	590.37	17222.62	17812.99	801.9	38971.4	39773.3	699.38	63302.87	64002.25
PUNJAB	2155.7	7589.91	9745.61	4533.16	12083.11	16616.27	5386.62	8154.42	13541.04
RAJASTHAN	2427.61	73022.18	75449.79	2554.04	105920.31	108474.35	3074.57	148946.18	152020.75
TAMIL NADU	1571.59	26378.03	27949.62	2471.15	30133.58	32604.73	3403.77	38812.64	42216.41
UTTAR PRADESH	2275.35	40655.36	42930.71	3902.67	57467.86	61370.53	4665.17	83659.19	88324.36
WEST BENGAL	1423.42	5796.96	7220.38	1457.67	47312.86	48770.53	1959.21	46816.25	48775.46
INDIA	37036.41	625490.42	661382.94	49947.89	1140504.04	1188298.1	70063.1	1867846.53	1935554.38

SOURCE : ELEVENTH FINANCE COMMISSION REPORT; GOVERNMENT OF INDIA 1997

TABLE 2
REVENUE OF PANCHAYATS AT ALL TIERS

(in Rs/ 000 Rural Population)

STATES	OWN REVENUE 1990 - 91	OTHER REVENUE 1990 - 91	TOTAL REVENUE 1990 - 91	OWN REVENUE 1994 - 95	OTHER REVENUE 1994 - 95	TOTAL REVENUE 1994 - 95	OWN REVENUE 1997 - 98	OTHER REVENUE 1997 - 98	TOTAL REVENUE 1997 - 98
ANDHRA PRADESH	12894.78	192901.15	205795.93	19116.58	306157.30	325273.87	28341.03	488222.95	516563.97
ASSAM	1510.31	0.00	1510.31	1636.22	223.77	1859.99	1736.29	6043.66	7779.95
BIHAR	0.00	478.63	478.63	0.00	78862.40	78862.40	0.00	48780.48	48780.48
GUJARAT	10141.01	365995.09	376136.10	12436.29	539652.59	552088.88	14910.45	809847.43	824757.88
HARYANA	23684.42	13619.15	37303.57	34426.63	15182.53	49609.15	42718.99	25956.97	68675.96
HIMACHAL PRADES	42.35	8507.41	8549.77	1149.94	11098.69	12248.62	1433.71	52040.24	53473.95
KARNATAKA	5578.07	417488.72	423066.79	7932.25	783034.92	790967.17	9700.09	1203105.41	1212805.50
KERALA	14620.93	30490.34	45111.26	25965.68	64391.35	90357.04	46266.41	412584.04	458850.45
MADHYA PRADESH	2348.79	43612.49	45961.27	5076.94	54389.28	59466.23	6301.54	343608.91	349910.45
MAHARASHTRA	7067.75	208900.38	215968.14	13031.82	409912.62	422944.44	23177.54	660240.54	683418.09
ORISSA	2152.67	62798.98	64951.65	2923.97	142101.73	145025.71	2550.15	230821.77	233371.92
PUNJAB	15086.43	53117.15	68203.58	31724.82	84562.32	116287.14	37697.67	57067.81	94765.48
RAJASTHAN	6163.17	185387.24	191550.41	6484.15	268908.35	275392.50	7805.66	378141.56	385947.22
TAMIL NADU	4272.83	71716.46	75989.29	6718.55	81927.03	88645.58	9254.15	105523.61	114777.77
UTTAR PRADESH	2040.56	36460.24	38500.81	3499.96	51537.91	55037.87	4183.78	75026.63	79210.41
WEST BENGAL	2883.17	11741.87	14625.04	2952.54	95833.22	98785.76	3968.42	94827.32	98795.75
INDIA	5891.03	99490.76	105199.83	7602.14	181409.03	189011.17	10769.64	297100.41	307870.05

SOURCE : CALCULATED FROM TABLE 1

TABLE 3
REVENUE OF PANCHAYATS AT ALL TIERS
PERCENTAGE COMPOUND GROWTH RATES

STATES	OWN REVENUE			OTHER REVENUE			TOTAL REVENUE		
	1991 - 94	1994 - 98	1991 - 98	1991 - 94	1994 - 98	1991 - 98	1991 - 94	1994 - 98	1991 - 98
ANDHRA PRADESH	48.25	48.25	119.79	58.71	59.47	153.09	58.06	58.81	151.01
ASSAM	8.34	6.12	14.96	—	2600.87	—	23.15	318.28	415.12
BIHAR	—	—	—	16376.59	-38.14	10091.63	16376.59	-38.14	10091.63
GUJARAT	22.63	19.89	47.03	47.45	50.07	121.27	46.78	49.39	119.27
HARYANA	45.36	24.09	80.37	11.48	70.97	90.59	32.99	38.43	84.10
HIMACHAL PRADES	2615.00	24.68	3285.00	30.46	368.89	511.70	43.26	336.57	525.44
KARNATAKA	42.20	22.29	73.90	87.56	53.65	188.18	86.96	53.33	186.67
KERALA	77.59	78.18	216.44	111.19	540.74	1253.16	100.30	407.82	917.15
MADHYA PRADESH	116.15	24.12	168.29	24.71	531.76	687.87	29.38	488.42	661.32
MAHARASHTRA	84.38	77.85	227.93	96.22	61.07	216.06	95.84	61.59	216.44
ORISSA	35.83	-12.78	18.46	126.28	62.43	267.56	123.28	60.92	259.30
PUNJAB	110.29	18.83	149.88	59.20	-32.51	7.44	70.50	-18.51	38.95
RAJASTHAN	5.21	20.38	26.65	45.05	40.62	103.97	43.77	40.14	101.49
TAMIL NADU	57.24	37.74	116.58	14.24	28.80	47.14	16.66	29.48	51.04
UTTAR PRADESH	71.52	19.54	105.03	41.35	45.58	105.78	42.95	43.92	105.74
WEST BENGAL	2.41	34.41	37.64	716.17	-1.05	707.60	575.46	0.01	575.52
INDIA	29.05	41.67	82.81	82.34	63.77	198.62	79.67	62.88	192.65

SOURCE : CALCULATED BY FROM TABLE 2

TABLE 4
EXPENDITURE OF PANCHAYATS AT ALL TIERS

(in lakh Rs)

STATES	CORE SERVICES	OTHER SERVICES	TOTAL SERVICES	CORE SERVICES	OTHER SERVICES	TOTAL SERVICES	CORE SERVICES	OTHER SERVICES	TOTAL SERVICES
	1990 -91	1990 -91	1990 -91	1994 - 95	1994 - 95	1994 - 95	1997 - 98	1997 - 98	1997 - 98
ANDHRA PRADESH	7573.29	92460.57	100033.86	15778.76	144624.47	160403.23	40338.49	210020.08	250358.57
ASSAM	0	213.17	213.17	1431.03	2559.65	3990.68	1082.14	2974.77	4056.91
BIHAR	0	13630.18	13630.18	0	92655.67	92655.67	0	66039.74	66039.74
GUJARAT	883.67	107213.66	108097.32	1151.09	149767.42	150918.51	1657.28	225223.57	226880.85
HARYANA	0	6787	6787	0	10824.8	10824.8	0	14642.9	14642.9
HIMACHAL PRADES	0	403.76	403.76	0	578.48	578.48	0	2525.04	2525.04
KARNATAKA	10968.91	114122.98	125091.89	20381.74	178867.45	199249.19	36124.04	333516.85	369640.89
KERALA	3160.7	6712.83	9873.53	5309.33	14143.48	19452.81	8725.05	64331.03	73056.08
MADHYA PRADESH	794	21849.13	22643.13	1628.64	28637.01	30265.65	5640.33	172889.57	178529.9
MAHARASHTRA	10165.49	134259.58	144425.07	19949	299746.14	319695.14	34154.14	424384.16	458538.3
ORISSA	988.23	16824.76	17812.99	1300.62	51234.67	52535.29	793.25	63209	64002.25
PUNJAB	3945.25	6054.11	9999.36	8464.64	10149.84	18614.48	3915.1	12038.01	15953.11
RAJASTHAN	3.6	74288.48	74292.08	810.15	108075.65	108885.8	1163.57	152574.73	153738.3
TAMIL NADU	6644.63	15322.21	21966.84	7879.21	18255.16	26134.37	16386.42	32675.45	49061.87
UTTAR PRADESH	236	43139.9	43375.9	673	60487.57	61160.57	5060.44	85653.63	90714.07
WEST BENGAL	192.35	11908.78	12101.13	195.49	53391.86	53587.35	194.51	55293.4	55487.91
INDIA	45363.77	673028.18	714690.16	84757.21	1170607.46	1255364.67	155457.31	1937658.44	2093115.75

SOURCE : ELEVENTH FINANCE COMMISSION REPORT; GOVERNMENT OF INDIA 1997

TABLE 5
EXPENDITURE OF PANCHAYATS AT ALL TIERS

(in Rs/ 000 Rural Population)

STATES	CORE SERVICES 1990 -91	OTHER SERVICES 1990 -91	TOTAL SERVICES 1990 -91	CORE SERVICES 1994 - 95	OTHER SERVICES 1994 - 95	TOTAL SERVICES 1994 - 95	CORE SERVICES 1997 - 98	OTHER SERVICES 1997 - 98	TOTAL SERVICES 1997 - 98
ANDHRA PRADESH	15576.17	190165.92	205742.09	32452.56	297452.69	329905.25	82965.16	431953.44	514918.59
ASSAM	0.00	1069.75	1069.75	7181.36	12845.13	20026.50	5430.52	14928.34	20358.86
BIHAR	0.00	18168.24	18168.24	0.00	123504.67	123504.67	0.00	88027.17	88027.17
GUJARAT	3264.51	396075.44	399339.91	4252.43	553280.21	557532.64	6122.43	832035.06	838157.49
HARYANA	0.00	54694.17	54694.17	0.00	87233.46	87233.46	0.00	118002.26	118002.26
HIMACHAL PRADES	0.00	8550.61	8550.61	0.00	12250.74	12250.74	0.00	53473.95	53473.95
KARNATAKA	35305.00	367321.06	402626.06	65601.53	575710.35	641311.89	116270.37	1073471.47	1189741.83
KERALA	14757.21	31342.00	46099.22	24789.10	66035.48	90824.59	40737.00	300359.65	341096.65
MADHYA PRADESH	1561.70	42974.57	44536.27	3203.34	56325.50	59528.83	11093.84	340052.65	351146.49
MAHARASHTRA	21004.81	277418.75	298423.57	41220.35	619361.39	660581.74	70572.24	876899.25	947471.49
ORISSA	3603.39	61348.26	64951.65	4742.46	186817.39	191559.85	2892.43	230479.49	233371.92
PUNJAB	27610.40	42369.03	69979.42	59238.86	71032.54	130271.40	27399.40	84246.69	111646.09
RAJASTHAN	9.14	188602.10	188611.24	2056.79	274380.28	276437.08	2954.05	387353.65	390307.70
TAMIL NADU	18065.39	41657.95	59723.34	21421.96	49632.04	71054.00	44551.32	88837.85	133389.17
UTTAR PRADESH	211.65	38688.41	38900.06	603.55	54246.02	54849.58	4538.27	76815.27	81353.53
WEST BENGAL	389.61	24121.49	24511.10	395.97	108146.36	108542.33	393.98	111997.97	112391.96
INDIA	6626.77	107052.13	113678.90	13284.31	193570.95	206857.26	24727.10	308204.72	332931.83

SOURCE : CALCULATED FROM TABLE 4

TABLE 6
PERCENTAGE COMPOUND GROWTH RATES

STATES	CORE SERVICES			OTHER SERVICES			TOTAL SERVICES		
	1991 - 94	1994 - 98	1991 - 98	1991 - 94	1994 - 98	1991 - 98	1991 - 94	1994 - 98	1991 - 98
ANDHRA PRADESH	108.35	155.65	432.64	56.42	45.22	127.15	60.35	56.08	150.27
ASSAM	---	-24.38	---	1100.76	16.22	1295.49	1772.06	1.66	1803.13
BIHAR	---	---	---	579.78	-28.73	384.51	579.78	-28.73	384.51
GUJARAT	30.26	43.97	87.55	39.69	50.38	110.07	39.61	50.33	109.89
HARYANA	---	---	---	59.49	35.27	115.75	59.49	35.27	115.75
HIMACHAL PRADES	---	---	---	43.27	336.50	525.38	43.27	336.50	525.38
KARNATAKA	85.81	77.24	229.33	56.73	86.46	192.24	59.28	85.52	195.50
KERALA	67.98	64.33	176.05	110.69	354.85	858.33	97.02	275.56	639.92
MADHYA PRADESH	105.12	246.32	610.37	31.07	503.73	691.29	33.66	489.88	688.45
MAHARASHTRA	96.24	71.21	235.98	123.26	41.58	216.09	121.36	43.43	217.49
ORISSA	31.61	-39.01	-19.73	204.52	23.37	275.69	194.93	21.83	259.30
PUNJAB	114.55	-53.75	-0.76	67.65	18.60	98.84	86.16	-14.30	59.54
RAJASTHAN	22404.17	43.62	32221.39	45.48	41.17	105.38	46.56	41.19	106.94
TAMIL NADU	18.58	107.97	146.61	19.14	78.99	113.26	18.97	87.73	123.35
UTTAR PRADESH	185.17	651.92	2044.25	40.21	41.61	98.55	41.00	48.32	109.13
WEST BENGAL	1.63	-0.50	1.12	348.34	3.56	364.31	342.83	3.55	358.53
INDIA	100.46	86.14	273.14	80.82	59.22	187.90	81.97	60.95	192.87

SOURCE : CALCULATED FROM TABLE 5

TABLE 7
SELECTED RURAL INFRASTRUCTURE

STATES	% HH with Safe Drinking Water	% HH with Toilet Facility	Density of Rural Roads (/00sqkm)
ANDHRA PRADESH	48.98	6.62	56.58
ASSAM	43.28	30.53	82.55
BIHAR	56.55	4.96	46.27
GUJARAT	60.04	11.16	61.94
HARYANA	67.14	6.53	54.37
HIMACHAL PRADES	75.51	6.42	50.73
KARNATAKA	67.31	6.85	69.79
KERALA	12.22	44.07	342.85
MADHYA PRADESH	45.56	3.64	43.62
MAHARASHTRA	54.02	6.64	110.37
ORISSA	35.32	3.58	127.74
PUNJAB	92.09	15.79	99.35
RAJASTHAN	50.62	6.65	37.43
TAMIL NADU	64.28	7.17	147.89
UTTAR PRADESH	56.62	6.44	68.50
WEST BENGAL	80.26	12.31	65.80
INDIA	55.54	9.48	94.58

SOURCE : PROFILE OF STATES; CENSUS OF INDIA, 1991

TABLE 8
STATEWISE WOMEN REPRESENTATION AT VARIOUS LEVELS OF PANCHAYATS

STATES	GRAM PANCHAYAT LEVEL			INTERMEDIATE LEVEL			ZILA PARISHAD LEVEL		
	TOTAL	WOMEN	%	TOTAL	WOMEN	%	TOTAL	WOMEN	%
ANDHRA PRADESH	230529	78000	33.84	14644	5420	37.01	1093	363	33.21
ASSAM	24860	7458	30	2486	745	29.97	845	237	28.02
BIHAR	136253	43655	32.04	12879	3994	31.04	1792	559	31.23
GUJARAT	123470	41180	33.35	3814	1274	33.4	761	254	33.38
HARYANA	54159	17928	33.1	2418	807	33.37	303	101	33.33
HIMACHAL PRADES	18258	6013	32.93	1661	558	33.59	252	84	33.33
KARNATAKA	80627	35305	43.79	3370	1343	40.21	919	335	36.45
KERALA	10270	3383	37.81	1547	563	36.39	300	104	34.67
MADHYA PRADESH	474351	156181	32.93	9097	3109	34.17	946	319	33.72
MAHARASHTRA	303545	100182	33.33	3524	1174	33.31	1762	587	33.31
ORISSA	81077	28595	35.27	5260	1870	35.55	854	294	34.43
PUNJAB	87842	31053	35.35	2441	326	13.36	274	89	32.48
RAJASTHAN	119419	38791	32.48	5257	1740	33.1	997	331	33.2
TAMIL NADU	97398	32795	33.67	6499	2295	35.51	648	225	34.72
UTTAR PRADESH	682670	174410	25.54	58165	14002	24.07	2551	648	25.4
WEST BENGAL	50345	17907	35.56	8579	3015	35.14	723	246	34.02

SOURCE : STATUS OF PANCHAYATI RAJ IN THE STATES AND UNION TERRITORIES OF INDIA; INSTITUTE OF SOCIAL SCIENCES,2000.

TABLE 9
INDICATORS REPRESENTING SOCIAL STATUS OF WOMEN

STATES	Sex Ratio	Rural Total Fertility rates		Rural Female		Married females in 10 -19 age group	
			Reciprocal	Litracy Rate	Life Expectancy		Reciprocal
ANDHRA PRADESH	972	3.1	0.32	37	60.4	49	0.02
ASSAM	923	3.6	0.28	69	54.6	25.1	0.04
BIHAR	911	4.5	0.22	28	56.3	62.5	0.02
GUJARAT	934	3.2	0.31	50	59.6	24.6	0.04
HARYANA	865	4.3	0.23	45	62.4	37.1	0.03
HIMACHAL PRADESH	976	3.2	0.31	63	63.7	17.6	0.06
KARNATAKA	960	3.3	0.30	44	61.7	29.6	0.03
KERALA	1036	1.8	0.56	88	73.9	11.8	0.08
MADHYA PRADESH	931	4.9	0.20	34	51.8	59.9	0.02
MAHARASHTRA	934	3.4	0.29	53	63.1	29	0.03
ORISSA	971	3.4	0.29	41	54.6	23.3	0.04
PUNJAB	882	3.2	0.31	57	66.5	14.2	0.07
RAJASTHAN	910	4.9	0.20	24	55.8	69.1	0.01
TAMIL NADU	974	2.3	0.43	55	61.1	19.5	0.05
UTTAR PRADESH	879	5.4	0.19	35	53.9	53.8	0.02
WEST BENGAL	917	3.6	0.28	56	61.1	34.9	0.03
INDIA	927	3.9	0.26	44	58.1	39.8	0.03

SOURCE : STATES PROFILE ; CENSUS OF INDIA, 1991.

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