

INSTITUTIONAL MENDICANCY: A CASE FOR EMPOWERING PRIs

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ABSTRACT

Decentralisation is a key aspect of democracy. According to the principle of subsidiarity, the most proximate government is generally capable of governing the people. After more than two decades of passing of 73rd and 74th Amendment Acts, a quite consistent implementation of the legal provisions can be seen throughout India. However, merely adhering to the legal provisions is no indication of the health of the local-level institutions. The paper examines the extent of powers accorded to the Panchayati Raj Institutions in terms of functional devolution, financial autonomy and their involvement in the planning process. The work is doctrinal in nature and employs a descriptive method to dissect concepts, facts and theoretical frameworks and subsequently to summarise findings.

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1. INTRODUCTION

The establishment of local-level governing bodies finds its roots in the tussle between two ideologies in the constituent assembly debates on the inclusion of Article 40 in the Indian Constitution. The tussle was between Gandhi's vision of governance through decentralised village Panchayats and the notion of centralised parliamentary-democratic governance on western lines which was commonly held by some of the members of the constituent assembly.

During the constituent assembly debates, many members had spoken for accommodation of Gandhi's philosophy in the Constitution.¹ Gandhi had been fundamentally opposed to the parliamentary order.² The constitutional order envisioned by Gandhi was that of innumerable village republics based on the spirit of *satya* and *ahimsa* and indirectly elected governments at the state and central levels. Mahatma Gandhi believed that encouraging people's participation and thus democratising the local-level governments were of utmost importance. Thus, for Gandhi, independence began from the bottom. Dr. B. R. Ambedkar, however, envisioned a constitutional order based on the western theories of separation of powers, a federal structure, citizenship, fundamental rights, stability of the executive, etc. Dr. Ambedkar viewed development as a top-down process.

The whole of the Indian Constitution can be said to be designed on the lines of Ambedkar's idea of constitutional order. However, it is in the case of Article 40³ where we see a conscious effort to accommodate the Gandhian philosophy, by instructing "the state to organise and empower village Panchayats as units of self-government."⁴ It seemed almost impossible to most of the members to reconcile a 'parliamentary' constitutional philosophy

¹ Peter Ronald deSouza, 'Institutional visions and Sociological imaginations: The Debate on Panchayati Raj' in Rajeev Bhargava (ed.), *Politics and Ethics of the Indian Constitution* (Oxford University Press 2009).

² Ravi S. Srivastava, 'Panchayats, Bureaucracy, and Poverty Alleviation in Uttar Pradesh' in Niraja Gopal Jayal, Amit Prakash and Pradeep K. Sharma (eds), *Local Governance in India: Decentralisation and Beyond* (Oxford University Press 2006).

³ Article 40: The State shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self government.

⁴ Thomas Pantham, 'Gandhi and the Constitution: Parliamentary Swaraj and Village Swaraj' in Rajeev Bhargava (ed), *Politics and Ethics of the Indian Constitution* (Oxford University Press 2009).

with a ‘Gandhian’ philosophy. Gandhian philosophy, therefore, took the form of constitutional morality when it was incorporated as a Directive Principle of State Policy.

Article 40 did not have any legal enforceability and was at most a reflection of India’s constitutional morality. Currently, the provisions governing the local-level governments are enshrined in Articles 243 to 243-O under Parts IX and IXA of the Indian Constitution. The early attempts at introducing holistic decentralisation at the local levels were encapsulated by the Balwant Rai Mehta Committee Report (1957), Ashok Mehta Committee Report (1978) and Singhvi Committee Report (1986).

The Balwant Rai Mehta Committee recommended introduction of a three-tier Panchayati Raj system which would comprise:

- a) Gram Panchayats at the village level;
- b) Panchayat Samiti at the block level; and
- c) Zilla Parishad at the district level.

This committee suggested that the members of Panchayat Samiti and Zila Parishad should be indirectly elected. It also envisaged the Panchayati Samiti as the executive body and the Zila Parishad as the advisory, co-ordinating and supervising body.

The Ashok Mehta Committee went further in its aim to empower local-level governments. The Committee’s report recommended giving constitutional sanctity to the local-level governments. It recommended that the establishment of Panchayati Raj Institutions (PRIs) should be made compulsory and that the members must be elected. This report discussed many other elements which were later incorporated into the amended provisions governing local-level governments; for instance, the provision requiring the Comptroller and Auditor General auditing the accounts and submitting his report to the governor, state legislatures entrusting the Panchayat with executive and administrative powers, setting up of a finance commission every five years for reviewing the Panchayat finances, etc.

The L. M. Singhvi Committee report that came in 1986 evaluated the reasons for decline in PRIs. According to this report, the decline in PRIs was a result of lack of research, evaluation and monitoring, along with absence of political will.

The Eighth Five-Year Plan⁵ of the Planning Commission highlighted the need for increasing the level of participation of people in local-self governing bodies, thereby strengthening these bodies. One of the objectives of the eighth Five-year plan was to create/strengthen people's institutions at the district, block and village levels. The report of the Planning Commission acknowledged that the developmental activities/schemes in which people actively participate have a greater chance of success and are cost effective as well. Moreover, people's involvement would also lead to greater accountability. The report iterated that, "People's initiative and participation must become the key element in the whole process of development."

Thus, even before the passage of the Constitution (Seventy-third) Amendment Act, there already was a vast literature on the subject of decentralisation, which to a large extent guided the provisions of the Amendment Act.

PRIs could be accorded constitutional sanctity in 1993 with the 73rd Amendment Act. This amendment was driven by the concerns of the policy community and the political elite for improving governance, especially in rural India.⁶ The concerns were regarding the inefficiency of the implementation structure due to which the benefits of the developmental programmes could not reach the target population. It was felt that decentralised planning could be a viable solution as the central programmes had failed in benefiting the marginalised sections of the society. Thus, "it would not be an exaggeration to state that earlier attempts to decentralise were driven by explicitly developmental and administrative considerations, rather than by concerns about democracy and decentralisation."⁷

⁵ Planning Commission, *The Eighth Five-Year Plan* (1992)

<<http://planningcommission.nic.in/plans/planrel/fiveyr/8th/vol1/8ch1.htm>> accessed on 13 June, 2017.

⁶ Peter Ronald deSouza, *The Struggle for Local Government: Indian Democracy's New Phase* (Oxford University Press 2003).

⁷ Niraja Gopal, 'Introduction' in Niraja Gopal Jayal, Amit Prakash and Pradeep K. Sharma (eds), *Local Governance in India: Decentralisation and Beyond* (Oxford University Press 2006).

The 73rd amendment was followed by the Constitution 74th Amendment Act in June, 1993 which gave constitutional validity to municipalities in urban areas. “Before these amendments, organisation, election and administration of local bodies were governed and regulated by the respective state legislations. Their functioning was not at all satisfactory and *ad hocism* was prevalent. In order to strengthen grassroots democracy, it was thought prudent to accord Constitutional sanctity to them.”⁸

2. AUTONOMY FOR RURAL LOCAL BODIES

The Parts IX and IXA of the Constitution of India have been drafted in such a manner that the state government is given a lot of leverage and discretion while determining the scope of power of the local self-governments. This discretion is in terms of devolution of three Fs, i.e., functions, funds and functionaries. Although there are mandatory provisions regarding regular, free and fair conduction of elections, auditing of finances at the local government level, etc., these provisions mostly deal with the institutional and structural aspects of local governance instead of empowering the local-level governments concretely.

1. Functional Autonomy

Schedule XI enlists 29 items in whose matters the rural local bodies may exercise power. Additionally, the Sixth Schedule lists out the sectors where executive powers are devolved upon Autonomous District Councils. One of the main complications in functional devolution is that the 29 items on which local governments can exercise power are also state subjects, which inevitably leads to ‘undue interference by the State.’⁹

Previous judicial rulings have also emphasised the legislative as well as executive powers held by the state governments with respect to the matters enlisted in Schedules XI and XII. In *Society for Preservation of Environment and Quality of Life v. State*, it was held that, “The matters enumerated in Schedule 12...continue to be a state subject and the State’s

⁸ Durga Das Basu, *Commentary on the Constitution of India* (8th edition, LexisNexis Butterworths Wadhwa 2012) 8571.

⁹Second Administrative Reforms Commission, *Local Governance: An Inspiring Journey Into The Future* (2007).

executive power being co-extensive with the subjects of legislation does not in any manner go out of its hands except to the extent that the laws are made by the Legislature.”¹⁰

Article 243(G) guides the devolution of functions. On a close examination of Article 243(G), it is revealed that it enables three separate and distinct operational processes of functional decentralisation; albeit at the discretion of the States. The first is the ‘endowment’ of ‘powers and authority’, ‘devolved powers and responsibility over planning’ and ‘entrusted schemes for implementation’. “Art. 243G is an enabling provision...It is for the state legislature to consider legal conditions and make the law accordingly. The devolution of exercise would also be open to the state to eliminate or modify.”¹¹ Thus, even though the constitution of the local-level bodies has been ensured by the Indian Constitution, the extent of autonomy these bodies will enjoy largely depends on the states. The centre cannot intervene when it comes to making laws for the local governments, as these come under the State List.

To discourage state interference in local-governance, the Second Administrative Reforms Commission¹² had recommended amendment of articles 243G and 243W to make it mandatory for state governments to vest power and authority in local bodies, consistent with the XI and XII Schedules of the Constitution. It had suggested a clear delineation of functions for each tier through activity mapping and passing of a framework law to formalise the relations between the state and local governments. It also suggested that five additional subjects be included in Schedule XII as part of the responsibility of urban local bodies. This report had further emphasised the building of capacity of local governments to discharge their functions effectively. “Strengthening organisational and management capacity, constant training and human resource development activities, conversion of state agencies into expert manpower pools providing guidance and support on demand, strong federations, pooling of resources, talent and management practices, ability to attract expertise available outside government to meet the growing need for high quality human resources in public

¹⁰AIR 1997 AP 381.

¹¹ *U.P. Gram Panchayat Adhikari Sangh v. Daya Ram Saroj.* (2007) 2 SCC 138.

¹² Second Administrative Reforms Commission (n 9).

management are some of the crucial challenges in enhancing the capabilities of local governments.”¹³ These recommendations have not been incorporated yet.

In any case, the existence of a strong legal framework for the assignment of functions to local bodies does not automatically mean that they are empowered and endowed to become units of self-governance. In many states, the governments prefer rules and executive orders for delegation of power to the local governments instead of assigning functions through a statute.¹⁴ Moreover, the local governments do not enjoy exclusive functional domain as parastatal bodies, NGOs, Community Based Organisations, etc., constantly challenge their authority.¹⁵ Another problem in functional devolution is that most of the developmental functions that the local governments are entrusted with are resourced by central government schemes; the local governments are provided with tied funds attached to these schemes and consequently funds remain unavailable for locally evolved plans.¹⁶

A number of Centrally Sponsored Schemes (CSSs) and plan schemes are being implemented by the Panchayats. Substantial tied funds are being transferred to them for fulfilling these functions. However, this was not earlier accompanied by a corresponding increase in devolution of untied funds to the Panchayats.¹⁷ Now, however, states have been provided greater flexibility with respect to 10 % of funds under CSSs.¹⁸

The parastatal bodies, which are bodies set up in accordance with the directions of the State or Central Governments to plan and/or execute development projects, function totally independent from the local governments and are directly accountable to the state government.

¹³ deSouza, *The Struggle for Local Government* (n 6).

¹⁴ Niraja Gopal (n7).

¹⁵ *ibid.*

¹⁶ *ibid.*

¹⁷ Finance Commission, *Report Of Thirteenth Finance Commission* (2009).

¹⁸ Finance Commission, *Report of Fourteenth Finance Commission* (2013) 161.

The local governments are often divested of their important functions. Such proliferation of parastatals runs counter to the principle of subsidiarity.¹⁹

Another functional unit which has emerged in recent years in the rural scenario are NGOs and Self-help Groups (SHG) However, in terms of numerical strength and operational reach, NGOs are constrained as compared to the PRIs.²⁰ SHGs suffer from a similar problem. In a study on relation between SHGs and PRIs, it was found that half of the rural families think that SHGs have not been able to cover the poorest strata of rural society.²¹

2. Financial Autonomy

According to Article 243H of the Constitution, a Panchayat may be authorised 'to levy, collect and appropriate such taxes, duties, tolls and fees' as is specified in the law. The other statutory sources of funds for a Panchayat are taxes, duties, etc., collected by the respective state governments and assigned to the Panchayats, grants-in-aid from the states and funds received by the states "by or on behalf of the Panchayats".

In *Anil Kumar Gulati v. State of M.P.*,²² the power to levy, collect and appropriate taxes of a local level government was discussed in reference of municipalities, as enshrined in Article 243X. It was observed in this case that, "...the source of power rests with the State legislatures and the Constitution has not empowered the Municipalities to impose taxes on their own." It is clear on a close perusal that Articles 243H and 243X are same *in pari materia*. Therefore, it would not be wrong to apply this observation to interpretation of Article 243H as well. This would substantiate that when it comes to fiscal autonomy in terms of freedom to levy and collect taxes on their own, Panchayats are completely dependent upon the state governments. Here, the law has crippled the Panchayats instead of empowering

¹⁹ According to the principle of subsidiarity, what can be done at lower levels of government should not be done at higher levels of government. The central authority should only perform those functions which cannot be performed at a more local level.

²⁰ Planning Commission, *Report of the Task Force on Panchayati Raj Institutions* (December 2001).

²¹ Kaushik Roy and Rajesh Datta, 'A Consultative Study On Synergy Between Panchayati Raj Institutions And Self Help Groups' (2008) <<http://www.aheadinitiatives.in/pdf/Consultative%20study%20on%20SHG-PRI%20synergy.pdf>> accessed 14 May 2017.

²² AIR 2004 MP 182.

them. PRIs can only collect own revenue if the state government mandates so. As it is, own revenue generation of rural local bodies is abysmally low.

Table 1 contains data regarding own revenue and revenue from other sources collected by PRIs. It is clear from the data that own revenue collection by PRIs constitutes an abysmal proportion of total revenue collected. The statistics point towards a high level of dependency of rural local bodies at all levels on fiscal transfers from the state and central Governments.

Table 1: Proportion of Own and Transferred Revenues of different tiers of PRIs in India²³

Year	Own Revenue				Other Revenue			
	Gram Panchayats	Block Panchyats	Zilla Parishads	Total	Gram Panchayats	Block Panchyats	Zilla Parishads	Total
1994-95	10.31	0.94	1.13	4.02	86.69	99.06	98.87	95.98
1995-96	10.71	0.98	0.99	3.99	89.29	99.02	99.01	96.01
1996-97	11.05	0.83	0.87	3.73	88.95	99.17	99.13	96.27
1997-98	10.43	0.79	0.77	3.50	89.57	99.21	99.23	96.50
1998-99	N.A	N.A	N.A	6.71	N.A	N.A	N.A	93.29
1999-2000	N.A	N.A	N.A	5.99	N.A	N.A	N.A	94.01
2000-01	N.A	N.A	N.A	6.10	N.A	N.A	N.A	93.90
2001	N.A	N.A	N.A	6.38	N.A	N.A	N.A	93.2

²³ M. Devendra Babu, 'Fiscal Empowerment of Panchayats in India: Real or Rhetoric?' (2009) The institute for Social and Economic Change 229/2009, 9.

-02								
2002	N.A	N.A	N.A	6.84	N.A	N.A	N.A	93.1
-03								6

The central finance commission grants, though they have increased, still comprises relatively only a small amount in terms of per capita, at all levels.²⁴ This is indeed an unhealthy trend because this points towards a compromised financial autonomy for the PRIs as financial help from external sources comes with conditions which limit the functional autonomy of PRIs significantly. Own revenue generation is the best way to increase autonomy, efficiency, credibility & accountability of Panchayats.²⁵

Some of the states have reported long delays, of even more than a year, in the transfer of funds to rural local bodies, without furnishing any reasons. Moreover, data shows that many states have regularly issued at-source or mandated deductions from the devolved funds.²⁶ Although the 73rd and 74th Constitutional Amendment Acts devolved much power and functional autonomy to the self-governing bodies, the financial autonomy given to these bodies was comparatively limited. Out of the functions accorded to these bodies under Schedules XI and XII, less than half have any corresponding financial source.²⁷ The local governments are required to concur with the state governments before setting tax rates or changing the bases of collection. Moreover, state governments are not obligated to consult the local governments before changing the tax rates or even abolishing important sources of revenue for these bodies.

In conclusion, at this stage, it may be stated that while the legal framework for devolution of core functions is strong, the fiscal backing for enabling rural local bodies to carry out these functions is still relatively weak.

Thus, it can be reasonably concluded that the amount of financial autonomy accorded to the local-level governments is not sufficient to meet the various needs of the people. The

²⁴ Finance Commission, *Report of Fourteenth Finance Commission* (n 18).

²⁵ Planning Commission, *Report of the Working Group on "Panchayati Raj Institutions and Rural Governance* (2012).

²⁶ Second Administrative Reforms Commission (n 9).

²⁷ Anand Sahasranaman and Vishnu Prasad, 'Sustainable Financing for Indian Cities' (2016) <<http://www.ifmr.co.in/blog/wp-content/uploads/2014/09/Sustainable-Financing-for-Indian-Cities.pdf>> accessed on 12 September 2016.

principle of subsidiarity implies that matters are best handled by the least centralised competent authority. Following this, these institutions need to be adequately empowered—both functionally and financially—to enable them fulfil the role envisaged for them in the Constitution.

3. REVIEWING THE FUNCTIONING OF PRIs

According to the State of the Panchayats Reports (published in 2006, 2008 and 2010), there has been proper implementation of the mandatory provisions of part IX of the Constitution in the last decade or so.²⁸

However, the provisions leave devolution of power at the discretion of the respective states. In a bid to evaluate the degree of decentralisation which has occurred in different states, the Ministry of Panchayati Raj initiated the Panchayat Empowerment and Accountability Incentive Scheme in 2005. In this scheme, the states are evaluated on the basis of devolution of three Fs: Functions, Funds and Functionaries.

PRIs have seen many positive changes in recent years. In the 14th Finance Commission Report, special emphasis was given on improving the basic service delivery of the PRIs. For realising this, the Central Finance Commission grant has been divided into two components: Basic grant and Performance grant. In case of rural local bodies, Basic grant will constitute 90% of the total grant, which will be directly transferred to Gram Panchayats.²⁹ Moreover, the union and the state governments cannot impose any additional conditions on release of this grant.³⁰

As per the Guidelines released by the Ministry of Panchayati Raj,³¹ specific functions should be devolved to the different levels of PRIs under various sectors/subjects specified in Schedule XI; this devolution should be in terms of planning, promotional responsibilities and

²⁸ Planning Commission, *Panchayati Raj Institutions and Rural Governance* (2012) (n 25).

²⁹ Ministry of Finance, *Guidelines for the Implementation of Recommendation of Fourteenth Finance Commission* (8 October, 2014).

³⁰ *ibid.*

³¹ Ministry of Panchayati Raj, *Guidelines for Devolution of Functions, Funds and Functionaries to the Panchayati Raj Institutions through Activity Mapping* (27 April, 2009).

implementation. Importantly, this draft stipulates that parallel bodies should not be set up to implement the subjects devolved upon the PRIs and the already existing bodies should also be gradually phased out. However, when the situation at ground level is verified, it is found that in many of the states, devolution of functions is done through executive orders rather than by the respective state Legislatures. Moreover, in many of these states, the executive orders have not yet been operationalised. (Table 2). This shows that the recommendations have not been properly implemented.

Table 2: Progress in transfer of functions in the Tertiary Sector by respective states³²

State	No. Of functions delegated by the Legislature	No. Of executive orders issued	No. Of executive orders operationalised	No. Of changes in allied Acts
Andaman & Nicobar islands	0	14	13	0
Andhra Pradesh	13	8	8	0
Arunachal Pradesh	0	12	12	12
Assam	0	10	0	0
Chandigarh	0	9	0	0
Chhattisgarh	11	11	11	11
Dadra and Nagar Haveli				
Daman & Diu	18	16	13	0
Goa	3	0	0	0
Gujarat	22	0	22	22
Haryana	17	7	6	1
Himachal Pradesh	28	28	28	2
Jammu & Kashmir	23	23	23	0

³² Tata Institute of Social Sciences, 'Where Local Democracy and Devolution in India is heading towards?' (Ministry of Panchayati Raj, 2015) 101.

Jharkhand	13	10	1	0
Karnataka	28	28	28	28
Kerala	27	27	27	27
Lakshadweep	7	8	8	0
Madhya Pradesh	7	9	7	5
Maharashtra	25	25	24	2
Manipur	2	2	2	0
Odisha	14	14	14	0
Puducherry	0	0	0	0
Punjab	8	8	8	0
Rajasthan	13	13	13	6
Sikkim	28	28	28	0
Tamil Nadu	24	24	24	24
Telangana	8	15	15	1
Tripura	7	7	7	0
Uttar Pradesh	15	1	0	0
Uttarakhand	2	10	4	0
West Bengal	24	24	24	0

Note: Tertiary functions include Adult education, Health and Sanitation, Rural Housing, Drinking water, Poverty alleviation programmes etc. as per the report cited above. There are in total 28 tertiary functions.

Even as a mere implementing agency, the condition of PRIs is not very strong. This can be studied in terms of implementation of CSSs. There are innumerable CSSs associated with one or other of the twenty-nine subjects enlisted under the Eleventh Schedule of the Constitution. According to Article 243(G), states have to ensure that the Panchayats are endowed with ‘powers and authority’ for the ‘implementation of schemes...in relation to the matters listed in the Eleventh Schedule.’³³

³³ 243G. Powers, authority and responsibilities of Panchayats Subject to the provisions of this Constitution the Legislature of a State may, by law, endow the Panchayats with such powers and authority and may be necessary to enable them to function as institutions of self government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats, at the appropriate level, subject to such conditions as may be specified therein, with respect to

(a) the preparation of plans for economic development and social justice;

In spite of such explicit provision, most of the CSSs are being implemented through the respective Departments and Ministries of the Central Government and even through NGOs.³⁴ As clear from Table 3, the PRIs are not exercising the decision-making powers attributed to them under the different CSSs. Direct involvement of PRIs in planning and implementation of CSSs “does impact outcomes positively by making interventions more appropriate, location-responsive and user-friendly.”³⁵ Through proper activity mapping, wherein each scheme is unbundled into smaller activities and sub-activities and specific activities and sub-activities are allotted to particular levels of PRIs, it can be hoped that involvement of PRIs in the implementation process will improve.³⁶

Table 3: Percentage of decision-making activities out of total possible activities in CSS by respective tiers of PRIs³⁷

State	Gram Panchayat	Block Panchayat	Zilla Parishad
Andaman & Nicobar Islands	67		
Andhra Pradesh	51	14	3
Assam	56	0.00	0.00
Bihar	52	35	3
Gujarat	71	0.00	5
Haryana	55	12	8
Karnataka	54	50	0.00
Kerala	73	63	32
Maharashtra	46	27	2
Manipur	50	0.00	0.00
Odisha	44	12	8
Rajasthan	53	13	2
Tamil Nadu	56	47	17
Telangana	78	100	3

(b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

³⁴ Second Administrative Reforms Commission (n 9).

³⁵ Planning Commission, *Panchayati Raj Institutions and Rural Governance* (2012) (n 25).

³⁶ Ministry of Panchayati Raj (n 34).

³⁷ Tata Institute of Social Sciences (n 35) 134.

Another problem is the large number of CSSs and other schemes and plans, with often overlapping mandates. Sub-Group of Chief Ministers on Rationalisation of CSS has recommended reducing the number of CSS to not more than 30.³⁸ PRIs, however, are not, or rather should not be, mere implementing agencies. They constitute the third tier of government and hence they should have a significant role to play in the planning process. Article 243ZD of the Constitution mandates formation of District Planning Committees (DPC) in each district for consolidation of plans made at rural and urban levels and preparation of Draft Development Plan. DPCs play a salient role in local governance in that they help bring local concerns on the national forefront by assimilating plans made at the local level at higher level. However, in many of the states, the DPCs are not performing their functions adequately. Table 4 shows that many of DPCs had not even prepared integrated plans till 2015.

Table 4: Proportion of districts with integrated district plans in respective states³⁹

States	Proportion of districts with integrated plans (2015)
Andaman & Nicobar Islands	0.67
Andhra Pradesh	0
Arunachal Pradesh	0.06
Assam	0
Bihar	1.00
Chandigarh	0
Chhattisgarh	1.00
Dadra & Nagar Haveli	0
Daman & Diu	0
Goa	0
Gujarat	1.00
Haryana	1.00
Himachal Pradesh	0

³⁸ NITI Aayog, *Report of the Sub-Group of Chief Ministers on Rationalisation of Centrally Sponsored Schemes* (October 2015).

³⁹ Tata Institute of Social Sciences (n 35) 140.

Jammu & Kashmir	0
Jharkhand	1.00
Karnataka	0.83
Kerala	0
Lakshadweep	0
Madhya Pradesh	0
Maharashtra	1.00
Manipur	0
Odisha	1.00
Puducherry	0
Punjab	1.10
Rajasthan	1.00
Sikkim	1.00
Tamil Nadu	1.00
Telangana	0.90
Tripura	0
Uttar Pradesh	0
Uttarakhand	1.00
West Bengal	0.11

Note: Chandigarh, Dadra & Nagar Haveli, Goa, Jammu & Kashmir, Kerala, Lakshadweep, Madhya Pradesh, Manipur and Puducherry have non-functional DPCs.

Most of the state Acts have adequate provisions for the formation and functioning of DPCs but these provisions are not being followed at the ground level.⁴⁰ In Bihar, Himachal Pradesh and Gujarat, for example, DPC meetings have not been held effectively since the constitution of DPCs.⁴¹

Decentralised planning begins from the Gram Sabha. The Manual on Integrated District Planning⁴² has given special emphasis on participative planning at the rural level. At

⁴⁰ PRIA, *Status and Functioning of District Planning Committees in India* (November 2009).

⁴¹ *ibid* 32.

⁴² Planning Commission, *Manual for Integrated District Planning* (2008).

the Gram Sabha level, identification of issues is done. The Manual recommends involving special interest groups such as SHGs, campaigning for improving people's participation at this stage. However, better participation at the Gram Sabha level becomes difficult when we consider that in most of the states, the suggestions and recommendations of the Gram Sabha are not binding on the Gram Panchayats and there is no requirement of quorum in Gram Sabha meetings which greatly undermines the significance of people's participation in the decision-making process.⁴³ Real decentralisation can never occur until Gram Sabhas are empowered to protect the interests of the village community and given real functions in terms of planning and implementation.

4. CONCLUSION

Article 40 of the Constitution endeavours to enable PRIs to function as institutions of self-government and PRIs are vouched as the third tier of government. However, it is a misnomer to call PRIs the third tier of government. Rather, PRIs are administrative bodies which are essentially used for implementation of plans developed at higher levels of government. The reforms introduced in recent years also focus on the service-delivery aspect of PRIs and treat PRIs as mere implementing agencies. Furthermore, PRIs are not functioning effectively even as implementing agencies.

The goal of a more decentralised democracy has not yet been met. Although the 73rd and 74th Amendment Acts resulted in the constitution of local-level governments, the states still have much discretion. The local-level bodies have very little autonomy when it comes to decision making. Apart from the inadequacy in the Constitutional provisions in properly strengthening these bodies, serious gaps can be found in the implementation aspect also. The data compiled in this paper shows inadequate functional devolution to these bodies as well as inadequate funds allocated and available to them.

Development schemes, NGOs and other people's groups have a specific set of objectives and are one-dimensional. Panchayati Raj Institutions, on the other hand, are not one-dimensional groups; these are democratically elected bodies, responsible to the whole population of a Panchayat. Moreover, although the people's groups, Community Based Organisations and NGOs benefit the people in many ways, for sustainable development and

⁴³ Planning Commission, *Panchayati Raj Institutions and Rural Governance* (2012) (n 25).

for strengthening democracy at the grassroots level, permanent political institutions, i.e., PRIs are essential. For rural development to occur, it is pertinent that PRIs are given more autonomy and that an environment conducive for symbiotic relationship between PRIs and other institutions working for promoting rural development is created. Thus, further rural development demands an imaginative and organic approach, much like the Gandhian one.