

**GOVERNMENT OF INDIA  
PANCHAYATI RAJ  
LOK SABHA**

STARRED QUESTION NO:422

ANSWERED ON:25.08.2005

STRENGTHENING OF PANCHAYATI RAJ INSTITUTIONS

Barad Shri Jashubhai Dhanabhai;Barman Shri Hiten

**Will the Minister of PANCHAYATI RAJ be pleased to state:**

- (a) whether the Union Government is taking any steps to strengthen the Panchayati Raj Institutions in order to bring economic reforms in rural areas;
- (b) if so, the details thereof;
- (c) whether the Union Government proposes to restructure various centrally sponsored schemes to give more role to Panchayats;
- (d) if so, the details of the schemes which are proposed to be directly implemented by the Panchayati Raj Institutions;
- (e) the time by which the final decision is likely to be taken in this regard;
- (f) the details of the centrally sponsored schemes which are currently implemented by the Panchayati Raj Institutions; and
- (g) the funds allocated by the Union Government thereon during each of the last three years and current year?

**Answer**

THE MINISTER OF PANCHAYATI RAJ( SHRI MANI SHANKAR AIYAR )

(a), (b), (c), (d), (e), (f) & (g):- A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PARTS (a), (b), (c), (d), (e), (f) & (g) OF LOK SABHA STARRED QUESTION NO. 422 DUE FOR REPLY ON 25.08.2005 REGARDING STRENGTHENING OF PANCHAYATI RAJ INSTITUTIONS.

(a) & (b): Article 243G of the Constitution provides for the devolution of powers to Panchayati Raj Institutions, including Gram Panchayats, to empower them to function as 'institutions of self-government' for the twin purposes of (i) making plans for economic development and social justice for their respective areas, and (ii) implementing programmes of economic development and social justice in their respective areas, for subjects devolved to PRIs including those matters listed in the XI Schedule, and subject to such conditions as the State may, by law, specify. A joint programme of action has been chalked at the Seven Round Tables held from July to December 2004 between the Union Minister of Panchayati Raj and State Ministers of Panchayati Raj to ensure that on the basis of Activity Mapping, Panchayats at various levels are devolved with functions, funds and functionaries to enable them to emerge as institutions of self-government in accordance with Part IX of the Constitution read with Article 243ZD of the Constitution. This has been followed by two meetings of the Committee of Chief Secretaries and Secretaries incharge of Panchayati Raj in April and June, 2005 and the first meeting of the Council of Ministers of Panchayati Raj at Kochi on the 5th and 6th August, 2005. The meeting focused on the measures taken by the States/UTs for Activity Mapping in order to ensure effective devolution of funds and functionaries commensurate with the devolution of the functions. A Joint Statement of Conclusions was adopted at the meeting. It was unanimously agreed that the States would fix milestones in Activity Mapping and expedite the issue of necessary orders to operationalise the devolution of funds and functions for devolved activities to different tiers of the Panchayati Raj System. A copy of Joint Resolution may be seen at Annexe A.

The Govt. is launching an initiative for the creation of Rural Business Hubs to draw upon local resource endowments and felt need of the people so as to give a fillip to village enterprises that add value to existing economic activities in rural areas. Under this joint initiative of the Ministry of Panchayati Raj and Confederation of Indian Industries (CII), Uttaranchal, Kerala, Karnataka, Jammu & Kashmir, Punjab, Chhattisgarh, Rajasthan, Haryana, West Bengal, Uttar Pradesh and Assam have been initially selected as pilot States for the purpose of facilitating the establishment of such Rural Business Hubs. Representatives from the Ministry /CII have been assigned the responsibility of taking up the facilitation process in the states concerned for Rural Business Hubs to be established in association with Panchayati Raj Institutions. Local CII offices in the states concerned would be actively involved in facilitation at the State level. The first MOU in this regard has been signed between ITC, several fruit processing units and Panchayat representatives from several blocks of Nainital District in Uttaranchal. A copy of the MOU is given in Annex - B.

The core areas identified for development of Rural Business Hubs are in the field of renewable energy including bio-gas, bio-fuel from Jatropha plantation and solar energy, Agro industries, Agro Processing and Rural Industries including Khadi & Village industries and Textiles, handlooms and handicrafts.

(c), (d) & (e): In pursuance of the directive circulated by the Cabinet Secretariat, the Ministry of Panchayati Raj, in consultation with the other Ministries concerned and the Planning Commission, is examining new Centrally Sponsored Schemes and guidelines for existing Centrally Sponsored Schemes (CSS) with a view to ensuring the centrality of Panchayats in the planning and implementation of matters listed in the Eleventh Schedule read with Article 243G of the Constitution. Results of such review are at Annex- C.

(f): Sampoorna Gramin Rozgar Yojana (SGRY) gives a central role to the three tiers of Panchayats to plan, select works and implement the programme of employment generation.

The SGRY is being implemented by the Ministry of Rural Development through Panchayats at the levels of District, Block and Village. The main objective of the Scheme is to provide additional wage employment in the rural areas as also food security, along side the creation of durable community, social and economic infrastructure in the rural areas. The resources are allocated in the ratio of 20:30:50 among District, Intermediate and Gram Panchayats respectively. Other schemes assign roles to Panchayati Raj Institutions in varying measures and States are given an option to implement CSS through the Panchayats. The National Rural Employment Guarantee Programme mandates and assigns the principal role (see Section 13(1) of the Bill, as passed by the Lok Sabha to the Panchayati Raj Institutions.

(g): Details of the funds allocated in respect of Sampoorna Gramin Rozgar Yojana (SGRY) are at Annexe D.