

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:4728
ANSWERED ON:07.08.2009
FUNCTIONING OF PANCHAYATI RAJ INSTITUTIONS
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Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government is satisfied with the working of Panchayati Raj Institutions (PRIs), if so, the details thereof;
- (b) if so, the details thereof;
- (c) the deficiencies noticed in the working of PRIs and corrective measures taken in this regard;
- (d) whether any survey conducted regarding functioning of PRIs; and
- (e) if so, the details and the results thereof, State-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PANCHAYATI RAJ (Dr. C. P. JOSHI)

(a) & (b): Article 243G of the Constitution provides for 'devolution,' that is, the empowerment of Panchayati Raj Institutions (PRIs) to function as 'institutions of self government' for the twin purposes of (i) making plans for economic development and social justice and (ii) implementing programmes of economic development and social justice in their respective areas, for the subjects devolved to the PRIs, including those listed in the Eleventh Schedule, and subject to such conditions as the State may, by law, specify. Devolution through State legislation needs to be translated into the actual transfer of activities relating to devolved functions to Panchayats at different levels through executive orders, instructions and administrative arrangements. Such transfer of powers and responsibilities will need to be matched by the corresponding transfer of funds and functionaries so that Panchayats can perform their role as institutions of self-government in the spirit of the Constitution (73rd Amendment) Act 1992. Panchayati Raj Institutions (PRIs) in the country are in a process of evolution. While elections to Panchayats have been held regularly in all the States and UTs, to which Part IX of the Constitution applies, (except in Jharkhand, where the matter is sub-judice) the situation varies from State to State on the devolution of funds, functions and functionaries to the Panchayats.

(c): The Panchayats' ability to function as institutions of local self-government is constrained by the lack of clear functional jurisdiction, lack of adequate resources, lack of staff including adequate support for maintenance of accounts as well as lack of capacity building of elected Panchayats representatives and officials working with the Panchayats. The Panchayats mostly receive funds under Centrally Sponsored, Central Sector and State Sector Schemes limiting them to the agency and implementation role. They have little role in planning. The existence of parallel bodies to implement and monitor many of development programmes further impacts the working of PRIs.

Since Panchayati Raj is essentially a State subject, the Ministry has worked closely with States to develop and operationalise a national consensus on the measures to be taken to strengthen Panchayati Raj and ensure that Panchayats function as institutions of self-government as envisaged in Part IX of the Constitution. Such a consensus, arrived at through detailed consultations with States through Seven Round Tables of State Ministers of Panchayati Raj held between July and December, 2004, touches upon the effective devolution of functions, finances and functionaries, planning, empowerment of Gram Sabhas, issues relating to reservation for SCs/STs, and women, elections, maintenance of accounts and audit, capacity building and training of elected representatives and other related matters. Progress on these matters is reviewed through consultations, review meetings and tours to States and Panchayats.

In the spirit of Article 243H, State Governments have been regularly pursued to provide untied grants to the Panchayats from the Consolidated Fund of the States and to open a Panchayat sector window in their State budgets to supplement the resources of the Panchayati Raj Institutions. The Ministry of Panchayati Raj supplements the efforts of the State Governments in the capacity building of the Panchayats through the Rashtriya Gram Swaraj Yojana and the capacity building component under the Backward Regions Grants Fund. The Backward Regions Grants Fund programme provides substantially untied grant to the Panchayats for meeting critical developmental gaps. The Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) encourages States in empowering PRIs by incentivizing devolution of functions, funds and functionaries to PRIs and cash awards are given to better performing States.

(d) to (e): In 2006-07, the Ministry of Panchayati Raj undertook a mid term review and appraisal of the State of Panchayats based on information sourced from State Governments / UTs Administrations. This report was tabled in Parliament in November, 2006 and discussed in the Lok Sabha during December, 2006. In financial year 2007-08, the Ministry entrusted Institute of Rural Management, Anand (IRMA) with the task of carrying out an independent assessment of the State of Panchayati Raj in the States and UTs. The

Report concluded that the Panchayats must have clear functional domain, with sufficient human and financial resources to act as self governance bodies. Volume II of this Report has chapters detailing the position of each State/UT having elected Panchayats on the aspects of Elections to Panchayats, Devolution of Functions to Panchayats, Devolution of Functionaries, Panchayati Raj Jurisprudence, Panchayat Finances, Audit, Capacity building and Training, IT enabled e-governance, Gram Sabha and Social audit, Reservation for women, Reservation for SCs & STs, implementation of the Panchayats (Extension to Scheduled Areas) Act, 1996, (PESA), where applicable, Planning and implementation by each level of Panchayat, Constitution of District Planning Committees, parallel bodies and Annual Reports of panchayats. This Report was released by Hon`ble Prime Minister on 24th April, 2008 at the National Convention of Chairpersons of District and Intermediate Panchayats held at New Delhi. The Report is available on the Ministry`s website www.panchyat.gov.in .