

## **CHAPTER IV**

### **Decentralised Governance in Sikkim: Present State**

Decentralisation of governance is advocated today by people of widely different persuasions from the World Bank to Third world nationalists (Isaac & Franke 2000). It became an important policy objective during the 1970s and 1980s, as governments in developing countries sought to create more socially equitable patterns of economic growth and to meet the basic needs of the poor (Rondinelli 1983). Today decentralisation has become the most favoured policy priority among the policy makers of different countries across the world. Both federal and unitary countries, whether industrialized or developing, are moving towards more decentralisation (Sharma 2006). The policy makers have supported decentralisation as the solution to a diverse range of problems (Escobar-Lemmon 2003).

There are though various arguments for and against decentralisation, argument in favour of decentralisation far outweigh those against it because of the inherent potential of democratization in the decentralized federal system through proper empowerment of people at the grass root level (Sisodia 2005). One such argument for decentralisation is that it can overcome the severe limitations of multi-sectoral national planning by delegating responsibility for planning to officials who were working closer to the problems (Rondinelli 1981). It is further argued that decentralisation improves government responsiveness, draws society into creative partnership with state's institutions, makes different types of policies more sustainable and reduces the suspicion and cynicism the ordinary people have towards government (Manor 1999). It has created institutions, which provide an enabling environment to the functioning of local bodies as agencies of self-governance and to ensure local level development on a sustainable basis. These advantages were not possible in a centralized government. Decentralisation, thus serves as an alternative approach to centralization thereby ensuring greater participation of people in decision-making process, in the formulation and implementation of development programmes.

Local governments contribute to the success of democratic life both directly and indirectly (Olawa 1989). Directly, effective self-governments can act as a check under certain circumstances, on the excesses of the central government as well as provide greater opportunities for accountable government. Indirectly, they provide necessary training in the discipline of democratic association at the local level for all citizens and help to recruit and train local and future national leaders. Besides, local government will bring about far reaching changes in the psychological, socio-economic and political conditions of local people.

Psychologically, it lends a sense of confidence;

Socially, it ensures participation of people irrespective of their sex, caste, religion etc. in the administration of local affairs;

Economically, it gives people access to the plan formulation, resource distribution; and Politically, it gives ample opportunity in direct participation in decision-making, electing representatives of their choice.

The basic framework of decentralized governance through Panchayati Raj Institutions (PRIs) has now been reinforced in the country by granting the constitutional

recognition to the rural local bodies under 73<sup>rd</sup> Amendment Act 1992. Following this, most states in India enacted a new legislation to incorporate the provisions of central Act 1992. However, there are variations in the transfer of functions, finances and functionaries among different states.

Sikkim has embarked on the path of decentralized development ever since it enacted Panchayat Raj Act from 1965. This Act consolidated and re-enacted the various local government laws prevalent in the state. One tier pachayati raj system was created with block as a basic unit of development administration. The essence of this experiment was to decentralize government activities to the local bodies. These activities were to be run by local representatives under the direct supervision of the official at the local level. The measures had, however the following limitations; first, decentralisation had emphasized administrative rather than political decentralisation; second, decentralisation of responsibilities was carried out with considerable hesitation, and in most cases, little decentralisation of decision-making power or tax and personnel resources was involved. The Act passed in 1965 continued in the state even after its merger to India in 1975. The Government of Sikkim enacted a new legislation on Panchayat called Sikkim Panchayat Act in 1982. This was the first measure on decentralisation adopted by the democratically elected government in the state. It is to mention here that till 1975, the state is ruled by the king called Chogyal. The merger of Sikkim to India led to the formation of democratic government thereby ending the monarchial rule that lasted for 333 years.

The objective of the 1982 Panchayati Raj Act was to achieve maximum participation of citizens in the administration of their local affairs and thus reduce centralisation of powers. To this end, the two-tier Panchayati system was established; Gram Panchayat at the village level and Zilla Panchayat at district level. The powers, both executive and financial given to the Panchayats were very limited under this Act, and the Panchayats were more nominal than real. All the major developmental activities like agriculture, education, health, etc. were directly under the concerned departments of the state and the role of Panchayat in this regards was merely to lending its cooperation to the respective departments.

Despite the above historical development in favour of decentralised governance in Sikkim, it was the 73<sup>rd</sup> Constitutional (Amendment) Act. 1992 that gave a background for the effective initiatives. In conformity with this Central Act 1992, the State Government (of Sikkim) enacted the Sikkim Panchayati Raj Act in 1993. The state Act came into effect from 10 August 1995. This Act was in fact, a landmark in strengthening the local bodies in the state. To make the local government more effective and vibrant, the state government amended the Sikkim Panchayati Raj Act 1993 in numbers of times. First such amendment was the Sikkim Panchayati Raj (Amendment) Act 1995. Till 2007, there were more than seven amendments to the Act. Of these, most recent was the Sikkim Panchayat (Amendment) Act 2007, which raised the percentage of reservation of seats for women from 33 to 40 percent in both Zilla and Gram Panchayats. This may be considered one of the best legislation in the state as the amended Act not only provides to women an opportunity to participate in decision-making processes but it also empowers politically the women of the state.

In this chapter, we attempt to provide an account of the present system of decentralised governance in the state of Sikkim.

Sikkim adopted a two-tier structure of Panchayats by constituting village/Gram Panchayat and Zilla Panchayats. This two-tier PR System is in consonance with provision of 73<sup>rd</sup> Constitutional (Amendment) Act 1992 which provides that "Notwithstanding anything in clause (1), Panchayats at the intermediate level may not be constituted in a state having a population not exceeding twenty lakhs (Article 243 B [2]). Sikkim having a total population of less than Six lakhs (census 2001) does not fulfill the prescribed criterion for the establishment of intermediate level and hence, it has only two-tier PR System. These bodies function according to the provisions of Panchayat Act 1993. The present Act, known as Sikkim Panchayat Act was enacted in 1993 on the lines of the 73<sup>rd</sup> Constitution Amendment Act.

There are 170 rural local bodies in Sikkim. The distribution of rural local bodies is given in chart 4.1 and the Table 4.1 gives the district wise distribution of Gram Panchayat and Zilla Panchayats. The broad structure of PR System in Sikkim is given in chart 4.2.

Chart 4.1: Distribution of Rural Local Bodies in Sikkim.

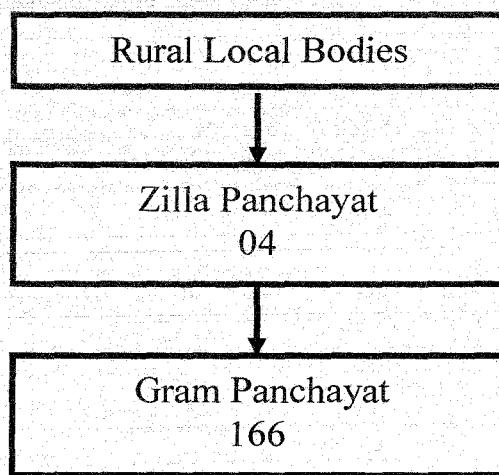
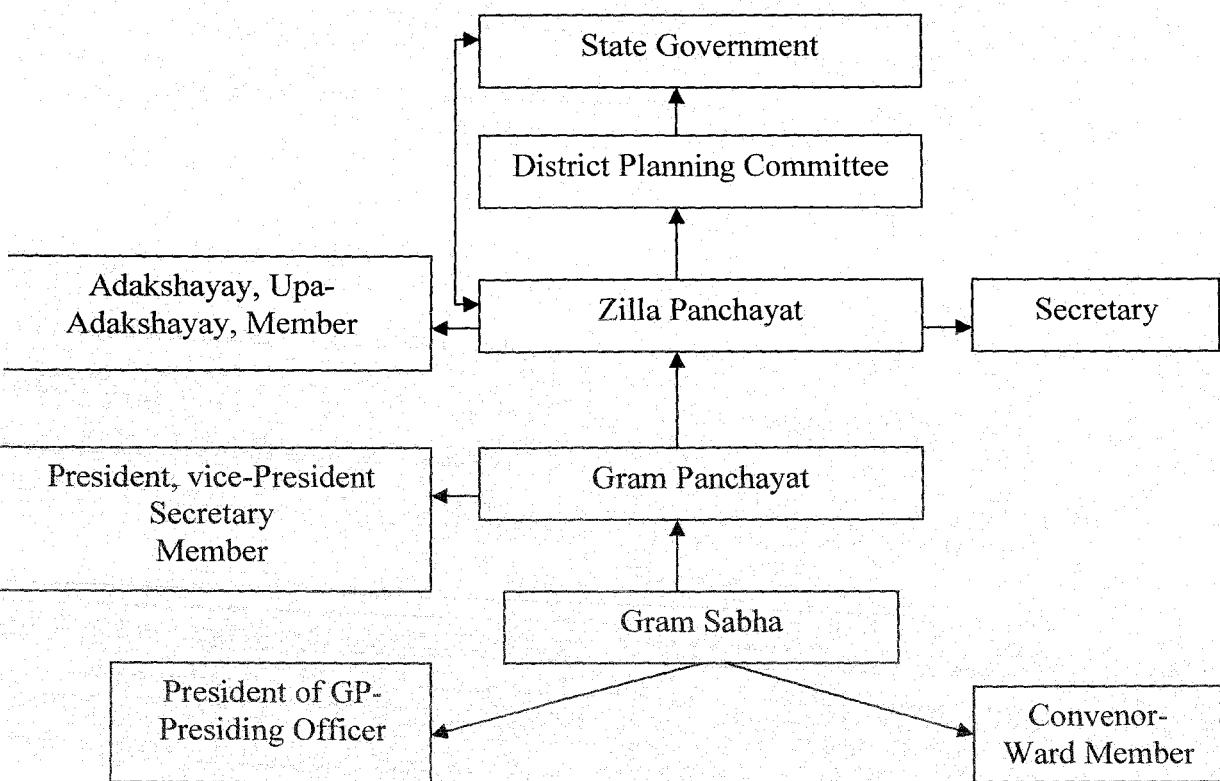


Table 4.1: Distribution of Gram Panchayats by District

District	No. of GPs	Total Area (sq km)	Total Population
South	45	750	131525
West	51	1166	123256
East	50	954	245040
North	20	4226	41030
Total	166	7096	540851

Chart – 4.2: Structure of PR Systems in Sikkim



### Gram Sabha

Among the local institution, the Gram Sabha of village Panchayat is the important institution. This is an institutional form of participatory democracy which seeks to place direct political power in the hands of people without the mediation of elected representatives. This is the only forum which can ensure direct democracy and offers equal opportunity to all citizens of village to discuss, criticize and approve and reject the proposals of the Gram Panchayat. Gram Sabha is thus a watchdog of democracy at the grassroots level.

The institution of Gram Sabha has been in vogue in many Indian states for long. It was however only after the passage of 73<sup>rd</sup> Constitutional (Amendment) Act 1992 which made it obligatory for all the states to constitute Gram Sabha in each and every village. Article 243(b) of the Constitution says that “there shall be a Gram Sabha for each village or a group of village comprising all the adult members whose names are registered as votes in the relevant electoral roll of the area.” Similarly, Article 243(A) of the Constitution provides that “a Gram Sabha may exercise such powers and perform such functions at the village as the legislature of a state may by law provide.” This Act therefore accorded a Constitutional status to the Gram Sabha and Panchayat as a whole thereby laying the strong foundation for democratic decentralisation in India.

The Gram Sabha has become a central issue in the Panchayati Raj Institutions (PRIs) with the declaration of 1999-2000 as the year of the Gram Sabha by the Union Government. The declaration affirmed and recognised publicly the importance of the body in the new PR system. Later on, Working Group on Decentralised Planning and Panchayati Raj Institutions appointed by Government of India in 2001 also emphasized

on the importance of the Gram Sabha in the following words: “Gram Sabha consists of people themselves while Gram Panchayat consists of their elected representatives... Gram Sabha is an institution of participatory democracy while Gram Panchayat is an institution of representatives democracy” (GOI 2001). Gram Sabha thus provides a platform for peoples participation in the activities of the Panchayats. It is the only body which ensures direct participation of the people in the management of local affairs thereby making democracy more real and responsive to the needs of the people. It could be the most powerful foundation of decentralised governance by ensuring elected representatives who are directly and regularly accountable to the people.

Consequent upon the 73<sup>rd</sup> Constitutional (Amendment) Act, all the states, at present, incorporated the provision of Gram Sabha in their amended laws on Panchayat although there are variation in respect of number of meetings to be held, quorum required for the meeting, the issues to be discussed in the meeting and the like. Some of the states have however taken a step forward by making provision for another important body below the Gram Sabha. The state of West Bengal, for instance, in its new Panchayat Act makes the provision for a Gram Sansad apart from Gram Sabha. All the voters of each of the electoral constituencies of a Gram Panchayat constitute a Gram Sansad. Similarly, the Panchayat Act of Orissa also provides for the Palli Sabha below the Gram Sabha which is body consisting of the qualified voters of their respective revenue villages/hamlets situated within the Grams. In fact both Gram Sansad and Palli Sabha are the two general bodies that work within the jurisdiction of a Gram Panchayat. And both are required to guide and advise the Gram Panchayat in regard to the schemes for economic development and social justice undertaken or proposed to be undertaken in the respective areas.

### **Gram Sabha and Sikkim Panchayat Act (1993)**

The Sikkim Panchayat Act 1993 (hereafter SPA) has made the Gram Sabha a statutory unit in the system of PRIs. According to the Act, any village or a part of a village or group of continuous village can constitute a Gram Sabha of their own (section 3(1)). The Article 243 (a) of the constitution defines a ‘village’ as the one specified by the Governor by public notification to be a village “for the purpose of the constitution and includes a group of villages so specified.” All persons who have attained the age of 18 years and above are the members of the Gram Sabha. For the sake of convenience, the grams are divided into number of wards, in Sikkim ranging from 5 to 8 and from each ward people elect one representative in Gram Panchayat. Thus each Gram Sabha has a Gram Panchayat consisting of President, Vice-President and Secretary.

### **Gram Sabha Meeting**

The constitution makers have not specified how often the Gram Sabha should meet and what should be reserved for decision by the Gram Sabha, Article 243 (A) leaves this to the state. As a result, there is no uniform pattern in convening the meeting of Gram Sabha. Different States have different methods of calling Gram Sabha meeting. Gram Sabha is required to meet as many times in a year as provided in the Panchayati Raj Act of the respective state. The section 6 of Sikkim Panchayat Act 1993 states that Gram Sabha shall meet a least twice in a year. In addition to normal meetings, a special meeting was conducted from the direction of the government either in the ward or group of wards for the selection of programme beneficiaries. In the states like Assam, Bihar, Kerala, Madhya Pradesh, Rajasthan, Tamil Nadu, Orissa and Uttar Pradesh, Gram Sabha meeting are held four times in a year. While in the states of Andhra Pradesh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Manipur, Punjab and

West Bengal, Gram Sabha meeting are held twice in a year. And in the states of Tripura, the Gram Sabha meets once in a year (Table 4.2).

Table 4.2: Pattern of Convening Gram Sabha Meeting

Frequency of convening the meeting	States/UTs.
Four Times	Assam, Bihar, Kerala, M.P., Rajasthan, Tamil Nadu, Orissa, U.P.
Two Times	Sikkim, Andhra Pradesh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Manipur, Punjab, West Bengal.
One Time	Tripura

It's thus quite clear from the above fact that there are no uniform patterns in convening the meeting of Gram Sabha and different States have different methods of calling the Gram Sabha meeting. In some of the States like Madhya Pradesh, the dates of the Gram Sabha meeting are fixed by the executive order of the State Government and they are to be conducted accordingly on the dates. They are the April 14, August 20, October 2 and January 26 and in Orissa also, the government fixed the date of Gram Sabha meetings on 26<sup>th</sup> January, 1<sup>st</sup> May, 15<sup>th</sup> August and 2<sup>nd</sup> October.

The Gram Sabha in Sikkim meets two times in a year, but the government, till today, for convening the Gram Sabha meeting, has fixed no date. In this respect, the state Government has yet to follow the instruction given by the Ministry of Rural Development for convening the meeting of Gram Sabha at least four times in year. On the suggested lines the Ministry of Rural Development, on the occasion of 'Year of Gram Sabha (1999-2000)', issued instruction that Gram Sabha should meet frequently and regularly. It has also requested the State Governments that at least one meeting of Gram Sabha must be held in each quarter of the year preferably January 26, the Republic Day, May 1, the Labour Day, August 15, the Independence Day and October 2, the Gandhi Jayanti. In spite of this instruction, the meeting of Gram Sabha in Sikkim held only two times in a year. The meetings are generally held in the month of March and October of every year. The meeting is presided over by the President of the concerned Gram Panchayat and in his/her absence by the Vice-President. The Sikkim Panchayat (procedure for convening and conducting the meeting of Gram Sabha) Rules passed by the government in 1998 provides the guidelines to the Panchayat President for convening the meeting. Section 5 (1) of the rules says that the notice of every meeting of a Gram Sabha shall be given at least fifteen days before the date of the meeting and such notice now also be fixed on the notice board of Panchayat Bhawan and such other places where people gather to the maximum. The President therefore has to serve the notice of meeting fifteen days in advance and be displayed it prominently in the public places and on the notice board of the Panchayat office.

The Secretary to Gram Panchayat acts as a Secretary of the Gram Sabha. Unlike in other States (for e.g. W.B.) where the Secretary of the Gram Panchayat is appointed permanent by the government and remain in office even after the dissolution of the Gram Panchayat, the Secretary of Gram Panchayat in Sikkim is elected one and remain in office only for the terms of five years like the other elected members of Gram Panchayat. Thus, the office of Secretary of Gram Panchayat is not a permanent and he/she has to vacate the office after the completion of five years terms. The main role of Secretary at the times of Gram Sabha meeting is to maintain the register of

proceeding and prepare the resolutions of the Gram Sabha and place these before the Gram Panchayat meeting for follow-up action.

For ensuring the attendance of people in these Gram Sabha meeting, the State Government prescribed a quorum for the validity of the meeting. There is however inter-state variations in regard to the quorum prescribed by the State Panchayat Act for Gram Sabha meeting. The quorum varies from 5 percent to 50 percent. In the states of Assam, Haryana, Maharashtra and Orissa, the quorum is one-tenth of the total membership. In Tamil Nadu it is one-third and not less than fifty in Kerala. And in Madhya Pradesh, the quorum is 10 percent of which one-third must be women. The section 7 (1) of Sikkim Panchayat Act fixed one-tenth of the total members of the Gram Sabha as a quorum for the meeting. The Sikkim Panchayat (Amendment) Act was passed in 2005 which amended the section 7 (1) of the SPA 1993 that deals with the quorum of meeting of Gram Sabha. The amendment in the Sikkim Panchayat Act has increased the required number of Gram Sabha members for general meeting of Gram Sabha from one-tenth to one-fifth. The amendment Act makes it mandatory that one-third of the quorum must comprise of women. The Amended Act 2005, fixed the quorum for a meeting of a Gram Sabha as one-fifth of the total members of the Gram Sabha of these, one-third must be women. Sikkim thus became the second state in India after Madhya Pradesh, in the matters of making a formal provision for the presence of women in Gram Sabha meeting.

In the earlier Act, a quorum of 10 percent was required for holding the Gram Sabha meeting in a village. However, in the amended Act in Sikkim, it is specified that one-fifth of the population of any village (20 percent) will constitute quorum. The amended Act further specifies that while ensuring the quorum, one-third of the members should be women.

At present, there are more than 166 Gram Sabha in Sikkim. The district wise number of Gram Sabha and its member in Sikkim as on September 2007 are given in Table 4.3.

Table 4.3: District wise number of Gram Sabhas and members

District	Gram Sabhas	Members of Gram Sabhas (voters)		
		Male	Female	Total
South	45	33759	32450	66209
West	51	36754	35150	71904
East	50	39394	36643	76037
North	20*	6481	6337	12818
Total	166	116388	110580	226968

\*Note-Including Dzumsas

### Powers and Functions of Gram Sabha

The Constitution (seventy-third) Amendment Act 1992 has made constitution of Gram Sabha mandatory for all the states but it says very little about the powers and functions of Gram Sabha. Article 243 A of the Act provides that Gram Sabha may exercise such power and perform such functions at the village level as the legislature of the state may by law provide. The Act thus gives state legislature a sole power to determine the powers and functions of Gram Sabha. This has resulted in the variation of the powers and function of Gram Sabha in different states. Except in few states, other has assigned

a very marginal role to the Gram Sabha making its functions as a mere recommendatory or advisory body.

Based on this enactment at the union level, the government of Sikkim incorporated provisions in its Panchayat Act 1993. The powers and functions of Gram Sabha in Sikkim under Section 11 of the SPA 1993 are as follows:

1. mobilising voluntary labour and contributions in kind and cash for the community welfare programmes;
2. identification of beneficiaries for implementation of developmental schemes pertaining to the village; and
3. rendering assistance in the implementation of developmental schemes pertaining to the village.

Besides, the Gram Sabha under Section 10 (1) of SPA 1993 may make recommendation and suggestions to the Gram Panchayat on the following matters:

1. the annual statement of accounts of the Gram Panchayat, the report of administrations of the preceding financial year;
2. the report in respect of development programmes proposed to be undertaken during the current year;
3. the promotion of unity and harmony among all sections of Society in the village;
4. programmes of adult education within the village; and
5. such other matters as the state government may by order specify.

The Gram Sabha, apart from above mentioned powers and functions has following responsibilities:

1. to disseminate information to the people on development and welfare programmes;
2. to encourage public participation in health, literacy and other development campaigns;
3. to collect some essential data on social and economic;
4. to provide feed back on the performance of development programmes undertaken in the Gram;
5. to mobilise local resources to augment Panchayat finances.

### **Ward Sabha**

Below the Gram Sabha, the State government has created a ward Sabha in all the villages. In order to overcome the large size or unwieldy geographical space, states like West Bengal, Orissa, Kerala and Madhya Pradesh have also gone for smaller and viable units for people to meet in. Gram sansads in West Bengal, *palli* sabhas in Orissa, the ward meetings in Kerala (ten to fifteen wards constitute a village panchayat in the state) and the village based meetings in Madhya Pradesh (here several small villages constitute a gram sabha) are manageable in terms of area and number of persons covered, and they are effective as units of direct democracy. The village-based sabhas meet once a month. The quorum for the Sabha meeting is twenty per cent of the voters, one-third must be women and a proportionate number belong to Scheduled Castes and Tribes.

Ward sabhas play a key role in micro level planning. The ward sabhas also disseminate information on development and welfare programmes; canvass participation in health, literacy and similar development campaigns; collect essential socio-economic data;

provide feedback on the performance of development programmes; use moral suasion to induce people to pay taxes and repay loans; promote environmental cleanliness; mobilise local resources to augment panchayat resources; supervise development works by volunteer teams; make arrangements for prompt reports on the incidence of epidemics and natural calamities; and above all, maintain social harmony.

In Sikkim absolute power has been given to the gram sabha and ward Sabha in respect of selection of individual beneficiaries under the poverty alleviation programmes.

### **Gram Panchayat**

Gram Panchayat is the lowest unit of grass root governance. It is the executive body of Gram Sabha. For the constitution of Gram Panchayat, village has been divided into a number of wards. There has, however, been wide variation in the size of population in a Panchayat. The size depends upon a number of factors, i.e. density of population, topographical conditions, historical existence and the law governing at that time (Goel and Rajneesh 2005). All these factors led to the variation in size and composition of Gram Panchayat as the state having high density of population has more than 15 members while the state with low density of population, the Gram Panchayat consist of only 5 members.

In Sikkim, Gram Panchayats are relatively smaller in size when compared to those in other states. For the constitution of Gram Panchayat the entire village area is divided into territorial wards, each ward electing one member. As in other states, there exists wide variation in the populations of Gram Panchayats. The least populous Panchayat of Karchi Mangnam in west district had a population of 565 (male 308 and female 257) while the most populous Panchayat of Upper Tadong in east district had a population of 14701 (male 8018 and female 6683). At present there are 166 Gram Panchayat units against 412 revenue villages. The number of ward ranges from 5 to 8. The majority of Gram Panchayat has five wards (Table 4.4).

Table 4.4: Variation in the number of Wards

GPU	No. of wards
4 GPU	08
14 GPU	07
43 GPU	06
103 GPU	05

Of the 166 Gram Panchayats, only four Gram Panchayats have 8 wards. These include GP of Sadam Suntolay in South district, Riwa Parka and Syari- Tathengchen in the East district and Lingthen- Lingden in north district of Sikkim. The 14 GP has seven wards and 43 GP has six wards. All other G.P. i.e. 103 has five wards each.

So far as distribution of Gram Panchayat is concern, state has 166 GPs. The west district with 51 GPs has highest number of Gram Panchayats followed by East district with 50 GPs. The South and North district has 45 and 20 GPs respectively. The district wise distribution of Gram Panchayats, blocks and wards are given in Table 4.5.

Table 4.5: District wise distribution of GPU, Wards and Block in Sikkim  
(as on September 2007)

District	No. of GPU	No. of Ward	No. of Revenue Block
South	45	257	135
West	51	274	111
East	50	273	110
North	20*	101*	56
Total	166	905	412

\* Including two Dzumsas

The Legislative Assembly Constituency wise list of PRIs at the end of the second term of election held after the enactment of 73<sup>rd</sup> Amendment Act 1992 are as follow:

Table 4.6: Constituency wise (Legislative Assembly) list of PRIs in Sikkim  
(As on September 2007)

District	No. of GP	No. of ZP	No. of Revenue Block	Name of Legislative Assembly Constituencies
SOUTH	6	3	18	Kamdong
	5	3	14	Wak
	6	3	20	Temi Tarku
	6	3	17	Rateypani West Pendam
	5	3	16	Melli
	6	3	19	Damthang
	7	4	17	Jorethang Naya Bazar
	4	2	14	Ralong
WEST	6	3	13	Tashiding
	6	3	17	Yuksum
	6	3	10	Gyalshing
	5	2	13	Dentam
	4	2	10	Barnyak
	6	3	14	Rinchenpong
	7	3	14	Chakung
	6	4	8	Soreng
EAST	6	3	12	Daramdin
	3	2	8	Central Pendem
	4	2	10	Lossing Pacheykani
	4	4	12	Rhenock
	6	5	9	Rhegoh
	7	3	14	Pathing
	3	2	10	Assam Lingzey
	4	2	9	Rumtek
NORTH	1	1	1	Gangtok
	4	2	9	Ranka
	5	2	17	Sang Martam
	4	2	11	Rakdong Tintek
	6	6	16	Kabi Tingda
	9	9	21	Lachen Mangshila
	9	8	19	Dzongu
TOTAL	166	100	412	31*

\*Excluding Sanga Seat (Total LA Seats is 32)

All the members of Gram Panchayat are elected directly by the people. The President, Vice-President and Secretary are, however, elected indirectly by the members themselves. The term of office of President, Vice-President and Secretary is coterminous with the term of Gram Panchayat. In other words, they all enjoy the term of five years commencing from the date of the first meeting of the Gram Panchayat. The Table 4.7 indicates the district wise information of members of Gram Panchayat in the state.

Table 4.7: District wise information of members of GP in the State  
(As on September 2007)

District	General		OBC		S T		S C		Total
	M	F	M	F	M	F	M	F	
South	24	18	90	46	37	25	14	03	257
West	22	15	98	59	44	18	12	06	274
East	38	30	57	37	57	35	14	05	273
North	-	-	06	01	58	35	01	-	101
Total	84	63	251	143	196	113	41	14	905

Table 4.8: District wise information of President (Sabhapati) of GP in Sikkim  
(As on Sept. 2007)

District	General		OBC		S T		S C		Total
	M	F	M	F	M	F	M	F	
South	04	01	18	10	10	01	01	-	51
West	07	01	23	07	09	03	01	-	45
East	06	02	15	07	14	04	01	01	50
North	-	-	01	-	13	04	-	-	18*
Total	17	04	57	24	46	12	03	01	164

\* Excluding two Dzumsa

### Functionaries

**President (Sabhapati):** A Panchayat consist of several members and a president. There has been great difference over the manner of election of President. In some states (s)he is elected by all the members of Gram Sabha while in some states President of GP is elected by the elected members for the term of five years. They are elected at the first meeting of the GP after an election. This meeting is convened by the District Magistrate. The State Panchayat Act provides the reservation of seats for the office of President for SCs, STs and women. The number of seats reserved for SCs and STs are in proportion to their population in each Panchayat. One third of seat of office of President has been reserved for women including the SCs and STs women. As in other states like Karnataka, M.P. and Gujarat, Sikkim has also provided for the reservation of office of President for backward classes. The district wise information of President of GP in Sikkim is presented in Table 4.8.

The President of GP has been vested with a number of functions and duties. It shall be the responsibilities of President and vice president in case of the absence of President to convene and preside over the meeting of the gram Sabha and Gram Panchayat. Secondly, President is responsible for the custody of the seal of the Gram Panchayat. Thirdly, it is the general responsibility of President to exercise administrative supervision and control over the work of the staff of the Gram Panchayat and the

officers and employees who may be placed at the disposal of the Gram Panchayat. Fourthly, the President is responsible for the executive and financial administration of the Gram Sabha. Lastly, (s)he exercises such other powers, performs such other duties as the Gram Panchayat may, by general or special resolution, direct or as the state Government may exercise.

### **Panchayat Secretary (Sachiva)**

Every GP has its own Secretary who is elected at the first meeting of Gram Panchayat. The election of secretary is similar to that of Panchayat president (Sabhapati) or in other words the secretary is elected from amongst the members themselves. Thus, unlike in most of the states of India, where the secretary has been a permanent government appointed employee, the secretary of GP in Sikkim is a elected member, firstly elected directly by the people as member of GP and then indirectly elected by the member themselves as a secretary. The Panchayat secretary in Sikkim is therefore not a whole time employee of state government and his/her term of office expire after the completion of five years. Hence, term of the office of secretary coterminate with the term of GP.

The secretary exercises the following powers and duties:

1. He/She prepares the list of business to be transacted at every meeting of the GP in consultation with President (sabhapati) or in his absence vice president (up sabhapati).
2. He/She maintains the attendance register and record the proceeding of all the meetings.
3. It is the duty of secretary to prepare the budget within the stipulated time period and place before the GP.
4. The secretary is responsible for the maintenance of accounts, government record and property of GP in their respective area.

### **Rural Development Assistant (RDA)**

Every GP has a whole time RDA who is the employee of the state government. He is appointed by the government and draws his salary and allowances from the Department of Rural Management and Development. The post of RDA is a new one as it was created only in 19-----and appointed for the first time to assist the President of GP. At present there are 166 RDA in the state.

RDA though appointed by the state government, functions directly under supervision of President (Sabhapati). The main function of RDA is to make plan and estimate of all programmes administered by the GP. His other functions include regular supervision over different programmes, preparation of report on the progress of different work etc.

### **Zilla Panchayat**

Zilla Panchayat is the highest tier of PRIs in the state. There are four districts in Sikkim. Each district has their own Zilla Panchayat with jurisdiction extending to the whole of the district and GP of the district. For the election of members, whole district is divided into number of territorial constituencies, each constituency consists of population ranging between 10,000 to 20,000. In other words 20000 eligible voters would form a ward and elect one member. The Zilla Panchayat shall consist of not more than 35 and not less than 15 directly elected members depending on the population of the district. At present there are 100 members representing four district of

the state. The east district has a highest number of members (30) while the north district has lowest number of members i.e. 20 (Table 4.9).

Table 4.9: District wise distribution of Zilla Panchayat, territorial ward and Block in Sikkim (As on September 2007)

District	No. of Territorial ward	Revenue Block
South	24	135
West	25	111
East	31	110
North	20	56
Total	100	412

The members of ZP are elected directly by the people from the electoral constituencies. The Adhakshayay and upa-Adhakshayay of the ZP are elected by the directly elected members of ZP. Presently the ZP consists of (a) members elected directly by the voters from territorial constituencies; (b) members of Legislative Assembly of the state representing a constituency which form a part or a whole of the district concerned; (c) member of the House of the People representing a constituency which form a part or whole of the district concerned; (d) member of the Council of States who is registered voter in the district and (e) all the President (Sabhapati) of GP in the district.

Like in GP, in ZP too, the reservation of seats has been provided to the SCs and STs in accordance with their proportion of population. Similarly, one-third of the seats both for membership and office are reserved for women that includes also the women belonging to SCs and STs. Reservation has also been extended to the people of other backward classes (Table 4.10).

The term of ZP is fixed for five years and if dissolved earlier, the re-constituted ZP is to continue only for the remaining period of five years.

ZP meets at least four times in a year at the interval of four months. Besides, the Adhakshayay may call a special meeting of ZP whenever he thinks fit in the public interest or upon a written requisition of not less than one half of the total number of members or when directed by the secretary to the Government in the Rural Management and Development Department.

The quorum of the meeting is two-third of the total number of members. However, no quorum is necessary for an adjourned meeting. The Adhakshayay or in his absence, the upa-Adhakshayay shall preside over the meeting of the ZP. And in the absence of both, the members present shall elect one member from amongst themselves to preside at the meeting.

Table 4.10: District wise information of member of ZP in Sikkim  
(As on September 2007)

District	General		OBC		ST		SC		Total
	M	F	M	F	M	F	M	F	
South	3	2	8	3	4	3	1	2	26
West	5	-	10	7	3	-	-	-	25
East	7	1	6	2	8	3	2	-	29
North	-	-	1	-	10	7	-	-	18*
Total	15	3	25	12	25	13	3	2	98

\*Excluding 2 Dzumsas

## Functionaries

**Adhakshayay:** The Adhakshayay and up- Adhakshayay of the ZP are elected by and from amongst its elected members in the first meeting of the ZP. Both Adhakshayay and up-Adhakshayay have been conferred the status of cabinet Minister of State in Sikkim. The Adhakshayay of ZP has vested with following functions:

1. To convene, presides and conducts meeting of the ZP
2. To exercise administrative supervision and control over the officers and employees of the ZP and those officers and employees whose service are placed at the disposal of the ZP.
3. To exercise over all supervision jointly with the Sachiva over the financial funds of ZP.
4. Discharge all other duty and powers assigned to him by the government.

The up-Adhakshayay, in the absence of the Adhakshayay presides over and regulates the meeting of ZP and exercises power delegated to him by the Adhakshayay.

Table 4.11: District wise information of Adhakshayay of ZP in Sikkim  
(As on September 2007)

District	General		OBC		ST		SC		Total
	M	F	M	F	M	F	M	F	
South	-	-	-	-	-	1	-	-	1
West	-	-	1	-	-	-	-	-	1
East	1	-	-	-	-	-	-	-	1
North	-	-	-	-	1	-	-	-	1
<b>Total</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>4</b>

## Sachiva

The sachiva of a ZP is the District Magistrate of respective district. He is either IAS officer or senior member of the state civil service. He is appointed by the state government. The function of sachiva is to assist the Adhakshayay of ZP in formulating policies and programme and looking their implementation. He also assists the ZP in the exercise of its general powers to supervise the GPs falling under its jurisdiction in the district. He exercises such powers, performs such functions and discharges such duties as the state government may from time to time direct.

All the district level officers and the staff of development department whose service are placed at the disposal of the ZP functioned under it like an umbrella. The two important merits of this arrangement were that (i) it ensured an effective mechanism for identifying and articulating people's needs and aspirations and (ii) it helped to coordinate the efforts and resource of the various district development departments (Aziz 1994).

## Delimitation of Constituencies:

The delimitations of Constituencies in respect of Gram Panchayat and Zilla Panchayat has been completed in the state creating 903 wards of Gram Panchayat and 100 territorial constituencies of Zilla Panchayat. Out of 903 wards of Gram Panchayat, 55 are reserved of the Scheduled Castes, 309 for Scheduled Tribes and 394 for Other Backward Classes. Similarly in the case of Zilla Panchayat having total of 100 seats, 05 are reserved for Scheduled Castes, 38 for Scheduled Tribes and 37 for Other Backward Classes.

## **Election**

Elections to the Panchayats in rural areas assume great significance because grass root level democracy in local governments is the basic foundation on which the entire democratic edifice rests (Mathew 2005). Election to Panchayat in Sikkim under the 1993 Act was conducted for the first time in October 1997. Unlike in other part of the country, the election in Sikkim has usually been held in single phase – be it Panchayats, Assembly or Parliamentary elections – due to the smallness of the state in terms of both population and size. It is to be mentione here that Sikkim is a smallest state of India in terms of population i.e. 540851persons and size wise it is a second smallest state with an area of 7096 sq. km. after Goa which has an area of 3702 sq. km. (India 2008). Therefore, in all, election is conducted for 166 Gram Panchayat and four Zilla Panchayat.

The election of 1997 was in effect the fifth Panchayat election in the state after its merger to India. Before this, the state witnessed elections to Panchayats in 1976, 1983, 1988 and 1993. The Panchayat election of 1997 however was the first election held in accordance with the provision of 73<sup>rd</sup> Amendment Act. The election to Panchayat was not uncommon things to the people of Sikkim as such election was conducted by the government of Sikkim even before the merger of State to Indian Union. The elections of 1951, 1966 and 1969 were held before merger.

There was however a difference in the elections held before 1982 and after. The difference was on the basis of election. All elections were held without the provision of universal suffrage and majority of the people were excluded from participation in the election and only the land revenue payee could be electorate and become a candidate. The whole scenario was changed when the Government enacted a new Act in 1982, which for the first time introduced the system of universal adult franchise thereby giving all the eligible adult member the right to participate, vote and elect the representatives of their choice.

Election to the present day Panchayats was held on 9<sup>th</sup> October 2002. Zilla Panchayats elections were also conducted on the same date. The participation of the people in the election was massive and encouraging. In some constituencies/wards, it registered more than ninety percent of voter turn out. Tables 4.12 & 4.13 indicate the caste and sex wise elected representatives in GP and ZP levels.

The members of all the two-tier Panchayats were elected directly by the people, while the Adhakshaya and Upa-Adhakshaya of Zilla Panchayat, President, Vice-President and Secretary of Gram Panchayat were elected indirectly from amongst the elected member of the respective area. All the members enjoy the term of five years. An independent state Election Commission conducted all the elections of Panchayat in the state and it is the responsibility of the Commission to divide and determines the ward/constituency and the number of members to be elected from each Gram Panchayat or Zilla Panchayat. Further, the section 103(1) of SPA 1993 provides that the superintendence, direction and control of the preparation of electoral rolls for and conduct of all elections to the GP and ZP shall be vested in the state Election Commission consisting of the State Election Commissioner to be appointed by the Governor (GOS 1993).

Table 4.12: Caste and Sex wise PR Representatives (elected) in Sikkim at Gram Panchayat Level. (As on September 2007)

Category	President		G P members	
	Male	Female	Male	Female
General	17	04	84	63
OBC	57	24	251	143
ST	46	12	196	113
SC	03	01	41	14

Table 4.13: Caste and Sex wise PR Representatives (elected) in Sikkim at Zilla Panchayat Level. (As on September 2007)

Category	Adhakshaya		Z P members	
	Male	Female	Male	Female
General	01	-	15	03
OBC	01	-	25	12
ST	01	01	25	13
SC	-	-	03	02

Elections, in most of the states, were held on party basis, where all the parties existing in the states were in the fray. West Bengal was the first state to hold elections to the Panchayats with the official participation of political parties (in June 1978). Presently, the elections to all the tiers of Panchayats are fought on party lines in five states, viz., Assam, Sikkim, Bihar, Kerala and West Bengal (Table 4.14).

Table 4.14: States holding Panchayat Elections with Political Party official Participation

States	Yes	No	Elections on Political Party Basis for:		
			Z P	I P	V P
Andhra Pradesh	✓		✓	✓	
Assam	✓		✓	✓	✓
Bihar	✓		✓	✓	✓
Chhattisgarh		✓			
Delhi		✓			
Gujarat	✓		✓	✓	
Haryana		✓			
Karnataka	✓		✓	✓	
Kerala	✓		✓	✓	✓
Madhya Pradesh		✓			
Maharashtra	✓		✓	✓	
Orissa	✓		✓		
Rajasthan	✓		✓	✓	
Sikkim	✓		✓		✓
Utter Pradesh		✓			
Uttaranchal		✓			
West Bengal	✓		✓	✓	✓

Source: State Election Commissions.

In Sikkim, until 1992, the election to Panchayats at both level were held on non-party basis. This was mainly because of the provision of the Panchayat Acts passed in 1982 and 1993. Both these Acts prohibited the person from contesting Panchayat election

with the support of political party. The Section 129 of Sikkim Panchayat Act, 1993, for example, states that “no person shall contest the election to any Panchayat with the support, direct or indirect, of any political party” (GOS 1993). This was a great obstacle to the political parties of the State to make their presence in the grass roots governance. This huddle was cleared in 1997. The government passed The Sikkim Panchayat (Amendment) Act 1997 which omitted the Section 129 of the SPA 1993. The Amendment Act therefore facilitates the participation of political party openly in the Panchayat election making the system more democratic and participatory. Consequent upon this Amended Act, the government conducted all the Panchayats election on party line. The first such election on party basis was held in 1997. The party based Panchayat election in Sikkim is different from the election of Panchayat in other part of the country, where there was a tough contest among the different political parties. The opposition party/parties are also strong enough to put their candidate against the ruling party/parties. The elections of Panchayats in the state are not so contested. Experience shows that the opposition party in the state is always weak with one or no seats in the Legislative Assembly. This is the main characteristic feature of state politics since 1975 with an exception to the assembly election of 1994 when the opposition party was able to secure 10 seats in the assembly. Any party that form the government can remain in power for 10-15 years without any break. The Sikkim Sangram Parishad headed by Sri Nar Bahadur Bhandari ruled the state for 15 years. Similarly, Sikkim Democratic Front under the Chief Ministership of Dr Pawan Chamling which is ruling the state since 1994 till date is even expecting to surpass the 15 years rule of Sangram government by winning the next election due in 2009 and become the first political party ruling the state for 20 years in the political history of Sikkim. One party rule is thus dominant feature of the state politics. It is therefore, in any Panchayats election, the candidate having affiliation with ruling party has a maximum chance of winning the election and the candidate other than from ruling party, no matter how qualified the candidate, could not dare/venture to contest the election against the ruling party’s candidate citing the reason of post-poll victimization. This had led to the election of vast number of members uncontested. For example, the Panchayat election of 2002 has been a sway for the Sikkim Democratic Front which has been ruling the state since 1994. The party won 930 seats (which include seats from both GP and ZP) of the total seats of 1005 (Table 4.15).

Table 4.15: Elected PR Representatives in Sikkim; Party wise Position at Gram Panchayat & Zilla Panchayat (*as on September 2007*)

Party	No. of Seats
Sikkim Democratic Front (SDF)	930
Sikkim Sangram Parishad (SSP)	-
Sikkim Himali Rajya Parishad (SHRP)	-
Sikkim Gorkha Party (SGP)	-
Indian National Congress (INC)	-
Communist Party of India (Marxist) (CPIM)	-
Independent	75
Total	1005

In this election, out of 905 members 633 were elected unopposed in Gram Panchayats. Only 272 candidates won the election through contest. So far as the opposition party’s candidates are concerned, they all filed their nomination as an independent candidate. In 2002 election, 443 independent candidates were in fray but only 75 candidates were able to won the election. Of 75 members, 68 were from Gram Panchayat and remaining

seven were from Zilla Panchayat. This clearly shows that the opposition party contesting the election as an independent candidate has a very less chance of getting elected in the election.

The election on party line, though provide sufficient opportunities to political parties to explain their policies, programmes and educate people about political party but many of the respondents including some Panchayat members were in favour of election without involving the political parties. According to them, involvement of political parties in Panchayat election would give rise to factionalism and also fragmentation of society. Further, they also expressed the fear of post-poll victimization and deprivation of people during the time of beneficiaries selection no matter how needy they are. Such fears are not totally ruled out when we look at the post-poll scenario in Sikkim. Again some of the people are of the opinion that the members of Legislative Assembly (MLAs) and the Ministers play a decisive role by ignoring the involvement of local people in the process of choosing candidates of their choice. A similar observation is found in other states also. A study conducted by Lok Satta in Andhra Pradesh reveals that in none of the four major political parties in the state- TDP, Congress, CPI(M) and BJP – is there a genuine democratic process of choosing candidates for local body elections. In all cases, the local members of the Legislative Assembly (MLA), Member of Parliament (MP) played a decisive role. A similar study conducted in Karnataka reveals that in the stronghold of both the Congress and the BJP, the grass root party workers were rarely involved in the process of choosing candidates for local elections and the local MLAs/MPs had a major say in the decision (Shastri 2003).

### **Representation of Marginalized sections of society**

The Sikkim Panchayat Act 1993 has made provision for the reservation of seats in Panchayats for Scheduled Castes (SCs), Scheduled Tribes (STs) and Women. The Sikkim Panchayat (Amendment) Act 1995 extended this reservation to Other Backward Classes (OBCs) of the state. All these groups had negligible presence in the rural politics before this statutory provision came into being. It is definitely a very important step through which largest political recruitment has become possible.

The SPA 1993 was passed in the state in conformity with the provisions of the constitution (73<sup>rd</sup> Amendment) Act 1992 which had tried to rectify the faults in the Indian society by providing reservation for the marginalized sections of people in the post of members and chairpersons at all level of decentralised local government. The Article 243D of the constitution provides the reservation of seats of members as well as of chairpersons for SCs and STs as well as women in the Panchayat of all levels. Article 243 D(1) mentions that seats shall be reserved for the SCs and the STs in every Panchayat and the number of seats so reserved shall bear, as nearly as may be, the same proportion to the local number of seats to be filled by direct election in that Panchayat as the population of SCs and STs as the case may be, in that area bears to the population of that area and such seats may be allotted by rotation to different constituencies in a Panchayat.

Sub-clause 2 of Article 243D also provides that not less than one-third of the total number of seats reserved under clause 1 shall be reserved for women including the women belonging to SCs and STs and such seats may be allotted by rotation to different constituencies in a Panchayat. Similarly, the sub-clause 4 of Article 243D reserved the seats of the office of the chairpersons in the Panchayat for SCs, STs and Women. Article 243D(6) authorizes the state governments to make any provision for

reservation of seats in any Panchayat or the offices of the chairpersons in the Panchayats at any level in favour of backward class of citizens (GOI 1992).

This Constitutional provision for reserved seats to SCs, STs and women distinguishes the current phase of Panchayati Raj reforms from earlier initiatives. The absence of affirmative action ensured a high level of elite dominance in earlier decentralisation efforts, since local vested interests played a critical role in Panchayat affairs reflective of their superior socio-economic and political status. In the new constitutional dispensation, seat reservation for women and scheduled castes and tribes provide opportunities for formal representation that more closely approximate population shares (Robinson 2005). This statutory provision of reservation has a great significance in a country like ours where the SCs constitute 15 percent and STs 7.5 percent of the population. Thus about 22.5 percent of the seats are reserved for these communities.

The 73<sup>rd</sup> Constitutional Amendment Act 1992 is a significant milestone in the journey of decentralised local governance in Sikkim. Sikkim was the first state in the country to enact and implement the PR system in the true spirit of the Act. The state legislation (SPA 1993) provided the reservation of seats for SCs, STs and women at all level of Panchayats. A close look at the demographic composition of Sikkim would show that the state has total population of 540851 of which 5.02 percent are SCs and 20.6 percent are STs population (Census 2001). Lepcha, one of the important tribes of the state has the status of primitive tribes. A basic difference between the SCs and the STs in general is that while the latter reside in specific habitats, the former live along with the people of the general category. As a result they face more difficulties because of social deprivations. The status of these communities in the state is somewhat different from their counterpart in other part of the country. In Sikkim, the tribal people are very affluent, highly educated and have good number in white-collar jobs. Most of the important posts like Chief Secretary, Secretary, Director, etc. are occupied by tribal people in the state. There is no any sign of poverty, illiteracy and backwardness among the tribal people of state otherwise a main feature of tribal communities in other part of country. Thus tribes of Sikkim enjoy the high social status at par with general people which is in fact unique in whole of the country. Notwithstanding their high position, the statutory provision of reservation has been equally implemented in the state. As a result, their presence is also good in local governance. Thus, the reservation provision of SPA 1993 ensured large number of representation of marginalized section in the local governance. Reservation in favour of scheduled castes and tribes have been provided in proportion to their population in a given Panchayat area and in the case of women the Act provided 33 percent of reservation. This percentage of 33 has been raised to 40 by Sikkim Panchayat (Amendment) Act in 2007. Such reservation of quota has also been provided to the other backward class of citizen in the state. The PRIs under this new Act thus became more representative in nature. The weaker sections of the society including SCs, STs, women and socially and educationally backward classes have a strong presence in the rural local government. The Table 4.16 presents the details of the representation of different category in PRIs in Sikkim.

**Table 4.16: Elected member in the Panchayats  
(As on September 2007)**

Panchayat Tier	Total no. of Panchayats	Total no. of ward/constituencies	Reservation		
			No. of SC member	No. of ST member	No. of OBC member
Gram Panchayat	166	905	55 (6)	309 (34.1)	394 (43.5)
Zilla Panchayat	04	100	05 (5)	38 (38)	37 (37)

*Note: Figures in the parentheses indicates the percentage to the total ward membership.*

### **Women Participation, Empowerment and Panchayat**

The goal of decentralisation of powers through enactment of the 73<sup>rd</sup> Constitution Amendment Act would have been half achieved without removing gender imbalance and bias in the institution of local self-government at the grassroots level (Gupta 2005). In Indian context, the PR system provides a platform for participation of rural people in general and women in particular in the process of governance and development. The PR system is conceived as a only vehicle through which people from all section of society will be able to participate and work collectively to solve their local problems more effectively and efficiently. The Constitution (73<sup>rd</sup> Amendment) Act 1992, which accord the constitutional status to PRIs, is a landmark in the history of women's empowerment through which 33 per cent of the seats are reserved for them. Given its far-reaching consequences, the 73<sup>rd</sup> Amendment is rightly called 'a silent revolution' for various reasons (Baviskar 2005). Among other things, the most revolutionary provision is the reservation of one-third of the seats for women in local bodies. The Article 243D (3) of the constitution states that "Not less than one-third (including the number of seats reserved for women belonging to the scheduled caste and Scheduled tribes) of the total number of seats to be filled by direct election in every Panchayat shall be reserved for women and such seats may be allotted by rotation to different constituencies in a Panchayat." Similarly, sub-clause (4) Of the Article 243D further provides that "Not less than one-third of the total number of offices of chairpersons in the Panchayat at all level shall be reserved for women." This statutory provision of the reservation of seats has greatly contributed to the political empowerment of the women and other marginalized and disadvantaged communities in the rural society. Moreover, these legislative measures enable the rural women to participate in decentralised local governance, planning and development.

It is essential to examine the emergence of women's participation in the Panchayati raj institutions (PRIs). The question of women's participation in PRIs would have to be viewed in the context of the emergence of women's participation in the political processes in general. The participation of women in PRIs is considered essential not only for ensuring their political participation in the democratic process but also for realizing the development goals of women. Participation of women in PRIs involves women as (i) voters, (ii) members of political parties, (iii) candidates, (iv) elected members of the PRI taking part in decision-making, planning, implementation and evaluation and (v) as members of Mahila Mandals and their association with voluntary organizations (Bhargava & Vidya 1992).

In India, the question of women's participation and their political empowerment assumed considerable significance recently because of the 73<sup>rd</sup> Amendment Act. The

Act provides the reservation of seats and posts of chairpersons for women in Panchayats. This is of great significance, since this grass root level participation has substantially broadened the base of women's participation in local politics. However, even before this Act, Government of India had appointed the various committees and commissions which also recommended the reservation of seats for women in Panchayats.

### **Balwantrai Mehta Committee (1957)**

The Mehta committee was appointed in January 1957 by the Government of India to examine and report on the Community Development Projects and National Extension Services started in 1952 and 1953 respectively. The two broad directional thrust that the Balwantrai Mehta Team offered includes; the administrative decentralization for the effective implementation of the development programme and the control of such decentralized administrative system directly by elected representatives. Secondly, the basic unit of democratic decentralization according to the Team should be located at the block level.

The committee recommended, inter alia, the formation of a hierarchical three-tier system of local government with Gram Panchayat at the village level, Panchayat Samiti at the intermediate and Zilla Parishad at the district level. The Team also recommended for the co-option of two women who are interested in work among women and children in the local self-government.

### **Committee on the Status of Women in India (1975)**

In 1975, a committee on the status of women in India was constituted to review the socio-economic condition of women and the problems being faced by the women across the country. The committee in this regard recommended the establishment of all women Panchayat at village level with autonomy and resources of their own. The committee also felt the needs of women's participation in demonstrating the effectiveness of participatory development as a process of empowering women to articulate their needs and aspiration.

### **Asoka Mehta Committee (1977)**

The Committee headed by Asoka Mehta was appointed in 1977 by the then Janta Government to review and evaluate the working of Panchayats across the country. The establishment of two-tier Panchayati Raj system i.e. Mandal Panchayat at block level and Zilla Panchayat at district level, participation of political parties in the election of local bodies and recognition of women's role in the decision-making process were the major recommendation of Mehta Committee. To stress on the need for recognizing the role of women in decision making, the committee recommended the reservation of two seats for women in Panchayats and co-opt women, in case they did not come through election. To raise the living standard of women, it also recommended for creation of more women specific jobs/employment throughout the country.

### **National Perspective Plan for Women (1988-2000)**

The NPP for women emphasized on the need of political participation of women at the grass roots democratic institutions. It also calls for economic development and integration of women into the mainstream of nation's economy. The recommendation of the committee includes: (i) Reservation of 30 per cent of seats for women in all rural local self-governing bodies; (ii) Reservation of some posts for women at the block and

village level bureaucracy; (iii) To declare certain percentage of constituencies as women's constituencies to secure the election of women candidate in Panchayats.

### **The Constitution 64<sup>th</sup> Amendment Bill, 1989**

In July 1989, the 64<sup>th</sup> Amendment Bill was introduced in the parliament by the Government of the then Prime Minister Rajiv Gandhi. The main objective behind the introduction of this bill was to accord constitutional status to the Panchayat Raj system in India. The proposed bill, among other things, includes the provisions for the reservation of 30 per cent of the total number of seats for women to be filled by direct election in every Panchayats. In order to ensure participation of women from the SCs and STs, it was further laid down in the bill that where only two seats were reserved for the SCs or STs, as the case may be, one of the two seats would remain reserved for women belonging to the SCs or STs, as the case may be. The bill, however, could not be passed in the Rajya Sabha as it failed to gather the support of majority member in Parliament.

### **The Constitution 73<sup>rd</sup> Amendment Act, 1993**

The 73<sup>rd</sup> Amendment Act, which came into force on 24th April 1993, is a watershed in the field of decentralization and political empowerment of women as well. The Act, for the first time, accords constitutional status to the local government institutions and ensure the reservation of seats for women in Panchayats. The Act, *inter alia*, incorporates the following provisions to ensure the political participation of women in local government:

- (a) Reservation of one-third of the total number of seats to women in all the levels of Panchayat on rotation basis;
- (b) Reservation of one-third of seats for women of SCs and STs from the total number of seats reserved for SCs and STs in all tiers;
- (c) Reservation of one-third of offices of chairpersons of Panchayat at all levels for women including women from SCs and STs.

As a result of this Act, the hundred and thousands of women in India are taking part in community decision-making processes. At present there are more than one million women representatives in different tier of Panchayats across the country. In a country as a whole, there are 234,676 Gram Panchayats. Over 77,210 of them now have women as Sarpanches. At the intermediate level, there are 6097 Taluka (or block/mondal) Panchayat samities. More than 1,970 of them have women Sabhapatis or heads. And of the 602 Zilla Parishad, 200 have women Presidents. Thus, in a country as a whole about one million women now occupy position as members or heads in rural local government bodies. The Act therefore paved way for women to exercise their political rights in local self-governance and created an enabling environment for women participation in the grass roots politics. The Table 4.17 indicates about women elected members at decision-making level in different states in India.

Table 4.17: State-wise Distribution of Elected Women Members

S. No.	States	GP		PS		ZP	
		Elected Women	Per Cent	Elected Women	Per Cent	Elected Women	Per Cent
1	Andra Pradesh	68736	24.81	4919	25.17	364	24.94
2	AP	-	-	-	-	-	-
3	Assam	7851	33.45	746	34.73	117	30
4	Bihar	40553	25.90	4065	25.93	410	26.08
5	Goa	457	31.76	-	-	17	34
6	Gujarat	1312	24.93	1180	27.04	274	27.29
7	Haryana	18356	25.14	842	25.73	109	25.77
8	HP	6822	26.89	562	25.32	87	25.74
9	J&K	-	-	-	-	-	-
10	Karnataka	35922	40.21	1375	38.87	339	367.45
11	Kerala	4801	36.21	629	38.40	105	34.20
12	MP	106491	33.82	2159	33.44	148	33.79
13	Maharastra	77548	30.39	1407	32.84	658	31.62
14	Manipur	611	35.48	-	-	22	36.07
15	Orissa	31414	26.41	2188	26	296	25.74
16	Punjab	27108	35.68	813	32.78	89	31.90
17	Rajasthan	39450	25.66	1908	26.63	364	26.53
18	Sikkim	293	32.44	-	-	37	37
19	Tamil Nadu	26181	26.86	1770	26.94	173	26.37
20	Tripura	1895	33.33	106	35.45	28	34.15
21	UP	230865	37.95	18580	35.82	788	37.06
22	Uttaranchal	18041	26.89	1133	35.13	119	34.49
23	West Bengal	11497	22.46	1923	22.42	156	21.58

Source: Panchayat Raj Update ISS Information and Documentation Centre, Bangalore, 2003

To ensure adequate and effective participation of women in the PRIs, the Sikkim Panchayat Act 1993 reserves one-third of the seats for women in both tiers of Panchayats. The Sikkim Panchayat (Amendment) Act 2007 has raised the percentage of seats to 40 per cent from the existing 33 per cent. The reservation has been introduced accordingly in 166 GP and 4 ZP of Sikkim. Presently there are 330 women Panchayat members. Of these, 293 (32.4 per cent) are the members of GP and 37 (37 per cent) members are from ZP (Table 4.18). Out of 293, 33 women representatives hold the post

of President (Sabhapati), 61 as vice President (up-sabhapati) and 29 as secretary (sachiva) in GP. While in ZP there are only one woman Adhakshayay and one up-Adhakshayay (Table 4.19 A & B). It become clear from this figure that women not only entered Panchayat in big numbers but also held responsible posts of office bearers. Hence the 1997 election of Panchayat in Sikkim can be termed as the beginning of the process of women's participation in politics more systematically.

Table 4.18: Women Representation in PRIs in Sikkim  
(As on September, 2007)

Local Body	Women	SC	ST	OBC	Other
Gram Panchayat	293	40	186	200	184
Zilla Pamchayat	37	05	33	30	32

Sources: Author own survey

Table 4.19: Details showing the numbers of posts occupied by Women Representatives as:

- (A) President, Vice President and Secretary in Gram Panchayats
- (B) Adhakshaya and Up Adhakshaya in Zilla Panchayats (As on September 2007)
- (A)

Gram Panchayat	South	West	East	North	Total
President (Sabhapati)	13	10	08	02	33
Vice-President (Up-Sabhapati)	11	20	21	09	61
Secretary (Sachiva)	09	09	10	01	29

Source: Sikkim Government Gazette 2002

- (B)

Zilla Panchayat	South	West	East	North	Total
Adhakshaya	01	-	-	-	01
Up-Adhakshaya	-	01	-	-	01

Source: Sikkim Government Gazette 2002

It needs to be mentioned here that even prior to the passing of the Conformity Act in 1993, there were already some women in local government in state of Sikkim. But they were few and far between. For instance, there were 18 (out of 824) and 30 (out of 823) women representatives in the Gram Panchayat's elections of 1988 and 1993 respectively. There was however a sharp increase in the number of women representatives after the implementation of 73<sup>rd</sup> Amendment Act in the State. In the Panchayat's election of 1997, the first election held after the implementation of 73rd Amendment Act, 239 women members were elected out of total 862 members in Gram Panchayat and of the total 64 Zilla Panchayats members, 23 have women members

after reservation. Thus the 73<sup>rd</sup> Amendment Act 1993 can be considered as a landmark in the empowerment of women. This has contributed for the enhancement of women participation especially in the rural areas to get access to decision-making process concerning vital problems of economic development, social reconstruction and distribution of scarce resources (Smitha 2006).

After the implementation of the 73<sup>rd</sup> Amendment, several studies were conducted pertaining to women in local governance. The results of empirical studies make it clear that the processes ensuing from the women's quota do not follow the same course in every given socio-political context. The degree of empowerment varies from region to region and situation to situation. The women members of some states are more confident, empowered and autonomous than their counter parts in other states. Our study of women in Panchayats in the two-district of Sikkim after the constitutional amendment exploded the myths about rural women's lack of interest in politics, their passivity and non-participation in local political institutions. They are empowered politically, socially and economically and enjoy more autonomy than their counter part in other part of the country. The studies found that there was no any proxy representation of women in the meeting of Gram Panchayats (Yasin and Chhetri 2007, Chhetri 2008). Their profile indicated that the 80 per cent of the women representatives were from the lower age group i.e., 25 to 40 years, majority of them were low-income groups, and more than 60 per cent of them were elected for the first time with no previous experience in politics. Their participation in Panchayat as elected representatives has been assessed by asking the question on participation in Gram Sabha, Gram Panchayat meeting etc. It was reported that 99 per cent of women members attended the meeting of Gram sabha and Gram Panchayat regularly. It was further reported that more than 95 per cent of women representatives attended the training programme given to them for their capacity building and skill development. Besides these elected representatives, other general women of the state are also equally participate in the governance process. The post-73<sup>rd</sup> Amendment Act has witnessed appreciable number of women, who turn out as voters and come forward as candidate for the election of PRIs.

The above instances clearly show the participation of women in local governance. As in other states, there are however, still some constraints that did not allow women to participate actively in the governance processes. Resistance from male members, inadequate cooperation of local level officials and other social constraints are some of the example that impede the women from playing a legitimate role in the society. Similar observation is made by the UNDP which states that 'women are often excluded from playing legitimate and active roles in rural community life owing to social and institutional constraints (UNDP n.d.). The restriction on freedom of movement, and action imposed by traditional family, caste or patriarchal norms are the instances of social constraints. The institutional constraints can be imposed on women Panchayat members in various ways. At times, men conspire to oust women from power and want to put their own candidate preferably male in her place. The rotation system of reservation also works against women's interest. In any election one-third of the total number of ward/constituencies are reserved for women. But in the next election after five years, these ward/constituencies will be treated as open/unreserved and different set of ward/constituencies will be reserved for women. This has compelled the majority of women Panchayat members to quit the politics despite their keen interest to contest the election. Amendment to the existing Act is required to remove this institutional constraint and add a new provision in which reservation for any ward/constituency

should be for 10 years (i.e., two terms) instead of present one term of five years, so that women can contest the election from same ward for at least two terms.

### **Devolution of Functions**

Devolution, a form of decentralisation implies a situation in which lower ranking units acquire greater autonomy in respect of certain defined functions, including decision-making authority (Sundaram 197). This provides the process in which sub national units of government are either created or strengthened in terms of political, administrative and fiscal powers (Blair 2000, Crook and Manor 1998, Rondinelli et al 1989). UNDP consider devolution as the strongest form of decentralisation (UNDP 1993). Dennis A Rondinelli has outlined the following main features of devolution.

1. Giving of autonomy and independence to local government and clearly perceiving it as a separate level over which central authorities exercise little or no direct control;
2. Provisions to have clear and legally recognized geographical boundaries of the local units over which they exercise authority within which they perform functions;
3. Giving of corporate status and power to the local government to raise sufficient resources to perform specified functions;
4. Implying the need to develop local government as institutions in the sense that they are perceived by local citizens as organization providing services to satisfy their needs and as governmental units over which they have some influence; and
5. As an arrangement in which there exists reciprocal, mutually benefiting and coordinated relationship between central and local government.

In the context of Panchayats, devolution broadly means transfer of authority from state to the local government in respect of a specific activity. The 73<sup>rd</sup> Amendment to the constitution of India is a major step in this direction. The Act has made PRIs responsible for maintenance as well as developmental activities. The Article 243G added to the constitution by the 73<sup>rd</sup> Amendment enlists the powers, authority and responsibilities of Panchayats at different levels. The Article says that subject to the provisions of this constitution, the legislature of a state may, by law, endow the Panchayats with such powers and authority as 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 subject to:

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

The constitution of India, vide its Eleventh Schedule, has laid down 29 subjects related to matters of economic development and social justice. Eleventh Schedule consists of the following:

1. Agriculture, including agriculture extension.
2. Land improvements, land reforms, consolidation and soil conservation.
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 programmes
17. Education, including primary and secondary schools.
18. Technical training and vocational education
19. Adult and non-formal education
20. Libraries
21. Cultural activities
22. Markets and fairs.
23. Sanitation, including hospitals, primary health centers and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections, and in particular, of the SCs and the STs.
28. Public distribution system.
29. Maintenance of community asset.

The expectation is that these initiatives of decentralisation may help in the improvement of the delivery of some of the public goods and service (Rajaraman and Bagchi 1995). It is also expected that the delivery of public goods and services are most effective when the responsibilities of discharging of these functions are performed by the levels of government which are closest to the people (Bohra 2000). With this assumption the power and responsibilities has been transferred to the lower level of the government. The Act under Eleventh Schedule though provided a long list of functions to be devolve or assigned to the Panchayat, it has however failed to mention clearly about the level of PRIs which would perform the particular type of function. This has created an ambiguity by saying ‘appropriate level’ (Bohra 2000). Another main lacuna of this Act is that instead of clearly specifying the functions and powers of Panchayats, it has left it to the discretion of state Government (Mahipal 2004).

In spite of these anomalies in the Act, the Article 243 G is by far the most crucial among the various provisions of the Act, as the entire decentralised democratic edifice of Panchayat is conditioned by it. Undoubtedly, devolution of appropriate and adequate responsibilities, authority and powers constitute the touchstone by which the efficacy of the Panchayats can be assessed (Subramanyan 2002). Besides, the studies on decentralisation by different scholars have shown that devolution of authority can enhance system of accountability in a number of ways. For example, the establishment and empowerment of local resources user groups (i.e., delegation or privatization) can improve the ways in which local people are often disproportionately dependent (Baland and Platteau 1996, Ostrom 1990). Secondly, the democratization and empowerment of local administrative bodies can enhance participation in decision-making for a particularly among groups that have been traditionally marginalized by local processes (Blair 2000; Crook and Sverrisson 2001; Crook and Manor 1998).

All the states of India, in conformity wth the 73<sup>rd</sup> Amendment Act (1992) has amended their respective Panchayat Acts and enlisted the functions assigned to the different levels of rural local bodies. Sikkim Government has also enacted a new legislation (Sikkim Panchayat Act (SPA) 1993) which amended the erstwhile Panchayat Act of 1982. With an objective of operationalising the decentralisation of powers, the amended Panchayat Act 1993 has given elaborate list of powers and functions of these bodies. Section 34 and 35 of the Act enumerates 22 and 19 subjects within the purview of Gram Panchayat. The 22 subjects under section 34 are of mandatory nature where as other duties under section 35 are of assigned responsibilities. Similarly in case of Zilla Panchayat, Sections 69 and 70 of the Act enlist 12 and 9 items within the purview of the Zilla Panchayat. In both tiers, the functions of Panchayats have been broadly classified into two category, viz., mandatory and assigned functions (Table 4.20).

Table 4.20: Powers of the Panchayats as Delineated in the SPA 1993

Types of Responsibilities	Panchayat Tiers	
	Gram Panchayat	Zilla Panchayat
M A N D A T O R Y	Construction and maintenance of sanitation, drainage, village roads, dharmasalas, buildings; imposition and collection of taxes, fees or rates; Immunisation; management of common grazing ground, burning place, and public grave yards; registration of birth and deaths; regulating inflow of animals; disposal of stray and ownerless dogs, unclaimed cattle (sec.34)	Regulation of melas and haats; construction and maintenance of Panchayat Ghars, dharmasalas. Minor irrigation; regulating supply of drinking water and water for irrigation; afforestation, promotion of social forestry and environmental conservation; establishment and maintenance of primary schools, health centre and child welfare and maternity centres; organization of relief works; preparation of plan for all round development of the district (sec.69)
A S S I G N E D	Management of government primary schools, dispensaries, primary health centres, child welfare and maternity centres; construction and maintenance of minor irrigation; welfare programme for the infirm and destitute; rehabilitation of displaced persons; cattle improvement programmes; promotion of education including Adult education and plantation, land reforms; regulation of fairs, melas, haats etc.; bringing into cultivation waste and fallow land (sec.35)	Promotion of responsibility of employment through community farming; organization and maintenance of clubs and others places for recreation or games; establishment encouragement and maintenance of library oe reading rooms; construction and maintenance of destitute homes; slaughter houses and encamping grounds; promotion of agriculture and communal harmony (sec.70)

Subsequently, to strengthen the Panchayats as a institution of self government, the state Government issued a notification which directs the line department to transfer some of their functions to the PRIs. The notification was based on the principle of subsidiarity i.e., what can be done best at a particular level should be done at that level and not at higher levels. All that can be optimally done at the lowest level should be reserved to that level. The principle of subsidiarity allows us to think about governments, not in terms of hierarchy but in terms of their approachability or accessibility. Keeping this principle in mind, the state government transfers some of the functions of development departments which are local in nature to the PRIs. The notification issued in July 2003 transferred the function of eight line departments to the local bodies. The schemes transferred to the Panchayats are presented below:

Table 4.21: List of functions of line department transferred to Panchayats

S. No.	Name of Department	Subjects Transferred
1	Rural Management and Development	(i) Water supply (ii) Bridges (iii) Panchayat Bhawan (iv) Sanitation (v) Centrally sponsored schemes
2	Agriculture	(i) Farmers field seed plantation (ii) Manure (iii) Fertilizer (iv) Plan protection (v) Plantation of new orchard (vi) Village level workers
3	Animal Husbandry	(i) Prevention and control of animal diseases (ii) Artificial insemination (iii) Integrated piggery, poultry and angora rabbit development (iv) Extension and Training
4	Health and Family Welfare	(i) Health Education (ii) RCM and Prevention of Communicable diseases (iii) Maintenance of PHC (iv) Maintenance of ICDS
5	Education	(i) Primary school (ii) Junior High School (iii) Non-formal education (iv) Adult education (v) Mid-day Meal
6	Land Revenue	(i) VLO Centres (ii) Collection of taxes, fee charge (iii) Natural Calamities
7	Irrigation	(i) Minor irrigation works
8	Forest	(i) Social Forestry (ii) Integrated Wasteland Management programmes

So far as the functional devolution as per the list of 29 subjects specified in the 11<sup>th</sup> Schedule is concerned, the amended Act and the Notification issued thereafter contains almost all items. All these subjects have been distributed to both tiers of PRIs. In formal sense, Sikkim has transferred the functions for all 29 subjects to Panchayats and has transferred the corresponding functionaries and funds.

However such efforts at operationalising and giving an impetus to these nascent institutions are not adequate. As in most other states, these transferred functions are not exclusive to Panchayats and the State Government carries out the functions concurrently with the local government. Further, this devolution is characterized by overlapping functions and proliferation of schemes. In all devolved items there are at least two levels of government involved and in some, such as welfare, the four tiers of governments are responsible for the implementation of various schemes. Field studies also show that in the absence of clear guidelines to the Panchayat members, they lack assertiveness in their functioning and the Panchayat Raj Institutions mostly operate as mere implementing agencies for government programmes and schemes. Similar observation has been made by NCRWC from the brief survey of the conformity Acts of different states. The Commission observed; “ even in the states which have shown political will to decentralize, devolution has not gone beyond the implementing responsibility of the schemes/projects conceived by the state or central government. The NCRWC suggested two real options: (a) Panchayats should be given constitutional status as the third stratum of governance, with their own functional domain, area of jurisdiction and powers; and (b) they will continue to be creatures of the state Acts and yet they will have sufficient autonomy in the area of a set of identifiable functions which should be spelt out in the constitution (NCRWC 2000) Inadequate staff is another major problem for the Panchayat to become institution of self-government. The staffs transferred to Panchayat office were not accountable to them. They draw their salary from the parent department and also attend the works of the department including works assigned by the Panchayats. Their promotions and transfers are decided at the state level, and elected representatives at the local level have little power to exercise control over them. Local government cannot appoint Panchayat personnel. NCRWC also felt that ‘the constitution is silent about this vital aspect of institutional autonomy. At present, the Panchayat personnel retain their departmental identities and are controlled by their departmental superiors. Failure to address the personnel issue has definitely affected the growth of Panchayat as self-governing institutions. It is suggested that a specific constitutional provision on personnel in the local bodies will enable the Panchayats to have their own staff. A full-scale transfer of state government staff to the PRIs is necessary (NCRWC 2000). Ghosh also pointed out the issue of Panchayat personnel. He said that ‘the PRIs should have the authority to create posts, make recruitment to such posts and control the employees. It is necessary that enabling powers in this respect be provided in the constitution. On the other hand state government have faced difficulty in placing the service of officials at the disposal of Panchayats. There is need to amplify the provision of the Article 309 to include posts and services under Panchayat under public services (Ghosh 2001).

The major recommendation of the Commission in relation to the devolution powers and functions are:

1. Amendment of Article 243G subject to the provisions of this constitution, the legislature of the state shall, by law, vest the Panchayats with such powers and authority as are necessary to enable them to function as institutions of self-governments and such law shall contain provisions for the devolution of powers and responsibilities up on Panchayats at the appropriate level, with respect to

the preparation of plans for economic development and social justice and the implementation of schemes of economic development and social justice as shall be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

2. The Eleventh Schedule to the Constitution should be re-structured in a manner that creates a separate fiscal domain for Panchayats. Accordingly, Article 243H should be amended making it obligatory for the legislature of the states to make laws devolving powers to Panchayats.
3. An enabling provision should be made in Part IX of the Constitution permitting the state legislature to make, by law, provisions that would empower the state government to confer on the Panchayats full power of administrative and functional control over such staff as are transferred following devolution of functions, notwithstanding any right they may have acquired from state Act/Rules. They should also have the power to recruit certain categories of staff required for service in their jurisdiction (NCRWC 2000).

### **Financial Devolution**

True devolution (as opposed to cosmetic administrative change) to local governments may be said to take place only when fund, functions and functionaries are transferred to the appropriate level of local government (Vyasulu 2003). The 73<sup>rd</sup> Amendment to the Indian Constitution has cast heavy responsibilities on Panchayats by transferring 29 subjects under Eleventh Schedule. Hence, to discharge the given functions Panchayats requires adequate funds at their disposal. This alone can bring about a sense of responsibility in the development activities of Panchayats. It would therefore be necessary to decentralise financial powers to local government to meet their requirement to provide certain essential local public services.

One of the crucial problems facing the Panchayats in our country is the procurement of adequate financial resources to meet their varied requirements. Without finance, nothing can be done; no work or programme however well planned it might be, can be carried out if there is no fund available for the purpose. The capacity of a Panchayat to discharge its duties and responsibilities as well as to chalk out plans for the future depends mainly upon its revenue resources (Biju 1997). The need for transfer of resources from the state to local government arises because the own resources of local government are generally insufficient to meet the expenditure required for providing services allotted to them. Hence, the general objective of transfer of resources to local bodies is to supplement their resources so as to enable them to provide services adequately.

In the theory of fiscal federalism, the inter-governmental resources transfer are justified on the following grounds:

1. **Fiscal Gap Correction:** Fiscal Gap occurs when there is a mismatch between the expenditure needs and revenue means of the government. Fiscal capacity and fiscal need differ because of several factors. Moreover, the access to revenue base varies from region to region. Also per unit cost of service varies depending upon geographical conditions and density of population. The fiscal gap may be because of inappropriate assignment of revenue sources and functional responsibilities.
2. **Maximum Standard of Services:** Transfer may be required to upgrade the existing level of service to ensure uniform standard across the region.

3. Inter-jurisdictional Spillovers: Spillovers (or spatial externalities) occur where the benefits of locally provided services spread to persons who are not legally required to contribute to the cost of services. The benefits of certain services are generally spillover to neighbouring jurisdictions. Therefore, the inter-governmental grants are the most practical way of correcting for Spillover effects.
4. Performance of Agency Functions: Higher levels of governments may use the services of lower governments to implement certain schemes. Thus, funds are provided for performing such agency functions (Sury 1998).

In the Constitution of India, the Article 243H added by the 73<sup>rd</sup> Amendment Act (1992) provided the provision of financial devolution to the local bodies. The Article says, “the legislature of a state may by law,

- (i) authorize a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such conditions and limits;
- (ii) assign to a Panchayat such taxes, duties, tolls and fees levied and collected by the state government for such purpose and subject to such conditions and limits;
- (iii) provide for making such grants-in-aid to the Panchayats from the consolidated fund of the state; and
- (iv) provide for constitution of such Funds by crediting all money received, respectively, by or on behalf of the Panchayats and also for the withdrawal of such moneys, therefore, as may be specified in the law”.

Apart from this (provision), the Article 280 of the constitution has also been amended to make a suitable arrangement for the transfer of funds and their use. In Article 280 clause 3, after sub-clause (b), the following sub-clause has been added:

“(bb) The measures needed to augment the consolidated fund of a state to supplement the resources of the Panchayats in the state on the basis of the recommendations made by the Finance Commission of the State”.

The addition of sub-clause (bb) to Article 280 assigning some new responsibility relating to Panchayat finances to the Union Finance Commission as part of the 73<sup>rd</sup> Amendment and 74<sup>th</sup> Amendment is an enabling provision which in a broader sense, may be seen as another attempt at rectifying the imbalance of functions and finances in the Indian constitution (Oommen 1994).

The Panchayat finance in India is classified into four categories: (i) own resources; (ii) assigned resources; (iii) grants; and (iv) loans (Oommen 1999). These can include a number of existing and potential sources of revenue:

1. taxes on land revenues, land building, animals and boats;
2. fees and user charges collected from the allocation of grazing rights, fishing rights;
3. assignment of existing state taxes to local bodies;
4. tax sharing with state governments; and
5. central government grants provided on the recommendation of the Central Finance Commission and the Planning Commission.

The Panchayat in Sikkim have certain, though limited, own means of tax collection but they have to largely depend upon the state budget for either transfer of tax collected by the state or development grants. The Sikkim Panchayat Act 1993 (Act No. 6) empowers

Panchayats to levy and collect taxes, rates and fees. The section 40(1) of state Act provides taxation powers to Gram Panchayat. Box 4.1 presents the list of taxes that Gram Panchayat can levy. Among the important taxes, the Gram Panchayat has a power to levy tax on houses, tax on use of dharmasalas et al. Besides, the Gram Panchayat are also empowered to levy other tax for which the state legislature is empowered under constitution.

**Box 4.1: Tax and non-tax assigned to Gram Panchayats**

1. Tax on fairs, melas, haats, and other entertainments;
2. Sanitation Tax
3. Water rate where the Gram Panchayat makes arrangements for regular supply of water;
4. Fee for private latrine under the control of GP;
5. Fee for grazing cattle over the grazing grounds vested in the GP;
6. Fee in the registration of animals sold in any market or any place under the control of GP;
7. Market fee on persons exposing goods for sale in any market or at any place or any building or structure therein belonging to or under the control of the GP;
8. Fees for the use of dharmasalas and camping grounds;
9. Fee for drainage;
10. Temporary tax for special works of public utility;
11. Tax on houses.

The Zilla Panchayat in the State is also vested with similar taxation power like that of Gram Panchayat. The section 77(1) of the State Act empowers the Zilla Panchayat to levy taxes on fairs, melas, taxes on house, animals, land, etc. Though the Act contain a long list of tax only few items are in operation and some of the taxes are not being levied due to various reason; the prominent among them are: first, lack of political will as there is a fear of loosing popularity in the event of imposing taxes; second, lack of confidence of people in the present set up of PR Institutions as people are skeptical about their abilities to provide service effectively to them; and thirdly, lack of conducive environment in terms of educating and motivating the people for giving taxes for availing legitimate services. While composing the taxation powers of Gram Panchayat and Zilla Panchayat under Sections 40 (1) and 77 (1) respectively of State Act there are a lot of overlapping of tax assignment. (Table 4.22), There are thus certain tax items that are collected by more than one tier.

**Table 4.22: Panchayat with Overlapping Tax Assignments (Sikkim)**

Name of State	Tax	GP	ZP
S	Fairs,	Yes	Yes
I	Sanitations,	Yes	Yes
K	House,	Yes	Yes
K	Entertainments,	Yes	Yes
I	Melas,	Yes	Yes
M	Hets,	Yes	Yes
	Special Work on Utilities	Yes	Yes

## **Allocation of Funds**

Both Gram Panchayat and Zilla Panchayats have their own consolidated fund to be utilized in accordance with the prescribed rules framed by the government. The State Government has adopted criteria in the distribution of such funds across the Panchayats. This is very much needed to reduce horizontal fiscal imbalance between the Panchayats. Keeping the problem of regional imbalance the government, in fact, adopted 12 criteria in the distribution of funds. The criteria adopted inter alia include population, backwardness under economic and social development sectors, weaker section, literacy level, etc. (Table 4.23).

Table 4.23: Criteria adopted in the distribution of Funds to ZP & GP

S. No.	Indicators	Weight (%)
1.	Population – Rural	40
2.	Backwardness in Agriculture as measured by the value of Agricultural output per hectare	7
3.	Backwardness in Irrigation as measured by the proportion of irrigated area to net area sown	5
4.	Backwardness as measured by the value of Industrial output	3
5.	Backwardness in Communications as measured by the road mileage	3
6.	Backwardness in Financial Infrastructure measured by the size of population sowed by each commercial and cooperative bank	2
7.	Backwardness in Medical and Health facilities as measured by the number of Hospital PHC/PHSC	5
8.	Backwardness in Power Supply as measured by the proportion of villages electrified	5
9.	Problem of the weaker section (a) as measured by the proportion of SC/STs in the population (b) as measured by the proportion of Landless Agricultural Labours	10 8
10.	Special problems of drought prone area/ dry areas (a) as measured by the area under forest (b) as measured by the rural population of drought prone area	2 2
11.	Literacy Percentage	5
12.	Performance of Family Planning Programs	3
13.	Total	100

The Sectoral allocation of funds to Gram Panchayat and Zilla Panchayat is based on the following criteria:

1.	Maintenance and minor repairs	15 %
2.	Infrastructure	20 %
3.	Productive sector	20 %
4.	Rural micro enterprises including village tourism	20 %
5.	Social sector	10 %
6.	Administration and miscellaneous	15 %

### **Grants-in-aid**

The grants from the state government constitute the most important source of income for the Panchayati Raj bodies. In fact, Panchayat largely depend upon grants for their existence and survival. The Panchayat of the state of Sikkim is no exception to this fact. Both Gram Panchayat and Zilla Panchayat overwhelmingly depend on government grants. The Panchayats in Sikkim usually get the grants from four different sources -

- (i) Grants-in-aid from Government of India.
- (ii) Grants from State Government.
- (iii) Grants from Administrative Departments (RMDD).
- (iv) Grants from Line Department.

The government allocates the money to the Panchayats meant for rural development. These bodies are provided finances to implement government schemes. Table 4.24 shows the devolution of grants to gram Panchayat during the period of 2004-05 – 2006-07.

Table 4.24: Grants Devolution during the period 2004-05 to 2006-07

Items	2004- 05		2005-06		2006-07	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-plan
Grants to GP for Administrative Expenses	10300	-	171000	-	179500	-
Grant-in-aid to local bodies recommended by 11 <sup>th</sup> Finance Commission	-	18240	-	-	-	-
Grants to local bodies by 12 <sup>th</sup> Finance Commission	-	-	-	10580	-	26000
Total	10300	18240	171000	10580	179500	26000

On the recommendation of the Eleventh Finance Commission, the state government has made budget provisions for a sum of Rs. 530 lakhs as Grants to PRIs for a period of five years commencing from 2000. Table 4.25 presents the year wise grants devolve to the Panchayat during the year 2000 to 2005.

Table 4.25: Year wise devolution of Grants to Panchayat

Year	Annual Grants	Annual Utilized	Balance Amount
2000-01	Rs. 106	Rs. 48.85	Rs. 57.15
2001-02	Rs. 106	Rs. 68.12	Rs. 37.88
2002-03	Rs. 106	Rs. 109.80	(-) Rs. 3.80
2003-04	Rs. 106	Rs. 105.80	Rs. 0.20
2004-05	Rs. 106	Nil	Rs. 106
Total	Rs. 530	Rs. 332.57	Rs. 197.43

**Establishment Grants:** To meet the administrative expenses of the office of gram Panchayat and zilla Panchayats, the state government provides the grant includes the salary, allowances and other recurring costs of the functionaries transferred at the zilla and gram Panchayats. The item-wise expenditure of the grants is presented in Table 4.26.

Table 4.26: Item wise Expenditure of Grants

S. No.	Items	Rs. in Lakh
1.	Salaries & wages of officials	410
2.	Salaries & Honorarium of elected members	64.97
3.	Office expenses for 4 Zilla Panchayats	20.00
4.	Office expenses for 166 Gram Panchayats	16.60
5.	Travel expenses for officials	5.00
6.	Travel expenses for elected members	8.00
7.	Total	524.57

### State Control over PRIs

The state government has passed the conformity Acts to incorporate the major provisions of 73<sup>rd</sup> Amendment Act and to enhance the powers of PRIs to make it an institution of local self-government. This however does not mean that they have unlimited authority and freedom. Local bodies being the creation of the state/central governments are non-sovereign bodies, hence the concerned government exercises control and supervision over them with a view to securing proper performance of the functions entrusted to these bodies (Goel and Rajneesh 2003). In our country, there is mass illiteracy, ill-equipped and inexperienced non-official leaders, officials trained in authoritarian traditions, acrimony instead of harmony between official and non-official. Control is recommended to influence the operation of Panchayati Raj units so that they may establish sound tradition and conventions (Maddick 1963). Moreover in such a situation, state control is needed for proper direction, unification and coordination of the civic services and for securing consistency and continuity both in the formulation and implementation of the national policies (Khanna 1976). The state control is exercised by the State Government and its functionaries over Panchayati Raj system. There are a number of provisions in the state Panchayat Acts. In Sikkim, there is a Rural Management and Development Department to deal with the PRIs. The department is in constant touch with Panchayats and prescribed detailed guideline for their functioning.

There are four types of control over PRIs. These are: institutional, administrative, technical and financial controls (Singh and Singh 1986)

### **Institutional Control**

The term institutional control is used to connote and cover all those statutory provisions which empower some specific agency, usually the government or the collector to regulate the formation area and jurisdiction, membership structure and composition, election, size of councils, functional jurisdiction, staff, inter-institutional dispute and so on (Narain et al 1970). In fact, this control is the corner stone of the pattern of control over PRIs which relates to the basic structure of PRIs. Institutional control tends to ensure that these statutory bodies in their operation do not violate the spirit and letter of law that has created the PR bodies (Narain et al 1970). In brief, we can say that the main purpose of this control is to enable the government to exercise control over the administrative, technical and financial aspects of the working of PRIs (Singh & Singh 1986).

### **Administrative Control**

The term administrative control refers to those powers and measures which enable the controlling agency to check and regulate the day to day policies and administration of PRIs (Shiviah et al 1976). Each state has an administrative department from state level to block level to exercise administrative control over PRIs. The main objective of administrative control is to prevent implementation of certain policies and decisions if they are not according to the basic goals and purposes of the institution concerned (Narain et al 1970). This type of control is primarily directed against the non-official members of PRIs. The suspension and dissolution of PRIs, cancellation and suspension of resolution, removal of PRI members etc. are the major media of administrative control.

### **Technical Control**

Technical control deals with the regulation and supervision of various plans, programmes and projects formulated and implemented by PRIs within the statutory functional jurisdiction (Shiviah et al 1976). The major media of technical control over PRIs includes providing technical approval of schemes and projects, inspection, tours and personal visit by the technical functionaries, attendance in meetings of PRIs, reports and statements, periodical staff meeting etc. (Narain et al 1970). The extent of control and the media of control over PRIs are however very from state to state according to the status and level of technical functionaries.

### **Financial Control**

Among all the controls, the financial control is the most effective method of control over PRIs. The control is exercised to keep the expenditure by PRIs within the prescribed financial limits and check misuse of finances/funds. Financial control over PRIs includes regulation of finances, budgets account and audit of the PRIs.

### **Techniques of Control and SPA 1993**

The state government has adopted the following techniques to control PRIs of state -

1. Power to Cancel and Suspend Resolution: If the resolutions are not legally passed, the state government can cancel or suspend such resolutions passed by the PRIs. In Sikkim, District Development Officer (DDO), or by order in writing may rescind any resolution passed by the Gram Panchayat or Zilla Panchayat (Section 110 (1) of SPA 1993). The state government however may give the Gram Panchayat or Zilla Panchayat concerned an opportunity of making any representation against the proposed order.

2. Powers of Inspection and Supervision: The various officials of state governments work as supervisors for the PRIs. Section 109 (1) of the SPA (1993) empowers the Secretary of the Government in the Rural Management and Development Department to inspect and supervise the works or development schemes being implemented by PRIs. The scope of such inspection over technical aspects including feasibility, economic viability, the technical quality of the work and the expenditure being incurred.
3. Dissolution of PRIs: If in the opinion of government any PRI abuses its power or is not competent to perform or make persistent defaults in the performance of its duty or willfully disregards any instruction issued by the competent authority, Government can dissolve such institution (Section 114).
4. Power to remove PRI members: The Sections 209 and 66 of SPA (1993) empowers the government to remove any members of PRIs if found convicted by a criminal court, disqualified as a members of PRIs, or absent from three consecutive meetings of the Panchayats.
5. Power to remove the chairpersons of PRIs: State Government can remove Sabhapati, Up-Sabhapati and Sachiva of Gram Panchayat, Adhakshayay and Up-Adhakshayay of Zilla Panchayat from his office by written order if he/she willfully omits or refuses to carry out the powers assigned to him (Section 113 (1)).
6. Audit of Accounts: The audit of the accounts of the PRIs is carried out by the Auditor appointed by the State Government under Section 48 (2) of Act. The report prepared by the Auditor is forwarded to the institution within the one-month of completion of the audit. So that the institution can remedy any defect which have been pointed out in audit. Apart from audit, the sanctioning of the budget is also considered as an important instrument of control for without budgetary sanctions no expenditure can be incurred.
7. Power to regulate taxes: The State Government can make rules to regulate the imposition assessment to and collection of taxes, rates and fees by the PRIs (Section 78 (1)).
8. Order and Guidance: The State Government has the power to issue order from time to time for the guidance and also to ensure uniformity. Such orders and guidelines restrict the operational aspects of the PRIs.
9. Power to give Directions: The State Government provide the instruction or direction to PRIs in the discharge of their functions from time to time in conformity with the provisions of the Act (Section 112).
10. Power to Amend the Statute: The State Government is the only competent authority to amend the existing Statute/Act and can enlarge or restrict the powers, functions and jurisdiction of PRIs. The Government of Sikkim has made seven amendments till date in its Panchayat Act of 1993 to do so.

It is clear from the above discussion that the State Government enjoys vast powers to exercise control over the PRIs. As a result, the PRIs in the state functions as subordinate agencies of the State Government with not autonomy of its own.

### **District Planning Committee**

The 74<sup>th</sup> Amendment Act has made provision for the formation of a District Planning Committee (DPC) in each district of the country. Article 243 ZD added to the constitution by the Amendment Act (1992) states that:

"There shall be constituted in every state at the district level a district planning committee to consolidate the plans prepared by the Panchayats and the municipalities in the district and to prepare a draft development plan for the district as a whole".

The DPC unlike the National Planning Commission is a statutory body entrusted with the responsibilities to consolidate the district plan. Besides drafting of district plan, the DPC also take into consideration the spatial planning, sharing of water and other physical and natural resources integrated development of infrastructure and environment conservation in the district. These important functions of the Committee could have facilitated interface between municipalities and Panchayat (Mahipal 2004). The State Legislature has been given the authority to make laws in the respect of the composition, the manner of filling up the seats and selecting the chairperson of DPC. Formation of DPCs is a step towards making decentralisation pro-poor. Because the draft plan formulation by DPC rests on the plans from the Panchayats and municipalities, thus a linkage can be established with the district and local levels (Chatterjee & Ghosh 2003), and therein lies the *raison d'être* for the DPC, which was born of Article 243 ZD of the constitution of India (Jafri and Singh 2006).

The composition of DPCs varies from one state to the other and so do the functions that they have been entrusted, as well as the intensity and nature of planning exercises that they undertake. Many of the states are yet to constitute the DPC despite the fact that it is obligatory on the part of the state Government. At present, there are 20 states which have formed/constituted the DPC (Table 4.27). In Table 4.27, the status of formation of DPC in 20 states of the country is presented. Whenever the DPC has been formed, the chairperson of GPs and block Panchayats are not the members of the planning committee with the exception of Tamil Nadu where one-fifth of total block chairpersons in the district are the members of DPC by rotation. While except in Kerala, in all the other states MLAs and MPs are either the members or special invitees of DPC (Gupta 2004).

Table 4.27: Status of District Planning Committees (Art 243-ZD)

S. No.	State/UTs	State of Constitution of DPCs
1.	Andhra Pradesh	Not yet Constituted. However, an ordinance has been issued by the Govt. of AP in Dec, 2003 for constitution of DPCs
2.	Arunachal Pradesh	Not Constituted
3.	Assam	Not Constituted
4.	Bihar	37 districts out of 38 districts constituted on adhoc basis. Chairman ZP in the chairperson of DPCs
5.	Chhattisgarh	Constituted. Minister is the Chairperson of DPC
6.	Goa	Constituted. President of ZP Chairperson of DPC
7.	Gujarat	Not Constituted
8.	Haryana	Only in 16 Districts out of 19 district
9.	Himachal Pradesh	Constituted only in 6 districts out of 12. Minister is the Chairperson of DPC
10.	Jharkhand	Panchayat Election yet to be held
11.	Karnataka	Constituted. President of ZP is Chairperson of DPC
12.	Kerala	Yes, Chairperson of District Panchayat is Chairperson of DPC
13.	Madhya Pradesh	Yes, District in charge Ministers are Chairperson
14.	Maharashtra	Not constituted

15.	Manipur	Yes, in 2 districts out of 4. Adhakshayay, District Panchayat is the Chairperson
16.	Orissa	Only in 26 districts. Minister is the Chairperson of DPC.
17.	Punjab	Not constituted
18.	Rajasthan	Constituted, Chairperson of District Panchayat is DPC's Chairperson
19.	<b>Sikkim</b>	<b>Yes, Adhakshayay of Zilla Panchayat is the Chairperson of DPC</b>
20.	Tamil Nadu	Yes, Chairperson, DP is Chairperson of DPC
21.	Tripura	Not Constituted
22.	Uttar Pradesh	Not Constituted
23.	Uttaranchal	Constituted, Minister is Chairperson of DPC
24.	West Bengal	Constituted, Chairperson of Zilla Parishad is Chairperson of DPC
25.	A and N Islands	Constituted, Chairman of DP is Chairman of DPC
26.	Chandigarh	Not constituted
27.	D and N Haveli	Constituted, Chairperson, DP is Chairperson of DPC
28.	Daman and Diu	Constituted, Chairperson, DP is Chairperson of DPC
29.	Lakshwadeep	Constituted, Collector cum Development Commissioner is Chairperson of DPC
30.	Pondicherry	Not constituted. Panchayat Election not held

Source: <http://www.Panchayat.gov.in>

It can be seen from the table above that DPC have been formed only in 20 states and other states are still to fulfill their mandatory constitutional obligation to constitute DPC in accordance with the procedure set out in the Art. 243 ZD. And in some states (for e.g. M.P.) ministers are made the chairpersons of DPC. This is something against the spirit of the 73<sup>rd</sup> and 74<sup>th</sup> Amendment where the rural and urban bodies are conceived as local self-government. It was because of this, the Working Group on the Decentralised Planning and Panchayati Raj Institutions observed “If the Ministers or the officials of the State Government are selected as chairpersons of DPCs, it will be against the vision of the autonomy of micro-units that must be treated as autonomous centres of growth responsible for conceiving, initiating, executing and implementing development plan (GoI 2001).

The Government of Sikkim, in exercise of the power conferred by the Article 243 ZD and section 127 of the Sikkim Panchayat Act 1993 as amended by the Sikkim Panchayat (Amendment) Act 1995, constituted the District Planning Committee at all the four district of state. The Committee at present consist of the members of Zilla Panchayat, member of the House of People who represents whole or part of the district,

member of Legislative Assembly whose constituencies lie within the district, and the District Planning officer serve as the member secretary to the Committee. Unlike the other states, the DPCs in Sikkim is chaired by elected representatives. The Committee meets twice in a year. The term of the members of Committee is co-terminus with the term of the concerned Zilla Panchayat. The government, however, may extend such term by notification till a new district planning committee is constituted. Like elsewhere the committee in the state is vested with the power to evaluate, monitor and examine programmes as well as to approve the grants besides its main power of consolidating the plans prepared by the Panchayats and preparing draft development plan for the district.

In contrast to the national and state plans the District Plan would represent the district multi-sectoral package of area specific investment proposal and institutional arrangement suited in the context. Each District Plan must be specific to its own agro-climatic and socio-economic endowments. For the purpose of evolving and formulating suitable development strategy and plans for the economic and social development of the district tailored to meet the particular requirements of the district, a District Planning Cell has been set up at district. The cell is headed by District Planning Officer. He is assisted by officials of the Statistical cell/Bureau etc. The plans proposal received from the respective G.P. of each district has been examined by the office of DPO in addition to the proposals received from the district as whole. The cell provides the technical assistance to the Panchayat at the lower level for the formulation of Plans. The planning calendar has been adopted to make the planning process smooth and participatory. The calendar so adopted is as follows:

15 <sup>th</sup> August	Adopting the tentative size for the state's Annual Plan of the next year.
25 <sup>th</sup> August	Government in the planning development to indicate to Zilla Panchayat and Gram Panchayats the financial ceiling within which their Annual Plan is formulated for the next year.
20 <sup>th</sup> September	Gram Panchayat to send their plan proposals to Zilla Panchayats.
10 <sup>th</sup> to 25 <sup>th</sup> October	Discussion with the Zilla Panchayat on their Draft District Plan by the Planning Department for achieving consistency and integrated of District sector with state sector schemes/plans.
November	Government/State Heads of Department to consolidate these proposals and build them into the state's Draft Plan and send the same to the Planning Commission.
January	Approval of the Planning Commission to the State's plan.
February	Finalising the State's plan Budget in the light of Planning Commission approval to the state plan and finalising the District Plans of Zilla Panchayats.

This process has been designed to ensure that every reasonable local aspiration even at the village level is taken care of.

#### Limitation of District Planning

Every district in theory is expected to prepare a plan for its area, in practice, there are many problems in doing so. First, the DPC cannot introduce a totally new scheme not

in the approved list of schemes prepared by the state government, except with the ZP's own funds. The decision of government is final and district has little or no say. Second, there is very often a conflict between DPCs and sector departments, arising out of sector allocations by the DPCs. The departments tend to be more rigid in their allocations and DPCs can do nothing without the concurrence of the department concerned of the state governments and the planning department. In effect, DPC's role in developmental schemes was confined to the choice of location and in the case of "individual beneficiary schemes", to the selection of beneficiaries.

Third, the plan is prepared in the district according to planning calendar fixed by the state. The district planning faced a problem stemming from the planning calendar. Discussion with the Planning Commission to finalise the state plan are held in the month of December-January i.e. before the budget session. Prior to that, the district plans are finalised and both district and state plan are given final shape without knowing the exact state's share on the Centrally Sponsored Schemes (CSS). It then becomes very difficult to make adjustments to the plans of the state and of the district. What actually happens is that the state planning department finalises the district plans, in consultation with the District Collector, as there is not enough time to call meetings of all the DPC (Venkatesan 2002).

The Expert Group has suggested concrete steps that could be taken to establish and strengthen participatory planning during 2006-07, the last year of Tenth Five Year plan and period for the Eleventh plan from 2007 to 2012, keeping in the mind the provisions of Article 243 G of the constitution, which envisages Panchayats as local self-governments planning for economic development and social justice. It has also suggested to reform guidelines for important CSS to link them with plans of DPC (MOPR 2006).

The Mysore Round-Table Conference held on 28<sup>th</sup> and 29<sup>th</sup> Aug. 2004 have also suggested the following recommendation for strengthening the DPC in different states:

1. There shall be constituted in every state, at the district level, a District Planning Committee (DPC) by the end of the current financial year, whenever such DPCs do not already exists.
2. All DPCs should be constituted according to the procedure laid down in the constitution in the Article 243 ZD(2).
3. All states must make provision, by law, for the functions relating to DPCs.
4. District Planning must take in to account resource endowment of the area; felt needs of the people; and relative absorptive capacity.

### **Activity Mapping**

The spirit of Part IX of the Constitution is that the Panchayats are expected to be constituted and to functions as units of rural local self-government. The emphasis is to empower them with certain functional mandates, give them a significant degree of autonomy and impart to them an element of self-reliance and self-sufficiency through fiscal transfer, taxation powers and tax assignment (MOPR 2006). In spite of this mandatory provision of Part IX, several states did not constitute Panchayats and conduct election to them. And those states which created the Panchayats did not devolve any function, finance and functionaries to them. On this state of affairs, the report of the Task Force of Devolution of Powers and Functions to the PRIs 2001, rightly observed "the mandatory provisions of the Central Act have not been implemented in letter and spirit by most states/UTs even

about a decade after coming into force of the said Act" (MOPR 2001). There are however some states/UTs which have devolve the functions, finances and functionaries to the local bodies. As per available information on functional devolution given in the report of the Working Group on Decentralised Planning and Panchayati Raj Institution, out of the total states and UTs, only Karnataka, Kerala, Rajasthan, Sikkim, Tamil Nadu, West Bengal and Daman & Diu have transferred the 29 subjects to the Panchayats. Even in these states, there was no any role clarity of the functions to be preformed at different levels which created confusion and overlapping of function among the different tier of Panchayats. The Working Group on Decentralised Planning rightly observed: "..... Items listed as responsibilities as in the states are couched in vague terms. A glance on the variety of these items reveals that they are a slopping list of sectors and sub-sectors, broad activities in a sub-sector and activities in a sub-activities/specific responsibilities under abroad activity, with no role clarity... in some states the line departments still exercise the powers of Supervision and control over the schemes of subjects transferred to the Panchayats" (GOI 2001).

The need of the hour is therefore to ensure role clarity among the different levels of government. Assigning clearly defined activities to each level of government is essential both for efficient delivery of services as also for people to hold these level for their performance. When local governments are assigned clear tasks devolved funds and made accountable for their performance of these newly assigned responsibilities, they have a big incentive to demand the capacity required for effective performance. Thus role clarity catalyses capacity building from being supply driven to being demand driven (Raghunandan 2007). To address the various problems, of which activity mapping is one of them, ministry of Panchayati Raj, Government of India organised several Round Tables around the country and discussed almost all subjects pertinent to Panchayati Raj. The present initiative on activity mapping by different state is the outcome of First Round Table held in Kolkata in 23<sup>rd</sup> & 24<sup>th</sup> July 2004. In the First Round Table of States Minister of Panchayati Raj it was agreed that all States and Union Territories would undertake activity mapping by the end of 2004-05, using the activity mapping model that evolved in the Ministry of Rural Development in the Report of the Task Force on Devolution of Powers and Functions upon Panchayati Raj Institutions (2001). The target set in the Round Table has not been achieved but there has been considerable progress on activity mapping in different states. Table (4.28) below present the progress on Activity Mapping in different states of India.

Table 4.28: Progress of Activity Mapping in Different States

S. No.	State	Transfer of Subjects transferred through legislation	Details of activity mapping undertaken	Latest Position
1.	2.	3.	4.	5.
1.	Andhra Pradesh	17 Subjects	9 Subjects	Committee constituted under Special Chief secretary held 3 meetings and submitted its formulation. This is being considered by a Group of Ministers.

2.	Assam	29 Subjects	29 Subjects	Assam claims that it has done activity mapping more than 3 years back. However, this Activity mapping was in the form of a consolidated executive order, not in the matrix that we have prepared. The order is also quite vague in respect of certain subjects as it has remained on paper and individual departments have not operationalised this order through executive orders transferring funds and functionaries. After the 7 RTs, Activity Mapping is being monitored by Additional Chief Secretary. He has reviewed the earlier order and stated that whatever has been transferred, even if faulty has to be first implemented through issuance of orders. He has passed orders fixing time limits for departments to issue executive orders for transfer of funds and functionaries. It is reported by the Secretary, PR, that about 8 departments have passed partial orders. Copies will be sent to MoPR.
3.	Arunachal Pradesh		29 Subjects	An officer of the State government, Mr. Otem Dai has been engaged by the State Government to prepare the final Activity Mapping. PRIA has proved its inputs to the State in this regard.
4.	Bihar	25 Subjects		Discussion towards activity mapping between PRIA and Government of Bihar have been held. Work is in progress, though, it is not proceeding fast enough..
5.	Chhattisgarh	29 Subjects	27 Subjects. All except forest and drinking water supply	Activity Mapping for 27 items has been prepared. However, in spite of several workshops conducted by the PR department to discuss Activity Mapping, no progress has been made to issue the necessary executive orders in this regard.
6.	Goa	6 Subjects	18 Subjects	Eighteen functions have been devolved to village Panchayats and 6 to ZPs. However, these are not in terms of the items listed in

7.	Gujarat	15 Subjects	14 Subjects	the Eleventh Schedule, but in terms of actual civic functions. Goa needs to place its Activity Mapping in the matrix suggested. Activity Mapping has been done for 14 subjects. 5 subjects have been partially devolved. With respect to 10 functions, activities are yet to be devolved. The matter has been taken to the State Cabinet for policy decisions on identification of funds, functions and functionaries. An action report on the Round Table resolutions has been submitted by Gujarat. However, this information is incomplete.
8.	Haryana		10 Subjects	Activity Mapping in respect of 10 Subjects was released on 17-2-2006 in the joint presence of the Chief Minister, Haryana and MPR.
9.	Himachal Pradesh	20 Subjects		15 departments had issued delegating orders delegating powers to Panchayats in respect of their schemes. However, no activity mapping has been attempted in the matrix as suggested by MoPR. Secretary Panchayati Raj states that recently, Panchayat elections have been held and Panchayat members have been taken their oath on 23 <sup>rd</sup> January. A new impetus is required on Activity.
10.	Karnataka	29 Subjects	29 Subjects	Activity Mapping completed in respect of all 29 items in August, 2003. This was followed by another exercise of devolution of funds through the State Budget. A 'GO' was issued in October, 2005. The Activity Mapping has been given full effect through Fiscal devolution in the budget pertaining to 26 Subjects completed with effect from 2005-06.
11.	Kerala	26 Subjects	26 Subjects	119 activities relating to 19 functions have been devolved earlier. Kerala is revisiting this responsibility mapping currently.

				In this respect a new Activity Mapping matrix has been prepared, which is very detailed and unique, in the sense that is also covered Municipalities, as well as lists out the Activities in respect of each function that ought to be performed. This has been forwarded to the Ministry of Panchayati Raj, and orders are under issue by Kerala Government. Untied funds are being devolved to Panchayats in respect of devolved functions.
12.	Madhya Pradesh	23 Subjects	7 Subjects	For 7 or 8 activities, Activity Mapping was prepared by PRIA/Samarthan. The same NGO, has been requested to undertake this, for all 23 Subjects to be devolved. This report has not yet been considered, by the government.
13.	Maharashtra	18 Subjects		There has no move on Activity Mapping after the Round Table. Chief Secretary took two meetings, but nothing has progressed since then. Principal Secretary, PR, Maharashtra states that saturation has been reached in respect of devolution of powers and it is not intended to devolve more than 18 Subjects. He states that in respect of these 18, orders were issued in 2003.
14.	Manipur	22 functions	22 Subjects	Activity Mapping of 22 Subjects completed.
15.	Orissa	25 Subjects	7 Subjects	Activity Mapping has been issued in October in respect of 9 Subjects, in the presence of the Minister and the Chief Minister.
16.	Punjab	7 Subjects		Draft Activity Mapping has been prepared for all departments in a detailed fashion. This was circulated to all Ministers. However, only Social Security department, Public Health and Health departments have responded. Though meeting have been held at the level of Chief Secretary with all departments, nothing much has happened. In

			certain sectors such as Health and Education, significant work has been undertaken. 1300 doctors and rural dispensaries have been handed over to ZPs. Existing doctors have been shifted to city hospitals and new recruitments will be at the ZP level. 4000 primary schools are been transferred to the Panchayat Samiti and 10000 teachers being recruited at that level.
17.	Rajasthan	29 Subjects	12 Subjects: Agriculture, Soil Conservation, PHED, Elementary and Secondary Education, Health and Family Welfare, Irrigation, Forest, Industry, Food, Tourism, PWD, Energy and Technical Education.
18.	Sikkim	28 functions	The Activity Mapping exercise was started for 18 departments and has now been completed for 12. An interesting aspect of activity mapping undertaken is in respect of tourism.
19.	Tamil Nadu	29 Subjects	A Cabinet sub-committee chaired by the Home Minister, Mr. Gulab Chand Kataria was constituted in August 2004 to recommend measures to strengthen PRIs. The sub-committee has had detailed discussions and visited Kerala, Karnataka and AP. The report is ready, but not yet submitted to Cabinet for consideration. It is informally learnt that the report recommends full devolution by 2007, when the 11 <sup>th</sup> Plan starts. It has made several far reaching suggestions regarding fiscal devolution.  Activity Mapping has just started and is expected to be completed in few months.  Tamil Nadu claims to have issued instructions for devolving all Subjects to Panchayati Raj. GOs have been issued to devolve certain activities relating to functions devolved, but these remain on paper. In January 2006 meetings were held with Panchayat presidents. Work has since stopped due to election notification. Rural Roads, Water Supply, Sanitation and Rural Housing Schemes have been taken up for discussion. 3 <sup>rd</sup> State

20.	Tripura	29 Subjects	Finance Commission is also addressing this issue. In 1994 orders were issued for devolving 21 subjects. With respect to 8 Subjects orders are awaited because of operational problems related to 6 <sup>th</sup> Schedule. Activity Mapping exercise is on and it is also looking at administrative powers to the PRIs. Earlier only functions and financial devolution was there. Current exercise is aiming administrative control to PRIs. This is for 10 departments. The matrix for Activity Mapping has been prepared last year itself and is pending for decision at cabinet level. The matter is getting postponed due to conduct of different elections.
21.	U.P.	12 Subjects	Activity Mapping was completed in respect of 32 departments as part of the recommendations of a committee (Bholanath Tiwari report). However, this report has not been implemented. Currently the effort is to take steps to implement the same. A meeting was held under the APC, seeking to identify at least 5 schemes per department to transfer to Panchayats. However, not much headway has been made in this regard. On devolution of functionaries, the Multipurpose workers at Gram Panchayat level were progressively taken back to the State departments concerned. However, as per a recent judgement of the Allahabad High Court (8 <sup>th</sup> February), these workers have been restored to the Panchayats. State government is examining the implications of the same.
22.	Uttaranchal	14 Subjects	Activity Mapping in respect of 9 departments has been completed and is under consideration of the Government. GOs for devolution

			of 3 departments issued.
23.	West Bengal	29 Subjects	15 Subjects

Activity Mapping has been completed and orders issued in respect of 15 Subjects on 7-11-2005.

Source: MoPR (2006)

As a follow up of Round Table Conference, many states in India started working on the activity mapping of PRIs. To speed up the work, Ministry of Panchayati Raj (Union Minister of PR Shri M. S. Aiyer vide his letter no. D.O. R-12011/5/2004 PR dated September 20, 2004 wrote to all Chief Ministers) requested state governments to expedite completion of Activity Mapping on the basis of principle of subsidiarity and with a holistic and integrative perspective. The Minister also offered to provide expert assistance to state governments through two organisations: Society for Participatory Research in Asia (PRIA), New Delhi and Institute of Social and Economic Change (ISEC) Bangalore.

Union Minister of Panchayati Raj proactively visited different states in 2005 and signed Memorandums of understanding with Chief Minister of that state for time bound strengthening of PRIs in the state. Till now such MOU's have been signed with 14 states, viz., Karnataka, West Bengal, Rajasthan, Orissa, Arunachal Pradesh, Chattishgarh, Haryana, Uttarakhand, Himachal Pradesh, Punjab, Andhra Pradesh, Goa, Sikkim and Lakhshadweep.

In the state of Sikkim, the government constituted a Task Force Committee for Activity Mapping vide Notification No. 40/RMDP/P, dated 15. 04. 2006, to examine and make recommendation on the functions which may be transferred to the PRIs on the principle of subsidiarity along with finances and functionaries. The committee comprises of one chairperson, one member secretary and 18 members. Shri K. N. Sharma was the chairperson of the committee.

The committee after details deliberation and discussion submitted 66 pages reports to the government. It recommended the transfer of subject, which are local in nature from line departments to PRIs, and delineate all transferred functions among the different tier of local bodies. The committee observed, "for any activity to be effectively accomplished, appropriate man power, financial resources, their sustainability both in terms of physical maintenance as well as obtaining optimum benefits are necessary." The Table 4.29 presents the Activity Mapping of PRIs in Sikkim.

**Table 4.29: Activity Mapping for PRIs in Sikkim**

Sector	Panchayats Tier	
	Zilla Panchayat	Gram Panchayat
<b>1. Agriculture &amp; Food Security.</b>	<p>Identification of areas for all programmes.</p> <p>National Agricultural Insurance Scheme.</p> <p>Extension and demonstration on organic farming.</p> <p>Conducting crop competition demonstration.</p> <p>Deconstruction program (identification of area and beneficiaries).</p> <p>Compensation for crop loss due to natural calamities.</p> <p>Establishment of storage facilities.</p> <p>Generate crop statistics.</p>	<p>Selection of beneficiaries for demonstration and organic manure production.</p> <p>Assist in organizing crop competition &amp; exhibition.</p> <p>Selection of beneficiaries for special program of organic farming.</p> <p>Generating yield data.</p> <p>Reporting of crop loss.</p> <p>Maintenance of infra-structures.</p> <p>Organizing &amp; motivation for agriculture production.</p>
<b>2. Horticulture &amp; Cash Crops.</b>	<p>Extension &amp; demonstration on organic farming related to horticulture.</p> <p>Conducting crop competition &amp; exhibition.</p> <p>Training &amp; demonstration of horticulture crops including fruits, vegetables, potato, ginger &amp; cardamom.</p> <p>Create awareness in floriculture as commercial venture.</p> <p>Assessment, verification and compensation of horticulture crop losses due to natural calamities.</p> <p>Establishment of storage facilities.</p> <p>Generate horticulture crop statistics.</p> <p>Motivation and implementation of crop insurance.</p>	<p>Extension &amp; demonstration on organic farming related to horticulture and development of local entrepreneurs for production of organic manures.</p> <p>Assist in organizing crop competitions &amp; exhibitions.</p> <p>Training &amp; demonstration of horticulture crops through selection of right beneficiaries and areas.</p> <p>Assessment and reporting of horticulture crop losses.</p> <p>Maintenance of storage facilities.</p> <p>Motivation of crops insurance programme.</p>
<b>3. Animal Husbandry, Livestock, Veterinary Services.</b>	<p>Rabies control, vaccination &amp; elimination of affected animals.</p> <p>Distribution of preventive materials for control animal diseases Preventive measure.</p> <p>Compilation of reports &amp; dissemination of information.</p> <p>Identification of areas for different types of annual development programme.</p> <p>Quality monitoring.</p> <p>Meat inspection &amp; certification.</p> <p>Programmes for fodder</p>	<p>Reporting incidents &amp; supervising implementation of works.</p> <p>Reporting incidents &amp; supervising implementation of works.</p> <p>Supervision &amp; local level survey.</p> <p>Implementation of programmes.</p> <p>Monitoring &amp; regulation of wastes.</p> <p>Identification of beneficiaries.</p> <p>Distribution of fodder.</p> <p>Collection of products for large markets.</p> <p>Assessment of production-collection centres.</p>

	<p>production.</p> <p>Management of marketing of animal product. Assessment of production.</p> <p>Processing centres.</p> <p>Training &amp; awareness of animal husbandry related programmes.</p> <p>Organizing district-level training, workshops &amp; programmes.</p> <p>Cross breeding – management of artificial insemination programmes.</p> <p>Execution of works between Rs. 2 to Rs. 5 lakhs.</p> <p>Identifying areas for various types of fisheries.</p>	<p>Supervision of delivery of government services.</p> <p>Identification of training needs of farmers.</p> <p>Requisition of training programme.</p> <p>Distribution of high-bred varieties of farm animals.</p> <p>Execution of works upto Rs. 2 lakhs.</p> <p>Supervision of implementation.</p>
4. Education.	<p>Overall supervision of JHS except appointment and transfer of teachers.</p> <p>All repairs &amp; maintenance of JHS.</p> <p>Supporting State authorities in survey &amp; related projects.</p> <p>Literacy programmes.</p> <p>Monitoring the programmes.</p> <p>Construction of mid-day meal kitchen and its maintenance.</p>	<p>Overall supervision of functioning of PS and LPS except appointment and transfer of teachers.</p> <p>All repairs &amp; maintenance work upto Rs. 10 lakhs.</p> <p>Identification of learner's assisting in literacy survey.</p> <p>Supervision of programmes.</p>
5. Health & Family Welfare.	<p>To facilitate the formation of village health and sanitation committees at the gram Panchayat level.</p> <p>To ensure and help District Health Mission under NRHM to prepare a need based demand driven socio-demographic plans at the district level.</p> <p>To oversee effective implementation of health and family welfare programmes as the district level by monitoring and supervising the functions and functionaries, by training, equipping and empowering Panchayat members suitably to manage and supervise the functioning of health care infrastructure and man-power and further co-ordinate works of different departments such as Health &amp; Family Welfare, Social Welfare, Public Health Engineering, Rural Development,</p>	<p>Form village health and sanitation committee comprising of ANM/MPHW (M), AWW, ASHA, MSS, NGOs and village representatives with adequate representation for women members (Existing village sanitation committees under Total Sanitation Campaign may be redesignated as Village Health and Sanitation Committees).</p> <p>To ensure and help village level health committees under NRHM to prepare an area specific, need based, demand driven, socio-demographic plans at the village/sub-centre level.</p> <p>To grant approval and ensure proper utilization of funds earmarked as untied funds under NRHM.</p> <p>To ensure selection of science and dedicated ASHA in villages. To promote access to improved health care at the household level through female health activist (ASHA).</p> <p>To demonstrate exemplary</p>

	<p>etc. at the district level.</p> <p>To ensure un-biased selection ASHA in each village by Panchayat members and to devise mechanism at the district level for monitoring of ASHA.</p> <p>Awareness generation regarding all health and family welfare related issues and generate demand from the community regarding available services provision under different National Health Programmes and State Service Provision. To increase service utilization at different levels through different effective locally acceptable approaches.</p>	<p>performance in compulsory registration of births, deaths, marriages and pregnancies. Ensuring safe deliveries to bring a reduction in Infant Mortality Rate (IMR) and Material Mortality Rate (MMR).</p> <p>Identification of people in need of services and facilitate providing services in collaboration with village level health workers in respect of National Programme like Reproductive and Child Health, Blindness, TB Control, STD/HIV/AIDS, etc.</p> <p>Keeping provision of fund for material and child health activities (referral of high risk cases, etc.)</p> <p>Awareness generation regarding all health and family welfare related issues and to generate demand from the community for services under different National and State Health and Programmes.</p>
6. Forests, Environment and Wildlife.	<p>Facilitation for marketing of saplings for government &amp; private plantation.</p> <p>Providing marketing facilities for medical plants &amp; other forestry products.</p> <p>Training for cultivation.</p> <p>Protection support to Smriti van.</p> <p>Support for control of forest fire.</p> <p>Prevention&amp; control.</p> <p>Awareness on grazing-regulated grazing.</p> <p>Promotion of NTFP-bamboo plantations.</p> <p>Promotion of timber substitutes-marketing.</p> <p>Identification of gram Panchayats for the programme.</p> <p>Monitoring of the programme.</p> <p>Identification of gram Panchayats for the programme.</p> <p>Harvesting &amp; distribution of fuel wood.</p> <p>Implementation of creative.</p>	<p>Establishment of community nurseries.</p> <p>Establishment of medical plants gardens for commercial purpose.</p> <p>Establishment of Smriti vans.</p> <p>Control of forest fires.</p> <p>Co-ordination with JFMC.</p> <p>Control of grazing in forest land.</p> <p>Implementation of regulated grazing.</p> <p>Plantation of NTFP-production.</p> <p>Micro-planning &amp; implementation of soil conservation works.</p> <p>Planning &amp; implementation of Green Mission works.</p> <p>Planning &amp; implementation of fuel wood plantation in community lands.</p> <p>Identification of sites.</p> <p>Upkeep of parks &amp; gardens.</p>

7. Commerce & Industries.	<p>Providing assistance to trained beneficiaries to start their own units including credit support.</p> <p>Organizing entrepreneurial development programmes.</p> <p>Providing marketing facilities for cottage and village products.</p> <p>Identifying locations for specific industrial &amp; commercial activity.</p>	<p>Identification of beneficiaries for training.</p> <p>Distribution of raw materials.</p> <p>Promotion of cottage industries based on locally available materials.</p>
8. Disaster Management.	<p>Assisting in assessment of damages during natural calamity.</p> <p>Providing training on rescue and relief operation.</p> <p>Co-ordinating with District Relief Committee and Village Relief Committee.</p> <p>Investment in preventing measures and also preparedness.</p> <p>Maintenance &amp; minor repairs between Rs. 10 to Rs. 20 lakhs.</p>	<p>Mobilizing community organization for relief and rescue.</p> <p>Organizing rescue and relief through the Gram Panchayat and Ward Disaster Management Committees.</p> <p>Temporary restoration of village road, water supply, schools &amp; health centers. Identification of victims and providing relief.</p>
9. Irrigation.	Creation of minor irrigation channels.	<p>Identification of locations for minor irrigation channels.</p> <p>All repairs of minor irrigation channels.</p>
10. Cultural Activities.	Identification and preservation of heritage sites.	<p>Promotion of folk art.</p> <p>Preservation of traditional culture and customs.</p> <p>Rural (village) libraries.</p>
11. Rural Water Supply.	All maintenance and new schemes between Rs. 10 to Rs. 20 lakhs.	Minor repairs and new schemes upto Rs. 10 lakhs.
12. Rural Bridges.	All maintenance and new schemes between Rs. 10 to Rs. 20 lakhs.	Minor repairs and new schemes upto Rs. 10 lakhs.
13. Rural Sanitation.	<p>Promoting environment friendly means of disposal of solid and liquid waste.</p> <p>Maintenance of environmental hygiene.</p> <p>Construction and maintenance of institutional and community latrines and bathing places.</p>	<p>Conducting environment friendly waste management through Gram Panchayat level Water and Sanitation Committees.</p> <p>Construction and maintenance of Individual Sanitary latrines and bathing cubicles.</p>
14. Cooperatives.	Promotion of cooperative movement.	Generating awareness of cooperatives.

15. Misc.	<p>Regulating building construction.</p> <p>Rural street lighting and its maintenance.</p> <p>Establishment &amp; maintenance of crematoriums and burial places.</p> <p>Regulating disposal of carcasses.</p> <p>Construction of ICDS Centres.</p> <p>Disbursement of OAP &amp; SA.</p> <p>Small Family Benefit Scheme.</p> <p>National Family Benefit Scheme.</p> <p>Promotion of eco-tourism.</p> <p>Maintaining tourists infra-structure and amenities at the district level.</p> <p>Identification of potential places for development of tourism.</p> <p>Promotion of use of renewable energy sources.</p> <p>Maintaining haat sheds at the Sub-Divisional level markets not falling under the jurisdiction of ULBs.</p> <p>Assisting the State Govt. in collection of data/survey/maintenance of law &amp; order and IEC activities.</p>	<p>Enforcing regulation for building construction.</p> <p>Establishment facilities for generation of renewable energy sources.</p> <p>Reporting on presence of dead carcasses.</p> <p>Supervision and maintenance of ICDS Centres.</p> <p>Maintaining tourist infra-structure and amenities at the village level.</p> <p>Regulating the use of haat sheds at the Sub-Divisional level markets not falling under the jurisdiction of ULBs.</p> <p>Collection of data for the State Govt. and reporting to the District</p> <p>Administration of the law &amp; order situation including potential dangers and disturbances.</p>
All centrally Sponsored Schemes.	As per guidelines given by the GOI.	As per guidelines given GOI.

Source: GOS (2007)

### Capacity Building

The Central Government has introduced the 73<sup>rd</sup> Constitutional Amendment leading to transfer of additional functions to the local body. This granting of constitutional sanction and recognition to local bodies is administratively, politically, as well as economically welcome, for it will lead to ‘power to the people’ as also put the burden of accountability via performance checks on the local bodies (Karnik et al 2006). The Part IX of the Constitution has provided the provisions of devolution of 29 subjects to the rural local bodies. The effective implementation of this provisions will, thus require building of the capability of Panchayats in the fullest meaning of the term, which encompasses training, provision of adequate functionaries, technical assistance, and a host of other support to Panchayats. It has been found that majority of the elected representative including the women and backward classes are not able to participate meaningfully in the system of local governance and effectively contribute in the development of their constituency. Illiteracy, ignorance, backwardness, poverty, etc. among the elected representatives are the stumbling blocks in the way of performing their duties effectively. These problems can largely be eliminated if sincere efforts are made to substantially enhance the knowledge, skills and capabilities of local bodies representatives. Therefore, of all the prerequisites for smooth functioning of local bodies to deliver goods, capacity building exercise for local body leaders is foremost and imperative (Palanithurai 2001).

In the context of building capabilities, following observation deserves mention:  
“In the past the Panchayati raj institutions could not function in the manner envisaged, and one of the important reasons has been the lack of local level expertise to cope with the growing complexities of development” (Montgomery cited in Gupta 2004).

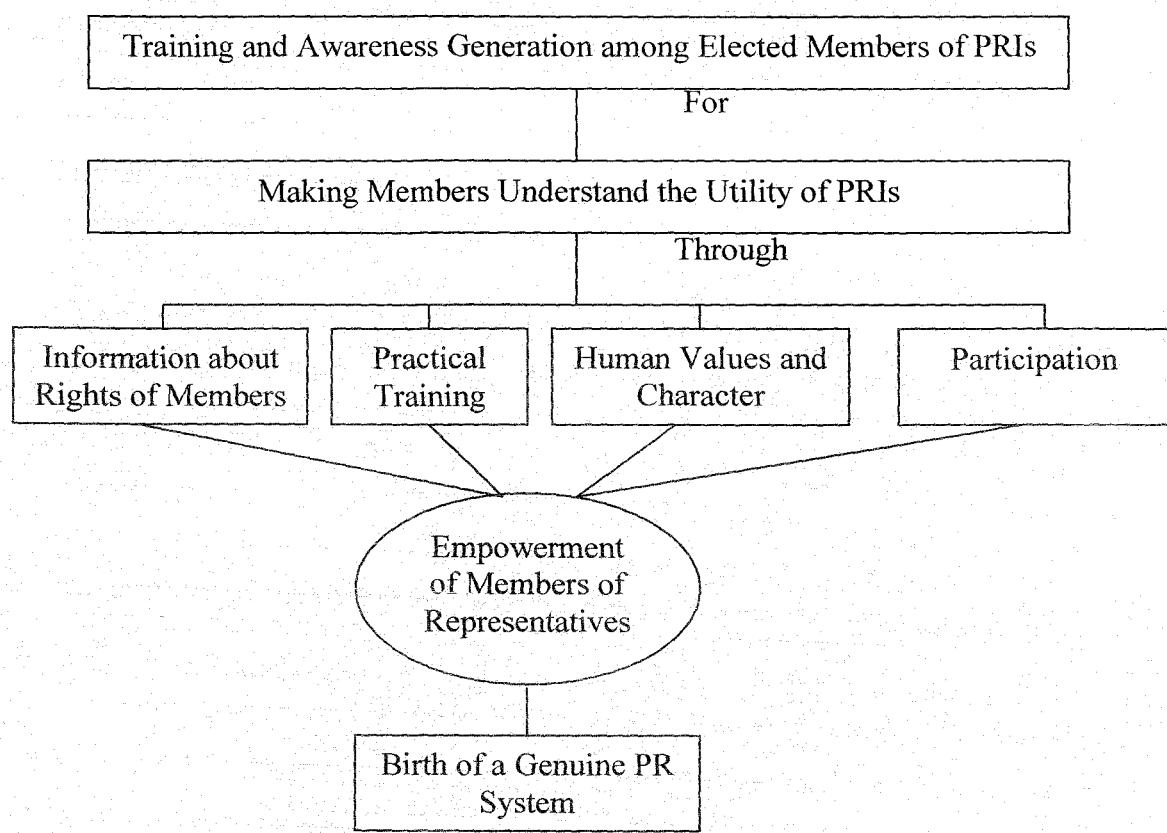
Capacity development of local government functionaries plays a very critical role for the success of decentralisation as the decentralisation process is engaged in creating new systems and procedures in local governance, transferring numerous key functionaries from development departments of the state to local governments with newer role and drawing newer elected functionaries in every election who are never exposed to the new systems of local governance (Rajasekharan 2007)

Capacity Building may be defined as support or intervention that empowers people communities or organisations to achieve their objectives. Effective Capacity Building requires the interaction of learning-by-doing, access to resources, facilitation, mediation, and training (Singh 2004). The measures basically aimed at the creation of enabling environment for local leaders; human resource development; institution building and development of managerial capability. Capacity Building measures also comprise developing community audit skills, formulating common vision, demonstrating the importance of setting and prioritizing realistic objectives consistent with local values, facilitating a strategic plan and phased operational measures, and encouraging of progress (Murray and Dunn 1995). Moreover, Capacity Building not only builds the skills and managerial capacity of the elected representatives but also builds a movement for prosperity at the grassroots as the system has been created in such a way that the performance of the Panchayats can be evaluated and monitored constantly by the people (Palanithurai 2005).

To cover the large number of elected representatives innovative steps have been taken in different states. In Sikkim, systematic approach to training of PRI functionaries has been adopted from 1991 onward. The State Institute of Rural Development (SIRD), Sikkim is organising training courses for the Capacity Building of Panchayat Functionaries. SIRD, established in 1991, is the pioneer training institution in the state that impart training to PR representatives and other functionaries. It provides training to Panchayats leaders in phase manner. The training module prepare to distribute/circulate among the trainee contains a brief of the devolved functions role of the PRIs, decentralise planning, education, health, etc., implications of 73<sup>rd</sup> Amendment Act, and the basic details about the Sikkim Panchayat Act of Sikkim. It may be mentioned that major focus in the training programme was given to social development aspect of rural development keeping in view the intensity of the problems in rural areas. During 1994 to 2008, SIRD trained total of 20941 participants that includes member of PRIs, officials and member of NGOs and SHGs (Table 4.30). The training programmes contain vast areas of subjects. The Table 4.31 presents the subject and period wise training programmes conducted by SIRD in 2006-07. In the course of training, the Ministry of Rural Development, which extends limited financial assistance to the state directly and through the Council for Advancement of People's Action and Rural Technology (CAPART) for conducting training, assists the SIRD and awareness generation programmes on Panchayati raj. The state government sponsored training programmes where to train Panchayat representatives about powers and functions of PRIs. The objective of these training programmes is capacity building of Panchayat representatives for active participation in implementing development and welfare

programmes. The capacity building of Panchayat functionaries also helped to establish the good and genuine PR system (Fig. 4.3).

Fig. 4.3: Capacity building for genuine PR system



*Source: Goel and Rajneesh (2003)*

In the whole process of training, the Panchayat leaders were sensitized on the issues of democratic decentralisation of powers and the bases of the 73<sup>rd</sup> Amendment Act and the State Panchayat Act. Some other gains from such training for capacity building are:

- (a) Better understanding of local self-governance, democratic values, gender issues and self-reliance.
- (b) Evolution of a better plan conception, execution and monitoring system.
- (c) Better coordination and communication between officials and non-officials.
- (d) Facilitate greater participation of elected women representatives in the functioning of local governance.
- (e) Enhancement in the mobilisation of local resources.
- (f) Accountability and transparency mechanism is improved.
- (g) Improvement in the delivery of development programmes.
- (h) Changes in the knowledge and skill levels of the elected functionaries.
- (i) Build confidence among the leaders.

All these gains achieved through the capacity building programmes helped greatly the elected functionaries in running the Panchayat administration effectively and efficiently. Looking at the importance of capacity building, the Seventh Round Table of Minister-in-charge of Panchayati Raj proposed that the training and communication should be a continuous, ongoing process. Capacity Building and information dissemination are the two prerequisite for the effective functioning of local bodies at present. There are however many difficulties in conducting such training. The biggest

challenge is development of institutions at local level which can cater to the training needs of the elected representatives which is not so easy task. Secondly, there is a dearth of trained trainers who could facilitate high quality learning. Further it requires volley of information pertinent to Panchayati raj administration.

Table 4.30: Training Programmes conducted at SIRD from 1994 – 2008

Year:	Programme Conducted	Participants Attended			Total Participants
		Officials	Elected Representatives	NGOs & Others	
1994 – 1995	10	126	45	123	294
1995 – 1996	22	200	151	260	611
1996 – 1997	10	108	64	---	172
1997 – 1998	12	229	28	47	304
1998 – 1999	17	53	557	---	610
1999 – 2000	15	299	426	20	745
2000 – 2001	20	318	782	115	1215
2001 – 2002	21	220	104	336	660
2002 – 2003	22	379	23	427	829
2003 – 2004	24	398	286	339	1023
2004 – 2005	29				1666
2005 – 2006	50				1903
2006 – 2007	78				4330
2007 – 2008	141	1379	2096		6579

Source: SIRD (2008)

Table 4.31: Training Programme Conducted on different topics to officials and non-officials members by SIRD, Sikkim during the Year 2006 – 2007

Sl. No.	Training Programme	Period:	No. of Participants
1.	Training programme for RDAs on IT	April 10 <sup>th</sup> -22 <sup>nd</sup> , 2006	18
2.	Workshop on Action Plan Formulation of Suldung-Segang Workshop.	April 15 <sup>th</sup> , 2006	35
3.	Two days Training on Empowerment of Women Representatives & Functionaries of PRIs of South District.	April 20 <sup>th</sup> -21 <sup>st</sup> , 2006	38
4.	Training on Mushroom Cultivation	April 24 <sup>th</sup> -26 <sup>th</sup> , 2006	55
5.	Training on Diary Farming	April 27 <sup>th</sup> -29 <sup>th</sup> , 2006	29
6.	Training on Apiculture	May 08 <sup>th</sup> -13 <sup>th</sup> , 2006	54
7.	Training on Formation & Management of Self Help Group	May 08 <sup>th</sup> -09 <sup>th</sup> , 2006	10
8.	Training on Video Production	May 12 <sup>th</sup> -16 <sup>th</sup> , 2006	34
9.	Training on Apiculture	May 15 <sup>th</sup> -19 <sup>th</sup> , 2006	16
10.	Training programme for RDAs on IT	May 15 <sup>th</sup> -27 <sup>th</sup> , 2006	8

11.	Training on Empowerment of Women Representatives & Functionaries of PRIs of West Sikkim	May 24 <sup>th</sup> -25 <sup>th</sup> , 2006	18
12.	Training programme of RDAs on IT	June 05 <sup>th</sup> -19 <sup>th</sup> , 2006	11
13.	Training Programme on Formation & Management of Self Help Group	June 06 <sup>th</sup> -07 <sup>th</sup> , 2006	49
14.	Orientation programme for the Guardian Officers	June 13 <sup>th</sup> , 2006	33
15.	ToT on Accounts Keeping for PRI Functionaries	June 15 <sup>th</sup> -17 <sup>th</sup> , 2006	23
16.	Training on Apiculture	June 19 <sup>th</sup> -23 <sup>rd</sup> , 2006	32
17.	Training on Empowerment of Women Representatives & Functionaries of North District	June 29 <sup>th</sup> -30 <sup>th</sup> , 2006	32
18.	Training on Formation & Management of Self Help Groups	July 03 <sup>rd</sup> -04 <sup>th</sup> , 2006	81
19.	ToT on Total Sanitation Campaign	July 5 <sup>th</sup> , 2006	43
20.	State Level Workshop under Fisheries Department	July 10 <sup>th</sup> , 2006	53
21.	Training Programme for RDAs on IT	July 17 <sup>th</sup> -29 <sup>th</sup> , 2006	17
22.	ToT on SGSY for Forming Rural Poor in SHGs	Aug 01 <sup>st</sup> -03 <sup>rd</sup> , 2006	33
23.	Training of Financial Management of DRDAs	Aug 07 <sup>th</sup> -12 <sup>th</sup> , 2006	25
24.	Orientation Course for Guardian Officer of West Sikkim	Aug 19 <sup>th</sup> , 2006	46
25.	Training programme for RDAs on IT	Aug 21 <sup>st</sup> -02 <sup>nd</sup> Sep, 06	12
26.	Training programme on Efficient Management of Public Distribution System	Aug 28 <sup>th</sup> -31 <sup>st</sup> , 2006	66
27.	Orientation programme on Gram Planning Forum of North District	Sept 1 <sup>st</sup> , 2006	117
28.	Orientation programme on GPF - North Sikkim	Sept 2 <sup>nd</sup> , 2006	49
29.	Orientation programme on GPF – South Sikkim	Sept 4 <sup>th</sup> , 2006	79
30.	Orientation programme on GPF – East	Sept 4 <sup>th</sup> , 2006	95
31.	Orientation programme on GPF – East	Sept 5 <sup>th</sup> , 2006	59
32.	Orientation programme on GPF – South	Sept 5 <sup>th</sup> , 2006	136
33.	Orientation programme on GPF – East	Sept 6 <sup>th</sup> , 2006	122
34.	Orientation programme on GPF – East	Sept 8 <sup>th</sup> , 2006	121
35.	Orientation programme on GPF – West	Sept 11 <sup>th</sup> , 2006	107
36.	Orientation programme on GPF – South	Sept 11 <sup>th</sup> , 2006	74
37.	Orientation programme on GPF – South	Sept 12 <sup>th</sup> , 2006	131
38.	Orientation programme on GPF – West	Sept 12 <sup>th</sup> , 2006	77
39.	Orientation programme on GPF – West	Sept 13 <sup>th</sup> , 2006	144
40.	Orientation programme on GPF – West	Sept 14 <sup>th</sup> , 2006	157
41.	Training on GIS Application URD	Sept 18 <sup>th</sup> -23 <sup>rd</sup> , 2006	37
42.	Training on Poultry Management	Oct 12 <sup>th</sup> , 2006	19
43.	Training on Bee Keeping	Oct 26 <sup>th</sup> -27 <sup>th</sup> , 2006	61
44.	Foundation Course for Block Development Officer	Nov 11 <sup>th</sup> -02 <sup>nd</sup> Dec, 06	24
45.	Training on Organic Farming & Food Processing	Nov 15 <sup>th</sup> -22 <sup>nd</sup> , 2006	28

46.	Training on Organic Farming & Food processing	Nov 23 <sup>rd</sup> -28 <sup>th</sup> , 2006	27
47.	Workshop on National Natural Resource Information System	Nov 28 <sup>th</sup> , 2006	60
48.	Orientation Programme for Farmers of Sikkim organized by Spices Board	Nov 29 <sup>th</sup> , 2006	46
49.	Training on Strategic Financial Management for SHG	Dec 11 <sup>th</sup> -16 <sup>th</sup> , 2006	32
50.	ToT on SGSY	Dec 11 <sup>th</sup> -16 <sup>th</sup> , 2006	32
51.	Awareness programme for Farmers of Sikkim	Dec 29 <sup>th</sup> , 2006	28
52.	Orientation programme on Horticulture	Jan 8 <sup>th</sup> , 2007	34
53.	Training on Processing of Milk	Jan 10 <sup>th</sup> , 2007	9
54.	Training (ToT) on Floriculture	Jan 29 <sup>th</sup> , 2007	38
55.	Training on NREGP	Jan 29 <sup>th</sup> -30 <sup>th</sup> , 2007	154
56.	Training programme on Poverty Alleviation and Youth Participation.	Feb 02 <sup>nd</sup> -04 <sup>th</sup> , 2007	31
57.	Training on Floriculture at Turuk	Feb 2 <sup>nd</sup> , 2007	14
58.	ToT on SGSY for Formation of Rural Poor in SHGs	Feb 6 <sup>th</sup> , 2007	34
59.	Training on Floriculture at Sadam	Feb 13 <sup>th</sup> , 2007	52
60.	Workshop on IEC	Feb 14 <sup>th</sup> , 2007	14
61.	Training on Floriculture at Kitam	Feb 14 <sup>th</sup> , 2007	12
62.	Training on Floriculture at Salghari	Feb 15 <sup>th</sup> , 2007	18
63.	Training on Floriculture at Bermiok	Feb 16 <sup>th</sup> , 2007	59
64.	TSC (Dentam)	Feb 17 <sup>th</sup> , 2007	238
65.	TSC (Sumbuk)	Feb 18 <sup>th</sup> , 2007	61
66.	TSC (Daramdin)	Feb 19 <sup>th</sup> , 2007	94
67.	NIRD Off-Campus – JFM for Sustainable Livelihood Development	Feb 19 <sup>th</sup> -24 <sup>th</sup> , 2007	27
68.	ToT for Gladiolus Farmers	Feb 21 <sup>st</sup> , 2007	65
69.	TSC (Maney dara)	Feb 21 <sup>st</sup> , 2007	176
70.	NABARD Off-Campus “ Capacity Building of SHG Leaders”	Feb 26 <sup>th</sup> -27 <sup>th</sup> , 2007	43
71.	Training on Floriculture at Turuk	Feb 27 <sup>th</sup> , 2007	47
72.	ToT for Gladiolus Farmers	Feb 28 <sup>th</sup> , 2007	18
73.	Training cum Study Tour to Sikkim for Watershed Functionaries of N. C. Hills, Assam	Mar. 8-13, 2007	19
74.	Production Management and Post Harvest Technology in Ginger	Mar. 12-13, 2007	67
75.	Training on Social Audit, at Mangan	Mar. 15-17, 2007	150
76.	Formation and Management of SHGs	March 23 <sup>rd</sup> , 2007	07
77.	Workshop on Community Based Tourism	Mar. 23-24, 2007	36
78.	Leadership Development Programme for Leaders of MPCs/SHG.	Mar. 28-29, 2007	80
TOTAL			4330

Source: SIRD (2007)

### State Finance Commission

The Constitutional Amendment provided for the creation of State Finance Commission (SFC) to review and make recommendations on Panchayat finances. Article 243I of the Act says that:

The Governor of a state shall, as soon as may be within one year from the commencement of the Constitution (73<sup>rd</sup> Amendment) Act, 1992, and thereafter at the expiration of every fifth year, constitute a 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 and fees leviable by the state, which may be divided between them under this part and the allocation between the Panchayats at all levels of their respective shares of such proceeds;

(ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by the Panchayats,

(iii) the grants-in-aid to the Panchayats from the Consolidated Fund of the State;

(b) the measures needed to improve the Financial position of the Panchayats;

(c) any other matters referred to the Finance Commission by the Governor in the interest of Sound finance of the Panchayats.

The conformity Acts of the state provide for the composition of the Commission, the qualifications for its members and the manner of their election. Every recommendation of the Commission is to be laid before the legislature of the state.

Most of the states have constituted two Finance Commission so far and some of them (Andhra Pradesh, Kerala & Punjab have constituted the third SFC) have also constituted Third generation Finance Commission. Table 4.32 indicates the present status of SFC and its recommendation in different states.

Table 4.32: Status of SFC Constitutions and Submission of its Reports in States  
(As on 30 August 2004)

S. No	State	Month of SFC Constitution	Month of report Submission	Period covered by SFC
1.	Andhra Pradesh (I)	June 1994	May 1997	1997-98 to 1999-00
2.	Andhra Pradesh (II)	December 1998	August 2002	2001-01 to 2004-05
3.	Arunachal Pradesh	May 2003	June 2003	
4.	Assam (I)	June 1995	February 1996	1996-97 to 2000-01
5.	Assam (II)	April 2001	August 2003	2001-02 to 2004-06
6.	Bihar	April 1994/ June 1999	Not submitted	
7.	Chhattisgarh	Not constituted		
8.	Goa	April 1994/ September 1999	June 1999	2000-01 to 2004-05
9.	Gujarat	September 1994/ August 1998	October 1998	1996-97 to 2000-01
10.	Haryana (I)	May 1994	March 1997	1997-98 to 2001-02
11.	Haryana (II)	September 2000	Not yet submitted	2001-02 to 2005 –06
12.	Himachal Pradesh (I)	April 1994	November 1996	1996-97 to 2000-01
13.	Himachal Pradesh (II)	May 1998	October 2002	2002-03 to 2006-07

14.	Jammu and Kashmir	Constituted	Submitted	2003-04 to 2004-05
15.	Jharkhand	Not constituted		
16.	Karnataka (I)	June 1994	August 1996	1997-98 to 2001-02
17.	Karnataka (II)	October 2000	December 2002	2003-04 to 2007-08
18.	Kerala (I)	April 1994	February 1996	1996-97 to 2000-01
19.	Kerala (II)	June 1999	January 2001	2001-02 to 2005-06
20.	Madhya Pradesh (I)	June 1994/ February 1995	July 1996	1996-97 to 2000-01
21.	Madhya Pradesh (II)	June 1999		2001-02 to 2005-06
22.	Maharashtra (I)	April 1994	January 1997	1996-97 to 2001-02
23.	Maharashtra (II)	June 1999	Submitted	2001-02 to 2005-06
24.	Manipur (I)	April 1994/ May 1996	December 1996	1996-97 to 2000-01
25.	Manipur (II)	January 2003	Submitted	2001-02 to 2005-06
26.	Orissa (I)	November 1996/ August 1998	December 1998	1998-99 to 2004-05
27.	Orissa (II)	June 2003	October 2003	2005-06 to 2009-10
28.	Punjab (I)	April 1994	December 1995	1996-97 to 2000-01
29.	Punjab (II)	September 2000	February 2002	2002-03 to 2005-06
30.	Rajasthan (I)	April 1994	December 1995	1995-96 to 1999-00
31.	Rajasthan (II)	May 1999	August 2001	2000-01 to 2004-05
32.	Sikkim (I)	April 1997/ July 1998	August 1999	2000-01 to 2004-05
33.	Sikkim (II)	February 2003	September 2004	2005-06 to 2009-10
34.	Tamil Nadu (I)	April 1994	November 1996	1997-98 to 2001-02
35.	Tamil Nadu (II)	December 1999	May 2001	2002-03 to 2006-07
36.	Tripura (I)	August 1996	September 1999	2000-01 to 2004-05
37.	Tripura (II)	October 1999	April 2003	2003-04 to 2007-08
38.	Uttar Pradesh (I)	October 1994	December 1996	1996-97 to 2000-01
39.	Uttar Pradesh (II)	May 2000	June 2002	2001-02 to 2005-06
40.	Uttaranchal	Constituted	June 2002	2001-02 to 2005-06
41.	West Bengal (I)	May 1994	November 1995	1996-97 to 2000-01
42.	West Bengal (II)	July 2000	February 2002	2001-02 to 2006-07

Source: SFC Reports and Action taken reports by State Governments

Notes: SFC has been reconstituted wherever two separate months are mentioned in same cell.

: Information is not available with respect to blank cells.

: Wherever II SFC has been constituted it has been marked as I & II

The provision of SFC with wide-ranging task entrusted to them as incorporated in Article 243 I to the constitution has been a landmark development. The Commissions are responsible to examine not only the revenue-sharing arrangements between the state governments and the local bodies, both rural of subjects concerning assignment of taxes, transfer of power and such other subjects for improving the financial health of

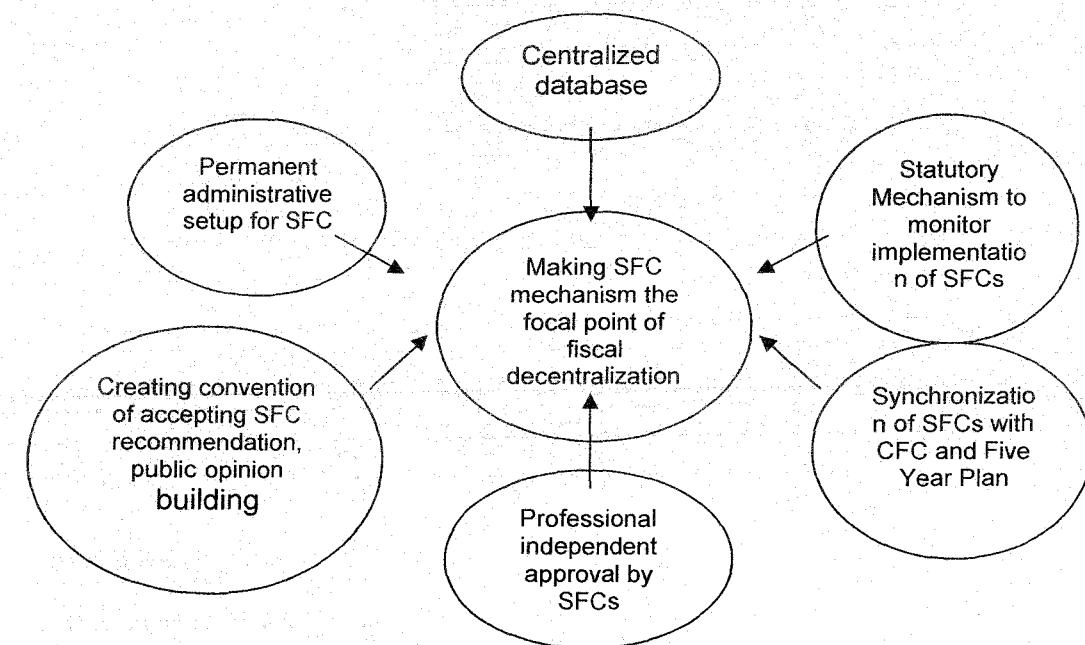
local bodies. In spite of this constitutional provision, many states have shown reluctance in setting up SFC, in providing them with administrative or technical assistance and information access and implementing SFC recommendations. The Twelfth Finance Commission observed, '..... Most states are yet to appreciate the importance of the SFC as an institution.' The Commission therefore has suggested that all States needs to constitute permanent administrative units to deal with SFC matters, in line with the recommendations of the Twelfth Finance Commission.

As regards improving the composition of SFCs, the 12<sup>th</sup> Finance Commission's specific recommendation (para 8.33) is: 'It is necessary that the states constitute SFCs with people of eminence and complete, instead of viewing formation of SFCs as a mere constitutional formality. In the matter composition of SFCs, states may well be advised to follow central legislations and rules which prescribe the qualifications for the chairpersons and members and frame similar rules.'

The commission also recommended that a detailed calendar regarding various events and stage associated with the SFC must be drawn up. This calendar should be followed meticulously to overcome problems of non-synchronization of the award periods of SFCs with those of the CFCs and five-years plans.

Finally commission suggested that the SFC recommendation must be accepted and implemented in their entirety. Creation of statutory mechanisms for monitoring implementation of SFC's recommendation is essential for effective implementation.

Fig. 4.4: Making SFC mechanism the focal point of Fiscal Decentralisation.



*Source : Joshi (2006)*

### **First State Finance Commission (SFC)**

The state government of Sikkim created/constituted its first generation State Finance Commission in July 1998 in conformity with the provision of Part IX (Art 243 I) of the Constitution of India. SFC is a counterpart of Central Finance Commission. The primary task of the central Finance Commission is to mediate in the sharing of revenues between the centre and the states by rectifying the mismatches between responsibilities

and resources as well as to reduce the horizontal fiscal imbalances between states in an equitable manner (Oommen 2006). What Central Finance Commission performs all these tasks at union level are performed by SFC in sub-national level. The task is probably more complex and onerous for the SFCs because of the lack of clarity in regard to expenditure responsibilities in many states. Further, under the decentralisation regime, the local governments are vested with the power to prepare plans for social justice and economic development, the responsibilities of a SFC in ensuring vertical and horizontal equity and balance are very high (Oommen 2006). SFC thus has to play an important role in augmenting the resources of the local governments and minimising the fiscal gap between two levels of government in the state. Figure 4.4 above shows the mechanism to make the SFC a focal point for fiscal decentralization.

The Government of Sikkim has appointed a Finance Commission in July 1998 for the PRIs as mandated by the (73<sup>rd</sup> Amendment) Constitutional Act 1992. The Commission has submitted its report on 16<sup>th</sup> August 1999. The Commission in its report stated that neither effort by the Panchayats had so far been made for the generation of own resources for positive steps for collection and augmentation of own resources had been done though the Act contained such provision. The report further stated that Panchayat were solely funded through budgetary support without their own resources. The Panchayats were used to get Rs. 10,000/- as lump sum grant from the government to meet their administrative expenses with no remuneration and wages. The Panchayat resources were not available for the maintenance of assets transferred to them. The tax and the non-tax revenues whatsoever levied by the states had been collected by the government itself without the transfer of these responsibilities to the Panchayats contrary to the provision of Act (SFC I 1998).

The first generation SFC has the following major recommendation.

1. House Tax (Dhuri Khajana): The Commission recommended that the Panchayat units should realize the Dhuri Khajana at the following rates instead of Re. 1/- per house as collected by the Land Revenue Department.
  - (a) R.C.C. building Rs. 50 per annum
  - (b) Other house (Ekra Wall) Rs. 20 per annum
  - (c) Huts (temporary) Rs. 5 per annum.
2. Water Tax: The Panchayat unit should realize Re. 1/- per month from the user of the water tap.
3. Water Cess: The Panchayat should realize the following water cesses from the user of the irrigation water at the following rates-
  - (a) User having the holding upto 5 acres – Rs. 25/- per annum.
  - (b) Above 5 acres to 8 acres – Rs. 50/- per annum.
  - (c) Above 8 acres – Rs. 100/- per annum.
4. Fee for construction of new house: The SFC has recommended the Panchayats to realize the fee for construction of house within the Panchayat unit at the following rates-
  - (a) Pucca house/RCC – Rs.150/-.
  - (b) Temporary house/Huts – Rs. 10/-.
5. Rural Marketing Centre: The SFC recommended to realize the fee from occupation of haat area under rural marketing centre at the rate of Rs. 2/- per occupation during the haat day from the public.

The state government, though accepted the major recommendation of SFC, has not implemented it in the state. Rather than implementing the recommendation of the first SFC, Sikkim decided to distribute equal amount to the GP & ZPs.

### **Second Generation State Finance Commission**

The second generation State Finance Commission was set up in 2004. The commission has submitted its report to the state government on 30.9.2004. To strengthen the panchayats administratively and financially, the Commission has recommended the following provisions:

1. Recommendation on the introduction of new taxes, rates fees etc.
  - (a). User charge for drinking water within a panchayat area may be introduced @ Rs. 5/- per household per month. Such charges may be realized for use of drinking water provided by the Government under Rural Water Supply schemes. The PRIs may regulate the use of water, the location of tanks, pipes and any other matter necessary for availability of sufficient potable drinking water in the panchayat area.
  - (b). User charge may be collected for use of irrigation water from irrigation channels provided by the State Government at the following rates per annum:
    - (i) For user having a holding up to 2 hectares ----- Rs. 25.00
    - (ii) For user having a holding above 2 hectares and upto 4 hectares -----Rs. 50.00
    - (iii) For user having a holding above 4 hectares -----Rs. 100.00

The PRIs may regulate the use of such water to provide sufficient water for all users.

- (c). It may be made mandatory for the PRIs to issue clearance certificate for construction of new houses. For this purpose, the PRI may charge fee at the following rates:
  - (i). RCC buildings ----- Rs. 100.00
  - (ii). Other buildings (Ekra, brick, kutch etc)-----Rs.50.00.Panchayat shall regulate construction with due consideration to stability of land, aesthetic consideration, conservancy, sewerage etc. facilities.
- (d). Fees may be charged for occupation of Government constructed Haat sheds located in the panchayat area @ Rs. 5.00 per occupation per day of an area measuring 16 sq.ft. For occupation of additional area, the charge may be Re.1.00 per sq.ft. An assessment of annual receipts may be made and the PRIs may call for tenders from local residents rather than collecting the fees itself.
- (e). Taxes on fairs, melas, markets and entertainment in the Panchayat area may be charge and collected by the PRIs.
- (f). The commission recommended the introduction of service charge for registration of birth and death in the panchayat area @ Rs. 10.00 for both cases. Such charge may be collected by the PRIs at the time of filing of application.
- (g). The Commission recommended the setting up of Local Area development Fund for meeting any unforeseen or emergent situations. For this commission recommends the transfer of Rs. 3.00 and Rs. 2.00 lakhs annually to Adhakshaya and Up- Adhakshaya respectively.

Though Second Finance Commission has recommended a various provision for the augmentation of financial resources of PRIs, but in terms of analytical underpinning or information base, the commission did not go beyond the First SFC. It took the prevailing pattern of expenditure as given and endorsed the existing transfer system including the lump sum allocation.

Summing up the decentralised governance in the state, it could be understood that there is a much progress in the move to decentralisation. It is found that that there has been a large devolution of functions, along with some financial resources and functionaries. However except political decentralisation, there are yet to take place complete decentralisation in administrative and financial fields despite the commitments of the government to strengthen decentralised governance in the state. According to James Manor, four crucial conditions required for democratic decentralisation to succeed are:

- (i). Sufficient powers to exercise substantial influence within the political system and over significant development activities;
- (ii). Sufficient financial resources to accomplish important tasks;
- (iii). Adequate administrative capacity to accomplish those tasks; and
- (iv). Reliable accountability mechanisms to ensure both the accountability of elected politicians to citizens and the accountability of bureaucracy to elected politicians (Manor 1999).

Looking at these four crucial indicators set by Manor, one can conclude that Sikkim has already fulfilled some of these conditions but it has to travel a long way towards achieving genuine decentralisation.

Sikkim has however achieved a remarkable progress in the process of decentralisation so far as an index of decentralisation as given by Eleventh Finance Commission is concerned. The Sikkim has able to fulfill all the index of decentralisation set by the Commission for the establishment of decentralised governance in the state.

The index proposed for measuring decentralisation includes:

- Enactment of state legislations in conformity with the Constitutional amendments of 1992.
- Intervention/restriction in the functioning of the panchayats.
- Assignment of functions to the local bodies in the state laws vis-a-vis Schedule XI.
- Transfer of functions to the local bodies by way of rules/notifications/order of the state governments.
- Assignment of taxation powers to local bodies as per the state laws.
- Levy of taxes by the local bodies
- Constitution of the State Finance Commission (SFC) and submission of Action Taken Report (ART).
- Action taken on the major recommendations of the State Finance Commission (SFC).
- Election to local bodies.
- Constitution of District Planning Committee.

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