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DOCUMENTATION

*In this section on **DOCUMENTATION**, it is proposed to print summaries of important reports of ad hoc committees, set up by the Central or State Governments, relating to agriculture, forestry and fishery economy of the Indian Union as well as the individual States. Obviously, this section will appear only when such reports are summarised. Readers are requested to bring to the notice of the Editor such reports, as and when they become available.*

New Horizons for West Bengal's Panchayats: A Report for the Government of West Bengal

Nirmal Mukarji and D. Bandyopadhyay, Department of Panchayats, Government of West Bengal, October 1993. Pp. 68. Rs. 50.00.

[This Report includes five chapters and eight annexures. The summary presented here consists of extracts of the passages from the chapters and summary of recommendations (Chapter 5) of the Report].

This report, prepared at the instance of the Government of West Bengal, is a joint effort made by Nirmal K. Mukarji and D. Bandyopadhyay to study the Panchayat System of West Bengal. The study was conducted during the period October to December 1992. The Final Report was submitted to the West Bengal Government in March 1993. The Report covers a wide spectrum of issues relating to the working of the Panchayats or other related aspects. Though no specific terms of reference were outlined, the State Government was keen to know the deficiencies and weaknesses in the Panchayat System with a view to bringing about some positive economic and social development through devolution of authority to the grassroot, democratic self-government institutions.

CHAPTER 2: AN OVERVIEW

The Panchayats in West Bengal are unique in two respects. They are the first in the country of a new generation of Panchayats in which political parties openly participated in elections. Secondly, the Panchayats of the State have existed long enough to be treated as essential components of a new system of governance. At present, West Bengal is the only State which has functioning political Panchayats.

In the decade and a half of their existence, the Panchayats have achieved much that is tangible, specially in land reform but also in rural development generally. More than this, they have helped to generate social and political awareness among the people and facilitated the development of new leadership. This intangible achievement has strengthened the roots of democracy.

However, the enthusiasm with the Panchayats, which was witnessed early since 1978, has largely faded in more recent years. The Panchayats are now engrossed in routine work. Their activities are mostly under the Jawahar Rozgar Yojana (JRY), so much so, there seems to be a JRY-fixation. The question why the Panchayats tended to run out of steam led to two lines of enquiry. On the conceptual side, there is lack of clarity about the objectives of

the Panchayats, especially about the implications of their becoming institutions of self-government. On programmes, the virtual elimination of land reform from their agenda has left the Panchayats with a feeling that there is nothing worthwhile left to do. The main reason for the Panchayats in West Bengal having survived for as long as they have is that there has been continuity of governance at the State level. The Constitution (73rd Amendment) Act may protect them even if that continuity is broken.

CHAPTER 3: CONCEPTUAL DIMENSIONS

Self-Government As Policy

The fundamental question before the Panchayats everywhere in the country has, for long, been whether they are there for development functions only or for the wider purpose of self-government. The relatively limited notion of development came in with the Balwantray Mehta Committee Report, 1957 which recommended democratic decentralisation to a three-tier Panchayat structure but this would handle development work only. The Panchayats were no longer to be confined to the village level, but their functions were to be restricted to less than self-government. The recommended pattern was, with some variations here and there, adopted by most of the states, including West Bengal.

A self-governing Panchayat must possess the following characteristics: First and foremost, there must be a clear enunciation of policy that the fundamental objective of the Panchayats is self-government at each level. This must be followed up by seeing to it that the policy is effectively communicated to the Panchayats, the district bureaucracy and, above all, the people. A good deal of education will be called for within the State government also. Thirdly, there must be a comprehensive overhaul of the Panchayat law, not simply to bring it in line with the 73rd Amendment, but, more importantly, to give centrality to the principle of self-government. West Bengal was first off the mark with political Panchayats. It should now set the pace for self-governing Panchayats.

Autonomy

The implications of a policy favouring self-government for the Panchayats need to be gone into thoroughly so that the policy is correctly propagated and adequately incorporated in the law of the State. The literal meaning of self-government is autonomy; but obviously, the Panchayats cannot have full autonomy, set as they are within the State of West Bengal.

In West Bengal, the Panchayats themselves are three-tiered: Zilla Parishads (ZPs) for districts, Panchayat Samitis (PSs) for blocks and Gram Panchayats (GPs) for village clusters. Therefore, there is now a five layered pyramid of governance rising from the village cluster at the base to the Union at the apex. At each level below the Union there has to be an appropriate measure of autonomy. Thus self-government at a particular level means such partial autonomy as is appropriate for that level. The functions to be performed at a particular level below the Union have to be a blend of autonomy by right and entrustment by discretion. If the Panchayats are to be self-governing in a real sense, it is essential that their functional and financial autonomy should stand out and count for more than assigned functions and devolved funds.

Panchayat Functions

The time has come for the District Magistrate-centric bureaucratic administration inherited from the colonial past to give way to people-centric democratic self-governance. Though for the present law and order and related matters may remain out, all other functions performed at and below the district level should come within the self-governing scope of the Panchayats. Even for law and order, there should be close cooperation between the concerned authorities and the Panchayat leadership.

Panchayat Staff

At present, the Panchayats have the functions and the development departments have the staff. The arrangement is not working well. When the functions of the Panchayats are enlarged, they should have control over the implementing staff. The machinery of governance should be strengthened at all the three-tiers of the Panchayats. Traditional accounting should gradually give way to management accounting. A management information system (MIS) needs to be developed, so that the Panchayats know what is going on under their respective charges and apply timely correctives.

Panchayat Finances

The Panchayats were inefficient is raising tax revenue. They were devoid of autonomous power, which made them near-zero self reliant and near-zero self-government. Besides, the assessments of property are made at an outdated value and the collections are unsatisfactory. So both assessments and collections have to be improved. Similarly, more revenue can be earned by PSs from tolls on ferries and from fees in hats and markets.

The non-tax field also offers considerable possibilities. ZPs, for example, have valuable lands and buildings inherited from the old District Boards which, commercially managed, could yield rich crops of revenue. Social forestry, sponsored by the Panchayats, has generated assets that will keep growing and can provide GPs with steadily rising revenues. But this will need professional management, so that forest acreages are precisely recorded, inventories of trees by number and species regularly maintained and felling operations accord with properly drawn up working plans. Fishery schemes, again sponsored by the Panchayats, have also created assets which, if professionally managed and exploited, could not only benefit the fishing community but yield good revenues. As the efforts of the Panchayats keep fructifying in the shape of remunerative assets, the potential for non-tax revenues will correspondingly rise, provided there is good management.

The above aspects indicate that it is entirely possible for the Panchayats to climb well above the near-zero level where they are now. But it will entail moving out of the mould of 'spending only'. The political parties and the people need to have a new orientation, namely that the Panchayats must earn their way to autonomy and self-governance. What is more, such self-raised resources would be wholly untied and thus available to be spent in accordance with each Panchayat's own priorities. The performance reports of the Panchayats should, from now on, show achievements in resource raising as well as in spending.

Financial Devolution

Presently, State funds are devolved for development purposes only and the Panchayats get only a fraction of these directly. The following measures are suggested in terms of the functioning of the Panchayats.

(1) The State budget should exhibit devolutions district-wise, so that each district knows well in advance what it may expect to get. This is already being done in the case of the Darjeeling Gorkha Hill Council (DGHC), and the pattern needs to be extended to the Panchayats. (2) The scope of devolutions to the Panchayats should extend beyond a few development schemes to, not only all development activities, but also such non-development functions as are implicit in the extended responsibilities in terms of functions and staff. (3) Instead of the complicated three-channel flow of funds, all devolutions shown in the budget for a district should be transferred *en bloc* from the Finance Department to the ZP, with such conditionalities as are deemed necessary. Ways and means compulsions may, of course, necessitate phasing out the *en bloc* transfers over the year. (4) So long as the Union continues to impose conditionalities for centrally sponsored schemes, there is no option but to pass these on. But, for the rest, there should be minimum conditionalities, such as making funds non-transferable in the case of schemes for the Scheduled Castes (SCs) and Scheduled Tribes (STs) as also for women and children. (5) ZPs should have the freedom to reappropriate funds between heads of accounts, subject only to the minimum conditionalities imposed under (4) above and the usual restriction on transferring funds from non-staff to staff sub-heads. (6) Subject to availability of resources with the State, wholly untied devolutions should be steadily enhanced. The above measures would help to give more meaning and content to Panchayat self-governance.

The Rural-Urban Divide

In 1963, a Rural-Urban Relationship Committee was appointed by the Government of India to make "recommendations regarding the relationship between the urban local bodies and the Panchayati Raj Institutions". The Committee called for linking up the rural areas with urban focal points and for composite District Plans spanning both urban and rural areas. Notwithstanding their 'rural only' origin, the Panchayats must squarely shoulder this rapidly growing urban responsibility in their respective areas. If this enlargement of their functions calls for suitable legislative, administrative and financial backing, that should be forthcoming.

Plantations

Presently, tea plantations and forest villages are outside the jurisdiction of the Panchayats. We suggest that they should be brought in. Plantation workers and residents as also forest villagers should not be denied their democratic right to participate in Panchayat self-

Collegiate Functioning

With the enlargement of functions and transfer of staff, the form of Panchayat governance needs to move in two directions. One, Karmadhyakshas should take fuller control over the subjects and staff relating to their Sthayee Samitis. The decentralisation implicit in this was urged upon us by many Sabhadhipatis, Sabhapatis and Karmadhyakshas. Along with this, all GPs should introduce the system of members-in-charge, to whom responsibilities should be entrusted as if they are Karmadhyakshas. Two, at all three levels, there should be systematised collegiate functioning between the heads and those in charge of subjects, with collective responsibility for major decisions and decentralisation to subject chiefs for day-to-day tasks.

Inter-Level Links

Multi-level self-government requires that the different layers do not operate in isolation from each other. The three tiers of the Panchayats are organically linked in that all Gram Pradhans are ex-officio members of PSs and all PS Sabhapatis ex-officio members of ZPs. The linkage needs to be made more of a reality than mere ex-officio membership. What is required is that the Karmadhyakshas of PS level Sthayee Samitis should be ex-officio members of the corresponding ZP level Sthayee Samitis, and GP level members-in-charge ex-officio members of the relevant PS level Sthayee Samitis. If big districts or blocks complain of Sthayee Samitis becoming too large, the answer is to make such districts and blocks smaller.

There is at present no organic link between the Panchayats and the State Government. Their problems with the State Government should be discussed and resolved in a political forum comprising representatives of the Panchayats and the State.

An alternative and more far-reaching linkage, possibly at a later stage, would be to revive the Upper House under a new nomenclature and a new composition. While the nomenclature would follow what exists at the centre, namely a Council of States, the composition of the Council of Districts would need detailed consideration. A basic principle should be that the districts are equally represented.

Accountability

The maintenance of accounts at the GP level is governed by the West Bengal (Gram Panchayat Miscellaneous Accounts and Audit) Rules, 1990, which prescribe no less than 35 forms to be maintained by each of the 3304 GPs in the State.

Putting the maintenance of accounts at all three levels on a sound footing is therefore, urgently necessary. The system should be as simple as possible, yet effective. Furthermore, it should incorporate the concept of management accounting. The GP rules need to be looked at afresh to see whether the system prescribed, involving 35 forms per GP, is simple enough to operate and, also, provides a management tool. Expert advice will be required to do this, as also to finalise the pending rules for PSs and ZPs. It would be useful to involve the Accountant General (AG) as well as qualified management accountants. The accountants to be appointed at each level will need to be properly trained in the new system of accounts

government, nor be deprived of development benefits from Panchayat activities. This should be without any diminution of the benefits and services to which they are entitled under labour legislation or in pursuance of collective bargaining agreements.

Unit Sizes

Self-government for the Panchayats requires that districts, blocks and village clusters should be of governable sizes. Outstanding leadership can deliver reasonably good governance even in otherwise ungovernably large units. But if there is only moderately good leadership, as would ordinarily be the case, it becomes important that unit sizes are governable. The Asoka Mehta Committee Report, in a section on smaller districts, pointed out that when districts are too large plan formulation as well as supervision of development work is rendered difficult. A major reorganisation is long overdue and should be undertaken as a priority operation.

Composition of Panchayats

As noted earlier, when the first Panchayat elections took place in 1978, the power structure in the rural areas had already undergone a change. The newcomers who displaced the traditionally dominant landowners belonged to a middle category of society. It was they who, therefore, came into the Panchayats and occupied the key positions of heads of the GPs, PSs, and ZPs as well as heads of the standing committees in PSs and ZPs. The dislodgment of the 'uppers' by the 'middles' and its subsequent legitimation in the Panchayats have been events of great consequence. Therefore, conscious efforts need to be made by the political parties to ensure that the middle category does not become an impermeable layer preventing the percolation of power to lower levels. The poor generally, and the SCs and STs in particular, need to be inducted not only as members of the Panchayats but also as occupants of at least some of the key positions where power resides, so that they become share holders in power.

The induction of women in substantial numbers could turn out to be as momentous a measure as land reform in that it would release a hitherto pent up force, much like what land reform did. The political parties will have to take determined steps to raise the level of political awareness among women. Also they will need to see that women find entry into Sthayee Samitis in fair numbers. Women's development programmes should be worked out at each level and vigorously implemented. It may be useful to have statutory Sthayee Samitis at ZP and PS levels of and for women.

Over the years, the Panchayats have achieved an important objective. They have recruited new people into politics and given them on-the-job exposure to the art of self-governance from the grassroot level upwards. The Panchayats have thus served as nurseries for new entrants and have by now created a rich pool of experienced leaders. Political parties need to continue to follow a policy of recruiting new people into the Panchayats and grooming them for higher responsibilities.

maintenance that emerges.

For auditing the accounts at each level, the State Government is required to appoint an auditor. West Bengal is one of only two states in the country where the AG is entrusted with audit responsibility for Panchayat accounts, though limited to the two upper tiers. The arrangement has merit in that audit of PS and ZP accounts is in independent hands. It would be desirable not only to continue the AG's audit of PS and ZP accounts but also to extend it to cover GPs. A large cadre of Panchayat and accounts officers exists principally for the internal audit of the Panchayats. All these officers could be transferred on deputation to the Audit Division of the Finance Department or brought under the AG's control. The move should be without detriment to their *inter se* seniority and promotion prospects in the parent cadre. After suitable training these officers could be utilised for the statutory audit of the Panchayats at all three levels.

Without updated audit, it is impossible to tell whether the Panchayats are in a good state of health in respect of financial management. Therefore, it is essential that the Examiner of Local Account's staff requirements are met, first to meet her responsibility vis-a-vis PS and ZP accounts and next to meet the additional responsibility in respect of GP accounts. Considering that around half of the Plan funds of the State are devolved to the districts, the desirability of having a wholetime AG for the Panchayats needs to be gone into in consultation with the Comptroller and Auditor General (C&AG).

The few paragraphs that do figure in the C&AG's reports at present are inadequate, not only because they are limited to ZPs only but also because they fail to bring out important points, such as the highly unsatisfactory state of arrears of both accounts and audit. With the Panchayats becoming a new stratum of governance at and below district level, their audit needs to be done in greater depth and kept upto date. The C&AG's report should have a separate part entirely devoted to the Panchayats.

The Vidhan Sabha could consider setting up a separate Public Accounts Committee wholly for the Panchayats which could be assisted by a wholetime AG (Panchayat), should one be appointed. Its functions would be to consider the audit reports of the C&AG on the Panchayats, whether regular or supplementary.

Elections

The State Panchayat Election Officer (SPEO) appointed under section 203 has no tenurial protection. The Act, therefore, needs to be amended to bring it in line with the 73rd Amendment on this point. In practice, SPEOs have invariably been relative junior officers of the Department of Panchayat. Instead of supervising the conduct of all Panchayat elections as the Act intends, they have in all previous elections been regularly by-passed, with the State Government issuing orders direct to subordinate election authorities, even after the issue of an election notification. Now that there will be a State Election Commissioner, his status as a Constitutional authority should be reflected in the very first appointment. Further, he should be enabled to function independently not only of the Department of Panchayat but of the entire executive Government. He could be loosely attached to the Law Department, as the Chief Election Commissioner is to the Ministry of Law at the centre.

CHAPTER 4: PROGRAMMES

Panchayats without programmes are as meaningless as government without policies. Therefore, the Panchayats must remain armed with programmes to meet the growing hopes and wants of the people, especially in the post-land reform situation.

Land Reform

Land reform is not yet a completed programme. According to official figures, vested agricultural land totalled 12.5 million acres on December 31, 1981, of which 7.2 million acres had been distributed, leaving a balance of 3.5 million acres available for distribution. By September 30, 1992, only 0.94 million acres were distributed. More disturbing is the fact that the second and third amendments to the West Bengal Land Reforms Act have not yielded any addition to the quantum of vested agricultural land. The latest official statistics, in fact, indicate a diminution from the December, 1981 figure by 0.8 million acres.

During the span of eleven years from the end of December 1981 and the end of September 1992, 2.9 lakh bargadars were recorded, bringing the total up to 14.1 lakh against the estimated 2 million to be recorded. At this pace, it will take over 15 years to record the remaining 5 lakh odd bargadars. Recorded bargadars are entitled to retain 75 per cent of the crop. In practice, crop sharing largely continues on 50:50 basis through so-called 'mutual agreements', which the Panchayats are unwilling to disturb.

If the Panchayats are not to attract the charge of collusive misappropriation of profits from undistributed vested land, and also of calculated inaction in regard to recording bargadars and ensuring them their lawful share in the crops they produce, they must stop talking of land reform having played itself out. Instead, they must take corrective steps to remove the shortcomings.

Consolidation of Holdings

In West Bengal, most of the agricultural land is now with landowners, patta-holders or recorded bargadars. This will be even more the case when land reform has been well and truly completed. The common factor in the three categories is that all are actual tillers. Consolidation in post-land reform West Bengal can, therefore, be considered for adoption on an "actual tiller" basis. A State-wide programme may be undertaken to consolidate the plots of actual tillers, whether they are small landowners, patta-holders or recorded bargadars. Ideally, the programme should commence when the remaining work of land reform has been done. For, in a sense, it would be the logical next phase, in that the direct beneficiaries of land reform, namely patta-holders and recorded bargadars, would be enabled to earn more by investing greater effort and resources in their consolidated plots. They might even prove that it is possible for small farming to be reasonably profitable, given a single-location farm. Representatives of the Panchayats should be drawn in from the beginning to chart out the programme, so that the law enacted, the rules framed and the guidelines for implementation drafted are in tune with ground realities.

Land Administration

Good land administration is essential if the Panchayats are to complete the difficult last lap of land reform or embark on new programmes like the consolidation of cultivating

holdings. The existing system needs to be reviewed in the light of the emergent agrarian structure and the requirements of the Panchayats. A major shortcoming is the absence of seasonal field-wise crop surveys. Without a record analogous to the khasra girdawaris of peasant proprietor states, it is impossible to compute a particular season's output for any particular crop. It is suggested that every Revenue Inspector should be required to prepare and maintain a mauza-wise record, in a prescribed form, of the crop grown on each field every crop season. This should be verified through prescribed percentage checking by the supervisory staff as also by GP members. Block and district totals of crop acreages should be compiled on the basis of the resultant verified crop records. This would enable an authentic data base to be built up in the state over a period of time.

Agricultural Development

The Economic Review for 1991-92 published by the Government of West Bengal reported that the index number of production in agriculture increased from 86.8 in 1982-83 to 171.0 (anticipated) in 1991-92. Positive interventions by the state in a variety of ways have, evidently, helped farmers to step up both productivity and production. Land reform has also contributed in that its direct beneficiaries, patta-holders and recorded bargadars, are motivated to register high production. The Panchayats have played an important part in this encouraging development. However, no Panchayat has an agricultural development plan.

Agriculture needs to be given a wide connotation, embracing all that gainfully grows on land or water, as also all stages of agricultural processes, upstream and downstream. Having regard to the potential that agriculture in its wide sense holds for both increased production and greater employment, the Panchayats now need to prepare and vigorously implement area-specific plans for agricultural development.

Agricultural Marketing

The upsurge of agricultural production in the State means that there are marketable surpluses. These will grow when agriculture receives the organised thrust that it requires. If marketing arrangements do not keep pace with rising production, they will act as constraints. This is already beginning to happen. There is widespread dissatisfaction about marketing arrangements. The markets are unduly dominated by private traders, with the producers not only excluded from management but forced to pay illegal charges and the arrangements are hardly producer-friendly. Obviously, a complete overhaul of the marketing structure is called for.

Every block should be notified as a market area, with its own market committee and principal market yard at the block headquarters and sub-market yards at as many GP headquarters as may be called for. The market committee should have producers, especially small producers, well represented on it. Also, it should have a strong organic link with the PS. It should control all *hats* and bazars in its market area. The market yards and sub-market yards, at least, should charge only market fee which should be payable by buyers. Its proceeds should be shared 50:50 between the market committee and the PS, since these would be the outcome of efforts put in by both bodies. It would be advisable for all market committees across the State to have a uniform rate of market fee, say 2 per cent ad valorem. It would

be useful to have a coordinating board at the district level which should be equally strongly linked with the ZP. The State level board should, thereafter, handle only residual functions. The entire arrangement must be more developmental than regulatory in its orientation.

Cooperative Marketing

For cereals, support prices are supposed to ensure that growers do not lose. But for commodities like milk, fish, fruit and vegetables, no such protection is available and the producers are at the mercy of so-called market forces. Marketing is in the hands of middlemen, and mostly they short change the producers. If middlemen could somehow be removed, the profits they mulct would go towards higher incomes for producers and lower prices for consumers. It is suggested that the Panchayats should study the AMUL model carefully and give serious consideration to applying adapted versions of the model to commodities like fish and fruit, vegetables and flowers, and milk.

Credit Arrangements

With the cooperative credit structure in disarray and the scheme for institutional finance from commercial banks in a state of desuetude, poor farmers have nowhere to go except to non-institutional credit sources. This is a major problem which the Panchayats need to face.

The Panchayat leaders need to put their weight behind reviving the cooperative credit system as also the scheme for institutional credit from commercial banks, and see to it that the poor have access to these sources of credit. The Panchayat must take it upon themselves to eliminate private money-lending.

Focal Points and Growth Centres

If the Panchayats are to be institutions of self-government, their headquarters will need to be thought of as seats of self-government at each level. With the new importance they will thus acquire, they must have arrays of facilities appropriate for each level. While ZP headquarters are well enough provided, being at the same place as the district headquarters, GP and PS headquarters are mostly not. It is suggested that all GP headquarters should be developed as focal points for the setting up of facilities within walking distance of the people's homes. The range of facilities should be tailored to the peculiar needs of individual GPs. It will clearly be difficult to provide all of these in one go. Physical planning must be undertaken from now so that land is set aside to accommodate the full array of facilities eventually. If the facilities are seen by the people as meeting their felt needs more or less at their doorsteps, land and resources may well be forthcoming as people's contribution. Local staff of the line departments should be physically located within the planned complexes.

Similarly, it is suggested that all PS headquarters should be developed as growth centres. These have been administrative centres for long, at least for developmental purposes. The arrival of the Panchayats have made them key point of importance. It is of utmost importance to take up their development as growth centres in a planned manner. There are facilities more suited for location at PS headquarters than at GP level, such as market yards and

industrial estates, hospitals and multi-stream higher secondary schools. All this will, again, call for physical planning by the PSs from now and earmarking of land for the location of the various facilities.

Training and Research

Training should be elevated to a new level altogether, consistent with the new role of the Panchayats as institutions of self-government. It should bring within its ambit both strata of governance, the State and the Panchayats. The twin foci of training will need to be concepts and programmes such as those discussed earlier.

The research aspect has so far been neglected. It needs recognition that the output of research is the input of training. The link between research and training should be reflected in the composition of the faculty at the State Institute of Panchayats at Kalyani.