



GOVERNMENT OF KERALA

EIGHTH FIVE YEAR PLAN 1990-95

**REPORT OF THE STEERING COMMITTEE
ON
DECENTRALISED PLANNING AND
PLANNING FOR RURAL DEVELOPMENT**

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KER-E**

**STATE PLANNING BOARD
THIRUVANANTHAPURAM-695 004
JUNE 1991**

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P R E F A C E

As a part of the exercise on formulation of the VIII Five Year Plan the State Planning Board have constituted 13 Steering Committees and 48 Task Forces with the specific intention of drawing up integrated development programmes for each of the sectors in accordance with the overall approach and objectives of the State Government. The Steering Committee on Decentralised Planning and Planning for Rural Development is one among them. The main task before the Committee was to chalk out suitable procedure for operationalising the decentralised system of planning in the State.

The Committee consisted of the following members.

1. **Justice V.R. Krishna Iyer,**
'Satgamaya', M.G.Road,
Ernakulam. Chairman
2. **Dr. P.K. Gopalakrishnan,**
Ward No.13-311(1), Gokul,
Saw Mill Road,
Thrissur. Member
3. **Dr. M.P. Parameswaran,**
Sastra Sahitya Parishat,
Anayara,
Thiruvananthapuram "
4. **Shri C. Krishnan Nair,**
Chairman,
Rural Development Board,
Thiruvananthapuram "
5. **Dr. N.T. Mathew,**
Chairman,
Kerala Statistical Institute,
Jawahar Nagar,
Thiruvananthapuram "
6. **Shri R. Ramachandran Nair,**
Commissioner & Secretary,
Secretariat,
Thiruvananthapuram "
7. **Smt. J. Lalithambika,**
Secretary & Devt. Commissioner,
Secretariat,
Thiruvananthapuram "
8. **Shri V. Krishnamurthy,**
Secretary,
Planning & Eco. Affairs Dept.,
State Planning Board,
Thiruvananthapuram "

- | | | |
|-----|-------------------------------------------------------------------------------------------------------------------|-----------|
| 9. | Dr. M.A. Oommen,
Professor,
Institute of Management in Govt.,
Barton Hill,
Thiruvananthapuram. | Member |
| 10. | Dr. T.M. Thomas Isac,
Associate Fellow,
Centre for Devt. Studies,
Ulloor,
Thiruvananthapuram. | " |
| 11. | Shri A. K. Appootty,
Director of Panchayats,
Public Office Buildings,
Thiruvananthapuram. | " |
| 12. | Shri K.C. Cherian,
12/574, Kunnukuzhy,
Thiruvananthapuram-37. | " |
| 13. | Shri Babu Jacob,
Secretary to Government,
Revenue Department,
Thiruvananthapuram. | " |
| 14. | Shri R. Ramalingom,
Chief (Dist. Planning Divn.),
State Planning Board,
Thiruvananthapuram | Convener. |

The terms of reference of the Committee were the following:

1. *To assess the progress and impact of decentralisation of the planning process in the State.*
2. *To examine the role of the Panchayats in the implementation of development programmes and the scope for increased involvement of Panchayats in the developing process and the respective administrative changes required.*
3. *To examine the changes to be made in the organisational set up for decentralised planning when the District Administration Act is implemented.*
4. *To identify the programmes in each sector amenable for decentralised planning of the district and lower levels.*
5. *To suggest measures for evolving a mechanism for ensuring popular participation in the formulation and implementation of development programmes.*

6. To assess the need, priority, financial requirements etc. of Centrally Sponsored rural development schemes such as IRDP, NREP, and RLEGP.
7. To examine the various projects and schemes remitted by the Task Forces and to prioritise them for formulating the plan.

The following Task Forces come under the purview of the Steering Committee.

- i) Task Force on Rural Development,
- ii) Task Force on Panchayats,
- iii) Task Force on Planning Machinery & Statistics, and
- iv) Task Force on Land Reforms.

The Committee which had six sittings commencing from 27.12.88 had elaborate discussions on the Kerala District Administration Act and the amendments suggested by Shri V. Ramachandran and the Panchayati Raj Bill circulated by the Government of India. Also the Committee considered in detail the Eighth Plan programmes recommended by all the four Task Forces. The recommendations of the Task Forces are also incorporated in this Report.

The Committee would like to place on record its deep sense of gratitude for the valuable service rendered by the Members of the Task Forces, in bringing out these reports.

Our sincere thanks are also due to the officials of the State Planning Board for contributing a lot in preparing the notes and all other works related to the working of the Committee.

It is our ardent hope that the Report will serve as useful source of references and guidelines for the planners and policy makers in their attempt to realize decentralisation at all levels.

The draft report was circulated among all the Members of the Steering Committee for their comments. The suggestions for modifications have been considered while finalising the Report.

V.R. KRISHNA IYER,
Chairman,
Steering Committee on Decentralised Planning &
Planning for Rural Development.

CHAPTER - I

INTRODUCTION

An appraisal of the planning process since inception reveals the wide chasm that exists between planned objectives and actual achievements. It is indeed a matter of grave concern that in spite of the tremendous progress made on the economic front, the fruits of development have not trickled down to the grass root levels or rather to each and every stratum of the society. India is often depicted as a land of contrasts. And, the contrasts and contradictions in Indian society are nowhere as sharp and pronounced as in the economic field. Shades of poverty and affluence exist side by side making the situation extraordinarily complex. The rigid, centralised and bureaucratic planning set up has, in a way, defeated the very goals envisioned by the planners. It is against this background that the concept of decentralised planning emerged like a silver lining. It has also the backing of urgency created by the increasing complexity of administration, the progress of development and ever increasing responsibilities of Government.

1.2 The key to development in a predominantly rural economy like ours lies in villages. The emphasis should be on the evolution of a broad strategy and framework allowing growth to generate from every village. This will not only make growth and development more stable but also more participative in nature. Active popular participation has to be an integral part of the development strategy in so far as it would form the crucial element in fighting against poverty and strengthening the roots of democracy.

1.3 During the last four decades the concept, philosophy, objectives and strategies of Indian Plans have undergone many changes. Initially the emphasis was on the achievement of high growth rates or percapita national income. This fostered a centralised policy with concentration of efforts on the high growth 'modern sectors' of the economy. Some of the lessons learnt from the experience of Indian Planning are:

- (a) Top down approach in planning tends to impose a uniform set of development programme everywhere without due regard to the variety of conditions existing within a region. This approach has not only tended to bypass the rural poor and some social groups but also some areas within the state which had their own unique resource endowments, characteristics and problem.
- (b) Despite several advances in planning methodology Indian Plans are weak in their spatial aspects.
- (c) No amount of sophisticated central planning techniques would solve the problems of rural basic needs and unemployment.
- (d) Failure of most of the plans and programmes suggest a crucial omission viz. decentralisation of the planning process.
- (e) People's involvement in the formulation and implementation of local level schemes is essential.

1.4 The need for decentralisation of the planning process and development administration to sub-state levels has been recognised for some time. The Planning Commission's Working Group on District Planning has advocated a step-by-step approach towards the goal of decentralisation. It has suggested that the Panchayati Raj Institutions should play a crucial role in the district planning process. According to the G.V.K. Rao Committee "Decentralisation enables a better perception of the needs of local areas, makes better informed decision-making possible, gives people a greater voice in decisions concerning their development and welfare, serves to achieve better co-ordination and integration among programmes, enables the left needs of the people to be taken into account, ensures effective participation of the people, serves to build up a measure of self reliance by mobilising resources of the community in kind or money, making development self sustaining and enables better exploitation of local resources and growth potentials of the local area for improving productivity and increasing production".

1.5 The concept of decentralised planning means different things to different people. At least three distinct view points exist both in public discussions and in actual implementation. (1) One group advocates the Gandhian approach of making the Indian Villages as more or less self contained communities. Mahatmaji gave the message of 'Gram Swaraj' as integral to 'Poorna Swaraj'. The chief merit of Gandhian approach is the stress on self reliance. But villages are open economies and its links with the rest of the world are too strong to be washed away. (2) The next approach to decentralisation is purely administrative, allowing lower units of administration to take decisions in order to ensure better identification of locally relevant programmes and proper co-ordination of economic activities. In this approach attempts are being made to reproduce a local planning system on the lines of national or state plans which makes the whole approach unrealistic. (3) The third approach is more selective. It concentrates more on the development of the rural poor and is based on the assumption that activities relevant for the poor are determined by specific characteristics of disadvantaged groups in different places and therefore should be location specific. The difficulty in implementing these ideas arose mainly because they relied on the administration to bring about fundamental social change.

1.6 Several national level committees which have examined this question are unanimous in their view that the central level planning agencies cannot evaluate the needs of local areas and small population groups and are too pre-occupied with macro targets but there is less general agreement on the precise scope and activities of local level planning. Clearly planning at that level cannot encompass the whole set of social and economic activities and functions. It is therefore necessary to demarcate the planning functions between State and Sub-State levels. The lack of such distinctions brings confusion in the planning process. The local level planning should be complementary to State level planning and not its substitute. Thus the content of local level planning could be realistically discussed by accepting national priorities and at the same time relating them to the local context.

Units of Local Level Planning

1.7 Two basic and inter-related aspects of planning are important in determining the unit of planning. Any plan involves both political intervention in market processes and the mobilisation of people and resources. Planning experience so far suggests that there has been a major preoccupation with

the first condition. The second condition is hardly acknowledged in plan design.

1.8 Identifying the unit on which to base a local plan may differ with the perceptions and interests of different groups involved. Administrations may identify units from administrative considerations. Technical experts may identify an area as a unit on the basis of available information on its geo-physical characteristics. A political leader may perceive the unit of local level planning as the village within his constituency. It has been generally agreed that District which has existed for 200 years as an administrative unit should be the base for decentralised planning. According to the Planning Commission "The reasons for their choice of district as the third level unit of planning were three-fold. Firstly it is the only level below the State, where adequate administrative and technical expertise was available. Secondly Zilla Parishads elected by the people of the area provided adequate popular leadership to carry out the task of planning and development". Below the District, Panchayats should be the unit of local level planning. For the success of decentralised planning firstly there should be availability of trained and committed man power at the different levels and secondly their accountability to the people of the area.

CHAPTER - II

HISTORY OF DECENTRALISED PLANNING

The first stage of decentralisation of the planning process from the National level to the State level in a realistic sense had its beginning during the Fourth Plan period (1969-74) which stands as a milestone in the history of planned development in our country. Since then planning as a technical activity in the States could attain a firm footing. The next step was to take this decentralisation further down to the next appropriate level below the State.

2.2 In the 1950's Panchayati Raj Institutions were established in the country to provide an institutional base for people's involvement in developmental planning. The launching of Community Development Programmes during this period was also motivated by this aspect. The period from the late sixties to 1980 marked a relative slackness in the Panchayati Raj Institutions. Even the Community Development Programme was shrunk to perform only limited functions. Dantwala Working Group on Block level planning, Balwant Ray Mehta Committee, Ashok Mehta Committee on Panchayati Raj Institutions and the Planning Commission's Working Group on District Planning were some of the committees set up by the Government of India to look into the various issues connected with grass root level planning and implementation. Influenced by the recommendations of these Committees most of the States had some move towards decentralisation although the procedures and methodologies followed differed widely. At the dawn of the Sixth Five Year Plan, the entire country had a coverage of poverty alleviation programmes and there also rose the necessity to rationalising and co-ordinating such programmes at the local and district levels. This led to the enactment of legislation on decentralisation in several states, the most notable among them being the Karnataka Zilla Parishad, Mandal Panchayat, Gram Sabha and Nyaya Panchayat Act of 1983. There had been some progress in States like Maharashtra, Gujarat, Uttar Pradesh, Karnataka, Jammu & Kashmir and West Bengal. But as observed by the G.V.K Rao Committee appointed in 1985 to review the existing administrative arrangements for Rural Development and Poverty Alleviation Programmes "Real planning functions have not percolated to the district level nor the Panchayati Raj Institutions have been evolved in the process". But by the end of the Sixth Plan, all the states and union territories had some law or other establishing Panchayati Raj Institutions except the States of Meghalaya and Nagaland and the Union Territories of Lakshadweep and Mizoram. A three-tier system has been adopted in 12 States and one Union Territory, a two-tier system in 4 States and 2 Union Territories and one tier system of panchayats in 4 States and 4 Union Territories.

2.3 The Working Group on District Planning of the Planning Commission submitted its report in 1985. The Working Group has conceived district planning as a single, holistic operation in which all sectoral programmes would be harmonised into a united planning activity. It had advocated a progressive or 'Stages' approach. Stage - I would be a stage of initiation in establishing planning procedure and strengthening planning activities at district level etc. State - II would be one of the 'Limited Decentralisation' when planning for certain sectors would be brought under the purview

of district planning. State - III, the final stage, would encompass planning for all district level activities where devolution of administrative, financial and decision making power from the state to the district level would take place.

2.4 When the Balwantray Mehta Committee was at work at the national level the first elected Government of Kerala constituted a committee for suggesting administrative reforms on August 15, 1957 headed by Shri E.M.S. Namboodirippad, the then Chief Minister. The terms of reference of the committee inter alia, covered suggestion of methods for democratisation of the organs of Government of various levels with a view to effective participation of local self governing institutions, and other representative bodies in the administration. The committee submitted its report on July 26, 1958 and following the recommendations of the committee, Kerala Panchayat Bill and Kerala District Councils Bill were introduced on December 9, 1958 and on April 16, 1959 respectively. But none of these could be enacted into law. When Shri Pattom A. Thanupillai was Chief Minister, the Kerala Panchayat Act 1960 and the Kerala Municipal Corporation Act, 1961 were enacted unifying the existing laws of Travancore-Cochin and Malabar regions and enlarging the functions and financial resources of the local bodies. In February 1964, the Ministry headed by Shri R. Sankar introduced 'Kerala Panchayat Union Councils and Zilla Parishad Bill' in the assembly. The scheme of the bill was on the line of the Balwantray Mehta Committee recommendations. Block was conceived as the basic unit for planning and development. This bill also could not be proceeded with. The administrative reorganisation and the economy committee headed by Shri A. K. Vellodi which was appointed during the President's rule in 1965 generally endorsed the view of the 1964 committee. Then again Shri E.M.S. ministry in 1967 introduced the Kerala Panchayati Raj Bill 1967 which contemplated a two tier system: Panchayat at the basic level and Zilla Parishads at the district level. This bill also could not become law.

2.5 When the Government under the Chief Ministership of Shri C. Achutha Menon took charge in October 1970 the Kerala District Administration Bill, 1971 was introduced in the legislative assembly. The bill also could not be enacted. However, the bill was again introduced in the assembly on 1 August 1978 when Shri A.K. Antony was Chief Minister. The bill was passed in the assembly in 1979 and received the President's assent on May 18, 1980. It was published on May 27, 1980.

2.6 As envisaged in the Report of the Planning Commission Working Group on District Planning, but with some modification the first phase of initiation was started in Kerala by decentralising to the district level the formulation and implementation of Special Component Plan and Tribal Sub Plan in 1983-84 the organisational set up of which is explained below:

Organisational Set Up

2.7 In each district Working Groups have been constituted with the District Collector as Chairman, District Planning Officer as Convenor and the Assistant Development Commissioner and designated officers of the technical departments as members. These nominated members are responsible for the implementation of the SCP and TSP programmes coming under their respective sectors. The responsibility for the formation of SCP rests with the Working Group and the implementation is the responsi-

bility of the concerned district officers. The Working Group is empowered to sanction schemes costing upto Rs.10.00 lakhs and the technical sanction will be given by the designated officer of the concerned department. The District Collector will issue the administrative sanction. When setting up of institutions are involved Government sanction would be obtained.

Budgeting Procedure and Evolution of Funds for District Planning

2.8 Each department has to earmark a certain portion of the outlay for the programmes benefiting SC/ST. The outlay thus earmarked is shown as lumpsum provision for SCP/TSP in the Budget against separate sub heads of accounts under each sector. The practice of making schematic provision for SCP and TSP in the budget is done away with. Nearly 12% of the Plan outlay is being earmarked for SCP and TSP together. The lumpsum provision in the budget will be allocated to the districts on the basis of selected indicators. While allotting the funds to the districts also only lumpsum provision will be shown under each head. This procedure will give the district level working group freedom to decide the scheme under different sectors taking into account the local needs and advantages. This in effect means under each sector lumpsum provision of 'untied funds' is provided to the districts under SCP and TSP.

Drawing up the District Plan

2.9 Once the particulars of the plan outlay under each head of development are communicated to the districts the District Collector will call for proposals from the concerned district officers. While submitting the proposals the departmental officers will have to adhere to the following guidelines.

- i. First priority will be given to spill-over scheme.
- ii. Critical assessment of all the ongoing schemes will be made so as to select those which could be continued.
- iii. In proposing new schemes as far as possible composite scheme involving the coordinated efforts of more than one department will be given preference.

2.10 The proposals will be scrutinised in the District Planning Office. The SC habitats in which the majority of the programmes are proposed to be implemented by the different departments would be identified. After preliminary discussions in the Working Group the members of the Working Group will visit these SC habitats and finalise the schemes after discussions with the beneficiary families and knowledgeable persons in the area and also with the elected panchayat bodies.

2.11 According to the instructions the draft plan proposals from the districts will have to reach the State Planning Board by the end of October every year. Based on the district plans the Special Component Plan for the State will be prepared. After discussion in the Planning Commission once the State Plan outlays are finalised the SCP and TSP outlays would also undergo some change.

2.12 Along with the Budget the SCP and TSP outlays would be presented in a separate document. After the Budget has been passed by the Legislature, discussions will be arranged with all the Heads of Departments

in order to finalise the district-wise allocations under SCP and TSP. Once the budgeted outlays under SCP and TSP are communicated to the districts, the Working Group will prepare an Action Plan. The Action Plan will be placed before the District Advisory Committee for the development of Scheduled Castes before it is taken up for implementation.

2.13 Detailed guidelines have been issued for formulation, implementation and monitoring of SCP on a decentralised basis.

Steps taken to formulate District Plans as part of VIII Five Year Plan

2.14 As a result of the measures taken by the State Government to decentralise the SCP/TSP to the district level there has been a perceptible change in the quality of the programmes drawn up under SCP and TSP and also in the implementation of these programmes. As 12 per cent of the plan outlays are directly placed at the disposal of the District Working Group for taking up schemes which are considered by it to be locally important and more beneficial to the target groups the practice of implementing standard schemes prescribed by the State Directorate has come to an end. The State Government has now taken a decision to extend decentralisation to other areas as well. Therefore as the next phase of decentralisation the State Government has decided to formulate District Plans as a part of the State's Eighth Five Year Plan exercise. Consequently Government have issued directions for the preparation of District Plans. Detailed guidelines for doing this exercise at the district level have been issued by the Planning Board.

2.15 For the purpose of this exercise the various plan schemes have been classified into two categories viz., State sector schemes and District sector schemes on the basis of location of the schemes and the coverage of the benefits that would accrue from the schemes. Thus, schemes which are relevant only to the district or sub district unit level will be termed as District sector schemes and the others as State sector schemes. The Planning exercise at the district level has been confined to the district sector schemes only.

2.16 For the district sector schemes the probable outlay in the VIII Plan (including the Central share of CSS) was estimated at around Rs.1310 crores. The share of each district has been worked out and these tentative outlays have been indicated to the district. The following table give the details of the allocation among the districts.

Tentative Outlay for the district level schemes in the VIII Five Year Plan

(Rs. lakhs)

Name of district	State Plan	Central share of 50% Centrally assisted scheme	Total Outlay
1. Thiruvananthapuram	10620	2008	12628
2. Kollam	8302	1632	9934
3. Pathanamthitta	6112	920	7032
4. Alappuzha	8257	1091	9348
5. Kottayam	8017	1008	9025
6. Idukki	7312	995	8307
7. Ernakulam	9120	1698	10818
8. Thrissur	10125	1758	11883
9. Palakkad	9000	1946	10946
10. Malappuram	8475	1392	9867
11. Kozhikode	9105	1496	10601
12. Wayanad	5490	603	6093
13. Cannanore	6960	1256	8216
14. Kasaragod	5605	782	6387
Total	112500	18585	131085

2.17 The districts have been given instructions for the allocation of the outlays among the different panchayats the Municipalities/Corporations. The following criteria have been suggested for the distribution.

1. 50 per cent of the outlays on the basis of population of panchayats (among the panchayats).
2. 15 per cent of the basis of agricultural workers in the panchayats (among the panchayats).
3. Percentage outlay equivalent of the percentage of SC/ST population in the panchayats (among the panchayats).
4. 10 per cent of the outlay equally among the blocks (for blocks)
5. 2 per cent of the outlay among municipalities and corporations.
6. The balance outlay for District Level Schemes (for the district).

2.18 To undertake the exercise the District Development Council (DDC) in each district has constituted three sub committees, one each for:

1. Agriculture and allied sectors.
2. Industry and infrastructure
3. Social Services.

2.19 Each sub committee consists of at the most 10 non-official members and the concerned district level departmental officers. A non-official member has been made the Chairman of each sub committee. The District Collector has been made responsible for co-ordinating the functions of the above sub committees and for the preparation of the draft district plan.

2.20 Thus, in each district, District Development Council (DDCs) assisted by 3 sub committees at the district level, Block Development Committees (BDCs) at the block level and Panchayats at the grass root level are made responsible for the preparation of the plan. The lumpsum outlays indicated to the districts, blocks and panchayats do not have any sectoral stipulations. This would enable them to prepare meaningful and integrated development plans based on local resources and in accordance with their local priorities. The technical staff of various departments available in the field will provide the necessary technical guidance in the formulation of schemes. Under this model the plan formulation exercise starts from the panchayats. In each panchayat, the programmes for the development of the panchayat area are discussed and priorities fixed taking into account the lumpsum amount allocated to the panchayat. The discussions at the next stage would be at the block level. All the block plans including the plans of the panchayat would again be reviewed at the DDC sub committee level. The approval to the district plan as a whole would be given by the DDC. Such a planning process is meant to ensure that in one way or the other every local aspiration including that at the panchayat level is duly taken care of.

2.21 The Panchayat level and block level exercise were completed in all the districts within a period of eight months. The district level DDC sub committees took another two months for clearing the schemes to be included in the District Plan. The Dist. Planning Officers have finally prepared the draft district plan documents.

Arrangement during 1990-91

2.22 1990-91 being the first year of the Eighth Five Year Plan the State Government decided to start implementing decentralisation during the 1990-91 Annual Plan period itself. Accordingly out of a budgeted plan outlay of Rs.635 crores schemes having an outlay of Rs.168 crores (including the central share of centrally sponsored schemes except that of IRDP and JRY) were identified as schemes amenable for decentralised planning and were indicated as such in the budget. Of this, Rs.18.00 crores had been earmarked as 'untied funds' to panchayats for taking up locally relevant schemes. Detailed instructions had been issued by Government for the preparation of district annual action plans covering the different sectors of development. In the identification of schemes/activities for inclusion in the Action Plan and in their implementation active involvement of panchayats had been envisaged. According to the time/frame prescribed by Government for this exercise the district action plans had to be ready for implementation by the middle of August, 1990.

2.23 In 1987, the Government headed by Shri E.K. Nayanar appointed Shri V. Ramchandran, the former Chief Secretary as Special Advisor to Government for suggesting amendments and administrative arrangements to the Kerala District Administration Act. He submitted his report in volu-

mes in July 1988. Based on the recommendations necessary amendments were made in the District Administration Act 1979 and the first elections to the District Councils were held in January 1991. These institutions started operation on the 5th of February 1991. The new District Council System definitely represents a bold step towards democratic decentralisation.

CHAPTER - III

RECOMMENDATIONS OF THE STEERING COMMITTEE

3.1 Panchayati Raj

The Committee has consensus on the need for decentralising the planning process during the Eighth Plan Period so that programmes for development could be tailored to suit the local needs and thus the fruits of planned development could percolate to the lowest units of democracy. Democratic decentralisation should envisage a process wherein the panchayats could harness necessary financial, administrative and political autonomy so as to accelerate the physical development of the local units. This concept has also the backing of Article 40 of the Constitution in which it was provided that the state should take steps to organise village panchayats and endow them with proper power and authority enabling them to function as units of self-government.

3.1.2 The Panchayati Raj institutions envisaged to be set up in the state during the Eighth Plan may be defined as a statutory multi-tier structure endowed with a corporate status by a competent authority performing functions pertaining to local self government as determined from time to time by the Legislature and/or the executive at the state. This definition is necessary to stress the point that the mono-tier village panchayats which were established in many states in India even before 1947 have to be clearly distinguished from the Panchayati Raj institutions since established in some of the states as an integrated system containing three tier major institutions. These bodies should have adequate representation for the scheduled castes, scheduled tribes and women and are essentially to be protected against political intervention and intervention from the bureaucracy.

2. Local Government Structures

3.1.3 In Kerala a three-tier local government structure is recommended consisting of elected bodies at the panchayat and district levels as envisaged in the Kerala District Administration Act and a nominated body at the intermediate level viz. taluk samithies eventhough the necessity and rationale of having an intermediate tier is being strongly debated. The utility of the middle level body was considered in all its aspects. It was pointed out that while the essentiality of a village panchayat is self evident (to ensure representational democracy at the grass root level) the case for having two tiers above it becomes weak because one of these tiers could be treated as a focal structure for devolution of powers, functions and resources while the other can at best play an advisory role. In Kerala the District Councils could be the focus for devolution of executive authority while the Block samithi could play only an advisory role. The main reason for recommending such a model is that the districts are far better equipped to handle a larger number of development functions. There was agreement among the members that instead of Taluk samithi it should be Block samithis and for development activities blocks could play a better role. It may be mentioned that in other states blocks and taluks are coterminus. But in Kerala there are 67 taluks and 151 blocks. The District Councils should cover both rural and urban areas. In that case the local government structure in the State

would consist of (1) District Councils (2) Urban Local bodies (3) Taluk samithies and (4) Panchayats.

3. Need for two statutes

3.1.4 So far attempts have been made to establish P.R institutions under two statutes one dealing with the existing village panchayat alone and the other making a provision for panchayat samithies and Zilla parishad. This has become necessary as in all the states statutes dealing with village panchayat were already in force and no state legislature saw the need for repealing an existing statute and enacting a new integrated statute to deal with all the three tiers of P.R institutions. It is better to continue this policy of statutorisation of P.R institutions under two statutes.

3.1.5 Though many states had established P.R system in the sixties itself, these institutions have not yet been able to acquire the status and dignity of viable peoples bodies. There is a point of view that necessary amendment to the Constituion is called for so as to develop a vibrant, participatory panchayati raj structure in all the states. At the same time issues pertaining to the panchayati raj are the subject matter of the state government, derived from the second list under Seventh schedule of the Constitution. If at all a constitutional amendment is called for it should limit itself to ensuring the setting up of panchayati raj institution in all the states and the conduct of regular elections. The structure, power and functions of these institutions should be left to the state legislature to decide. Model guidelines to the states covering these items could be issued by the Government of India.

4. Composition of District Councils.

3.1.6 The provision in the Kerala District Administration Act was that every district council shall consist of such members as the Government may fix in accordance with one member for every fifty thousand population. The amended act prescribes the maximum number of members in a district as 40 and the minimum number as 20. According to the amended act MPs and MLAs will not have any ex-officio membership in the council. In our discussions a view had been expressed that giving ex-officio mebership to MPs and MLAs in the councils will not only enable the other members of the council to get a general view of the matter from the point of view of the Legislature/Parliament, it will give an opportunity for MLAs and MPs to get an appraisal of the development activities that are being implemented in their respective constituencies. However, conforming to the provision in the ameded Act, it is suggested that MLAs should not be ex-officio members of District Councils on the principle that there should be no dual membership of a person in subordinate executive and supreme decision-making legislature bodies. In this context it may be mentioned that in the Constitution amendment recently proposed by the Government of India ex-officio membership is proposed for representatives of co-operative and similar other bodies in the panchayats. It will definitely result in swelling the ex-officio membership in the panchayats thereby affecting its smooth functioning.

5. Taluk Samithi

3.1.7 In each CD block a taluk samithi will be constituted with all the

chair persons of the panchayats in the block as members. The members will elect from among themselves a chair person.

6. Supersession of District Councils

3.1.8 In case the district council is dissolved before the expiration of its term an election to constitute the council should be made before the expiration of six months from the date of dissolution. The council thus constituted after dissolution should continue only for the remainder of the period for which the council was originally constituted.

7. Reservation of seats

3.1.9 In the constitution amendment proposed by the Central Government reservation for SC/ST equivalent to their respective population percentage is recommended. This may not be enough especially in the case of SC population who live in the midst of the population in many areas. As provided in our District Administration Act it should be stipulated that 10 per cent (this may vary from state to state) of the total number of seats in a district or equivalent population percentage whichever is higher is reserved for SCs in each district. Similarly in the case of STs if the ST population in a district is ten thousand or more one seat is reserved for STs. We feel that such a procedure will ensure adequate representation for SC/STs in the District Councils.

3.1.10 The amended Act provides for reservation of one third of the seats for women.

3.1.11 The Centre has suggested reservation of chair persons for SC/ST as well as for women. It may be a good idea to ensure adequate representation for these categories in the chair persons. But if elections are contested on political basis then situations may arise when the majority party may not have a member belonging to the reserved category for being elected as the chair person. In view of the difficulties involved in putting it into practice we feel that reservation for chair persons need not be insisted.

8. Conduct of Election

3.1.12 Regarding the conduct of elections, the committee considered in detail the different point of view such as entrusting it to the Election Commission, constitution of a State Election Commission, etc. The general view is that within the existing constitutional framework it has been possible to conduct elections to the panchayats and also to build up an adequate election machinery to conduct these elections. Even if a State Election Commission is set up, for the conduct of elections the same official machinery will only have to be used. It should therefore be left to the State Government to decide whether a State Election Commission is to be constituted or not.

9. Provision for disqualification of candidates/member

1. If a person is less than 21 years.
2. A person who has undergone imprisonment for a period of more than 2 years for any offence involving moral delinquency will

be disqualified for election as a member both during the sentence and for 5 years from the date of expiration thereof.

3. If at the date of election he
 - a) has been adjudged to be of unsound mind.
 - b) has voluntarily acquired the citizenship of a foreign state.
or
 - c) has been sentenced by a criminal court for any electoral offence or has been disqualified from exercising any electoral right on account of corrupt practices in connection with election and five years have not elapsed from the date of such sentence or disqualification.
 - d) is an applicant to be adjudicated as insolvent or an undischarged insolvent.
 - e) is interested in a subsisting contract made with, or any work being done for, the district council, except as a share holder (other than a director) in a company or except as permitted, by rules made under this Act.
 - f) is engaged as legal practitioner on behalf of the district council.
 - g) is an Honorary Magistrate or a Judge of a village court with jurisdiction over part of the district.
 - h) is already a member of the district council whose term of office will not expire before his fresh election can take effect or has already been elected as a member of the district council whose term of office has not yet commenced.
 - i) is dismissed from the service of the Government or any other service recognised by the Govt. for corruption and five years have not elapsed since such dismissal.
 - j) is debarred from practising as an Advocate or Vakkil.
 - k) is a leper or a deaf - mute.

3.1.13 over and above the foregoing provision, the disqualification of a member includes the following provisions also.

3.1.14 If he

- 1) is engaged as a legal practitioner on behalf of the district council or accept engagement as a legal practitioner against the council.
- 2) ceases to reside in the district
- 3) without permission absents himself for three consecutive meetings of the council.

The term of office of members will be five years and in any case it will not be extended beyond six years from the date of constitution of the council.

10. Powers and functions of Local Government Institutions

3.1.15 The powers and functions of Local Government Institutions can

be broadly classified into obligatory, discretionary and assigned duties. Obligatory duties are those which these Institutions are required to perform under the law while discretionary duties may be attended to when situation warrants. Assigned duties relate to programmes specifically allotted to these institutions. According to the Panchayat Act 1960 the obligatory duties generally relate to sanitation, conservancy, public health, water supply, rural roads and other development works. However, inadequacy of powers, finances, technical support stand in the way of carrying out many of these functions effectively by the panchayats. It is therefore necessary to confer adequate powers to these institutions by the Government.

3.1.16 One of the important functions of District Councils is district level planning and overseeing implementation of development programmes. Therefore all the three tiers should be involved in the formulation of plans for the development of their respective units. The powers, functions and responsibilities of District Councils as recommended by Shri V. Ramachandran are listed below. This may be accepted.

3.1.17 Powers, Functions and Responsibilities of District Councils

I. General

1. Overall supervision, guidance, co-ordination and integration of development schemes at panchayat, taluk and district levels in formulation and implementation.
2. Preparation and implementation of development plan of the district.
3. Administration of the staff transferred to the District Council.
4. Preparation and approval of the budget.
5. Making available necessary technical support to the lower units for their functioning.

II District Planning and District Development Programmes.

1. Preparation of the district development plan including the Special Component Plans/Sub Plans for Scheduled Castes and Scheduled Tribes.
2. Preparation of the District Credit Plan regarding Institutional finance for the development Plan.
3. Formulation and execution (either directly or through other local governments) of district plan schemes in exercise of functions assigned by statute or their subordinate legislation (in respect of matters covered by Stature) or delegated by the Government (in respect of non-statutory matters);
4. Execution of the district-level plan schemes that are entrusted by the State Government, the Government of India and the State and Central Public Corporations/Boards/Authorities;

5. Monitoring and evaluation of the implementation of the District Plan;
6. Promotion of people's participation and contribution in cash, kind and labour in implementation of development programmes; and
7. Advice or recommendation to government or other authorities, in exercise of powers conferred by statutes or as required by Government or other authorities or suo moto in the interests of development of the district.

III. Spatial Planning

1. Preparation of land use maps and such other maps as are necessary for preparing a regional plan for the district or part thereof;
2. The preparation of a regional plan or plans for the district; and
3. Enforcement of the provisions of the regional plan and implementation, either directly or through other local governments and agencies, of the works and schemes contemplated in the regional plan/plans.

IV. Land Development

1. Social Conservation measures;
2. Land reclamation and land development works, and
3. Watershed development and management works.

V. Agriculture

1. Agricultural extension work in the district, subject to the technical control and guidance of the State Department of Agriculture, including promotion and popularisation of;
 - i. Optimum utilisation of lands and appropriate cropping patterns.
 - ii. Improved varieties of seeds, seedlings and planting materials
 - iii. Use of soil test data and adoption of optimum use of organic and inorganic fertilizers;
 - iv. Plant protection measures including control of pests and diseases and eradication of weeds; and
 - v. Co-operatives in the production (including supply of credit and inputs) and marketing of agricultural products.
2. Agricultural development work in the district subject to the

technical control and guidance of the State Department of Agriculture, including the following:

- i. Fixing of crop production targets in the district and implementing and promoting programmes to achieve the same;
- ii. Procurement/multiplication and distribution of improved seeds which are approved by the State Government;
- iii. Soil testing;
- iv. Stocking, storing and distribution of plant protection chemicals
- v. Organising community and group action on plant protection works;
- vi. Organizing community and group action on plant protection works;
- vi. Organizing community operations in the production of crops; and
- vii. Supply and maintenance of agricultural equipments, pumpsets and improved implements.

VI. Irrigation

1. Construction, maintenance and repair of minor irrigation projects and works including lift irrigation
2. Management and proper use of water for irrigation
3. Construction of field channels and field bothies in the command areas of irrigation projects, as may be assigned by the Command Area Development Authority.
4. Installation of community tube wells and pump sets.
5. Renovation and maintenance of tanks providing necessary outlets and bunds.

VII. Co-operation and Credit

1. Extension works in co-operation;
2. Taking shares in co-operative societies on behalf of the State Government;
3. Assisting co-operatives in mobilisation of deposits and collection of arrears; and
4. Assisting the weaker sections in getting credit from co-operative banks and rural banks.

VIII. Animal Husbandry and Dairying

Subject to the technical control and guidance of the concerned department of the State Government.

1. Animal Husbandry and Dairying extension services.
2. The management of Government Veterinary Services at district level including hospitals, dispensaries and diagnostic and clinical laboratories; and
3. Management of breeding farms and distribution of improved varieties of poultry and animals.

IX. Fisheries

1. Implementation of welfare schemes for fishermen as entrusted by the Kerala Fishermen's Welfare Fund Board.
2. Registration of fishing vessels under the Kerala Marine Fishing Regulation Act.
3. Development of inland fisheries through leasing of public waters, promotion of entrepreneurs, distribution of fish etc.
4. organisation of internal fish markets;
5. Maintenance and upkeep of fishery roads, dispensaries, regional fisheries technical high schools, and
6. Management and upkeep of traditional landing centres.

X. Social Forestry

1. Social forestry programmes in the district, including extension work subject to the technical control and guidance of the State Forest Department.
2. Enlisting popular participation and participation of educational institution and voluntary agencies in raising nurseries and planting of trees.

XI. Rural Development

1. preparation and implementation of local area development programmes;
2. Implementation of the integrated rural development programme;
3. Implementation of the rural employment programmes;
4. Implementation of other programmes of District Rural Development Agencies; and
5. Rural Energy Programme including promotion of Gobar Gas Plants.

XII. Household and Small Scale Industries

1. Promotion of household, co-operative and private small scale industries in the district, through the provision of an integrated counselling and clearance service, subject to the technical guidance of the concerned department of the State Government;
2. The Management of Government industrial estates in the district, and
3. Improvement schemes for handicrafts, handloom, coir and village and cottage industries and promotion of marketing of their products.

XIII. Roads and Inland Water Ways

1. Construction and maintenance of roads including bridges and culverts, other than National and State Highways, major district roads and roads entrusted with other local Government.
2. organising voluntary surrender of land for new roads and for widening of existing roads.
3. Construction and maintenance of sub stretches of Public Canals and Inland Water ways as notified by Government;
4. Management of Public Canals and Ferries as notified by Government.

XIV. Education.

1. Management of pre-primary, primary, basic and secondary Government schools, exercising such powers as are prescribed in the Kerala Education Rules;
2. Functions of local education authorities as provided for in the Kerala Education Act;
3. Education Extension work in the district involving promotion of non-formal education, adult education and prevention of drop-outs and Science and Technology in schools;
4. promotion of library movement in the district; and
5. Distribution of scholarships and grants to students under various schemes of the State Government.

XV. Public Health and Medical Services.

Subject to the technical control and guidance of the concerned department of the State Government:

1. Management of Government hospitals, dispensaries, primary health centres and sub centres and public health laboratories

in the district except medical college hospitals, mental hospitals, leprosy hospitals, tuberculosis sanatoria and such state level hospitals and laboratories as may be declared by Government,

2. Public health activities like the upkeep of environmental hygiene, prevention and control of communicable diseases, immunisation and vaccination services, maternity and child welfare services, health education and other activities as empowered under the Public Health Acts,
3. Measures for improvement of environmental conditions,
4. Family welfare activities, including follow-up measures, and
5. Campaigns against use of narcotic drugs and psychotropic substances, alcoholic drinks and smoking of tobacco and beedies.

XVI. Housing

1. Identification of houseless families.
2. Implementation of housing schemes in the district-with assistance from the State Government and Financial Institutions.
3. Promotion of low-cost housing.

XVII. Water Supply

1. Formulation and implementation of drinking water supply schemes not involving piped-water supply to individual premise and drainage systems not involving underground sewers;
2. Implementation of Water Supply and Sewerage systems with the concurrence of the Kerala Water Authority and subject to the latter's technical approval and maintenance of standards as prescribed by the Authority.
3. Management of any Water Supply System or drainage system may be vested in it by the Kerala Water Authority with the approval of the Government.

XVIII. Scheduled Castes/Scheduled Tribes Welfare and Development

1. Management of Government institutions set up for the benefit of scheduled castes and scheduled tribes, like schools, libraries, balawadies, nursery schools, adult education centres, hostels, welfare centres and craft centres;
2. Preparation and implementation of development schemes for scheduled castes and scheduled tribes habitats and families, including provision of housing infrastructure facilities and services; and
3. Formulation and implementation of training schemes, either directly

or through other agencies, in order to improve the employment potentials of scheduled castes and scheduled tribes in modern fields.

XIX. Social Welfare and Social Reform Activities

1. Programme for the welfare of children including implementation of the Integrated Child Development Services and Feeding Programmes for pre-school children;
2. programmes for the welfare and development of women.
3. Subject to the orders of Government regarding rates and eligibility sanctioning and distribution of all social welfare pensions and allowances such as those for old age, widows, physically disables, destitutes, agricultural workers and the unemployed and the allowances for inter-caste marriages in which one party is a scheduled castes or a scheduled tribe.
4. Management of Government Social Welfare Institutions in the district such as poor homes, orphanages and rescue shelter with Government aid and public co-operation and contributions.
5. Subject to the orders of Government regarding rates and eligibility sanctioning and distribution of grants-in-aid to non-governmental social welfare institutions;
6. Campaigns against economic offences such as smuggling, tax evasion usurious money lending and food adulteration as also against conspicuous consumption, expensive marriages and functions, dowry, casteism, untouchability, religious fundamentalism and superstition.
7. Campaigns for promoting the concepts of equality, communal and religious harmony national integrity and solidarity.

XX. Local resource mobilisation

1. Mobilisation of local resources and people's participation and contribution.
2. Promotion of savings habit and mobilisation of savings under the National Small Savings Schemes.

11. Gramasabha

3.1.18 The Centre has recommended the introduction of gramasabha system for all states. The status of gramasabha and its role and responsibilities were discussed in the committee. In nearly all states where panchayati raj institutions are in operation, an attempt is seen made to institutionalise the gramasabha. In some states it has been given a statutory status. It is regarded as an instrument of direct democracy rather than representative democracy. Under this system all the adult residents of the panchayat will constitute the gramasabha. In some states the role and status of the gramasabha have been formalised and incorporated in the form of rules making

provision for the convening and conduct of gramasabha meetings at least twice a year. Some of the studies on the working of the gramasabha show that the people do not find it worthwhile to pay the cost involved in going to attend the meetings where neither substantive issues are discussed nor implementable decisions can be arrived at. According to these studies the gramasabha for all practical purposes is neither a full fledged Panchayati Raj institution involved in democratic self management of local level developmental plans nor a viable institution of direct democracy providing a regular forum for articulation of all shades of interest, opinions on grievances at the grass roots. In spite of these problems the committee is of the view that there should be an arrangement for having a dialogue with the people at the panchayat level. In Kerala the average population of panchayat exceeds 20000 instead of gramasabha ward sabhas could be constituted in each panchayat. Thus, in a panchayat there will be 8 to 10 ward sabhas. There should be administrative arrangements for the regular convening of and orderly conduct of ward sabha meetings. The decisions of the ward sabhas will not be binding as far as the panchayats are concerned. In other words the panchayat committees decisions will be final at the panchayat level. But the discussions at the ward sabha meetings will be helpful for the panchayats to take appropriate decisions. The Sabha will meet once in six months. All matters of local importance and proposals for new programmes in the ward/panchayat will be discussed in the meetings and the ward sabha will mobilise voluntary labour and the contribution in kind and cash for the community welfare programmes over and above assisting panchayats in the formulation and implementation of schemes. Thus, by constituting such ward sabhas, people's participation could be ensured and panchayats could be made the pulsating organs of decentralised democratic planning.

12. Constitution of Nyaya Panchayats

3.1.19 Evolving some dimensions of local justice which could arouse local responsiveness to many social evils is felt necessary. Panchayats should be provided with an apparatus to adjudicate upon aspects standing detrimental to development activities. Nyaya Panchayats could speedily dispose certain civil and criminal cases occurring in the panchayat areas. The mode of appointment of members of Nyaya panchayats was discussed in the meeting of the steering committee. The nod of approval was in favour of election of members from the grama sabha and not for the alternative method of vesting the panchayat members with the authority for conducting Nyaya Panchayats. It may consist of five or seven members elected in accordance with the system of proportional representation by single transferable vote by the panchayat concerned of whom at least one member shall be woman and one shall belong to SC/ST. The term of office shall be 5 years in view of the difficult procedures connected with elections. A member should have completed the age of 40 years and be a resident of the Panchayat electing him.

3.1.20 The Nyaya Panchayats can try civil as well as criminal cases.

Civil Jurisdiction of a Nyaya Panchayat may be confined to simple money and other suits of the following type.

1. Suits for money due on contracts.
2. Suits for the recovery of any moveable property, or the value thereof.
3. Suits for compensation for wrongfully taking or injuring any moveable property.
4. Suits for damage of cattle trespass.

The upper pecuniary limit of civil jurisdiction may be Rs.5,000/-.

The Nyaya Panchayats may be given original jurisdiction in respect of simple matters where the punishment in the form of a fine would be adequate.

The Nyaya Panchayats may be empowered to inflict fines upto Rs.500/-.

13. Power to District Councils on Subjects administered by Panchayats.

3.1.21 The committee agrees with Shri Ramachandran's view on this. It is advisable to allow the local Government institutions function in a complementary way instead of imposing a packing order on them. It is not necessary to give the district councils power to supervise and control certain matters dealt with by Panchayats. Powers of supervision over local government institutions on the whole may be retained by the Government. In the course of working, need will often emerge for mutual consultation and dependence. The District Councils by means of efficiency could make the lower level institutions approach them for guidance and assistance. The Act provides exclusive power to panchayat in the administration of certain civic functions listed in schedule VI while it makes both District council and panchayats responsible in respect of development functions listed in schedule VII. Panchayats being closer and more accessible to the people, it would be more fair to put the panchayats in charge of execution of development schemes and mobilisation of local resources. On the contrary, district councils will have to function under a wider perspective which would call for over seeing, directing and co-ordinating the activities of panchayats as also providing necessary staff support to them. The responsibility of liaison with the state government will also have to be vested on the district councils. The accent of the present Act lies on transfer of power and resources to the District Councils which has actually made the panchayats dependent on them for both staff and finance. Since grass-root level planning contemplates planning from bottom-up, the lowest unit should necessarily be empowered in all ways to take up the developmental function.

14. Financial Resources

3.1.22 In allocating plan funds to districts and lower levels, initially the state should evolve a set of objective criteria which take into account variables such as backwardness, lack of access to resources, absence of infrastructure, etc. each being given a suitable weightage. These variables will have to be worked out on the basis of field surveys which could classify

blocks/panchayats in terms of their relative inadequates and subsequently apportion the resources more realistically. The State Government will have to provide the entire funds to the District Councils by way of grants and loans or by sharing of taxes or both. The Finance Commission constituted for the purpose would make recommendation on these including the criteria for inter district allocation of plan funds. The Finance Commission may also specify the maintenance grants which could be provided in two parts viz. uniform per capita basis and in the nature of matching grant linked to the criteria of backwardness of the area and effort put on to raise resources. The District Councils could also raise loan and receive grants from public undertakings/corporations, for the execution of the work assigned to them. They may also raise voluntary contribution in cash or kind for specified development projects. The District Councils can collect fees from the beneficiaries of the institutions which are run or financed by them.

15. Audit of Accounts

3.1.23 The Examiner of Local Fund Audit will be entrusted with the function of auditing the accounts of all panchayati raj institutions. The accounts of receipts and expenditure of all these institutions will be maintained for every financial year in the prescribed forms. The organisation of ELFA may be strengthened suitably to make audits more effective. The reports of the auditor will be submitted to the government who will place them before the State Legislature.

3.1.24 In addition to the above arrangement for auditing of all expenditures the panchayats/district councils should exhibit in their notice boards the details of the expenditure incurred on each programme for the information of the public. The panchayats should discuss the accounts in the Gramasabha meetings. This mechanism could ensure the accountability of the action of these institutions to the people.

16. District Budgeting.

3.1.25 The Secretary will place before the finance and planning committee before 32st January every year a budget showing the probable receipt and expenditure during the following year. The Committee after making necessary modification will place the budget before the District Council to be held early in March. The District Council after passing the budget before the beginning of the financial year shall submit its copies to the Commissioner for Local Government, the Government and the Examiner of Local Fund Audit. The Government may direct the District Council to modify its estimates to be in keeping with the provision of the Act which implies that it should be ensured to have no deficit in the transaction for the year.

17. Finance Commission

3.1.26 Financial relationship between the Centre and the states is complex. While over the years more resources have been devolved to the States substantial amounts and the more elastic source of finance are retained by the Centre. To a great extent therefore, state plans depend on Central assistance. All the problems of the Centre-state financial relationship apply

more severally to the state and local bodies relationship. The functional efficiency of the panchayati raj institutions very much depend on the quantum of resources placed at their disposal for development activities. At present the panchayats are simply by-passed by the development departments in implementing development programmes. It is necessary to ensure that larger quantum of plan funds flow to these institutions. The distribution of these funds should be on the basis of felt needs of the different areas. A finance commission should be appointed every five years to review the financial position of the district councils, taluk samithies and panchayats to make recommendations to Government on issues like principles governing the distribution of the net proceeds of revenue from various sources between the state and the panchayati raj institutions, the basis on which grants-in-aid to these institutions to be given from the consolidated funds of the state and the devolution of funds through state plan schemes according to the criteria and modalities of the schemes. The commission should also look into the transfer of power to levy taxes/fees from state level to these institutions.

3.1.27 In our view block grants should be made available to these Institutions for maintenance purposes. These grants could have two parts, one based on per capita basis and the other on a matching grant basis. The details may be left to the Finance Commission to decide.

3.1.28 The District Councils and Panchayats should be empowered to raise loans from financial institutions for development activities.

18. **Administrative Arrangements**

3.1.29 The Planning Commission Working Group on District Planning had emphasised the need for bringing about effective horizontal co-ordination at the district level by taking action along four major directions. These include (a) Strengthening of the position of the District Collector (b) placing the departmental functionaries under the direct administrative control of the Collector by deeming their services on deputation from their departments (c) making the district officials accountable to the District Councils and (d) streamlining and simplifying procedures for according administrative and technical sanctions. We also endorse this suggestion. The Collector as Secretary to the District Council should be made responsible for the administration of the departmental staff transferred to the District Council. In each department a detailed exercise has to be carried out to identify the staff to be transferred to the District Councils. It should be related to the functions transferred to the Councils. For this exercise there should be a clear demarcation between planning functions at the State level and the district level. It should be emphasised that the District Plan should not be simply the district segment of the State plan involving a simple mechanical disaggregation of the State Plan schemes. The District sector schemes should be identified taking into account the functions assigned to the District Councils and also taking full note of the local aspirations and local needs of the district community.

3.1.30 The departmental officers placed at the disposal of the District Council will have powers of granting technical approval upto a limit say Rs.10 lakhs. In respect of these scheme the District Council will have full powers to grant administrative approval. For approval of the schemes above

the limit so fixed the schemes/programmes have to be referred to the regional officers/heads of departments as the case may be. According to Shri V. Ramachandran's report about 55000 persons (not including teachers) now in Government service will have to be transferred to the District Councils.

3.1.31 The District Councils will be responsible for the construction and maintenance of large number of rural roads, school buildings and other office buildings. It is necessary to ensure the required technical support for taking up these 'works' programmes. A realistic assessment has to be made with regard to the number of divisions in the public works department to be transferred to the councils for providing the technical support. Arrangements will have to be made to make available the services of the engineering staff to each one of the panchayat in the state. In our discussions the difficulties experienced by the panchayats in getting timely clearance for the works programmes under JRY from the engineering wing of the rural development department were highlighted. In order to avoid such situations the panchayats should be allowed to utilise the services of voluntary agencies as well as the locally available expertise on payment basis.

3.1.32 Suitable adjustments must be made in the budgetary format and demands for grants of the state to incorporate district plan provisions so as to ensure accountability to the Legislature. In our view within each demand a minor head called "District sector scheme" could be opened. This will be sufficient for purposes of financial control, accounting and audit.

3.1.33 The procedure for administrative and technical sanction should be simplified and streamlined in such a way that none of the district sector schemes be referred to the State headquarters. The district councils should be empowered to exercise the powers of financial expenditure sanction within the prescribed limits. Powers of reappropriation within minor heads of account should also be vested with the Council. Only matters beyond the prescribed limits of sanction or reappropriation should be referred to Government.

3.1.34 If the development administration at the district level is to be rendered effective, the District Councils have to be given appropriate authority, control and command over the development departmental officials. At the same time the technical supervision and control over the officials of the various departments of the district level may continue to be with the concerned departments at the state and regional levels.

DISTRICT AND LOCAL LEVEL PLANNING

3.2 Regarding the formulation and implementation of district plans, the committee feels that the schemes are to be categorised into state sector and district sector schemes under the three-tier local government structure. Generally, schemes having state-wide importance and involving technical aspects should come under the state sector. Research, training and orientation, science and technology institutions, monitoring and guiding the work of district councils, appraisal of projects, etc. will come under the purview of the state sector. In the district sector, schemes of local importance, municipal and development function within the panchayat/municipal area etc. are to be attended by the panchayats/municipalities. The intermediate level functionaries viz. block samithies are envisaged initially as advisory bodies and as development progresses, they will be bestowed with more powers. The district council's role will be generally related to broad aspects of planning guidance to the lower tiers, providing technical advice to the execution of development works/programmes extending to more than one panchayat/block. The object is to make the panchayats prepare their own plans in relation to the local economy, local needs, environment and indicators of quality of life so that better implementation could be ensured. Strengthening of the machinery of implementation, availability of technical expertise, rationalisation of staffing pattern, availability of local data enforcement of accountability and monitoring etc. are the pre-requisites for the realisation of the objective. The planning and monitoring mechanism especially at the district level should be strong and effective.

3.2.2 The State Government will have to lay down methods/procedures and administrative arrangements under which the local government institution can perform their designated functions. From an exercise done at the district level for the preparation of district plans as a part of the Eighth Five Year Plan by the State Planning Board it has been found that 25-30% of the plan funds have to be earmarked for district sector schemes. Proposals from panchayat, block and district form the district plan. As the formulation of plan originates in the panchayats with peoples participation, the panchayats could be made the pulsating organs of development.

3.2.3 District and local level planning should give thrust to prepare plans utilising the local resources for the economic development of the area. At the district level the major planning activities should be directed to prepare viable projects so that institutional finance could be attracted and utilised to the maximum. It should be an important function of district planning that the credit and development plans are properly co-ordinated so that the maximum benefit is accrued to the people. The planning activities should not be confined to government funds alone. Equal or more importance should be given to raising institutional finance and local resources.

3.2.4 For advising the district councils on the district plan and development activities, a district planning and development advisory committee will be constituted. The composition of the committee is as follows:

1. Chairman of the district council -
Chairman of the committee

2. all the members of the Legislative Assembly and of the Parliament elected from the district.
3. Chairman of the standing committee
4. Chairman of the block samithies of the district
5. Expert members (nominated by government) not exceeding five in number.
6. District Collector - Member Secretary.

3.2.5 Six standing committees have been set up in each district under the district administration act and the district councils perform their assigned duties through these committees. We note that the district planning function has not been given to any of the committees. Also the subjects allocated to the different committees do not help to ensure integration and co-ordination in implementing sectoral programmes. For example, the development of agriculture is the responsibility of the Development standing committee while irrigation is assigned to public works standing committee. We therefore agree with the suggestion of Shri V. Ramachandran to rename the standing committees and reallocate the functions as shown below.

1. General Committee (establishment matters, miscellaneous and residuary matters)
2. Finance and Planning Committee (finance, budget allocation of resources, district planning, plan monitoring, spatial planning etc.)
3. Production and Employment Committee - (agriculture, soil conservation, land development, irrigation, animal husbandry, dairying, fisheries, industries, rural development and employment programmes)
4. Infrastructure and Amenities Committee (roads and bridges, canals and ferries, buildings, housing, water supply, drainage and electricity)
5. Social Justice and Welfare Committee (social justice, women's welfare, social welfare, SC/ST development)
6. Social Services Committee (education, health services cultural affairs and sports and games).

3.2.6 The planning procedure envisaged under the decentralised planning approach is as follows:

1. While initiating the Annual Plan formulation exercise the State Planning Board will communicate the tentative financial ceiling to every district council within which the district plan has to be drafted.
2. General guidelines as also sectoral guidelines highlighting the policies and programmes contemplated at the state level as well as special requirements to be taken into account by the District Councils will be issued.
3. Copies of guidelines will be endorsed to Heads of Departments

and administrative departments requesting them to indicate the district council, the programmes to be considered by the council while drawing up the district plan.

4. It will be the responsibility of the district council to assess the total resources that will become available for the annual plan at the district level and allocate the outlays among the panchayats and guide the panchayats in formulating plan proposals. The departmental functionaries will provide the necessary technical support of the panchayats/taluk samithies/district councils.

5. At the district level the standing committees will consider in detail the proposals received from the taluk samithies and different panchayats.

6. Works programme will be taken up in accordance with the priority decided by the committee concerned.

7. The draft plan thus prepared will be placed before the district council for approval. The approved plan will be sent to the Planning Board, administrative departments and heads of departments.

8. The Planning Board will initiate the exercise of integrating the district plans with the sectoral plan of the State Plan. In order to ensure conformity with the national and state priorities and programmes, the draft district plan will be discussed between the State Planning Board and the district collectors who are the ex-officio secretaries of the district councils. A committee may be constituted for the purpose with the following members.

- | | |
|---------------------------------------------------------------------|-------------------|
| 1. Planning Secretary &
Member Secretary
State Planning Board | Chairman |
| 2. Representative of the
Finance Department | Member |
| 3. Secretaries/Heads of Departments
relating to District Plans | " |
| 4. Chiefs of divisions in the
State Planning Board | " |
| 5. Chief, District Planning
State Planning Board | Member Secretary. |

9. The changes/modifications made at the time of discussion in the Planning Commission will be communicated to the district councils for incorporation in the district plans.

10. The implementation of district plan schemes will be the responsibility of the district councils and panchayats.

3.2.7 In the first schedule of the KDA Act under each subject transferred to the district council it is specifically mentioned that the council has to function subject to the technical control and guidance of the concerned departments. There is an apprehension that it will unduly restrict the freedom of the district councils in implementing schemes. Hence there should be clear delegation of administrative, technical and financial powers to the district councils and the district level staff.

3.2.8 As per an amendment to the Act issued in January 1991 all 'works' programmes for which administrative sanction has already been given by the departments will have to be categorised as state level programmes and such programmes need not be transferred to the district councils. It is noted that the departments have given sanction for a large number of works such as construction of schools, P.H. centres, hostel buildings, rural roads etc., which come under the purview of the district councils. Consequently for the next five or six years no funds on this account will be transferred to the district councils. This anomaly should be corrected and attempts of the departments to retain the function transferred to the district councils under the Act should be discouraged.

3.2.9 The district councils will have to follow strictly all the rules governing the different schemes as laid down in the respective government orders and circulars. The district officers who have been implementing the schemes would be familiar with these rules/orders etc. For the guidance of the district councils each head of department should be asked to bring out a 'Manual of ongoing schemes' which shall set out with regard to each scheme (a) objectives (b) guidelines (c) government orders, circulars, rules and instructions (d) procedure of implementation, etc.

3.2.10 It is necessary to have a comprehensive programme of training to the elected members of the district councils, panchayats, senior and intermediate level staff of the district councils. It should cover the philosophy, the responsibilities and the powers of the district councils, budgetary and plan formulation procedures, implementation mechanics governing schemes transferred to the district councils, accounting and financial control system, etc. For this purpose necessary funding will have to be ensured to the training institutions organising the training programmes such as IMG, KILA, etc.

RURAL DEVELOPMENT DEPARTMENT PROGRAMMES.

3.3 The major schemes executed by the rural development department are IRDP, SFDA and MFAL, Nutrition programmes, C.D. programmes and health and sanitation programmes. The implementation of these programmes during the Seventh Plan was a success. As targeted, more than 4 lakhs families could be assisted through IRDP. Just as in the Seventh Plan, the major thrust of the department in the Eighth Plan too will be on poverty alleviation programmes for creating assets to families for self employment. These programmes will be implemented in such a manner that could enlist public participation to the maximum for which devolution of power to the elected bodies at lower level is envisaged. Women and children's programmes will receive more attention.

3.3.2 One important point to be mentioned here is that major schemes under the department are sponsored and assisted by the government of India. The allocation under JRY which is being implemented in stead of NREP/RLEGP, is purely on the basis of incidence of poverty while funds under the former schemes were allocated on the basis of both poverty and number of agricultural labourers etc. The Planning Commission estimates show that the poverty ratio of Kerala has been reduced from 63% in 1973-74 to 26.1% in 1983-84. But this estimation has been challenged and defects in computation brought to the notice of the Planning Commission by the State Planning Board. The Planning Commission has already initiated steps for reviewing the poverty ratios.

3.3.3 It is recommended that before earmarking funds for the poverty alleviation programmes in the 8th Plan, the poverty ratio which is the sole criterion of distributing money (among the states) should be revised. The revision may be on the following lines.

1. Determination of differential poverty line relevant to each state at least for the base year 1977-78.
2. Use of actual price indices relevant for each state to determine the state level poverty lines at different points of time.
3. Determination of the percentage of persons below the poverty line in each state and at all India level directly from the NSS data without any pro-rata adjustment.

3.3.4 It is also suggested that selection of beneficiaries should not be on the basis of fixed percentage at the block level. Targets may be fixed for the state as a whole after consultation with field level functionaries. Instead of merely providing subsidies, other linkage facilities like marketing should be ensured in order to achieve the desired results. Necessary infrastructural support should precede the sanctioning of programmes.

3.3.5 The total outlay proposed by the Task Force for the 8th Plan is Rs.577.90 crores of which Rs.11.90 crores account for 100% centrally sponsored schemes. New schemes proposed are to the tune of Rs.45.38 crores. The state commitment of this outlay would come to Rs.216.56 crores.

3.3.6 In the context of the amendment made to the Kerala State Rural Development Board Act in 1989, empowering the Board to be a financing agency for the panchayats and thereby widening its activities, the Board could take up non-remunerative development schemes in panchayats like village roads, culverts, water tanks, minor irrigation projects, foot bridges, school buildings, mini water supply schemes etc., with assistance from financial institutions approved by government. After getting convinced of the difficulties of the Board in raising loans from the LIC, Kerala State Financial Enterprises, Banks, etc., the committee recommends that adequate provision may be made by the government for allowing the Board for open market loan for non-remunerative schemes just as in the case of remunerative schemes. This would definitely trigger off the development activities of the rural areas.

3.3.7 A summary of the Task Force report is given below.

RECOMMENDATIONS OF THE TASK FORCE ON RURAL DEVELOPMENT

I. The strategy for the VIII Plan will be mostly on the lines of the VII Plan. The major schemes are sponsored by the Government of India and assisted by them. The guidelines are also proposed/modified by the Government of India and the guidelines will be followed by the State Government. However, the major thrust proposed to be given during VIII Plan will be:

1. Poverty alleviation programmes like IRDP and JRY will continue with the specific objective of providing assets to families for self employment and providing wage employment through works programmes.
2. Decentralisation of powers to the lowest elected bodies in order to ensure effective implementation of all programmes with full participation of people and devolving powers on these elected bodies.
3. Encourage increase in agricultural production by providing assistance for irrigation wells, pump-sets, etc.
4. Improve health and sanitation of the people by giving necessary guidance in nutrition and health aspects and also assist people below the poverty line to construct sanitary latrines, renovate wells, install smokeless chulaha and gohar gas plants.

II. The following schemes included in the VII Plan are proposed to be continued during the VIII Plan.

1. Integrated Rural Development
2. Jawahar Rozgar Yojana
3. Schemes for assisting small and marginal farmers for increasing agricultural production.

4. Community development schemes
5. Food processing and nutrition centre (balusseri)
6. People's action for development (Kerala)
7. Open draw wells
8. Information centre for blocks
9. Composite programme for women and pre-school children.

The total outlay proposed for the continuance of these schemes during the VIII Plan period is Rs.521 crores, of which the state share will be Rs.179 crores.

III. Schemes to be continued in the VIII Plan with 100 per cent Central assistance.

1. Rural functional literacy programme.
2. Post literacy programme.

The outlay proposed for these schemes is Rs.11.90 crores for the VIII Plan period.

IV. The following are the new schemes proposed for the VIII Plan.

1. Block service centres.
2. Pisciculture
3. Training camps for representatives of Mahila Samajams.
4. Integrated programme for drinking water and rural sanitation.
5. Schemes for raising vegetable garden at block headquarters and kitchen garden for poor people.
6. Scheme for giving assistance for renovation of drinking water wells.
7. Project for smokeless choolah.

The total outlay proposed for new schemes for the VIII Plan period is Rs.45.38 crores of which Rs.38 crores will be the State share.

PROGRAMMES UNDER LAND REFORMS AND LAND RECORDS

3.4 The objectives of Land Reforms policy in the VIII Plan will be (i) to complete the process of implementation of land reform measures in the state (ii) to complete the resurvey of state and preparation of records of land rights (iii) to provide adequate financial support to the land reform beneficiaries for land development and (iv) to give priority for preventing alienation of land allotted to tribals and making earnest attempts to take over alienated lands. In order to achieve the above objectives, the Task Force on land reforms has recommended an outlay of Rs.150.85 crores. The major chunk of this ie. 118.38 crores has been proposed for preparation of land records through the use of modern electronic gadgets and computers and the Steering Committee cannot agree with this proposal. The committee recommends that government may take steps to make over the computers lying idle in some departments to the survey department for enabling them to complete the work of preparation of records of land rights. The committee also feel the necessity of an independent agency conducting a study on benami lands in the state as well as on the impact of land reform both on the economy and the affected people. Moreover, cases of eviction of genuine tenants for want of documentary evidences are to be seen seriously and some solution will have to be found immediately for eg. introducing the system of direct popular committees which would conduct prima-facie enquiries as to the possession of land by tenants.

3.4.2 The recommendations of the Task Force on Land Reforms and Land Records are listed below.

1. As far as the KLR Act is concerned, the tenancy and Kudikidappu provisions have almost been implemented. What remains is the completion of the implementation of the ceiling provision of the Act. Nearly 1500 ceiling cases are pending and out of an area of 160099 acres declared as surplus, an extent of 68537 acres is yet to be taken possession of. Of the area taken over, 8510 acres are involved in stay orders, disputes, private forest, etc. The strategy for completing the implementation of the ceiling provision will comprise the following steps:

- (i) speed up the legal procedure for disposal of cases filed under land reforms,
- (ii) continuance of the administrative machinery for completion of the process of land reforms,
- (iii) conduct of an assessment study to estimate the exact extent of surplus and available land in the State. In order to complete the resurvey work and preparation of records of land rights more number of survey parties with modern survey instruments and additional staff for updating records of land rights have to be provided.

2. The existance of benami lands is a problem in ascertaining the exact extent of surplus land available in the State. To ascertain the exact extent of surplus land available in the State, an assessment study may be

conducted on various aspects of benami lands, bogus ownership, leasing of land formally and informally, absentee landlordism etc.

3. The land reform and related programmes are being implemented in the state since 1970. According to the data available with the Land Board and other connected agencies it is found there are vital gaps of information with regard to area involved, exact number of beneficiaries and the extent of area allotted to each beneficiary under the different provisions of Land Reforms Act. Also there is an urgent need to bring out the institutional changes brought out by various agrarian reforms and their impact on the economy of the state with special reference to agricultural production and productivity. So a comprehensive study on the above aspects may be conducted.

4. The present system of distribution of surplus land requires a reorientation and in future it may be on an economically viable unit system. For the successful implementation of this programme a package of loan may also be made available for land development, crop development and redemption of existing debts etc. to the assignees of surplus land through Kerala State Co-operative Agricultural Development Bank or through some other suitable agencies.

5. There is no scope for further reduction in the ceiling on land holdings already in vogue since out of 42 lakh operational holdings in Kerala about 37 lakh holdings (89%) are marginal below 1 ha. in size with average size of holdings is 0.20 ha.

6. The plantation crops exempted from the ceiling provision of the KLR Act are rubber, cardamom, coffee, tea, cocoa and cinamom. According to some of the studies excepting rubber, small holdings of coffee, tea, cocoa and cinamom would not be economically viable units. So there is no scope for application of ceiling provision of the KLR Act to coffee, cardamom, tea, cocoa and cinamon plantations.

7. It is estimated that in Kerala there are 400 rubber estates covering an area of 53000 ha. the average size of estate being 132.5 ha. Small holdings of rubber upto 20 hectares form about 99.7% in the state. The Rubber Board has launched a scheme for promoting replanting in small holdings with a view to increase the productivity. Since the performance of the small holdings in rubber plantation is quite encouraging the application of ceiling provision to rubber estates above 20 ha. requires consideration. This process may help to decentralise the ownership rights of large and medium rubber estates in the state.

8. The Kerala Scheduled Tribes (Prevention of Alienation and Restoration of Alienated Lands) Act 1975 incorporated more than a decade ago into the statutes of the state remains to be implemented effectively. Therefore, priority should be given to prevent alienation of land allotted to tribals by a fool-proof legislation. Also earnest attempts may be made to allot new lands to those tribal families who lost their lands.

9. The resurvey and preparation of records of land rights programmes implemented in the state need a thrust in VIII Five Year Plan. This scheme

may be included as a plan scheme during the VIII Plan period with provision of adequate funds for acquiring modern survey instruments, equipments, vehicles, staff, etc., for its timely completion during the plan period itself.

10. For the early completion of the work of preparation of records of land rights, computer facilities may be provided. For the successful implementation of all the above programmes, an outlay of Rs.150.85 crores may be provided in the VIII Five Year Plan. (The estimates of expenditure for the next five year from 1990-91 to 1994-95 are appended).

11. A large number of land lords have lost their land and source of income due to the implementation of the KLR Act. So financial assistance has to be provided to the ex-landlords for enabling them to earn their livelihood by starting any type of self-employment activity. For this purpose institutional finance has to be made available to them. For the successful implementation of this programme 50% of the interest has to be subsidised and 1/3 of the capital has to be provided as grant by the government.

12. A person who lost his land as a result of the implementations of the KLR Act who now holds less than 50 cents of land and whose family income is less than Rs.3000 per year may be paid a monthly pension of Rs.100 if he is above 60 years.

13. The kudikidappukar's housing scheme may be taken up as a plan scheme during the VIII Plan period and has to be financed substantially for constructing houses by kudikidappukars and other weaker sections coming under the purview of land reform measures.

14. The centrally sponsored scheme for payment of financial assistance to the assignees (financial assistance to assignees of surplus land) of surplus land may be continued in the VIII Plan period also.

15. Tenancies like 'puravaka lands' of Eranakulam and Thrissur districts are still existing in the state. Necessary legislations may be enacted for the abolition of such tenancies.

PROGRAMMES IMPLEMENTED BY PANCHAYATS

3.5 The Task Force Report points out the limited role played by the panchayats in the state in the planning and execution of programmes of various development departments at present and strongly argues for establishing a democratic and decentralised system of administration at the district and lower levels. The various recommendations of the Task Force were discussed in detail by the committee. Giving development responsibilities to elected bodies at the panchayat level is intended to stimulate planning from below. The primary purpose of panchayati raj institutions is local self government and their major function is to plan and implement rural, social and economic development. According to the Ashok Mehta Committee this system has passed through three phases. "The phase of ascendancy (1959-64), the phase of stagnation (1965-69) and the phase of decline (1969-77) only during first phase some attempts were made by the panchayats to undertake local level planning with people's participation. Many minor irrigation works could be executed in those days through voluntary labour mobilised by the panchayats. Even in those days it gave no meaningful slant to local level planning.

Reasons for the failure of panchayats to take up local level planning.

3.5.2 Some of the reasons for the failure of panchayats as a political back up to local level planning are (i) panchayats have no machinery to assess the needs and resources of local areas and neither the capacity nor this will to generate resources (ii) panchayats have virtually no control on the activities of line departments especially of agriculture, animal husbandry, co-operation, village industries, etc. (iii) departments which are expected to co-operate with the panchayats generally avoided working closely with the elected members (iv) panchayat members are least interested in popular participation in designing comprehensive and time bound plans for area development.

3.5.3 It is also true that panchayats cannot carry out certain functions assigned to them in the panchayat act for the simple reason that government have subsequently created boards and authorities exclusively for attending to some of these activities. Water supply is an item listed under the functions of panchayats. But the statutes creating Kerala Water Authority do no assign any role to panchayats. Similarly in the case of Kerala Electricity Board, Housing Board, Command Area Authority, etc., the actual powers, technical manpower and funds are with these institutions, though these functions are listed as vested with the panchayats.

Functional Committees

3.5.4 Several steps are required to bring a change in the above situation during the Eighth Plan period. Officers and staff of departments like Agriculture, Animal Husbandry, Panchayat, Health Services, Social Welfare, etc. are now available in all or most of the panchayats. A system should be evolved so as to encourage elected members and officials to function as a single team. The Panchayat Act provides for functional committees under a panchayat in which persons other than elected members can be included. Therefore subject wise functional committees should be formed

where elected members and departmental officials will work together. The following functional committees are suggested for each panchayat.

1. Rural works and roads
2. Agriculture and minor irrigation.
3. Animal husbandry and fodder development.
4. Health and education
5. Social welfare
6. Finance.

3.5.5 In addition, other committees may be formed wherever necessary. All these committees should function under the panchayat.

3.5.6 Adequate financial powers will have to be given to the panchayats. Till recently the panchayats cannot sanction schemes costing more than Rs.5000. Now the Government have raised this limit to Rs.10000. We feel that this limit should be raised to Rs.2 lakhs.

Plan Allocation

3.5.7 Regarding allocation of plan funds to panchayats till last year in the Annual plans a total of about Rs.50 to 80 lakhs were seen provided to the 1000 panchayats in the State for implementing the seven point programme of the panchayats. Last year it was increased to Rs. One crore for taking up the activities under the eleven point programme of the panchayat. Thus on an average each panchayat was getting a meagre amount of Rs.1000 as plan outlay every year. During the current year (1990-91) the government have stepped up the plan outlay to panchayats to Rs.18 crores. Also this amount is seen provided as 'untied funds' to panchayats. Basically there are two types of funds which may be allocated: tied funds and untied funds. Tied funds will be outlays provided against specific schemes. But untied funds can be freely used in any sector or any scheme, the decision resting completely with the panchayats. The provision of 'untied funds' goes a long way in effective decentralisation of planning, as it enables the formulation and implementation of schemes, which will meet the specific requirements of the panchayat, 'untied funds' also represent an additionality to the funds flowing to the panchayats from the various plan schemes. This is a first major step the state has taken in decentralised planning.

Panchayat Level Resource Mapping

3.5.8 In the context of strengthening the data base at the panchayat level we understand that the government have already launched a programme for the mapping of resources and assets at panchayat level with the active participation of the local population. The scientists in the Centre for Earth Science Studies (an autonomous organisation funded by the Government of Kerala) has already organised the preparation of thematic maps with the involvement of local people in three panchayats. We understand that they have developed training modules which could be used for extending

the project to all the panchayats. Some of the items already covered are (1) existing assets such as roads, schools, college, medical institutions, markets, post office, water supply, electricity, etc. (2) settlement pattern and livelihood (3) land use (4) land forum such as valley, slope, hill, etc. (5) soil (6) forest (7) water resources (8) minerals/building materials, etc.

3.5.9 We feel that this is a step in right direction. In one or two years if each panchayat could have all these schematic maps then the panchayats can formulate resource based and need based programmes.

Training Programme

3.5.10 It is also necessary to create new essential skills and attitudes among the presidents and members of the panchayats and other representatives of people in order to ensure that appropriate programmes emerge from grass root level planning. Training programmes will have to be organised for presidents, members of the panchayats, panchayat level officials, MLAs and MPs etc. The panchayat department has already established a training institute in Thrissur. Now efforts have to be made to make the best use of this training infrastructure developed at a huge cost. Training modules have to be prepared with great care so as to cater to the different categories of participants in the training programme. Some of the aspects to be considered while deciding the content of the training programme are:

- (1) Decentralised planning implies changes in planning and implementation procedures and in responsibilities of all those involved in development activities. All the participants will have to be educated on the new procedures.
- (2) Grass root level planning entails changes that call for radical modifications in behaviour. There has to be close understanding and close co-ordination between departmental officials, elected members of the panchayat and other people's representatives both for planning and implementation.
- (3) it is necessary to make them aware of inter-sectoral linkages and provide them with some simple tools to deal with them.
- (4) Panchayat members are expected to be increasingly involved in development management. Development management will have to be perceived as a process of managing internal and external resources in order to achieve well defined development objectives reflecting the potential and needs of the panchayat. They are also to become more and more conscious of the need to design feasible projects and plans.
- (5) New knowledge and skills of technical nature covering areas such as data collection, data processing and analysis, project planning, plan formulation, etc. will become essential.

3.5.11 Training for decentralised planning should generally be a programme

comprising a series of courses drawing on a wide range of expertise and using various management approaches. The training institute should be equipped with a competent faculty to carry out this important function.

Eighth Plan Outlay

3.5.12 For organising necessary training programmes to panchayat level functionaries in KILA & IMG and for taking up development activities by the panchayats, we recommend a plan allocation of Rs.100 crores for panchayats for the VIII Plan period. For maintenance of roads the panchayats are given only a meagre amount of Rs.15000 per km. of road length. At the same time the maintenance grant for P.W.D. roads is Rs.65000 per km. It is a sad fact that most of the panchayat roads are in poor condition and no maintenance worth the name is being done by the panchayat. A committee may be constituted to examine the question of enhancing the maintenance grant to panchayats.

A summary of the recommendations of the Task Force on Panchayats is appended.

RECOMMENDATIONS OF THE TASK FORCE ON PANCHAYATS

Implementation of Schemes

1. Formulation and implementation of schemes of Krishi Bhavans should come under the control of Panchayats. Even now the President of people's committee which works in tandem with the Krishi Bhavan is the presidents of the panchayat.
2. The control and execution of all minor irrigation projects costing less than Rs.1 lakh per project and whose majority of beneficiaries fall in a particular panchayat, should vest with that panchayat samithi.
3. A comprehensive set up is needed so as to ensure the co-ordinated working of the Krishi Bhavan and M.I. Department at the panchayat level.
4. The administration of primary school except the salary of teachers can be safely put into the hands of the panchayat samithies. To start with management of government schools could be handed over to them.
5. Panchayat samithies should have the right to decide the mode of utilisation of funds - in the case of centrally sponsored schemes like IRDP and NREP.
6. Implementation of command area development projects can best be done through these samithies.

7. Housing programme of the revenue board targeted for the rural landless may be completely handed over to the panchayats.
8. 80% of the loan from HUDCO should go to the rural families. Panchayat is the suitable agency for selecting the beneficiaries and distributing the loan.
9. Formulation and implementation of SCP & TSP should be made the responsibility of panchayats.
10. The overall activities of rural water supply should come under the purview of panchayats.
11. Several of the existing problems relating to PHCs, rural dispensaries and environmental hygiene activities can be solved if they are brought under the control of panchayat.
12. The entire I.C.D. Programmes now being implemented at the block level may be shifted to the panchayats.
13. Almost all programmes of rural development can be fully handed over to panchayats along with sufficient financial control.

B. Resources

The expansion in the area of activities of panchayats would definitely involve higher demand for funds. They have been carrying on their existing responsibilities with the revenue available from taxes on employment, houses, entertainment and licenses and also the assistance received from the state for developmental activities. In order to enable these local bodies to plan according to the local needs, local resources and local priorities which would widen the spectrum of activities, proper flow of untied funds to these institutions is inevitable either they should have their own resources or they should be made eligible to acquire them. Suggestions to this effect are as follows:

1. 90% of the duty on transfer of properties (stamp duty) should go to panchayats.
2. Panchayats may be authorised to avail loan directly from banks and other financial institution.
3. Each panchayat should be assigned a quota in mobilising small savings and a portion thus collected should be expended for necessary developmental activities in the panchayat.
4. Basic land tax at present collected is very small viz. 8 ps. per cent for land exceeding one acre and 2 ps. per cent for land below one acre. There is considerable scope for raising this and the additional collection thus obtained may be given to panchayats.
5. It should be made statutory that least 25% of the sales tax, agricultural income tax and excise duties will be earmarked for panchayats.

Some modifications are also essential in the style of functioning of certain departments in the panchayats. For example departments of Social Welfare, Rural Development and Panchayats have the common targets viz. development of rural areas. Duplication of schemes resultant from the parallel implementation of similar schemes in the same panchayat could only increase the expenditure and not help human resources development.

In the context of the added importance given to local self government, some changes in the organisational set up of institutions are desirable so as to equip them for the new assignments.

C. Organisational Improvements

1. Village offices and panchayat offices are functioning separately at present. It is suggested that village offices should be made part of panchayat office and this arrangement could produce better results.
2. when compared to states like West Bengal and Karnataka where panchayati raj system is effectively working, some structural variations are noticed in Kerala. Here we have a two tier system - viz. districts and panchayats. Panchayat in Kerala are larger in size and population which could easily make them self-reliant. The block offices which function in between, these two could be dispensed with. Similarly the functions at present discharged by rural development, social welfare and panchayats could be undertaken by panchayats alone as autonomous bodies when panchayati raj becomes operational.
3. There should be proper auditing of accounts of panchayats both official auditing and auditing by people are desirable. Each individual in the panchayat should be given opportunity to examine the accounts if desired. Regarding official auditing, it is at present done by local fund auditing which takes years to complete this. For better functioning it is suggested that panchayats should be organised into groups and the auditing of each group should be entrusted with a section of local fund auditing and all accounts should be subjected to concurrent auditing also.
4. The remuneration of panchayat president and members to be enhanced to Rs.700 and Rs.500 respectively. This is advocated because of their increased role in the formulation and implementation of developmental programmes.
5. Training programme for presidents, member and other representatives of people and also for all panchayat level officers may be arranged.
6. Formation of functional committees. The present arrangement of PWD engineer giving technical sanction for schemes should give way for panchayats to do the same on the basis of advice given by technical experts of functional committees.

3.6 PLANNING MACHINERY AND STATISTICS

3.6.1 State Planning Board

The State Planning Board as an advising body to the government has to perform very important functions such as formulation of annual and five year plans in accordance with government's plan priorities making periodical assessment of state's resources for the State Plan and advising government on various aspects of resource mobilisation conducting indepth studeis on different issues corpping up in the course of planning exercises, making continuous evaluation of the implementation of the various projects, building by a comprehensive data base and monitoring. The changes that have taken place in the set up and structure of the Planning Board over the years could not achieve the model suggested for Planning organisations by the Planning Commission. In Kerala, the major technical divisions in the Planning Board correspond to the major sector of the economy. The knowledge of such programme is confined to the literature furnished by the departments. In order to equip the Planning Board to perform ts assigned function this committee suggests the following especially in the context of the increasing importance for decentralised planning.

1. The number of technical divisions may be reduced integrating connect-ed subjects.
2. Each division may be bifurcated into two sections, one for the pre-paration of plan and economic review and another for conducting relevant studies. The senior officers will have overall supervision of the above two sections in a division.
3. Monitoring unit now functioning in the secretariat may be transferred to the Planning Board and concurrent evaluation of major schemes should be introduced.
4. To have easy liaison with technical departments, a middle level officer from the Board may be posted in all the major departments.
5. The periodical review meetings of plan schemes convened by the concerned secretaries should necessarily be attended by the concern-ed divisions of the Planning Board.
6. Regular training for the staff attending to planning functions in the technical departments is essential. Arrangements may be made for the same.
7. In the light of the increased role the Planning Board has to play in the VIII Plan as a result of the implementation of decentralised planning, the planning machinery at the districts and headquarters will have to be suitably strengthened. This could necessitate the restructuring of the various divisions in the Planning Board.
8. The computer facilities available in the State Planning Board may be utilised fully for the planning purpose.

An outlay of Rs.6 crores for the Planning Board is recommended.

3.6.2 Bureau of Economics and Statistics

In the context of the increased planning functions contemplated for the VIII Plan it is necessary to strengthen the data base of the economy. For the different sectors panchayat level and block level statistics require to be collected and collated. For this purpose a reorganisation of the Bureau involving an outlay of Rs.5 crores has been recommended by the Task Force. We also endorse the recommendation.

A summary of the recommendation of the Task Force is furnished below.

III. RECOMMENDATIONS OF THE TASK FORCE ON PLANNING, MACHINERY & STATISTICS

1. The Director General of Meteorology, Government of India and the four state agencies of the Revenue department, the Centre for Water Resources Management and Development, the Public Works (Irrigation) department and the Kerala State Electricity Board, collect rainfall data in the state. Additional rain gauge stations may also be installed to cover all the important centres in the state. The Task Force recommend that:

- i) the coverage and requirement of rainfall data may be studied and the possibility of installing rain gauge stations in all villages/panchayats, explored and
- ii) the four state agencies and the Director General of Meteorology may be addressed to ensure co-ordination of their work on collection of rainfall data.

2. Soil testing facilities may be expanded. The Task Force recommends that:

- i) a card system for regular soil testing may be introduced;
- ii) the services of the Krishi Bhavan and the co-operative society in the area may be utilised for soil tests, and
- iii) to expand soil testing facilities if necessary by introducing such facilities in the chemistry laboratories attached to the High School of the area.

3. Capacity utilisation in large, medium, small scale industries including units in the mini industrial estates may be assessed. The Task Force recommends to undertake a case study on capacity utilization covering the annual value of production, value added, capital invested, pattern of investment, employment, etc.

4. Data on passenger traffic and goods traffic by roads, water ways and rail are required for transport planning. The Task Force, therefore, recommends to undertake appropriate passenger traffic and goods traffic surveys at least once in five years.
5. Border check post data on the movement of goods by road and the rail borne trade statistics may be collected and tabulated on a regular basis.
6. Health statistics relating to private sector are to be collected. The Task Force recommends that;
 - i) the Director of Economics and Statistics may be declared as the Health Statistics Authority in Kerala with legal powers to collect all types of health statistics from private as well as public sector institutions in the State; and
 - ii) periodical studies both in the public and private sectors may be taken up.
7. Comprehensive housing survey along the pattern of the one conducted in 1980 by the Department of Economics and Statistics may be undertaken at intervals of five years.
8. Complete enumeration of all the scheduled tribes households, may be conducted in the pattern of the scheduled caste household survey already undertaken. Socio-economic surveys separately for scheduled castes and scheduled tribes may be undertaken once in five years.
9. Comprehensive unemployment surveys may be conducted once in five years to know the magnitude of unemployment in the State.
10. It is recommended that a part of the staff in the Department of Economics and Statistics may be earmarked as care staff for collecting statistics urgently required for decentralised planning.
11. The existing computer facilities in the Planning Board may be re-structured and utilised for processing the survey schedules of the Department of Economics and Statistics.
12. Projects costing Rs.25 lakhs and above including externally aided projects may be referred to the Planning Board for clearance.
13. Attempts may be made to prepare a realistic ten year perspective plan for the state.
14. Efforts may be made to prepare an inter-industry table.
15. A comprehensive study to identify the backward regions in the State may be conducted by the Planning Board.

Appendix - I

EXPERIENCE IN OTHER STATES

I. Maharashtra

The idea of decentralised planning with the 'District' as a unit of planning was adopted in Maharashtra during the Fifth Five Year Plan. The major objective behind such a radical change include (i) securing full development of the natural and other resource potentials of a district and (ii) reducing regional imbalances - both in social and economic aspects - within a period of 15 to 20 years.

Allocation of funds

Over and above the population due weightage was also given to the level of backwardness with respect to agriculture, industry, resource availability etc. in determining the allocation to the districts. The formula thus evolved provided for allocation of 60% of the outlay on population basis, 5% on the basis of urban population, 5% on the basis of SC/ST population, 5% on the basis of backwardness in agriculture, 4% on the basis of backwardness in industries, 5% on the backwardness in communications, 3% for the special problems of the drought prone areas, 1.5% for the special problems of coastal areas and 1.5% for the special problems of forest areas. The remaining 5% was reserved by the State Government for supplementing the programmes relating to special problems of some districts.

Classification of Schemes

For purposes of smooth implementation of the programmes, schemes were classified as district level and state level schemes. Schemes, the benefits of which could be identified as accruing to the district, were classified as district level schemes.

Organisational set up

Eventhough, Zilla Parishads were already established in the State/District Planning and Development Councils were also constituted for formulating co-ordinated development plans for each district. It is headed by the District Minister and consists of representatives of the people from the district both in the Parliament and State Legislature, as also representatives of urban and rural local bodies, various financing institutions, various development corporations, etc. Besides, 13 non-official members are nominated by the Government.

Procedure for Plan formulation

At the beginning of the year the Planning and Development Councils are directed to prepare the draft Annual Plan for the indicated outlays in uniformity with the policies and sectoral guidelines contemplated at the State level. Instructions are also given to the Heads of Departments and the Administrative departments in the Secretariat to indicate the District Planning and Development Councils the programme which need to be considered while formulating the Draft District Annual Plan.

The District Collector and Member Secretary has to collect detailed proposals from the District Implementing Officers or Agencies as also from the Heads of Departments, who are not represented by any District Level Officers.

At the district level a small team of officers consisting of the Collector, the President of the Zilla Parishad, the Chief Executive Officer of the Zilla Parishad and two or three non-official members of the District Planning and Development Council is formed for scrutiny of the proposals. An officer of the Planning Department who keeps liaison with the district planning process, is also associated with the work of the above team. After the initial scrutiny of the district level, these proposals are again discussed by the Senior Officers of the Planning Department, after which the Draft plan is placed before the District Planning and Development Council for effecting final modification and approval. The Draft Plan so approved is submitted to the Planning Department, to be examined with reference to the proposals and their relevance to the policies and priorities of the State Government in regard to the States Annual Plan and scrutiny notes are prepared. These scrutiny notes are discussed with the Executive Committee of the District Planning and Development Councils at State level meeting presided over by the Minister/Minister of State for Planning (as the case may be). The modifications suggested by the Planning Department in these scrutiny notes are incorporated in the final district annual plan, subject to their acceptance by the Executive Committee.

The Draft Annual Plans so finalised by the District Planning and Development Councils after discussions at the State level meetings are then incorporated in the States' Annual Plan which is then submitted to the Planning Commission and Ministries of the Government of India. Once the Annual Plan of the State is finalised in discussions with the Planning Commission, modifications if any, approved by the Planning Commission are incorporated in the District Annual Plans.

Procedure for Release of Grants

At the commencement of the financial year the Administrative Department will communicate directly to the officers responsible for implementing the schemes at the district level the budget grants placed at their disposal under intimation to the Heads of Departments, instead of channeli-

sing the grants to the District Officers through the Heads of Departments. Simultaneously, the Administrative Departments are required to issue directly such formal administrative sanction in respect of individual schemes as may be necessary for audit purposes. In case, there is some delay in issuing the administrative sanction, the Heads of Departments are empowered to authorise the implementing officers at the district level to continue to implement the schemes included in the Annual Plan for the year upto a maximum period of three months, subject to the condition that the provision for the scheme/schemes is retained in the budget for that year.

Monitoring and Evaluation

For ensuring timely and more frequent reviews of the implementation of the Plan programmes at the district level, the Executive Committees of the District planning and Development Councils are required to meet at least once a month.

Gujarat

Eventhough efforts at decentralisation of planning process to the district level, were made right from the time of introduction of Panchayat Raj in 1963, all those were proved unsuccessful, due to a variety of reasons. It was in 1980, that a concrete step was taken to materialise decentralisation by reconstituting the District Planning Boards with the following members, under the chairmanship of the District Collector.

1. District Panchayat President	Co-Chairman
2. Two or three Taluk Panchayat Presidents of the District (Two for small district and three for big district)	Member
3. All elected MPs of district	"
4. All elected MLAs of district	"
5. President of one of the Municipalities in the district	"
6. Mayor of the Municipal Corporation	"
7. President of one of the Nagar Panchayats of District	"
8. One expert from Research Institute	"
9. One representative from Lead Bank of the District	"
10. Chairman of the District Co-operative Bank	"
11. District Development Officer	"
12. Project Administrator (Tribal Area - Sub Plan)	"
13. Nominated Member of the State Planning Board	"
14. District Planning Officer	Member Secretary
15. Dist. Statistical Officer	Addl. Member Secretary

16. Officer nominated from the Planning Division
(Joint Secretary or Observer) Deputy Secretary.

For ensuring effective working of the District Planning Board, an Executive Planning Committee was also constituted with the following:

- | | |
|-------------------------------------------------|-------------------------|
| 1. District Collector | Chairman |
| 2. President of District Panchayat | Co-Chairman |
| 3. Dist. Development Officer | Member |
| 4. Project Administrator (Tribal Area Sub Plan) | " |
| 5. Dist. Planning Officer | Member Secretary |
| 6. Dist. Statistical Officer | Addl. Member Secretary. |

Designation		No. of posts for each district
1. Research Officer - Class II	..	1
2. Deputy Mamlatdar - Class III	..	1
3. Sub-auditor - Class - III	..	1

The task of formulating large term, medium term and annual plans for the district was assigned to the District Planning Boards.

Appendix - II

KERALA DISTRICT ADMINISTRATION ACT (Amended upto 30.9.'90) Main Provision

This is an Act to provide for a decentralised system of administration at the district level by constituting district councils. Preamble:

"Where as it is necessary to provide for a democratic and decentralised system of administration at district level by constituting district councils and delegating certain powers and functions of the State Government to such district councils".

District Councils (Section 3)

Constitution: The Government shall, by notification in the Gazette, constitute a district council for each district with effect from such date as may be specified in the notification. Every district council shall be a body corporate by the name of the district, having perpetual succession and a common seal with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, subject to any restriction, or qualification imposed by or under this Act, or any law for the time being in force, by the said name sue and be sued and to all things necessary, proper or expedient for the purposes for which it is constituted.

Composition (Section 4)

1) Every district council shall consist of such number of members as the Government may, by notification in the gazette, fix in accordance with the scale of one member for every fifty thousand or part thereof of the population of the district, elected in the manner prescribed.

2) Provided that the number of members in every district council shall not be less than twenty or not more than forty and that for arriving the minimum or maximum it shall be lawful to make such attention as are necessary to the limit of population specified in the section.

Reservation of seats for Scheduled Castes and Scheduled Tribes (Section 5)

1) In every district council, seats shall be reserved for Scheduled Castes.

2) the number of seats reserved under sub-section (1) shall be determined by the Government and the number of seats so determined shall be ten per cent of the total number of the members of the district council

fixed (under section 4) or shall bear, as nearly as may be, the same proportion to the total number of seats in the district council as the population of the Scheduled Castes in the district bears to the total population of the district, whichever is higher.

3) In every district where the population of the Scheduled Tribes is ten thousand or more, one seat shall also be reserved for the Scheduled Tribes in the district council of that district.

4) Nothing contained in sub-sections (1) and (3) shall be deemed to prevent members of the Scheduled Castes or the Scheduled Tribes from standing for election to the non-reserved seats in the district council.

(Provided that the seat reserved for a woman belonging to the Scheduled Castes or Scheduled Tribes under the proviso to sub-section (1) of section 6 shall not be taken into account while determining the number of seats to be reserved for the Scheduled Castes or Scheduled Tribes under this section:

Provided further that reservation for Scheduled Castes or Scheduled Tribes under this section shall be to such seats where the population of such castes or tribes is the largest)

Reservation of seats for women

(1) There shall be reserved in every district council seats for women as have the largest number of women voters and the seats so reserved shall not be less than thirty per cent of the number of members notified under section 4.

Provided that out of the seats so reserved one seat having the largest number of Scheduled Castes or Scheduled Tribes shall be for a woman belonging to the Scheduled Castes or Scheduled Tribes:

Provided further that where seats to which women are eligible for reservation under this section happen to be the same seats where the population of scheduled castes or scheduled tribes is the largest for the purpose of reservations under Section 5 Scheduled Castes or Scheduled Tribes as the case may be, shall be given preference to such seats and instead equal number of other seats where the women voters are the largest next in order shall be reserved for women under this section.

2) Nothing contained in sub-section (1) shall be deemed to prevent women from standing for election to seats not reserved for women or to prevent women belonging to Scheduled Castes or Scheduled Tribes from standing for election to seats reserved for women.

Standing Committees (Section 30)

In each district council there will be 6 Standing Committees as

follows:

1) General Standing Committee dealing with establishment matters, legal matters, local authorities, revenue, maintenance of revenue records, weights and measures and all miscellaneous and residuary matters.

2) Finance Standing Committee dealing with finance, district planning and development programmes.

3) Development Standing Committee dealing with industries, agriculture, animal husbandry, rural development, dairy development, inland fisheries and soil conservation.

4) Welfare Standing Committee dealing with development of Scheduled Castes and Scheduled Tribes, health services, indigenous medicine and social welfare.

5) Public Work Standing Committee dealing with irrigation, road, buildings and bridges.

6) Education Standing Committee dealing with education, culture, sports and games.

Each Standing Committee will consist of a maximum of 6 members, excluding the Chairman. The Vice President will be the ex-officio member and Chairman of the General Standing Committee. President, Vice-President or Chairman of any Standing Committee will not be a member of any other Standing Committee. (Amendments dated 13.4.'91 have also been incorporated).

Section 32. The Collector of the revenue district will be the ex-officio Secretary of the district council concerned and its Chief Executive Officer and Government may appoint such number of officers of appropriate rank from Government service as Joint Secretaries for the district council in such manner as may be prescribed to assist the Secretary in the administration of the district council concerned.

Employees of District Council (Section 36)

(a) Subject to such terms and conditions as may be prescribed, the Government may place at the disposal of a district council such of their officers and servants as may be necessary for the functioning of the district council.

(b) The Government shall not transfer out of the service of a district council any of the officers appointed under sub-section (1) of section 32, or any of the officers and servants placed at the disposal of the district council under clause (a) of this sub-section except in consultation with the President; and if the officer or servant has not completed three years of service under the district council except with the concurrence of the President:

Provided that such concurrence shall not be necessary if the transfer is due to promotion or reversion.

(c) The officers and servants placed at the disposal of the district council shall continue to be Government servants for all purposes and their terms and conditions of service shall continue to be the same as applicable to them under the Government:

Provided that when disciplinary proceedings have to be initiated against an officer or a servant of the Government whose services have been placed at the disposal of the district council, the President shall be entitled to make an enquiry and report against such officer or servant to the authority competent to impose punishment on such officer or servant under the rules applicable to him.

2) Notwithstanding anything contained in the proviso to clause (c) of sub-section (1) the Secretary of the district council shall be competent to impose minor penalties on any officer or servant of the Government whose services have been placed at the disposal of the district council subject to such rules as may be made in this behalf.

3) An appeal against any order of the Secretary imposing any minor penalty shall lie to the President.

4) An appeal under sub-section (3) shall be in such form and shall be presented within such time and in such manner, as may be prescribed.

5) On receipt of an appeal under sub-section (3), the President shall after giving the appellant an opportunity of being heard, confirm, cancel or modify the order appealed against or pass such other order as he deems fit.

6) Subject to such rules as may be made under sub-section (7) the Government shall fix, and may alter, the number designations and grades of, and the salaries, fees and allowances payable to, the employees of every district council.

7) The Government may make rules regarding -

- (a) the authorities who may appoint the employees of the district council and the classification, methods of recruitments, pay and allowances, discipline and conduct and conditions of service of such employees;
- (b) the constitution of any class of employees of the district council into a separate service;
- (c) reservation of appointments in favour of the Scheduled Castes, Scheduled Tribes and other backward classes of citizens.

Function of the District Council (Section 44)

The administration of a district in respect of the matters enumerated in the first schedule shall be vested in the district councils. The Government can also by notification, delegate any of the powers and functions of Government provided government will not transfer to District Council any programme of state-wide importance.

Power of District Councils as subjects administered by Panchayats (Section 45)

District Councils will also have power to administer the subject mentioned in schedule VII of the Panchayat Act within their jurisdiction. However, district councils can exercise general supervision and control over the functioning of the local governments within their jurisdiction. But as regards Schedule VI of the Panchayats Act, the Panchayats will have exclusive power to administer the subjects mentioned therein and district councils will not have any power to question any decision legally taken by the Panchayats.

Subject to the provisions of this Act or any other Act for the time being in force, a district council shall exercise general supervision and control over the functioning of the local governments within its jurisdiction. A district council shall subject to such rules as may be made provide necessary administrative, financial technical assistance to the local Government within its jurisdiction for the due performance by those local Governments of functions vested in them under any law.

Finance Commission (Section 51)

The Finance Commission which will be constituted by the Government within 3 months of the commencement of the Act and thereafter at the expiry of every third year will consist of a chairman and 2 other members. The Finance Commission will go into the problems of income and expenditure in respect of the district councils. It is also the duty of this commission to make recommendations to Government as to the pattern of assistance from the Government to the district council, the principles which should govern the grants-in-aid from the Government to the councils, the possibility of assigning to the district councils a percentage of the proceeds from any tax levied and collected by the Government from that district etc., and any other matter referred to the Commission by the Government in the interests of sound finances and efficient functioning of the district councils.

Audit and Accounts (Section 60)

The Examiner of Local Fund Accounts and his nominees will be

the auditors of the district councils and keep a continuous audit of accounts section 64 of the Act deals with power of the Government to issue directions regarding exercise of powers and functions by district councils in certain cases.

Power of Government to issue direction (Section 64)

Government may, from time to time, issue to all or any of the district councils such directions as they may think necessary regarding the performance of functions, exercise of powers and discharge of duties and those district councils will be bound to comply with such directions.

Sections 65 of the Act gives power to Government to undertake programmes and projects for the whole state or any area comprising one or more districts. Section 66 confers on Government the power to call for any record, register or documents under the possession of the council, any information regarding the council, or to require any district council to obtain previous sanction before giving up a claim or closing down an institution etc. Section 69 mention about the power of Government to take action against default of district council and Section 71 about the power of dissolution and supercession of district councils.

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