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**Delegation to Devolution: West Bengal**

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# DELEGATION TO DEVOLUTION: A COMPARATIVE STUDY

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## Thematic Introduction

The 73<sup>rd</sup> and 74<sup>th</sup> amendments to the Indian Constitution are landmark events by dint of conferring on rural and urban local bodies constitutional status with a view to making them “units of local self-government”. The 73<sup>rd</sup> amendment mandated a uniform structure of Panchayat Raj Institutions (PRIs) for the country with a few exceptions. However, despite the uniformity imposed by the Constitution variations in performance, noticeable prior to the amendment, continue to persist across states. Whereas earlier these differences were attributable to that hold-all term “lack of political will” the new status might have been expected to ensure a reasonable degree of uniformity. But variations are seen with respect to several areas including major mandatory provisions. This is compounded by persistent differences in regard to the zeal with which powers are devolved upon PRIs. This obviously requires examination. For the most part literature on decentralization and PR in India does not address this question explicitly. Whether this is because of a faith, stated or otherwise, that legislation would compel performance or because the issue is not seen in the backdrop of the political process is an important question but is not considered in detail at this juncture. Data on the status of PRIs across states shows differences particularly with respect to the commitment in satisfying the spirit of the legislation. A fruitful line of inquiry which has suggested itself is to seek part of the explanation in factors which are specific to the context of different states. This is arguably correct given that some states had shown more commitment to devolution than others before the conferment of constitutional status on PRIs. In fact the post-independence history of rural local bodies brings to relief important differences in commitment and approach across states. Equally relevant is that from the late seventies onwards there has occurred a paradigm shift in the Indian political scenario with the virtual disappearance of one party domination at the center and the emergence of governments of various hues in the states and the growing importance of ‘regional parties’.

Armed with this hypothesis a research study is under way in MIDS which centers itself on an inter-state comparison of performance in respect of devolution. The states selected for the study are Tamilnadu, Karnataka and West Bengal. The selection is based upon the following criteria. Karnataka and West Bengal represent, albeit in different

degrees, success stories while Tamilnadu is normally regarded as a laggard example. The former two made impressive strides in the late seventies and eighties and in some areas anticipated the constitutional amendment which materialized in 1993. In both states the initiative commenced with non-Congress governments. Tamilnadu has the distinction of being a state in which the two competing political parties agreed on abstaining in the vote on the constitutional amendment. There are other markers of performance which are adumbrated in the text of the papers. It is necessary to enter a word of explanation on the exclusion of Kerala from the inquiry. Kerala has been and continues to be extensively studied and is so far ahead on several counts as to render any comparison somewhat ambiguous.

The principal focus of the study is on financial devolution. This follows the premise that delegation of functions transforms into devolution of authority only when the former is accompanied by resources, financial as well as human. In inquiring into devolution our objective is not confined to flow of funds from the state to the sub-state levels relevant as that is. We propose to delve into the question of autonomy enjoyed by the PRIs particularly in relation to expenditure. An equally prominent issue is the effort made by them in mobilizing resources including naturally a consideration of how much power they enjoy in this realm. In broad terms the aim of the study is to examine the citizen-state relationship as it unfolds in changing contexts. However, in our view an intensive investigation into financial devolution must necessarily be preceded by an equally strong inquiry into context specificity. Also dividing devolution into separate compartments such as political, administrative and financial, while presenting a neat and elegant taxonomy, fails to capture the inter-connections among these components. And in the ultimate analysis devolution is quintessentially a political process and can be meaningfully studied only in that perspective. This is why devolution is specifically treated as the conferment of functions and powers on democratically elected local bodies in contradistinction to mere delegation of functions which can have a centralizing effect on the system. Therefore, the first phase of the project has concentrated on what may be termed the “evolution of devolution” in the selected states.

Recent studies on PRIs start, logically enough, with the 73<sup>rd</sup> constitutional amendment. This, as remarked above, is a landmark event in the history of devolution. However, it is necessary to place this within a historical perspective. Without this it would appear that this amendment descended manna like and with little prior preparation. A convenient entry

point for developing a processual perspective is to dwell briefly on the debates on the nature of the Indian Constitution before it was adopted. In relation to Panchayats or more broadly, making the village the central point of governance there were, the following prescriptions/recommendations in the Constituent Assembly.

- a pyramidal structure of governance with village republics as the pivot: advocated by ardent Gandhians but these were not numerous
- a wholesale rejection of the village trenchantly presented by Ambedkar.
- arguing for villages as units of governance but placing this within the overall frame of a modern nation which would utilize technology and science: a view urged by several members with an otherwise conservative bias.
- expressing disagreement with Ambedkar's rejection of the village but cautioning against a romantic conception of the village and envisaging for panchayats a role in the future; a balanced and realistic perception of which the best spokesmen were K.Santhanam and M.Ananthasayanam Ayyangar.

It will be seen that the perspectives on villages as units of governance spanned a wide spectrum from the Gandhian village republic at one extreme to Ambedkar's description of the village as "a sink of localism and a den of ignorance". In the Constituent Assembly an attempt was made rather belatedly by Rajendra Prasad, the President of the Assembly, to have the "Constitution begin with the village and go up to the Centre" since the village "has been and will ever continue to be our unit in this country". B.N.Rau, Advisor to the Assembly pointed out that this was not feasible since the Assembly had decided in favour of direct elections to both houses at the center as well as the provinces and that this would be difficult to reverse. In the final analysis even those who advocated panchayats were unwilling to make them the base for an indirect system of government and the amendments they moved did not support the "decentralization of a Gandhian constitution" (Granville Austin).

In the end panchayats as the foundation for governance were rejected virtually unanimously, the Constituent Assembly opting for a European-American model. However, as is well known a reference to Panchayats was included in the Directive Principles, (Article 40) described by Sudipto Kaviraj (1996) as the "constitution's basket of ineffectual intentions" and earlier by T.T.Krishnamachari in the following words: "a veritable dustbin of sentiments...sufficiently resilient as to permit any individual of this House to ride his hobby horse into it". Notwithstanding these dismissive comments at the time this was debated no one could have foreseen that the Directive Principles were destined to assume the

significance they have done. It may also be added that there was not much emphasis put on what Panchayats could achieve or even how they were to be nurtured and promoted.

This was the national scene. At the level of the states some attempts at decentralization took place before independence but in the context of colonial rule there could have been no expectations of local bodies emerging as units of governance. However, in the three states selected for inquiry there was almost continuous engagement with the theme of strengthening local bodies. A difference among the three worth noting is that Bengal and Madras were presidency states but Mysore, the forerunner of present day Karnataka, was a princely state. In all three attempts to decentralize continued after independence but each has followed a quite distinct trajectory, a fact which can only be explained with reference to state-specific contextuality.

To return to the macro level, decentralisation was never completely absent from the agenda of discussion. The best known early national initiative was the Balvantray Mehta Study Team which reported in 1957 and recommended a two-tier panchayat raj model the units being at the block and village levels. Heralded as the beginning of a new epoch Panchayati Raj did receive some attention from a few state governments but the momentum was soon lost. The performance was patchy and uneven. As the successor Ashok Mehta Committee noted in 1978 Panchayati Raj had passed through three phases: ascendancy (1959-64), stagnation (1965-69), and decline (1969-77). The Ashok Mehta Committee recommended, inter alia, that a suitable provision would have to be introduced into the Constitution to make possible transfer of substantial powers to PRIs. The Committee recognized that devolution to PRIs should be accompanied by greater devolution from the Union to the States but found this to be outside its terms of reference. (Incidentally not much attention is given to this aspect in discussions on devolution, that is, the need to set the question against the Union-State equation). However, there was the recommendation that the Government of India should carefully consider the matter and the Committee invited particular attention to a document prepared by a group of 21 eminent citizens which included a draft amendment to the Constitution.

Between the Balvantray Mehta and Ashok Mehta reports the latter was more explicit in treating PRIs as units of governance and dynamic agents development. In its words: "Panchayati Raj is both a living continuum and also a unit of democratic self-management at the rural local level. The dual status is natural as well as desirable, once it is recognized that Panchayati Raj is a sub-system in relation to the democratic polity in the country and

will also develop the potential of becoming a political system the rural local level for the complex of transferred activities”. A continuing theme in the report is the need to devise a devolutionary system which would be fully in consonance with the emerging needs of the economy. We find too a great deal of emphasis on space-sector integration and in doing so the Committee followed the growth center strategy based to a large extent on the growth pole and Central Place theories which were gaining ground in the seventies. It is also noteworthy that the report spoke of the emerging nexus between the rural and urban and indeed provided for this development in its scheme of electoral representation.

It is appropriate at this point to ponder over the reasons for the differences between the two reports. A proximate reason was that the latter committee prepared its report against the immediate backdrop of the Emergency. One of the effects of that cataclysmal event was to impart an acute awareness of the potential dangers of a strong center and *pari passu* for developing other loci of power which would act as a check against this. The assertion of power by the states as also the demand for more resources and power to be devolved from the Union, although present earlier, gained in strength after the Emergency. To this should be added the impact of the changes which had been taking place in relation to the development model itself. In the late fifties the approach to agricultural development, with obvious implications for rural development in general, took a decisive turn towards the explicitly technocentric thus underemphasizing the institutional. It is possible that this shift, culminating in the Green Revolution, had the effect of diluting the importance of a participatory structure of rural development and governance. Technological hegemony is likely to be impatient with structures and processes which are perceived to be slow and cumbersome. At a more fundamental level technological primacy is unlikely to recognize the need for deliberation of alternatives through a democratic dialogic process. This may explain why Panchayati Raj stagnated from the mid sixties and even in its phase of ascendancy PRIs were considered more as agencies of development rather than units of governance. By the mid seventies there had begun some degree of skepticism about the claims advanced on behalf of technology as the principal solvent of the country's socio-economic problems. That realization must have contributed to the orientation of the Ashok Mehta Committee's recommendations. One of the central features of the Ashok Mehta report is the constant attempt to blend in PRIs both a development and a political role. All of which reinforces an observation made by the Committee to the effect that there was a lack of clarity regarding PRIs which were seen as an “administrative agency”, “extension of democracy to grass root level”, and a “charter of rural local government”. And the

Committee remarked insightfully “ what is all the more intriguing is that all these conceptual images would co-exist side by side tending to militate against each other in the short-run”. This in turn may be juxtaposed with an earlier observation in this text that in the deliberations of the Constituent Assembly too these somewhat conflicting perceptions were present and were ultimately papered over by bringing Panchayats under the ambit of the Directive Principles.

The Ashok Mehta Committee’s recommendations did not alter the fortunes of PRIs all at once. Their principal positive impact was in *states which had their own compulsions and motivations for devolution*. The two leading examples are West Bengal and Karnataka. The former saw in devolution an opportunity to establish a rural base for the left parties which until then they had lacked. Also the government of the day sensed the possibility of thwarting any intervention against it from the center by creating for itself an alternative base of support. In Karnataka the state’s first non-congress government sought to utilize Panchayat Raj in order to deepen the support for the party in the rural sphere where it was relatively weak. It should be added though that in both states there was an earnest commitment to devolution and indeed in Karnataka it had formed part of the party’s election manifesto and this was assisted by the zeal of the minister for Panchayat Raj, the late Abdul Nazeer Sab and the support he received from the chief minister Ramakrishna Hegde. The state-wise details are presented in the respective narratives. The principal point is that the Ashok Mehta report was of benefit to those states which had an expressed interest in devolution but did not create a new national ambience. At the same time its role in furthering interest in devolution should be acknowledged even if this took years to reach recognizable maturation. In other words the uneven performance of states on the Panchyati Raj front continued post Ashok Mehta. In this one can discern the reasons for Constitutional status not succeeding in ushering in a new PR era.

The next discernible policy shift took place in the eighties. Towards the end of the decade the Union government at last introduced an amendment to the Constitution to confer the status of units of governance on PRIs and Urban Local Bodies/ULBs. Before discussing the amendment it is necessary to examine the background and the events leading up to this. To begin with major transformative changes were taking place in the economic front like the New Economic Policy bringing in relaxation of controls and opening up the economy internally as well as externally even prior to the formal adoption of Structural Adjustment. At the global level there were major developments which may be briefly summarized as follows:

- collapse of the Soviet Union which weakened the rationale of interventionist regimes
- emergence of the New Political Economy with its strident insistence on ‘market friendliness’ and a dilution of the state’s role
- a disenchantment with ‘large governments’ to which the state as an institution contributed by virtue of its negative image
- increasing emphasis on ‘transparency’, ‘accountability’ and ‘participation’ in governance
- Structural Adjustment advocated by the Fund and Bank with emphasis on reduction of subsidies and more generally a ‘smaller state’.

It is arguable that this constellation of factors exercised influence over India. Disaffection with the State was becoming rapidly evident. Rajiv Gandhi was convinced that the centralized mode of governance had failed to deliver the goods and that as a result out of the resources earmarked for development only a pitifully meager proportion reached the intended beneficiaries. He was assisted by the fact that he was a ‘greenhorn’ in politics which gave him the courage to speak approvingly of the way devolution had been attempted in states ruled by non-Congress parties like West Bengal and Karnataka. In addition he was able to see in devolution a mechanism through which a direct conduit could be established between the center and the sub-state level commencing from the district. The ruling party proposed the 64th amendment to the Constitution with the main objective of conferring constitutional status on Panchayats. What were the possible motives that prompted Rajiv Gandhi to constitutionalise decentralisation reforms in the late 1980s and early 1990s? Reasons behind such moves were both manifest and subtle. As Bandyopadhyay (1999) analyses incisively, initially Rajiv Gandhi was looking for some efficiency-enhancing administrative reforms that would address the problem of widespread inefficiency and callousness among administrators toward their developmental tasks at the district level. But soon it became clear to him that “..if our district administration is not sufficiently responsive, the basic reason is that it is not sufficiently representative” (Rajiv Gandhi’s remarks at a workshop on ‘Responsive Administration’, as quoted in Bandyopadhyay, 1999, p.71) Therefore, some mildly reformist tinkering with the system would no longer suffice; a more fundamental change was in order at the district and sub-district levels – from a bureaucratic administration to a ‘representative and responsive elected system of governance’.<sup>1</sup>

<sup>1</sup> One of our interviewees (interview held on 16 May, 2002) speculated in a similar vein that Rajiv Gandhi wanted to create a channel between the common man and elected representatives which remained clogged at that point and hence felt motivated to re-establish that link through panchayats. (Interview on May 16, 2002).

But beneath these overtly reformist concerns of the then Prime Minister lay, Bandyopadhyay (1999) helpfully speculates, another set of reasons shaped by his crafty political calculations. These were turbulent periods for India, rocked by militant movements in different parts of the country. This was also the time when in the wake of the rise of non-Congress political forces, the so-called ‘opposition’ Chief Ministers (for example, the puissant leaders like Jyoti Basu, Ramakrishna Hegde and N. T. Rama Rao) were clamouring for greater devolution of power from the Centre to the States. Faced with growing challenges from sub-national power centres, Rajiv Gandhi pushed forward the plan of creating new constitutionally-mandated power centres at the sub-State level, that would in their turn make similar demands on chief ministers for a greater share of State powers. In other words, the Centre wanted to strengthen PRIs so that State governments would find themselves in the same position vis-à-vis the panchayats as the Central government vis-à-vis the States.

Many other respected commentators on the subject corroborate this line of analysis, by affirming that the constitutional amendment was intended to bypass State governments and introduce direct links between the Central government and 300 odd districts. One senior bureaucrat suggests in an interview<sup>2</sup> that there was indeed a charge against Rajiv Gandhi that he wanted to reduce powers of Chief Ministers through panchayats – otherwise known as the ‘PM to DM’ (from the Prime Minister to the District Magistrate) strategy. The latter would remain loyal to the PM, Rajiv Gandhi surmised, through the network of centrally sponsored schemes. A former influential minister from the State of West Bengal alludes to similar political intentions when he notes that the centrally-sponsored decentralisation programme is part of a legacy of centralism begun by Indira Gandhi which sought to ‘chop up State governments and pass on power to districts’, as a way of maintaining a strong centre.<sup>3</sup>

Yet the 64<sup>th</sup> had a rough passage in Parliament and ultimately failed to become law. Partly the explanation lies in the package which Rajiv Gandhi proposed along with the amendment. This was the famous PM-DM package adverted to above which, in his view, would clear the conduit between the Prime Minister and the District Magistrate who is the head of the district administration and is more generally known as the Collector or the Deputy Commissioner. The passage had got clogged thereby rendering the system

<sup>2</sup> This interview was conducted on 16 May in Bangalore, 2002.

<sup>3</sup> This is based on an interview held on 11 November, 2002. The expert assistance of Manabi Majumdar in the writing of this section is gratefully acknowledged.

impervious to the needs of the common man. In all likelihood he also saw in the direct conduit from the center to sub-state levels an opportunity for expanding the sphere of patronage for himself and his party. It was possibly this package which made the states see red and sense in the amendment not a genuine attempt to devolve power but actually to strengthen the hold of the center. The amendment was received with hostility in the lower house of Parliament. There was acerbic debate on whether it was constitutionally permissible for the Union to legislate on Panchayats which figure in List 2 of the Constitution and is the domain of the states. Hardly any party was sympathetic to the amendment except of course the Congress. In the end the amendment failed to secure the necessary majority in the upper house and had to be dropped. Some scholars were critical of two of the Bill's orientations, one was that the states would be by-passed and the other that the uniform structure which it sought to introduce was unnecessary. In particular it was argued that those states like West Bengal and Karnataka which were operating the PR system quite well would now be compelled to restructure it with little advantage to them. For all the reasons sketched here the amendment could not become law.<sup>1</sup>

The situation altered in just a few years. In 1991 the government once again brought in a draft amendment to the Constitution. The arguments which were advanced against the earlier aborted legislation were not in evidence on this occasion. When the amendment was finally passed in December 1992 by the lower house after the joint select committee had vetted it the principal arguments were around the following issues.

- direct versus indirect elections of members and chairpersons
- mandatory reservation for backward classes
- providing for a connection between the state finance commissions and the national Finance Commission
- representation for members of parliament and legislatures in PRIs

Further, many members were insistent that adequate safeguards should be provided to ensure that local bodies, rural as well as urban, would not be starved of funds. A suggestion was made forcefully by a member from West Bengal that the Constitution should confine itself only to three aspects of PRIs: regularity of elections, reservations for Scheduled Castes, Scheduled Tribes and women and constitutional sanction for devolution of power through a separate list. It was also urged that on all other matters the state legislature should be given a free hand to decide according to "suitability, convenience and regional needs". However this did not attract much support. Even the issue of a

uniform three-tier structure was not debated when the house adopted the amendment. During interviews with senior bureaucrats who participated in the framing of the amendment it was learned that the focus was on getting the amendment through even if it meant not having an ideal legislation. One result of this was that issues on which a consensus proved elusive were left to the discretion of the states.

The principal features of the amendment, now part of the Constitution, are briefly summarized below:

- uniform three-tier system except for states with a population of less than 20 lakhs
- direct election of members at all level
- Reservation for Scheduled Castes, Scheduled Tribes in proportion to their population and 33% for women both for election as members and to posts of chairpersons except that in the latter case rotation of constituencies is mandatory.
- Five year term for all Panchayats
- Minimum age for membership reduced to 21
- A state finance commission to be appointed every quinquennium.

The Constitution also has certain enabling provisions. These are in respect of:

- direct elections to the post of chairperson of the village panchayat
- representation for members of Parliament and state legislatures in panchayats at the intermediate and district levels
- reservation in favour of backward classes in elections of members as also chairpersons.
- representation of chairpersons of one level at the next higher level

Subject to the mandatory articles of the Constitution “ the legislature of the state may, by law, endow panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to:

- a) the preparation of plans for economic development and social justice
- b) the implementation of schemes for economic development and social justice as may be entrusted to them including those listed in the Eleventh Schedule” (Article 243 G).

The Eleventh Schedule of the Constitution contains 29 subjects.

The powers of taxation of panchayats is to be legislated by the States.

The state finance commission is similar to the one constituted quinquennially under Article 280 but there is an important difference in that the former deals only with the net proceeds of taxes, duties etc which “*may be divided*” between the state and Panchayats whereas the latter deals with net proceeds which *are to be, or may be divided* between the Union and the States.

It is noteworthy that the 73<sup>rd</sup> amendment contained no provisions for a machinery for planning. That instrument, the District Planning Committee, was introduced by the 74<sup>th</sup> amendment which focused on urban local bodies but applies to PRIs as well. In a rudimentary way the DPC is an attempt at rural-urban integration but it does not appear to have the potential to perform this role successfully.

Before we proceed to analyse how our three states have functioned with respect to the amendment it is appropriate to ponder over the reasons why the 73<sup>rd</sup> had a smooth passage while its predecessor encountered hostility and that barely three years previously. And as legislations they are practically identical. Two factors immediately suggest themselves as worthy of examination. In the first place the PM-DM package which accompanied the attempted 64<sup>th</sup> amendment was not present when the draft amendment was introduced in 1991. That might have served to take away some of the heat which was generated earlier. Secondly, a major change had occurred in the macro sphere with the formal adoption of Structural Adjustment in 1991 soon after the new government took office. It is arguable that this event may have led to the emergence of a more diluted state in the minds of political leaders. Moreover if we juxtapose the adoption of SAP with the post-Rajiv Gandhi political situation it is plausible that a conception of a union government very different from what the country had got used to was taking shape. State governments which were already straining at the leash must have felt a further wind of change blowing. Also the amendment, by virtue of leaving several matters to the discretion of the states, must have been perceived as not being particularly harsh in terms of eroding their autonomy. Complaints were heard then as they are today that the center has not really decentralized and what it has done is mostly at the expense of the states. There is some element of truth in this criticism but all in all the states’ perceptions were nowhere as negative as when the earlier amendment was introduced. Part of the answer would lie in their assessment of their strength vis a vis the center in relation to the dynamics of political power sharing.

An additional factor of importance is that by this time the credibility of the state as an institution had taken a nosedive. This was in many ways a global phenomenon, a state of affairs which is best described by Manor in the words, a feeling that centralized governance had failed( 1996). This could have had an unsettling effect on actors in the centralized governance structure. They may have thought this an appropriate time to get those at lower territorial levels to share responsibility. This reading should be juxtaposed with another striking coincidence which is in fact more than coincidence. And that is that the fortunes of devolution, indeed those of decentralization itself, have tended to fluctuate with the prevailing development paradigm. This point has been made above but it needs to be reiterated. It cannot be mere serendipity that along with the loss of credibility of the state and skepticism about the technocentric model of development there also developed some acceptance of a decentralized mode of governance. Not to be by-passed is the warm endorsement of decentralization by the Fund-Bank twins.

The fundamental inference from this comparative study, and it needs to be stressed that the work is still in progress, is that the local context is highly relevant. So relevant that it can almost undo what a uniform legislation seeks to put in place. There are ever so many ways in which a state can follow its own trajectory in practice while in theory accepting a legislated mandate. An excellent example is in the realm of finance. Tamilnadu has not publicized the report of its second State Finance Commission. West Bengal and Karnataka have but the test is not over with this. The critical factor is the extent to which finances are actually devolved. Within this there is the basic question of how much autonomy PRIs enjoy with respect to expenditure. The current phase of the study is coming up with interesting information on these issues but the inference for the moment is that the political culture of the state has an important bearing on how devolution takes place. It should be emphasized that despite the perspective adopted in this phase of the research it is not intended to remain confined to an analysis of the development of structures. On the contrary the ultimate aim is to study institutions of local government as integral parts of a process. The present narratives should, therefore, be seen as an essential backdrop to an inquiry into the process.

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## **DELEGATION TO DEVOLUTION: WEST BENGAL\***

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### **Abstract**

Is the tax revenue-dependent state – national or sub-national – more responsive to the needs and concerns of its tax-paying citizens than the one relying mostly on unearned income? Set within this larger quest for the linkage between fiscal process and political process at the sub-national level, this paper takes a prior look at the political and legislative history of the development of the Panchayat Raj system in the State of West Bengal, how the decentralized ‘local’ state has evolved from a ‘development’ panchayat to a ‘party’ panchayat to its recent incarnation as a ‘planning’ and ‘resource mobilizing’ panchayat. Based upon a thematic analysis of relevant Acts and documents, Legislative assembly debates and proceedings, and interviews with academics, administrators and politicians, we summarize our findings regarding the constellation of forces that has made the decentralization experiment happen in the State, the sweep of legislative measures, the concerns and conflicts of major political parties evinced through Assembly debates, the nature of party-PRI relationship and the relationship between ‘local power’ and State-level politics. This politico-legislative narrative sets the contours of our future research on resource mobilizing and micro-planning potentials and practices of Panchayati Raj Institutions and their redistributive effects.

### **I. Introduction**

“I am sitting on a throne of nails and wearing a crown of thorns”, said the Chief Minister of Tamil Nadu recently, referring to her ‘unenviable task of rebuilding the State in the wake of a crippling financial crunch (the Hindu, March 11, Tuesday, 2003).<sup>1</sup> Ignoring the imperial allegories of the ‘throne’ and the ‘crown’, it is quite possible that the Chief Executives of most other State governments of the Indian Union would share her anguish, as they all face a similar financial crisis. Recent hikes in public sector salaries and escalating defence budget have made a major contribution to this near-bankruptcy of State

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governments. The poverty of the State governments, in its turn, poses new challenges to the eradication of the poverty of the people, as it diminishes the State's capacity to provide welfare. To put it conversely, to achieve redistributive gains through pro-poor policies, we need to address the prior question of 'resourcing' the state. Economic growth may enrich state coffers, as one would expect that with greater economic growth more will be available for public expenditure. But a more direct route toward augmenting public resources would be to mobilise resources from the people. The latter will have a straight bearing, as the thesis of 'revenue source and presumed responsiveness of government agencies' would suggest, on whether and how the public money is spent for public purposes, and by extension, on the larger issue of the relationship between public institutions and citizens.<sup>2</sup>

Within this larger analytical framework of fiscal sociology (the description of which remains quite crude and in-exhaustive at this juncture), this paper examines the experience of rural decentralisation in one of the three selected States of the Indian Union, namely, West Bengal. Two companion papers study Karnataka and Tamil Nadu respectively. Three brief comments are apposite here vis-à-vis our focus on : a) decentralisation, b) inter-State variations in this respect, and c) the choice of the study State.

*Decentralisation as democratisation?* Support for decentralisation, both in India as well as in different parts of the globe, has come from diverse quarters – from statist, protagonists of the market, and communitarians, and for varied reasons – of market failure, government failure or of the bankruptcy of both. One prominent group of advocates – theorists as well as practitioners – suggest decentralisation as a way of improving public service delivery; they delineate the *information* and *incentive* advantages that local level organisations enjoy over their central counterparts. In making such an *economic case* for decentralisation, some protagonists however neglect what is arguably the basic spirit of decentralisation, namely, people's participation (especially participation of the underprivileged) in decision-making and implementation processes. But decentralisation does not automatically enhance people's participation. In other words, decentralisation cannot be treated as synonymous with local democracy (Dreze and Sen, 2002). In fact, in situations of sharp local inequalities (situations far from uncommon in a segmented society like ours) decentralisation sometimes reinforces existing biases in the local power structure and discourages participation among the disprivileged sections of the population. Simply put, 'decentralisation is a double-edged sword' (Webster, 1996).<sup>3</sup>

To be sure, the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts are examples of strengthening of democratic institutions in the country, but how these institutions perform is a matter of democratic *practice*, influenced in its turn by a wide range of social conditions (Dreze and Sen, 2002). This contingent and contextual nature of democratic decentralisation makes it a prime candidate for further enquiry, especially as part of a larger project which aims to examine the relationship between the legitimacy and performance of public institutions on the one hand and the participation of the people on the other – people as beneficiaries of local public services, as tax payers, as providers of information on local preferences, costs and needs, as social auditors demanding information from local authorities on past accounts and future spending priorities. Simply put, our principal aim continues to be an enquiry into how the state can be influenced to adopt a pro-poor policy stance and the extent to which decentralisation can further this.

The top-down decentralisation initiatives stand in need of close scrutiny for another related reason. Both central and State-level authorities display an ambivalent position vis-à-vis decentralising efforts. For example, speaking in general, the State-level leadership in India has thus far shown little willingness to share power with the local leadership. The ‘conformity’ legislations remain highly wanting in this respect in many Indian States. If decentralisation is a problematic proposition for the central or State governments, the question then is why it occupies a place of prominence in the current reform initiatives in the country (as a matter of fact in so many countries).

Weiler (1993) provides an interesting clue to this puzzle when he observes that in exercising its power the state has dual, mutually contradictory interest: to maintain control on the one hand and to enhance legitimacy on the other. The decentralisation measure has its political utility; when overcentralised systems tend to lose legitimacy, decentralisation may act as a useful strategy for ensuring legitimacy. But coincidentally it poses a challenge to state’s control over power, hence the dilemma. What we may, therefore, expect to see are cycles of decentralising and recentralising reforms. Hence, the political purposes and motives behind state-sponsored decentralisation initiatives become focal variables here.<sup>4</sup> We, of course, do not wish to suggest that the ‘politics from above’ fully determines the ‘politics from below’. In other words, what goes on at the grassroots level may differ from the political calculus, which originally motivates the process; the ‘subaltern politics of panchayats’ expectedly differs from what is envisaged at the supra-local policy plane.

Simply put, interactions, negotiations and manoeuvring both at the local level as also between the top and the bottom assume a dialogical character.<sup>5</sup> Therefore, our aim here is to examine forces underlying reforms and reciprocally, those unleashed by political and legislative reforms. All these constitute parts of our enquiry of whether decentralisation makes government more responsive to the needs of the poor.

*Differently decentralised:* Our focus on varieties of decentralisation is inspired by the fact that the States in India are larger than most countries in the world in terms of geographical territory and population. Understandably different regions of the country are ‘differently democratic’ and ‘differently decentralised’. Consequently, we need to adopt a disaggregated approach that captures the diversity and complexity of Indian social, political and economic reality. Several scholars focus on ways in which the historical-social context has shaped the democratic institutions in different parts of India and reciprocally how social realities have been affected by such widely divergent patterns of democratisation.<sup>6</sup> As we shall try demonstrate below, inter-State variations in decentralised reforms reveal themselves in at least three distinct ways : a) legislative reforms have followed very different courses in the selected States; b) political motives behind such initiatives have been quite distinct, as has been the nature of social/historical forces that have either helped or hindered the reform process; and c) practical results of State initiatives have varied a great deal depending on social and economic conditions, the nature of political parties, social inequalities, the educational and political awareness of the public and so on. All this has surely influenced the local features of respective Panchayati Raj Institutions (PRIs).

*The political/legislative narrative of decentralisation in West Bengal :* Selection of West Bengal as one of the case studies is prompted by the obvious reason of its being in the national forefront of decentralisation efforts for nearly three decades. Such a long and secure tenure of the decentralised regime, that too under the tutelage of the same ruling coalition throughout the entire reform period, provides us with a rare opportunity for studying the ‘evolution of devolution’ in a meaningful way. Indeed, to mention it somewhat simplistically and prematurely, as the process of decentralisation has unfolded over the years in the State, PRIs have grown out of their role as ‘development’ panchayats (as mere appendage to the development bureaucracy) to assume the character of ‘political panchayats (spearheading, in concert with the CPI(M) party, the programme of agrarian reforms launched by the State government). But with decelerating agricultural productivity growth

in the 1990s in the State, an imminent policy shift from land reforms to contract farming, and growing austerity in State-level spending, the 'third' generation panchayats are envisaged to play a new role. That is to say, they are expected to become more active in generating their own resources.<sup>7</sup> Tied to this new imperative of panchayats raising funds are issues of fiscal autonomy and fiscal responsibility and their possible effects on redistributive goals. These are the sets of issues that will engage us in the second phase of our research.

At this point, however, we push back our enquiry to focus on the political as well as legislative initiatives in decentralisation reforms, undertaken by the ruling coalition in West Bengal during the period between late 1970s and mid-1990s. Based upon the analysis of relevant documents and Acts, Legislative Assembly debates and proceedings, and interviews with academics, senior administrators and politicians, we summarise below our findings regarding the constellation of forces that has made the decentralisation experiment happen in the State, the sweep of State legislative measures, the concerns and conflicts of major political parties evinced through Assembly debates, the nature of party-PRI relationship and relationship between 'local power' and State-level politics.<sup>8</sup> While the literature on decentralisation reforms in India is quite vast now, varieties of decentralisation within the nation, their varying contexts and implications remain a relatively understudied area. Our comparative account of the 'politics of Panchayati Raj' in the three selected States will hopefully shed some light on these not-so-well-understood issues. To put it another way, there is a great deal of scope to learn from 'within' India (Dreze and Sen, 2002). Comparisons are always difficult within, leave alone, between nations. Still, nations share some common problems which persist despite their contextual specificities. Hence, results of this study will likely have some implications beyond national borders, as they will hopefully throw light on international understanding of both democratic institutions and democratic practice. Arguments in the rest of the paper are developed in three parts. In section II, we attempt to build up a political narrative of the PR system in West Bengal. Section III discusses the relevant PR legislations in the State, the core issues that emerged during Legislative Assembly debates around these legislative initiatives and then undertakes a thematic analysis of the Panchayat Act of 1973. In section IV, we revert back, although very briefly, to the question of fiscal devolution and look for some pointers for future research.

## II. The Politics of Panchayats in the State of West Bengal

The panchayat system in West Bengal has been acclaimed as a ‘pioneering model of participatory governance’ in India, with maximum stability and longevity (Ghatak and Ghatak, 2002). Interestingly, however, scholarly assessments of this model span a wide spectrum, ranging from highly laudatory to highly critical. This indicates a scope as well as a need to trace back the evolution of PRIs in the State, especially at its present juncture of agrarian transition. In the following, necessarily inexhaustive overview of the political history of panchayats in West Bengal, our aim is to straightforwardly narrate what happened in the realm of decentralisation, offer some plausible explanations for it and dwell upon some of the implications for policy outcomes.<sup>9</sup>

*The Left front politics and revival of the PR system* : Keeping in mind the motives of the Central government for mandating decentralisation in the States of the Union during the 1990s, as adumbrated in the thematic introduction, it is time to turn our attention towards the State’s own reasons for introducing decentralisation reforms. The history of decentralisation in West Bengal (as in the rest of the country) pre-dates independence; yet many accounts of decentralised governance in the State focus on the decentralisation reforms initiated in 1978 by the left front government.<sup>10</sup> Why did decentralisation begin in West Bengal in 1978 under the tutelage of a party (i.e., the CPI(M)) committed to democratic centralism?<sup>11</sup> The Centre-State relations prevailing in the late 1970s are very much germane to an understanding of this issue. The Left front came to power closely on the heels of the Emergency; there was serious concern in the State political circle at that time that the Centre might dismiss the new government (as it had removed the previous UF government on two occasions – in 1967 and 1970). The revival of the PR system may be seen in this context as part of the Left front’s (especially CPI(M)’s) political strategy or a protective mechanism, whereby the party would expand its power base in rural areas and so counter the power of the Centre. Until then its support base was predominantly urban. As Bandyopadhyay perceptively notes, under the leadership of Jyoti Basu, the Left front decided to reinvigorate panchayats with the ostensible political purpose of penetrating the countryside and expanding their power base such that even if they lose power at the State level due to predatory central interference, at the grassroots level the influence of the party will continue. ‘It was sort of an anticipatory bail against the onslaught of centralised eviction’.

The point to be seized here is that although the then Central and State governments were being driven by almost diametrically opposite political intentions, both the parties

chose a very similar reform strategy to secure their respective interests, namely, decentralisation reforms. It is this ambiguous nature of decentralisation that makes the need for analysis of its implications so urgent.

To be sure, apart from catering to the survival needs of the party, on a more positive side of the register, the Left front showed some genuine interest in protecting the interests of the poor. Indeed, the PRI reforms were not taken up in isolation but in concert with fairly progressive agrarian reforms. The Left coalition's agenda of panchayat reforms is closely intertwined with its programme of agrarian reforms. And the 'politics of Left panchayats' is very much a product of this association. To pay a fleeting glance at this linkage, we step back a little to look at the first phase of land reform programme during the United Front (UF) government in the late 1960s. Under the charismatic leadership of Harekrishna Konar, the *Kisan Sabha* – the mass peasant front – called for mass participation in the seizure of *benami* (illegally held) land. The UF government resorted to a direct approach with regard to land distribution. Under the famous 'land-grab' movement, *benami* lands were identified and distributed by peasant organisations.

In contrast, the Left front coalition adopted a more institutional approach to land distribution in the late 1970s and early 1980s. While peasant organisations continued to be involved in the reform process, panchayats were the chief machinery for identification as well as distribution of *benami* lands (Sengupta and Gazdar, 1996). The key pillars of this programme were the redistribution of ceiling-surplus land to landless and marginal farmers and the registration of *bargadaars* (i.e., sharecroppers). The latter, termed *Operation Barga*, accorded legal rights to share croppers, reduced the share of crop due to land owners, and provided the former with tenure security (Seshiah, 2003). The spectacular growth in agricultural products in West Bengal in the 1980s may be attributed, at least in part, to the programme of land reforms, launched by the Left front government in the late 1970s and early 1980s (Bandyopadhyay, 2003a). Another significant effect was the atrophy of the class of rentier, the landed gentry. 'The space they vacated was gradually occupied by middle and upper peasantry who were productive agents' (Bandyopadhyay, op cit, p. 881).

It may be noted here that part of the support for the implementation of the reform programme came from an unexpected quarter, that is to say, from some reform-oriented bureaucrats. In a recent interview (November 9, 2002), a senior bureaucrat incisively suggests that the implementation of the programme was relatively easy as many of the

government officials directly entrusted with this task came from the then East Bengal, having no vested interests in land and therefore carried out their responsibilities with enthusiasm and commitment. Bureaucrats, however, were less enthusiastic about the PR reforms, at least during the initial phase.<sup>12</sup>

Both these sets of reforms were based on Acts passed by the previous Congress State government; but these were never implemented. The CPI(M) took up the PR legislation, recognising that it was deficient. But developing new legislation would be too time-consuming; hence the party decided to implement the PR and agrarian reforms, based upon legislations prior to the arrival of the Left front government.<sup>13</sup> The 1973 Panchayat Act which constituted the basis for decentralisation reforms, in its turn, had been designed after the original panchayat acts passed in West Bengal in 1957 and 1963, as we elaborate in the next section.<sup>14</sup> Suffice it to state here that earlier acts had created a four-tier system of panchayats including the *Zilla Parishad* (at the district level), the *Anchalik* Panchayat (at the block level), the *Anchal* Panchayat (roughly similar to the old Union Board which covered approximately ten villages) and the *Gram* Panchayat (at the village level). The system functioned with minimal participation by the people, few powers and meagre financial resources. A substantial change in the nature of PRIs occurred in 1978. The four tiers were reduced to three. The earlier Anchal panchayat became the basis for the new Gram panchayat and the former Anchalik panchayat now became the Panchayat Samiti. The Zilla Parishad retained its position as the apex body covering the whole district. Previously direct elections had been held only for the gram panchayats. Under the new model, party-based direct elections are held for all three levels of panchayats every five years (Webster, 1996).

*The Role of a Committed Party* : The Left front coalition has continued to be in power throughout the entire reform period under review. Indeed, the close relationship between the CPI(M) party and the panchayats is a focal issue here. To quote Bandyopadhyay (1999, p.70), “The Panchayat system has survived because of the Left Front, which introduced it, continued in power through subsequent elections...Similarly, the Left Front has rooted itself strongly in the rural areas through panchayats...In a way both the Left Front and the panchayats have been supporting each other in retaining power through the election process.” This synergistic relationship between the front and panchayats and their complementarity can be reconceptualised, following Crook and Sverrisson (2001), as ‘the politics of centre-local relations’, taking the State government to be the central party here.

They suggest it to be a crucial variable in accounting for differential success of decentralisation experiments across the globe. More elaborately, the authors argue and we quote them extensively (2001, p.48),

“It is highly significant that the most successful cases were the ones where central government not only had an ideological commitment to pro-poor policies, but was prepared to engage actively with local politics (even for its own politically self-serving reasons) to challenge local elite resistance if necessary and to ensure implementation of policies. In India (West Bengal) and Brazil pro-poor outcomes were in fact a product of the synergy between local and central factors : centrally funded, poverty-relevant programmes implemented in cooperation with local governments and given a strong ideological and organisational impetus at the local level from the commitment of local employees and political activists.”

Surely, the CPI(M) party came to power in 1977 with an ideological commitment to decentralised governance and to encourage increased political participation in institutions of local government (Webster, 1996). And its readiness to engage with local politics has been beneficial in at least three ways : a) it has challenged the entrenched traditional power structure at the local level, b) it has brought about pro-poor development outcomes, and c) it has encouraged the involvement of the underprivileged in local government and development. That the intervention of the long arm of the ‘central’ government in local affairs sometimes yields positive results is increasingly appreciated in scholarly works (Bardhan, 2001). Kohli (1987), for instance, argues that the organisational arrangements of the CPI(M) party have allowed it to penetrate the countryside without being captured by the propertied groups. Similarly, Webster vividly describes how direct party-based elections, often drawing upon external (read supra-local) political resources and thus remaining fairly insulated from localised pressures, have broken the parochialism of the earlier system, in which the traditional village leadership could mobilise blocks of votes by invoking the dependency ties of loans, networks of kinship and caste and other patron-client ties that prevailed.

As for their performance records in implementing rural development programmes, PRIs had an early success. They did a magnificent job in flood relief operations in the late 1970s that made PRIs a ‘living thing for the people’.<sup>15</sup> Also, panchayats hold laudable records, as Sengupta and Gazdar (1996) demonstrate, for the implementation of poverty-

alleviation programmes when compared to other States. Of course, there exist inter-district variations in development outcomes. Some districts have progressed more than others. One interviewee helpfully notes that in the districts where the *Kisan Sabha* movement was strong initially PRIs have experienced success. In contrast, in the areas where the Sabha was weak, PRIs have performed relatively weakly. But on the whole the outcomes of decentralisation have been positive.

West Bengal's record for implementation of poverty alleviation programmes owes, in part at least, to greater popular participation in implementation that has the advantage of directly providing information on local needs and conditions (Sengupta and Gazdar, 1996). In many parts of West Bengal there is now significant representation in gram panchayats from among the underprivileged sections of the society. Based upon his field work in the district of Bardhaman, Webster (1996, p.246) unequivocally states, "They [the underdogs] have a presence and involvement in local government and development that they had never previously possessed. This is a direct consequence of the CPI(M)-led implementation of the Panchayati Raj in the district."

In passing, we wish to note that while the organisational character and strength of the CPI(M) party can be hardly ignored in the entire decentralisation project of the State, we can neither afford to lose sight of the visionary role played by some key charismatic leaders in this endeavour, namely, Harekrishna Konar, Benoy Chowdhury, Pramod Dasgupta and Satyabrata Sen among a handful of others. It is their vision of participatory local self-government ('So long we have wielded sticks, now let the rustics do it for all') that was subsequently internalised into the party agenda. Thus, the history of individual leadership, of associations of bureaucrats with particular departments and their professional and personal equations with ministers all have important bearing on the success or otherwise of decentralisation, over and above crucial variables such as the nature and functions of party organisations.<sup>16</sup>

This acknowledged, on the whole the truth is that in West Bengal it is the 'party' panchayats that have acted as the chief instrument in developing power structures that '*function under the State government*' (Sengupta and Gazdar, 1996, emphasis added). But in so doing, is the CPI(M) party entrenching itself in local politics in a manner that robs itself of dynamism and creates a tendency toward a 'political ossification'? To probe along these lines would require us to focus on two important features of the contemporary

Left front politics, namely, a) the ‘politics of middleness’ and b) ‘State-level centralisation’. Bhattacharya (1999) forcefully argues how the CPI(M) party has been modifying its agrarian policies and politics to achieve electoral success over time. The party’s electoral pragmatism has had the effect of it safeguarding the interests of the rural middle class – hence the characterisation of the ‘politics of middleness’. The author further argues that a clear shift has been taking place in the ideological stance of the *Kisan Sabha* as well, indicating an urge to broaden its support base. Consequently, the theme of ‘peasant unity’ has become the dominant party line, effecting, in its turn, a realignment of its class position. It is important for the party now to make use of middle peasants and in this project school teachers play a vital role.

Analyses corroborating this line of reasoning can be found in the writings of several other scholars. Webster (1996), for example, echoes similar views when he observes that over time the CPI(M) party has succeeded in winning over sections of the middle peasantry, including those with more landholding, small businesses or those employed in government such as teaching. Gazdar and Sengupta (1999) talk about similar alteration in the character of panchayats that has resulted, according to the authors, from the Left front’s strategic shift from radical class mobilisation approach to a more conciliatory approach in more recent times, under the compulsion of consolidating its support base in the countryside. Again, Ghatak and Ghatak (2002) assert that the rural middle strata comprising middle peasants and white-collar employees have emerged as a new political force at the grassroots level in West Bengal. They resist further devolution of power on two grounds : a) they feel threatened about their position and b) a significant number of them employ wage labour. The shifting ideological radar of the party thus raises uncertainties about the future course of the PR movement in the State. To quote Webster once again (1996, p.238), “What is less certain is whether the principal reason for promoting panchayats remains that of a radical approach towards rural development with a political commitment to the poor, or it has shifted to the more instrumentalist purpose of securing the party’s electoral strength in order to remain in government, *with all the compromises and alliances which that might require.*” (emphasis added)

As the ruling party comes closer to the ‘median voter’ to ensure its electoral durability and correspondingly modifies its previous radical ideological posture, the engagement of the ‘centre’ in local politics and development does no longer appear so benign as the thesis of ‘central-local relations’ seems to suggest. On the contrary fresh concerns emerge about

State-level centralisation, that is to say, about recentralising tendencies on the part of the State government. As mentioned above, there is a view among scholars which attributes, for justified reasons, much importance to the role of political parties, of party competition and the pro-poor commitment of the ruling party in democratic decentralisation (see the literature cited in Seshiah, 2003). Some also justify the need for a disciplined party that would impose ‘party diktat’ and some degree of ideological integrity on local institutions against tendencies towards corruption and other abuses of power. But one must recognise both the radical as well as the hegemonic potential of a highly organised political party, enjoying not just dominance but predominance over a long stretch of time.

Admittedly, whether or not limits are imposed on the PR system due to the fact of their working under a rigid party structure will depend on factors like the nature of the party system, the extent of party competition, inner party democracy and so on. Some scholars hold that the CPI(M) party has increasingly organised itself along strong democratic centralist lines (Bandyopadhyay 1999, Webster 1996). The party asserts a strong control over its members and supporters, including the members of the panchayats. “The *gram panchayat*’s affairs are discussed by the local party members in closed meetings and the elected supporters are then advised as to how party policy should be carried out through the *gram panchayat*” (Webster, 1996, p. 237). The overwhelming presence of the party in the management of local politics and local development, combined with a noticeable dilution of its radical ideological commitment, poses a challenge to the autonomous functioning of local democratic institutions as well as the local public, especially the poor.<sup>17</sup>

Moreover, factional quarrels within the party have become more and more manifest. The Left front alliance has grown so wide that as if conflicting class interests are getting internalised and erupting occasionally as intra-party rivalries. Indeed, opposition to further reforms now come from within the party.<sup>18</sup> The party is caught between the new beneficiaries who are fearful of losing their newly acquired property through more radical land reforms and the landless demanding their share (also see Bandyopadhyay, 2003a). Finally, a quick comment is in order here regarding the nature of party competition in the State. Here, Local Body (LB) offices are filled by multi-party elections; moreover, there are no exceptional allegations of fraud or repression. Yet the same party has controlled, with unflinching regularity, an overwhelming majority in the LBs for over nearly three decades. Following Przeworski’s dictum (Przeworski et al. 2000), democracy is a system in which incumbent parties should lose elections and opposition parties have some chance of winning

office as a consequence of election. Stated otherwise, it is not the least of democracy's attraction that it is a government, which makes dominance strictly impermanent (Kaviraj, 1996). Yet in the State of West Bengal no serious contestation or competition among political parties seems to be taking place and accordingly no alternation in office happens. We are inadequately equipped to comment on this any further. But the implications of all this for decentralisation as well as for the responsiveness of the LBs to the poor stand in need of close scrutiny.

*From Administration Raj to Panchayati Raj?* Before we close this section, we wish to touch upon the subject of PRI-administration relationship, as it has unfolded over the years in the State of West Bengal. Prior to 1978, the District Magistrate was the ultimate authority at the district level and the BDO was in command at the block level. After 1978 they were required to work alongside elected members of PRIs and to implement the decisions passed by them. It is worth examining how the relationship between these two sets of actors has evolved during the long, uninterrupted, rule by the Left front coalition in the State.<sup>19</sup> At the initial stages of decentralisation reforms, some conflicts and tensions remained between bureaucrats and locally elected politicians. A former minister for finance, for example, notes that during this time problems developed if a 'haughty politician' came to power or an 'egotistical IAS officer' was placed in the local administration (Seshiah, 2003). Also, during the initial years of the Left front rule, the bureaucracy did not think that the government would last long in power. But now after five consecutive panchayat elections, politicians and administrators have accepted each other. Moreover, tension or friction is not uniform; instances of synergy of action and mutual cooperation are also visible, as one experienced bureaucrat observes.<sup>20</sup> Several interviews concur that the present relationship of bureaucrats and politicians may be described as one of 'grudging respect' and 'mutual learning'. They further argue that the bureaucracy has accepted its place as 'second in command, 'as their wings are clipped'. Some express concern that the relationship at times is too close for comfort. For example, there is an excessive readiness among some young administrators to 'toe the line' of local political bosses. These comments indicate the intricacies of the relationship between politicians on the one hand and bureaucrats on the other. Also, just as politicians constitute a motley group, bureaucrats also are not a homogeneous category. The IAS officers have very different equations with their political bosses, as compared to those between local politicians and the BDO or the 'street-level' bureaucracy. In short, at different layers of government there exist different sorts and shades of the 'Neta-Babu' relationship.

### **III. The Evolution of Panchayat Acts in West Bengal : A Legislative History**

In this section our goal is to develop a somewhat descriptive account of the major legislative initiatives undertaken over the years in the State to further decentralisation. We then highlight the core issues that dominated the Legislative Assembly debates, which took place around these legislations (including the conformity legislation of 1992). Finally, we attempt a thematic analysis of the Panchayat Act of 1973, which constitutes the main legislative pillar on which the present PR system in West Bengal stands. The significance of this legislative narrative lies, we believe, in the light this will hopefully shed on the way the State legislature responded to the political developments (both at the national and State levels) at particular historical moments, what views and concerns different political parties expressed vis-à-vis these legislations on the floor of the Legislative Assembly and finally the content and depth of decentralisation in the State, measured through a set of specific criteria embodied in panchayat legislations. We feel, all this supplies a very useful backdrop to our understanding of how the PR system unfolds after the legislative reforms are introduced.

*The Major legislations on decentralisation in West Bengal* : Legislative initiatives in decentralisation have a history that predates independence in 1947, indeed it predates the colonial period. For example, in medieval India, under Sher Shah, village councils were given legal recognition; the headman was a semi-government official who acted as a coordinator between the village elders' council and the higher administrative authority. Under the Mughals, especially under Akber, village administration by the elders' council was made an indispensable part of the civil administration – each was autonomous in its own sphere, and exercised powers of local taxation, administrative control, dispensed justice and meted out punishment. Hence, the 'Panchayat Raj', literally meaning the rule of five persons, has its moorings in ancient and medieval social practices of the country. However, the pre-British Indian Panchayats were dominated, often monopolized by the high-ups in the caste hierarchy in the villages.

During the colonial period, the British used decentralisation as a tool of 'regime maintenance, entrenchment, consolidation and legitimation', and also to augment the 'Raj resources'. The Bengal Village Chowkidari Act of 1870, The Bengal Village Self-government Act of 1919 are instances of such centralising tendencies. A landmark in the history of British Indian panchayats is Lord Ripon's famous 18 May 1882 Resolution: 'the

smallest administrative unit, the sub-division or the *taluka* or *tehsil* - shall ordinarily be placed under a local board, which would further be controlled by the District boards'. Taking a leaf from such recommendations, the first important enactments found shape in the Madras Local Boards Act, 1884, and the Bengal Local Self Government Act in 1885. The rural local administration thus came to have the District Boards (DBs) at the District level, the Local Boards (LBs) at the sub divisional level, and the Union Boards (UBs) at the village level. The UBs had powers of taxation, and most of this came from the Chowkidari Cess.

Ironically, even after independence the Colonial district administration was retained and the DMs, SPs, and District Courts reigned supreme. The District Boards and Union Boards continued to function, and there was no initiative at ensuring a people-led developmental effort. Instead, the early efforts at developmental planning, under the Community Development Programme (CDP), were sought to be coordinated at the level of a new administrative unit, termed Block, to be headed by a Block development officer (BDO). Such a bureaucratised developmental effort soon languished. Castigating the CDP for failing to evoke popular initiative, the Balwantrai Mehta Committee Report, 1957, strongly advocated a popularly elected three-tier system of rural local self-government. 'State governments were free to devise their own panchayats which would suit their local conditions, retaining a uniformity in the broad pattern...'. The Report set the ball rolling; the country saw a spate of PR legislations. It is useful to trace the evolution of Panchayat acts in the State of West Bengal against this broader historical backdrop

While many analyses of decentralisation in post-independence West Bengal take as their starting point 1978 when the Left front government came to power, the history of decentralisation in the State is much longer. Like many State governments, the West Bengal government responded to the recommendations of the Balwantrai Mehta Committee through enacting the West Bengal Panchayats Act in 1957, followed by the West Bengal Zilla Parishads Act in 1963. Under these two Acts, a four-tier structure of Panchayati Raj came into effect in West Bengal in 1964, with the Zilla Parishad (ZP) at the District level, the Anchalik Panchayat (AKP) at the Block level, the Anchal Panchayat (AP) at the Union level, and the Gram Panchayat (GP) at the village level.

The elections of 1969 installed the second United Front Government (UFG), which took up its unfinished job of overhauling the PR system. On 23<sup>rd</sup> April 1969, just four and

a half years after their inception, all 15 ZPs and 325 AKPs were superseded. The APs and GPs remained moribund, and the UFG sought to bring about a truly comprehensive piece of PR legislation. This found shape in the WBP Bill (Bill No.42) of 1969. Introduced on 9<sup>th</sup> September, 1969 in the Forty-ninth session of the West Bengal Legislative Assembly, the Member-in-charge (MIC) of the Bill, Bibhuti Bhusan Dasgupta, sought to refer the Bill to a 19 member Select Committee. In stating the objects and reasons for initiating the Bill, the MIC lashed out at the earlier Acts of 1957 and 1963; these denied the right to suffrage to the village folk, he maintained, and the working of these Acts failed to implement the Directive as enshrined in Act 40, of the Indian Constitution.

It called for a three tier structure of PRIs, stating that ‘the long and persistent demand from the people of West Bengal has been to abolish the existing PRIs by repealing wholly the existing Panchayat Acts and to substitute them by real democratic structure..’. The Bill remained un-enacted, for, the Second UFG fell in 1970 and President’s Rule was re-imposed in West Bengal.

The WB panchayat Act of 1973 is the basis for rural decentralisation in West Bengal today, but echoes of the basic outlook and philosophy with which the Left front government in the State has been going along with its project of reforms can be traced back to the Bill of 1969. To a large extent, this Bill also influenced the Congress ministry which enacted the West Bengal Panchayat Act , 1973, after coming to power in the polls of 1972. The Communist Party of India (CPI), with 36 seats, was the main opposition party in the House, when the Congress introduced the West Bengal Panchayat Bill, 1973. An interesting observation may be made here about the political motive of the Congress-dominated State government in initiating this legislation. The point to be seized is that though the Congress had a large number of seats, both in the WBLA and the National Parliament, the Left representation was very much palpable, spanning the tea plantations of Jalpaiguri to the seas of Sagar, from the industrial belt of Raniganj-Asansol to the urban settings of Chandanagar, Behala and Jadavpur. In 1972, West Bengal’s Parliamentarians numbered 40, of whom only 5 were from the Congress; the CPI(M) had 21 seats, the CPI 2, and the RSP 2. Thus, in terms of numbers and geographical spread, the left consolidation was in the air.

One may speculate that the Congress perhaps felt threatened, and as a step towards ensuring a support base for itself and warding off the Left challenge, it tried to effect

changes that would ensure support from the grassroots into which the Left was steadily making inroads. Some observers contend that the West Bengal Panchayat Act 1973, was an attempt in this direction. On May 3, 1973, Santosh Kumar Ray, Member-in-charge (MIC) presented the Bill, indicating that the Acts of 1957 and 1963 had failed to actualize the spirit of decentralization and accordingly voicing the intention of the Congress government to replace the two Acts by a comprehensive legislation. In keeping with the all-India perspective, the Bill proposed to introduce a 3 tier structure of PRIs from the village to the district level, with direct elections of members.

The MIC stressed that the chief objectives of the Bill were to :

- i. Structurally reorganize the PR system.
- ii. Provide for a direct election at the newly created 3 tier PR system.
- iii. Ensure coordination between the PR bodies and the district and State Planning Boards in the overall backdrop of the planned economy of India.
- iv. Create conditions to augment resources of PRIs and imbuing a sense of social responsibility to ensure proper utilisation of scarce resources.

*Dissenting notes in the Select Committee* : Certain members of the Select committee came up with several reservations, which were recorded in the 'Minutes of Dissent'. For instance, the CPI members, Ajit Kumar Basu and Ajit Kumar Ganguly observed:

- i. Powers of PRIs are to be interpreted as powers of the bureaucracy, for the former were subject to approval by the 'prescribed authority' - an euphemism for the bureaucracy.
- ii. Non-performing Panchayats could be easily earmarked by a vindictive government; therefore supersession of such bodies or removal of PR functionaries are defective provisions.
- iii. The 1957 Act provided for a Gram Sabha; it had a supervisory role. This role under the new Bill has been earmarked for the government. This strengthens the bureaucracy.
- iv. The Bill empowers government officials to be in charge of Panchayat bodies. Panchayats must be consulted when such officials are recruited, (esp. the GP Secretary). Such officials must be made responsible to the panchayat bodies, and not to the government.
- v. The government should provide sufficient funds to PRIs.
- vi. By retaining total control over PR matters, the government has paid only lip service to 'devolution of powers'.

The RSP MLA from Beldanga, Murshibbad, Timir Baran Bhaduri dissented on the following points:

- i. The enhanced role of MPs and MLAs proposed in the Bill of 1973 would choke local leadership from emerging.
- ii. An ill-financed PRI under total governmental control will not be able to perform satisfactorily. This will have a negative impression upon the village folk. They would view with suspicion and cynicism the very notion of democratic institutions.
- iii. Pradhans and Upapradhans of GPs should be directly elected by the people so as to avoid factional feuds.
- iv. The provision that any matter can be taken up for discussion even if it is not in the agenda if the members present agree to it by a majority decision can have serious consequences. Any and every matter can be then decided upon by taking advantage of an opportune moment when progressive and opposing members are absent from the meetings.
- v. The state government must provide for funds.
- vi. Panchayat tax has to be so fixed that the rural rich are taxed at higher rates and the poor at lower rates, ensuring exemption for the poorest.

A Congress (O) legislator, Pradyot Kumar Mahanti, was eloquent in scripting his dissent.

- i. A fundamental principle of people's participation has been disregarded; power has been concentrated in the government, for use through its bureaucratic apparatus. Thus, it seeks to tie the hands of Panchayat bodies with different controlling measures that act as brakes at every step.
- ii. No commitment for adequate resources has been made available to Panchayat bodies to enable them to discharge their responsibilities. Thus, there is ample scope for the government either to squeeze the power of Panchayat bodies in the name of granting financial assistance or to make them tools of the party in power.
- iii. There has been no move to place the Block staff at the disposal of the Panchayat Samiti.
- iv. Under Clause 216, the State may appoint administrators for PRIs; in such cases, the members of PRIs shall vacate their offices. It can reasonably be apprehended that if the panchayat bodies fail to satisfy the party in power in spite of their capability, sincerity and good work, they will be ousted from office. Such provisions are denial of democratic rights to elected bodies.

### **Debates in the Legislative Assembly**

The West Bengal Panchayat Bill, 1973 was tabled in the Assembly's 55<sup>th</sup> session by Subrata Mukherjee, MLA, for consideration by the House.

Highlighting the main differences with the earlier two Acts and the new Bill, Mukherjee focused on the following:

- i. A 3 tier, not 4 tier-system of PR.
- ii. Direct elections at all the 3 tiers not like the earlier Acts that provided for direct elections at only the lowest tier.
- iii. The earlier Acts provided for reservation of seats for 2 members of the SC, STs and 2 women members at the ZP and AKP level, whereas the new Bill secures the provision at all the 3 levels.
- iv. MPs and MLAs, as members of ZPs and AKPs, could also become elected as Chairmen, Presidents etc. under the earlier Acts. Under the new Bill, they would not have such rights. This will encourage local leadership to emerge.
- v. The new Bill seeks to augment the resources of PRIs by enhancing the rate of taxes on land, buildings, trades, businesses, etc. as also for charging additional stamp duty for any transfer deed relating to immovable property in the GP area.
- vi. ZPs are to be given matching grants for road and public works cess collected by it.
- vii. The Bill provides for a State development board and District Development boards to supervise and evaluate the working of PRIs. This is an improvement over the earlier Acts for if the Accountant/Auditor finds and reports any illegal work performed by any PRI, its members will be liable to pay a surcharge. Thus PRIs will work legally, and within their jurisdiction.

A perusal of the debates in the WBLA proceedings pertaining to the WB Panchayat Bill, 1973 shows that opinions were sharply divided among the protagonists and the opposition members. We may recall that in the 281-member 7<sup>th</sup> WBLA, the Congress had 215 seats, the CPI(M) 13. The latter charged that the elections of 1972 were rigged and therefore it boycotted the House. The CPI, with 36 seats, was the main opposition party in the House when the Congress introduced the Bill in 1973. It is possible to argue that the nature of the Assembly debates on the Bill was shaped in no small degrees by the fact that the CPI(M) members could not lend their voice of support to their CPI peers.

The following core issues were highlighted during the course of debates.

- i. Direct elections to the posts of office bearers of the PRIs.
- ii. Nomination of members from the backward classes and women in the PRIs.
- iii. Bureaucratisation and Government Control of PRIs.
- iv. Resources of/for Panchayats.
- v. MLAs and MPs as members of PRIs.
- vi. The apprehensions that the promised panchayat elections of 1974 would not be held.
- vii. Training of PRI personnel.
- viii. Infrastructure development for PRIs.

Several opposition members, including Sish Mohammed (RSP) and Ajit Kumar Basu (CPI), were doubtful of whether the promised PR elections of 1974 would be held at all.

The Bill was an attempt, they pointed out, to falsely create an impression on people's minds that they were soon going to be masters of their own destiny!

The skeptics also felt that the PRIs have been given only nominal powers and much important matters intrinsic to rural life such as water, irrigation, health, land reform cooperatives etc. have been left out of their purview.

Prodyot Kumar Mohanti of the Congress (O) stressed on the importance of proper training for PR personnel. He also noted that the mistrust and suspicious attitude of the government was palpable, or why else would PRIs not be given adequate finances?

He also raised concerns about the relationship between elected members and bureaucrats, pointing out that Executive Officers (E.O.s) of Zilla Parishads belong to the IAS, and the E.O.s of Panchayat Samitis belong to the WBCS (Exe) cadre. Their parent department being the Home (P&AR), their loyalty lies there, not with the Department of Panchayats. Only officials from the Panchayat department should be attached to PRIs, so that responsibility can be fixed, and accountability ensured. Their promotion prospects must be linked to their services under the Department of Panchayats. Many other opposition members echoed similar scepticism about the role of the bureaucracy in the PR system. In their view, unless faith in the bureaucracy is shed, not much can be achieved. Similarly, the CPI member, Ajit Kumar Ganguly felt that there was too much government control

over PRIs for, in his words, ‘one who pays the piper calls the tune. We must remember that the bureaucrat is a paid patriot – his patriotism is expressed because he is remunerated for it. This practice can lead to nowhere’.

Subrata Mukherjee summed up the discussion by saying that for a socialistic pattern of society, people’s participation is a must. Hence after the 1974 PR election, more than one *lakh* representatives will be directly involved in governance. The Bill was assented by the President on 17<sup>th</sup> January 1974 and became the West Bengal Panchayat Act, 1973. But the promised panchayat elections of 1974 did not take place!

Under the new legal regime, the four tier PR system of 1957-64 was no longer in existence. The ZPs and AKPs had been superseded, and the State government managed these bodies by appointing administrators to replace all members. Though the APs and GPs did not encounter anything as dramatic as the supersession faced by the upper most 2 tiers, they remained sterile. This remained till 1978.

The Janata phase in Indian politics at the Centre ushered in the Ashoke Mehta Committee Report on decentralization in 1978. Assuming office for the first time in June, 1977, the Left Front Government (LFG) in West Bengal adopted one of its major recommendations, namely, the participation of political parties in the panchayat polls. The LFG seemed to be in a great hurry and brought about the necessary technical changes in the relevant Act and WB Panchayat election rules, needed for conducting the panchayat elections in 1978.

The decade between the 1980s and the early 1990s was witness to the regular holdings of panchayat elections in the State, as per the Act of 1973, until it was amended as the Conformity Legislation in 1994 (amended again in 1997 and 2003).

#### ***Debates around the conformity act<sup>21</sup>***

The Constitution 73<sup>rd</sup> Amendment Act, 1992, comprises two sets of provisions – mandatory and optional. The States were free to accept, reject or modify the provisions in the latter category. Some of these provisions include the mode of election (direct or indirect) of the chairperson of the *Gram* Panchayat, reservation of seats for backward classes, representation of chairpersons of panchayats to the immediately superior body and representation of MPS and MLAs (also MLCs) in *Panchayat Samitis* and *Zilla Parishads*.

The State government initially declined to ratify the act. It was strongly critical of the fact that several mandatory provisions were being imposed on States by the Centre, thereby usurping the autonomy of the former in deciding how much they should or should not devolve to the panchayats. As the Minister-in-Charge for Panchayats and Land Reforms, Dr. Surja kanta Mishra, remarked on the floor of the Assembly, the Centre is ‘steam rolling’ States in the name of uniformity. (as quoted in Kumar, 2002).<sup>22</sup> On April 13, 1994 he presented the Bill in the Assembly for consideration.

Interestingly, there was not much debate on the substantive aspects of the Bill *per se*. Rather the Opposition, mainly the Congress legislators, focussed on what was left out of the proposed Bill, namely, modification of the procedure for counting votes at the polling stations. Indeed, the whole tenor of the debates was dominated by arguments and counterarguments on this issue. Several opposition members, for instance Atish Sinha and Saugata Roy, alluded to electoral malpractices in course of counting at polling cum counting centres. Expressing deep reservations about electoral irregularities, Roy stated, “Counting starts late, by then CPI(M) *armed guards* (emphasis added) literally take over the polling booths. They... quite often prevail upon the presiding officers to declare results in favour of their candidates. There are hundreds of such instances in the State...” (as quoted in Kumar, 2002). A mention was made by him of the evaluation report on panchayats by Nirmal Mukarji and D Bandyopadhyay that takes note of this problem by stating that ‘The counting of votes in the polling stations creates problems, especially if the contest is a close one. Under pressure, irregularities tend to be committed while counting and in the declaration of results’ (Mukarji and Bandyopadhyay, 1993, pp.20-21). Leaving this issue un-addressed, the Opposition felt, constituted one major lacuna of the amendment bill. As a remedial measure, it would be more appropriate, they suggested, if the booth-wise counting procedure is replaced by centralised counting of votes at the block or sub-divisional level. In response, the Minister noted that the proposal for modification, if accepted, would amount to ‘setting up a bad precedent’ and therefore could not be accepted. Instead, the State Election Commission in consultation with the State government could make some alternative arrangements.

Similarly, the Minister-in-Charge did not accept the proposal for direct election of the *Gram Panchayat Pradhan* by stating that, “If he is directly elected then he cannot be removed by any other means”. Thus, electoral procedures, and by extension the alleged nexus between panchayats and the CPI(M) party, invited the most vociferous responses

from the opposition. The opposition members expressed concern about some other provisions in the State Panchayat Act pertaining, for example, to the size of the Gram Panchayat (‘the oversized GP would be like a small *Vidhan Sabha*, that too in the absence of its own panchayat ‘*Ghar*’ in many cases), the difficulty of holding a *Gram Sabha* meeting after nearly a dozen meetings of the *Gram Sansad* at the ward/constituency level etc.

In contrast, barring comments from one or two members from the ruling party, there was very little discussion about the proposal for a District Council to be headed by the leader of the opposition party in the *Zilla Parishad* or the proposal for prohibition of the tabling of the no-confidence motion against the *Pradhan* and *Upa-pradhan* during the first year in office. Similarly, not much attention was paid to provisions regarding the ‘quorum’ required for both the *Gram Sabha* and *Gram Sansad* meetings or provisions addressing practical problems of identification, reservation and rotation of seats for SCs and STs or problems of making annual plans for the village by involving all the members of the *Gram Sabha*. Again, only a couple of legislators commented on the new taxation power given to the GP under the Amended Act. Saugata Roy, for example, questioned the logic of proposing, for taxation or fees, items such as unlicensed dogs, birds or other pet animals, grazing cattle on GP lands, or cremation *ghats* etc. Birendra Kumar Maitra, on the other hand, gave an useful suggestion for including tractors that are frequently used for commercial purposes and cause damage to rural roads as one of the taxable items.

### ***The West Bengal Panchayat (Amendment) Act 2003***

As a proclaimed move away from the bureaucratic district administration and allegedly bureaucratic gram panchayats and as a step toward greater democratic governance, the Left Front Government has amended the core legislation on panchayats once again through the passage of the West Bengal Panchayat (Amendment) Act in July, 2003. The amending act tries to establish, among other things, linkages among various tiers of panchayats and creates a *Block Sansad* and a *Zilla Sansad* where the representation of the lower tiers is ensured. It also provides for the constitution of sub-committees at the GP level, in line with standing committees at the upper tiers. But the most important provision of the Act pertains to the constitution of the *Gram Unnayan Samiti* (GUS - Village Development Council) at the *Gram Sansad* level ostensibly to facilitate the task of local development planning. In all there will be 49000 GUSs for the same number of *Sansads* in the State (Chatterjee, 2003). The capacious and ostensibly inclusivist Council will consist of

(nominated or elected) members from the GP, the person or persons securing the second highest votes in the preceding panchayat election (that is to say, members from the opposition party), members from NGOs and other community based organisations, from self-help groups functioning in the area, serving or retired government employees in the area, serving or retired teachers. At least 40 percent of the members shall be women. Far from being a politically settled issue, the constitution, composition and functions of the Council are still very much at the centre of public debate. Only recently some government orders have been issued to facilitate the operationalisation of the project of planning from below, involving local development experts and the people at large.

Three distinct responses to the current drive for creating the GUS are in circulation now in the State, ranging from a laudatory, to sceptical, to an overtly critical overtone. Some commentators view this recent legislative initiative as a welcome extension of the lowest tier of self-governance in order to ensure greater transparency and accountability in developmental activities – ‘as a bold step towards open direct participatory democracy’. The idea is, so the laudatory view holds, not to create another ‘mini panchayat’ and thereby substitute ‘people’s representation’ for ‘people’, but to move away from representation-based democracy to people-centred direct democracy. A more sceptical reading of the latest legislative initiative invites us to recall the experience of the programme of the Convergent Community Action (CCA) – introduced by the Government of West Bengal in 1986 in the district of Medinipur. The current proposal, some argue, is just a new ‘avatar’ of the old CCA movement – village planning by the villagers, with an accent on mobilisation and utilisation of local productive forces, the achievement record of which is mixed at best. Hence the question, “Why is it being revived by giving it some other name?” (Chatterjee, 2003, p.4091).

A stronger critique is waged against the latest Amendment Act on the ground that additional rounds of decentralising exercise often lead to unnecessary institutional proliferation, which leaves new institutional vestiges without making any substantive difference to the functioning of the existing regime. Bandyopadhyay (2003b), for example, argues forcefully that legislation is creating tier after tier of non-functional PR bodies, without funds, functions, and functionaries. Instead of empowering the GP, he continues, the amending act makes it more ‘dysfunctional’. Indeed, the Act is not very clear about the kind of relationship that it envisages between the GP and the GUS, or for that matter with the State government. Is there any overarching authority that can supersede the Council?

The Act only stipulates, without any further elaboration, that ‘The State Government may, in the interest of public service, issue any direction in the matter of functioning of the GUS’. What irks someone like Bandyopadhyay more is that the law is silent about the manner in which the VDC would be constituted except to vaguely suggest ‘in such manner as may be prescribed’. “This is far too important an issue”, Bandyopadhyay (op. cit., p. 4825) remarks, “to be left for subordinate legislation. Leaving it to the rule-making power of the government makes the intention suspect.” Moreover, he sees a more crafty design in the proposal than just an act of omission or silence. In his words (op cit., p. 4827), “One can only infer two possible reasons for such a retrograde step in the name of ‘mass participation’. First, to create a front organisation under law in the shape of VDC to legalise the illegitimate exercise of power by the party local committee. Second, to appease the rank and file who had lost the election by making them members of the VDC either through manipulative ‘limited’ election or by nomination.”

How the opposing perceptions of the promises and perils of the GUS will materialise in actual practice only time can tell. Meanwhile, it is useful to look at some of the substantive contents of the Panchayati Act of West Bengal.

*A Thematic Understanding of the Act of 1973* : Necessary amendments have been made to the WBP Act of 1973 from time to time; in fact there have been twenty one Amendment Acts since 1978. We focus below on some of the major features of this Act, as it stands now, in 2003. In particular, we focus on various provisions enshrined in the Act under the following thematic heads:

- a) (State) government control over PRIs.
- b) Control over lower tiers by the upper tiers.
- c) Institutionalised participation.
- d) Developmental Schemes and PRIs.
- e) Electoral constituencies, reservations, and rotation.
- f) Fiscal Devolution.

### **Government control over PRIs**

The Act provides for varying degrees of governmental control over all the layers of PRIs. This control may be further classified into administrative and financial control. The State government is authorised to supervise and inspect all the activity of PRIs. The PRI activity is supervised by the government through its bureaucratic apparatus, that is to say,

through the Divisional commissioners, DMs, BDOs, Joint BDOs and government staff. They report to the government and the government can take steps. Similarly, all work of GPs, PSs, and ZPs may be inspected by the Director of panchayats and officers appointed by the government not below the rank of Deputy magistrates/collectors. For the purpose of their examination, the PRIs would be required to produce any books, record, documents, plans, and accounts for the perusal of inspecting authorities. Also, the State Planning Board and the DPC have been authorized to supervise and evaluate the activity of any PRI.

But although the State government retains powers to inspect and supervise functions of PRIs, concerned officials are very careful to take action in this regard. An unsympathetic characterisation of this cautious behaviour, according to one senior administrator, could be one of collusion and mutual understanding between administrators and locally elected politicians.

Again, the Act permits the State-level authorities and the higher echelons of the bureaucracy to suspend and supersede panchayats. More specifically, the Act entrusts the State government to supersede a PRI on account of proven cases of incompetence or abuse of power, to rescind or suspend a PR resolution, suspend any elected member of any GP, PS or ZP on proven charges of gross financial irregularity or remove office bearers of PRIs (i.e., any *Pardhan* or *Upapradhan*, any *Sabhapati* or *Sahakari Sabhapati*, or any *Sabhadhipati* or *Sahakari Sabhadhipati* for failure to carry out the provisions of the Act or due to misuse of power and gross negligence of duties.

But as one respected senior bureaucrat notes, these powers are used carefully (mostly in proven cases of corruption or embezzlement of funds).<sup>23</sup> Though individual resolutions have been suspended, instances of panchayat suspensions are indeed rare. Corroborative statements come from ministerial quarters, indicating that while the State retains these powers it does not frequently use them.<sup>24</sup> Some are not happy with this provision, it is further noted, but just like Article 356 of the Constitution, there is a time when this has to be used. More interestingly, informal mechanisms come up around formal rules, whereby attempts are made to 'sort out' matters before extreme measures are used.

In general, the State government holds the purse strings and exercises various degrees of financial control over PRIs. For example, in order to raise loans and borrow money the PRIs need to secure approval of the State government; also the State government is

authorized to appoint an auditor to examine and audit the accounts of funds of PRIs. Moreover, PRIs, especially the GPs, may levy fees and tolls, the upper limit of which is fixed by the state government.

### **Control of lower tiers by upper tiers**

The WBP Act of 1973, with certain subsequent Amendments, enshrines legal provisions so that in the 3 tier PR system, the ZP, the uppermost tier, can supervise, direct and control activities of the PS and GP and likewise, the PS has certain powers to control the GPs, that lie within the block area. A sort of hierarchy exists in the functioning of the PR system such that when a ZP takes any action or issues new direction in respect of any GP, this has to be routed through the PS having jurisdiction over the concerned GP.

The PS is required to prepare in the prescribed manner a report on the work done during the previous year and the work proposed to be done during the following year and submit it to the prescribed authority and the ZP concerned within the prescribed time. Likewise, the GP shall have to prepare a report and submit the same to the PS concerned within the prescribed time.

### **Institutionalised Public Participation: the Gram Sabha and the Gram Sansad**

Every GP constituency must have a *Gram Sansad* that will meet twice a year. It is to be comprised of all the voters in the concerned constituency. The GP has to give wide publicity regarding the date, time, agenda and venue of the *Sansad* meeting at least seven days in advance by notifying in the GP Notice Board and by beat of drums etc. The *Pradhan* or the *Upapradhan* generally presides over the meetings. The WBP (Amendment) Act 1997 stipulates that every member elected from the constituency shall attend each meeting of the *Gram Sansad*. After the completion of the half-yearly meeting of the *Gram Sansads*, the GP has to hold an annual meeting of the *Gram Sabha* (consisting of persons registered in the electoral roll pertaining to the area of the Gram panchayat), ordinarily in December every year at a time and place notified in advance, giving wide publicity for this meeting and announcing the agenda before hand. As we indicate above, the recent amendments to the Act further institutionalise participation via the creation of a Block *Sansad* and a Zilla *Sansad* and through introducing another institutional layer of planning, namely, the Village Development Council. The latter will include, among others, members from local NGOs and community based organisations, ostensibly for the purpose of establishing a bridge between elected representatives and civic bodies.

***Development Plans and PRIs : The District Planning Committee (DPC) and the District Council of Panchayats (DCP)***

The DPC, indirectly elected, and having some nominated members (from municipalities and from amongst MPS and MLAs, and from scholars and activists), is the apex planning body at the district level. The DPC plays the vital role of coordinating all developmental plans in the district as a whole. Under the West Bengal District Planning Committee Act, 1994, DPCs have been set up in all the districts (except Darjeeling which has its own planning structure under the Hill Council Act of 1988). The WB Panchayat (Amendment) Act 1994 inserted a new Section 214A, providing for the setting up of a body (something like a Public Accounts Committee) at the district level called the DCP. The DCP examines the accounts of the Panchayats within the district.

**Reservation and Rotation of Seats in PRIs**

The West Bengal Panchayat (Amendment) Act, 1992 makes it mandatory to provide for reservation of seats at each level of the panchayat for some population groups, namely, Scheduled Castes, Scheduled Tribes, Scheduled Caste women, Scheduled Tribe women, women in non-SCST categories, in proportion to their share in the population. The delimitation of constituencies, reservation of seats and the rotation of chairpersons of GPs, PSs and ZPs are effected on the basis of a Roster for reservation, as per the WB Panchayat (Election) Rules, 1974. However, there are some practical problems and anomalies encountered in the process of ascertaining the reserved categories, as has been pointed out on several occasions in the floor of the State Legislative Assembly.

**Panchayat Finances and the State Finance Commission**

Panchayat finances include grants by the State or Central government (in case of the GP, also from the ZP or PS), loans granted by the State or Central Government and receipts on account of taxes (for example, the GP has been granted power to levy taxes on lands and buildings within its jurisdictions), fess, rates and tolls levied by it and receipts from other sources (including voluntary contributions and donations).

The State Finance Commission (SFC) will have to decide on the assignment of taxes, duties, fees and levies of panchayats. It has to determine which of the State-level taxes have to be shared between the State and the panchayats. It has to also decide about the grants-in-aid policy toward PRIs. There is a clause that enjoins the SFC to decide measures necessary to augment panchayat resources. For example, The SFC may recommend that the collection of entertainment tax will be vested with the State but its proceeds are to be

distributed among local bodies. Similarly, the motor vehicle tax and the stamp duty- both State-level taxes – may be shared by local bodies in some proportion.

It is often claimed that a large percentage of the State plan outlay is channelled through PRIs. This is both a tall claim and a misnomer, observes one respected commentator on the subject. Because of many Central and State-sponsored schemes, a huge proportion of the plan outlay is spent on districts, but that does not necessarily mean that PRIs are at the helm of decision-making. Often, parastatal organisations and user groups (for example watershed committees) have more funds than PRIs.

In West Bengal the first State Finance Commission submitted its recommendations in 1996. It introduced the concept of entitlement. That is to say, in lieu of sharing individual taxes, 16 percent of net proceeds of all taxes in a year should be released to local bodies as untied fund. The SFC also emphasised the need for raising taxes, levies etc. by PRIs themselves and for generating voluntary contribution for development activities. In the recent years the State government has released Rs.100 crore to PRIs as untied fund, which has generated a fair degree of enthusiasm at the grassroots level, as Bandyopadhyay (2002) suggests in a workshop held in the recent past. In 2002, the second SFC endorsed the basic fund allocation structure proposed by the first SFC. It further recommended that a minimum of Rs.700 crore should be provided in the budget for devolution as untied entitlement. The respective shares of the GPs, PSs and ZPs in total allocation (as per its recommendations) should be in the ratio of 60, 20 and 20 percent. All these recommendations have to be viewed in the context of the huge revenue deficit of the State government and it remains to be seen to what extent it would implement these recommendations.

#### **IV. Postscript : Some Pointers towards future research**

Finally, we hark back to our central concern for resourcing local public institutions for redistributive purposes. Put another way, we propose to explore the presumed relationship between fiscal autonomy and fiscal responsibility of LBs and their performance measured in terms of redistributive outcomes. The issue of fiscal autonomy and responsibility can be further disaggregated into four related but distinct parts :

a) resource flow - from the Centre via the centrally sponsored schemes and from the State government and through inter-tier devolution of funds; often resources are not devolved properly from district to lower levels or when devolved funds are often tied. In other words, funds lose their untied character once they flow below the district;

b) resource mobilisation - revenue autonomy, the local resource base etc. become relevant concerns here; also the issue of local capital accumulation and the flight of footloose capital from rural to urban and semi-urban areas for more profitable investment becomes germane to our research agenda; although the 'local' is not necessarily connected with the 'global' in a direct and straightforward way, under the influence of new global forces, localities witness some visible changes. In West Bengal a major shift is under way from the regime of land reforms to one of land markets and contract farming. All this will have a direct bearing on resource mobilisation under PRI auspices); one may however ask what incentives the GP will have to use its power of revenue raising when transfer from above is assured. But given the huge burden of debt on both the Central and State governments, it is doubtful how long the fund flow will last. According to one estimate, the debt burden of the Central government is in the order of Rs. 8000 trillion. Of the total State-level debt burden, West Bengal's share is high – almost double the average burden. The per capita share of the debt burden in many other States is about Rs.4000 whereas in West Bengal the corresponding figure is roughly about Rs.9000;

c) resource use – autonomy in spending decisions is the key question here. Are PRIs simply implementation agencies for development projects conceived at higher levels and therefore remain straight-jacketed within the confines of 'tied' grants or do the actual processes of budgetary allocations leave some room for flexibility such that in some situations enterprising PR representatives or local bureaucrats (e.g. BDOs) are able to get 'committed' funds released for other uses, driven by locally set priorities? The LBs are often devoid of autonomy in determining their spending priorities. The grants are generally tied (i.e., scheme-specific) and hence curb expenditure autonomy of PRIs (Jha, 2002). That is to say, the capacity of PRIs is limited in this context, as they are primarily implementer of government programmes and their role is largely in identifying beneficiaries for poverty alleviation programmes. But interestingly in using schematic funds there is some leeway in somehow getting tied grants untied.<sup>25</sup> Therefore, some room exists for using schematic budget in an innovative way. It is the careful analysis of such divergent budgetary practices, over and above the study of routine allocation of funds, which will hopefully illuminate our understanding of inter-State and even inter-tier variations in fiscal performance.

Another important element is to contrast citizens' resource mobilisation for local development projects – both formal and informal. Interviews with several experts and

commentators indicate that while local resource mobilisation still remains a weak area, there exists a lot of scope for revenue generation on a voluntary basis. One influential minister notes in a recently held interview (conducted on November 13, 2002) that voluntary contributions may yield considerable amount, although this area remains relatively understudied. Also there exist wide variations across local bodies in this respect, accounting for corresponding differences in per capita revenue across panchayats (M. Shanthi, 2002).<sup>26</sup> D. Bandyopadhyay, in a workshop held in the recent past, gives an example of such innovative practices of revenue raising in one panchayat in West Bengal. Levying taxes on *paan* will be considered as agricultural income tax and therefore prohibited. So the panchayat president raises resources through donation of Rs.10 per head from those who grow *paan*. Social forestry proceeds may constitute another promising source of revenue. But one interviewee argues that too much emphasis on local resource mobilisation or generation of resources from social forestry etc. may lead to excessive of felling of trees and cause environmental damages.<sup>27</sup>

The question of resource use prompts us to raise three additional queries: i) use for effective and equitable management of local public services (e.g., schools, health centres, drinking water facilities and so on); ii) use for productivist purposes and strategies (as mentioned above, contract farming, agro-business etc are the emerging priorities in rural West Bengal) and their alleged benefits; and iii) resource misuse and corruption. The fact of the widespread corruption and embezzlement of public resources associated with various local development programmes is well-known; such ‘development rackets’ are sometimes known to involve the local traders/contractors, the *sarpanch*, the BDO or the junior engineer, and the local landlord or upper-caste leader. Does decentralized spending start off a cycle of ‘competitive corruption’ or does it lead to redistributive gains?

d) fiscal responsibility – alongside the issue of expenditure autonomy there remains the attendant question of expenditure transparency and accountability. Do local people have the right to information on past accounts and future spending priorities? Simply put, are the expenditure decisions transparent? Are the local authorities accountable to the people? Is there a scope for social audit of performance in addition to traditional audits? These issues will prompt us to focus on the mandatory village constituency meetings (i.e., *gram sansad* meetings) in the panchayat system of West Bengal. Gram sannsad meetings are deliberative public meetings where the elected members of the GP and all the voters of a constituency meet to i) to review past and proposed programmes, ii) to monitor the

performance of elected representatives regarding the implementation of public projects and iii) to inspect accounts of expenditure and budgets (Ghatak and Ghatak, 2002). Some recent studies indicate that until now such meetings are not well-attended; only about 20 percent of the voters routinely meet and adjourn. Some also note that ‘green room’ decisions in separate party meetings are held prior to *sansad* meetings, partly explaining people’s lack of interest in such deliberations. Some of these worries may be somewhat premature, as one would expect a process of ‘learning by doing’ to take place after a reasonable time lag. All these will make the analysis of gram *sansad* meetings an integral component of our future research.

It is useful to bring out one related point here. In the mainstream literature on decentralisation, the alleged benefits of local level decision-making are to flow from its presumed information advantage, among others. But the standard focus is on the bottom-up generation of information to provide planners with more accurate details of local costs, needs and preferences. In the context of fiscal discipline and accountability however (and more generally in the case of the Right to Information movement), the emphasis is on demanding access to expenditure records, subjecting these to collective verification (i.e., social audit) and thus demanding accountability from local authorities.<sup>28</sup> The State-citizen channel may get clogged, even when the former is tax-financed and in a non-corporate economy through the ‘contract Raj’. Thus, the thesis of State responsiveness is expected to work when people have ‘unclassified’ information which they can collectively scrutinise (the military budget for example is largely immune from public scrutiny) and then politically mobilise their concerns such that the State is compelled to respond.

Using the political and legislative narrative of the panchayats in West Bengal as a useful benchmark, we hope to take up these above-mentioned issue for further probing.

## Notes

- 1 Throughout this paper, the word ‘state’ in capital S denotes constituent units in the federation.
- 2 Stripped to its essence, the thesis propounds that the source of state revenue (e.g., tax, aid, loan etc.) determines biases – elitist or pro-poor – in public policies. There are several ways of raising revenue including aids and loans from international agencies which remain outside the purview of the present discussion, as also their effects on policy outcomes. Our focus in subsequent research is going to be on the tax state and its tax-paying citizens. Put another way, the broad theme within which we situate our present analysis relates to the connection between fiscal process and political process, pursued not at the national but at the sub-national level. For an original and incisive analysis of the politics of taxation and the political mobilisation of taxpayer concerns in developing countries, see Brautigam (2002), and Moore and Rakner (2002).
- 3 Apart from the possibility of ‘elite capture’ of public institutions, the costs of political action, time and resource constraints may also make participation by the poor difficult (Seshiah, 2003). Thus, citizen participation does not just happen even when the political space does emerge for it to do so. Developing effective citizenship and building democratic organisation take time and effort. Clearly, there is an element of ‘learning by doing’ here (Dreze and Sen, 2003). So any feasible plan of local governance must design its institutions such that they can be run efficiently by people like us who spend a great deal of time thinking about themselves and not about the promotion of local democracy (Majumdar, 2000).
- 4 In what follows, we try to develop State-specific political and legislative narratives of panchayat reforms in the three selected States, with the purpose of discerning the political and social forces that have triggered the most recent spate of decentralisation reforms.
- 5 We are grateful to Dwaipayan Bhattacharya for his incisive comments on this.
- 6 See, for example, illuminating discussions in Dreze and Sen (2003), Frankel (2000), Harriss (1999), Heller (2002), Kohli (1987), and Varshney (2000) among others.
- 7 The impact of the Fifth Pay commission recommendations on State finances and its implications for fiscal devolution are indeed far-reaching, as a participant insightfully observed in a meeting on fiscal devolution at MIDS, on April 16, 2002).
- 8 As a respected senior bureaucrat noted in course of an interview held in Bangalore, when decentralisation measures were under way in the State of Karnataka, Ministers for Agriculture, Horticulture, and Animal Husbandry all thought that their importance would be lost as some portion of their power would go to PRIs. (May 16, 2002). There indeed exists a possibility of competition and confrontation between the political leadership at different levels of government. In one reading, there is a systematic subversion of the Panchayats by the MPs and MLAs who feel threatened by the emerging grass-root leadership. For example, the allotment of the Local Area Development Fund of MPs and MLAs – the ‘pork-barrel’ funds that keep on increasing – is a way, some feel, of perpetuating a system of Panchayat subservience (Bandyopadhyay, Ghosh and Ghosh, 2003).
- 9 AS the organisational structure of the State panchayat stands now, the *Gram* panchayat or the village council constitutes the lowest level of electoral unit in the system covering 10-12 villages and is led by an elected *Pradhan*. The Panchayat *Samiti* exists at the block level extending across 115 villages and is headed by an elected *Sabhapati*. The *Zilla Parishad* – a district-level unit – is at the apex of the PR system and is headed by an elected *Sabhadhipati* (Ghatak and Ghatak, 2002).

- 10 In general, the reason for the ‘second generation’ panchayat reforms in different parts of the country during this time is attributed to attempts by non-Congress forces to establish a political support base at the local level (Mathew, 1994).
- 11 The discussion in the rest of the paragraph is based on conversations with D. Bandyopadhyay and other participants in a meeting at the Centre for Studies in Social Sciences, Calcutta, on 11 November, 2002.
- 12 A respected commentator on agrarian reforms in West Bengal, however, remarked at the April 2003 workshop that it was rather the metropolitan reformers who lacked interest in land. This echoes the argument that the reformist external power might play a decisive role in challenging the traditional, parochial local power base. In his study of the politics of land reforms in West Bengal, Kohli (1987), however, claims that the main opposition to agrarian reform came from the lower level administration, especially from the frontline workers who were linked with landed interests in villages. The reason why land reforms have been successful in West Bengal, he further argues, is because the political party largely bypassed and neutralised the bureaucracy in implementation (as discussed in Joshi, 1999).
- 13 This remark is based upon conversations with a senior politician and scholar in an interview on 11 November, 2002.
- 14 The discussion in the remainder of the paragraph draws on Webster (1996).
- 15 This comment was made by a leading economist in an interview in Kolkata held on November 12, 2002.
- 16 A rough parallel can be drawn with the decentralisation experience in the State of Karnataka where a similar constellation of reform-minded bureaucrats (this time not political leaders) was instrumental in pushing the decentralisation agenda forward in the late 1980s, without underestimating of course the political leadership provided by the then Chief Minister Ranmakrishna Hegde. Satish Chandran (the then Chief Secretary), S.S. Meenakshisundaram (the then Secretary to the Department of Rural Development) and P.R. Naik (the then Development Commissioner) all felt committed to decentralisation reforms in Karnataka during that time, partly explaining the initial success of the project in the State. Their values were internalised gradually and later on the mass of bureaucracy got adjusted to the programme. These observations are based on insightful comments of two senior administrators cum scholars during interviews held in Bangalore on May 16 and 17, 2002. In this context, it is interesting to refer to Kumar (2002, p.6) who alludes to a similar constellation of personalities that partly influenced the success of the 73rd Amendment Bill, when it was sent to a Joint Parliamentary Committee (JPC) for examination, “The JPC was headed by Nathuram Mirdha, a former Chief Minister of Rajasthan. Among its members were Mani Shankar Aiyar, Deve Gowda, P.M. Sayeed, Sudhir Roy *et al.* It may also be mentioned that Rajasthan was the first state in the country where the three-tier PRI system was inaugurated by the first Prime Minister on October 2, 1959. Aiyar, a Congress member, had worked closely with Rajiv Gandhi to prepare the 64th Amendment. Deve Gowda was from the Karnataka branch of the Janata party, which earned kudos for resurrecting panchayats in the state in the latter half of the 1980s. Generally speaking, the Committee was broad-based with members well exposed to the concepts as well as praxis of panchayati raj in the country.”
- 17 In a recent interview, one senior politician in West Bengal talks about the need to guard against ‘cronyism’ – a danger that the party bosses may easily slide into. Similarly, a seminar participant

observed that PRIs are functioning as the ‘elected sterile bureaucracy’, whereas local party committees are calling the shots.

- 18 A similar point was made by an interviewee on November 11, 2002 in the city of Kolkata.
- 19 It is generally observed that if the State government accords sufficient importance to PRIs, bureaucrats accept them.
- 20 He makes this remark in an interview with us on November 9, 2002 in Kolkata.
- 21 The following discussion on Assembly debates pertaining to the conformity legislation draws largely on Kumar (2002).
- 22 At the April, 2003 Workshop at MIDS, a senior bureaucrat, with close knowledge of State-level happenstances during the passage of conformity legislations, recounted his conversation with the honourable minister on this issue. He also confirmed that originally the Left Front Government did not support the 1992 Amendment Act; it was of the view that decentralisation initiatives need to emanate from ‘political will’ and not the ‘Constitutional Bill’. Several adjustments were made at the Central Secretariat at that time, he claimed, to incorporate the demands of the LFG. Still there was substantial delay on the part of the West Bengal government before it finally enacted the conformity legislation. The honourable minister allegedly remarked that the Government wanted to have the panchayat election first (it was held in May 1993) and then have the amendment, as the latter would require, as per the newly introduced reservation rules, fielding of a large number of woman and SCST candidates, capable and competent to successfully contest in elections. The participant further wondered why the Left Coalition seemed to be not quite ready to field suitable candidates from the traditionally deprived backgrounds even after such a long and uninterrupted spell of power.
- 23 This interview was conducted on November 12, 2002 in Kolkata.
- 24 This is based on an interview held in Kolkata on 13 November, 2002.
- 25 Observation along this line was made by D. Bandyopadhyay in a workshop on Fiscal devolution organised at MIDS on April 16, 2002.
- 26 M. Shanthi made this point with supportive evidence in a workshop on fiscal devolution.
- 27 This interview was conducted in Kolkata on November 14, 2002.
- 28 On an illuminating analysis of the difference between the Right to Information movement and the conventional view of community participation and generation of information from grassroots, See Jenkins and Goetz (1999).

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