



Government of India
Ministry of Panchayati Raj

DEVOLUTION REPORT 2016-2017





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DEVOLUTION REPORT

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PRINCIPAL RESEARCHERS

Dr. Jos Chathukulam, CRM, Kottayam
Prof. Yatindra Singh Sisodia, MPISSR, Ujjain
Prof. N Sivanna, ISEC, Bengalure
Dr. M Devendra Babu, ISEC, Bengalure
Dr. Jacob John, KDS, New Delhi

CORE TEAM

Shaji George
V G R Nair
P M Joseph

DOMAIN EXPERTS

Prof. John S Moolakattu
Prof. P P Pillai
Dr. A M Jose
Prof. K J Kurian
Dr. K Gireesan
OJ John
Prof. B S Bhargava

SUPPORT TEAM

C V Balamurali
R M Abdul Rahim
Shamla Beevi
T V Thilakan
Siji K V
Renju Mol K R
Rantha Mol K R
Mark Haokip
Jithin P Cheriyan

REPORT DESIGN

S.Devavrathan

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Prof. B S Bhargava
Chairman,
Centre for Rural Management (CRM)
Kottayam , Kerala

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EXECUTIVE SUMMARY

RELEVANCE OF THE STUDY

The literature on decentralization often poses a question, whether the Panchayat derive its authorized status from the Constitution or from the State Acts ? Though the question looks very simple and guiltless it has larger implications in determining the status of devolution. There is no standardized answer to the question. But for some, the Panchayat derives power and authority from the Constitution and again for others it is from the State Acts/ Governments. Both the answers are partially true and therefore partially false too. It may be more affirmative to say that the Panchayat derives its power and authority from both the sources, primarily the Constitution and second the sub national Governments (States). According to the 73rd Constitutional Amendment Act, implanted in the Constitution as Part IX, the States are responsible for transforming the Panchayats in to ‘institutions of self government’. Therefore, nobody can refute the role of the State in creating an enabling environment in which the Panchayats can work as the self governing units or otherwise. However, there is no choice for the States, as it is a constitutional obligation to create an enabling environment for the Panchayats and otherwise it can be interpreted as a infringement of the Constitution. How the States take the responsibility of nurture and develop the Panchayats? Whether it is ‘by design’ or ‘by default’? What supportive role is needed in the process of nurturing and developing the Panchayats by the States? These are issues which need deeper political economy analysis. In this context, reasons for the pace of varying degree of devolution among the States are a serious concern.

Immediately after the creation of the Ministry of Panchayati Raj (MoPR) in 2004, it has been instrumental in promoting the process of devolution by providing handhold support to the States. As part of this, the MoPR had introduced the Panchayats Empowerment and Accountability Incentive Scheme (PEAIS) in 2005-2006 .This is to motivate the States and UTs for greater devolution. The recommendation of the 5th Round Table Conference held at Srinagar was the reference for launching the Central

Sector Plan Scheme, the PEAIS. The PEAIS has two sets of objectives and they are (i) to motivate the States to empower the Panchayats through devolution of functions, funds and functionaries in accordance with Article 243G of the Constitution and (ii) to motivate the Panchayats to put in place accountability framework & performance system and democratic style for making their functioning transparent and efficient. The first objective was operationalized by an incentive mechanism to the highest performing States on the basis of the extent of devolution carried out by them, annually. Initially, the performance of the States is measured through a two stage assessment with the support of a tool called 'Devolution Index' which has been developed from a concept paper by Alok and Bhandari (2004). The first stage is called 'framework criteria' based on four fundamental Constitutional requirements. They are (a) establishment of State Election Commission (SEC), (b) holding of regular elections to PRIs, (c) setting up of State Finance Commission (SFC), and (d) constitution of District Planning Committees (DPCs). States and UTs which have fulfilled the framework criteria only were included under the scheme. Weightage is given to the State Finance Commission and District Planning Committee since these institutions have more potential in the domain of 'progressive devolution' than the other two which have inclination towards 'mandatory devolution'. The dimensions of Devolution Index and the methodology are being continuously improved and refined over the years by the perceptions of different stakeholders. The Devolution Index is being constructed and computed annually by independent institutions since 2007-2008. The present report is submitted by the Centre for Rural Management (CRM) Kottayam, Kerala providing the details of the empirical estimation for 2016-2017.

Objectives of the Study

The study aims to develop a Devolution Index for objectively measuring the extent of devolution of funds, functions and functionaries to the three tiers of Panchayats and relate the status of devolution to the level of performance.

Specific objectives of the study are:-

- (i) To review the existing literature on the process and methods for the formulation of Devolution Index
- (ii) To construct a Devolution Index (cumulative and incremental) for the year 2016-2017. The Devolution Index (DI) is an objective and quantifiable measurement of devolution to Panchayats. It is the summation of three sub indices of devolution of funds, functions and functionaries. Indices, if any, having relevance in the process of constructing the DI can also be aggregated. Each State and Union Territory is to be evaluated and ranked on the basis of its score on the Devolution Index.
- (iii) To construct a PESA Index (cumulative and incremental) for the year 2016-2017. The PESA Index is an objective and quantifiable measurement of the extent to which States have created a facilitative environment for the implementation of the provisions of the PESA Act, 1996. The study also includes Amendments in the Laws, Regulations and Government Orders in tune with PESA and strengthening of the Gram Sabha.

Approach and Methodology

Various aspects of the functioning of Panchayati Raj Institutions (PRIs) and its supporting structures are to be evaluated for the construction of the Devolution Index. These aspects are referred as ‘dimension’ and each dimension has been measured by employing a number of variables and sub variables. There are a number of dimensions on the working of PRIs which can be evaluated separately such as, funds, functions, functionaries, mandatory bodies constituted by the State legislatures, accountability, transparency, implementation of schemes, peoples’ participation, performance, obligatory functions of Panchayats etc. Each of these dimensions can be accessed through sub dimensions provided to each and these sub dimensions are referred to as indicators and each indicator are evaluated using sub variables. During the first two years of the construction of devolution index only three dimensions of the functioning of Panchayats were assessed viz. (i) funds (ii) functions and (iii) functionaries. From 2008-2009 onwards, a fourth dimension, ‘framework’ has been included and the devolution index has been prepared as the aggregate of these four indices. Another

dimension, infrastructure, governance and transparency (IGT), has also been incorporated in 2014-2015 for assessing the level of devolution among the States/UTs. The construction of devolution index for the year 2016-2017 is an attempt to improve and refine the dimensions and methodology of Devolution Index. Based on the six dimensions such as (i) framework (ii) funds (iii) functions (iv) functionaries (v) accountability and transparency and (vi) performance and the relative weightage for each dimension index were fixed. Special attention has been paid to the devolution of funds, functions and functionaries in terms of historical evolution. The data has been engaged in the following three types of exercise.

1. **Devolution Index by Policy:** The official data furnished by the State Governments /UT Administration are applied for attaining the score value and ranking the States /UTs across the country which forms the authenticated data source to understand the official position of the State /UT on the domain of devolution. The score value and ranking of cumulative and incremental devolution index for the year 2016-2017 is based on the application of the Devolution Index by Policy. Of course, the data has been validated by applying different techniques including field investigation by trained researchers from sample districts by covering three tiers of Panchayats. Other techniques such as, Devolution Index by Practice and Devolution Index of Policy Adjusted against Practice are also used to validate the results.
2. **Devolution Index by Practice:** The devolution index by practice is constructed by applying the data collected from the field and used for capturing actual field situation .It is also used to validate the ‘authenticated’ data furnished by the States/UTs.
3. **Devolution Index of Policy Adjusted against Practice:** It is a computational exercise by taking the average of the score values of the respective dimensions of devolution by policy and devolution by practice. It is used as a simple method to minimize the deviations of the official information and the field survey.

The score values and rank positions obtained by applying the Devolution Index by Practice and Devolution Index of Policy Adjusted against Practice are only used for a comparative analysis. Since all the dimensions of devolution are the same in the above three methods, the results are comparable. The results are presented both at the

aggregate and disaggregate level which has larger policy implications both at national and state level.

Table No. E.i: Weightage to Dimensional Index

Sl No	Dimensional Index	Weightage
1.	Funds	30
2.	Functionaries	20
3.	Functions	15
4.	Performance	15
5.	Framework	10
6.	Accountability & Transparency	10
	Total	100

Source: Developed by the Domain Experts & Approved by the MoPR, Govt Of India

Tools

The tools adopted for the construction of devolution index for the year 2016-2017 are based on the directions furnished by the Ministry of Panchayati Raj (MoPR). Attempts made to collect the data are as follows. A set of draft questionnaire was prepared by a team of experts who have commendable knowledge on the working of Panchayats in different States. The State level questionnaire is a package of three sets – (i) general and customized questionnaire for covering all the States /UTs, (ii) separate questionnaire for covering all the States under the Fifth Schedule and (iii) separate questionnaire for covering all the States under the Sixth Schedule. A draft was submitted to the Ministry which was circulated among the senior officials of the Ministry. All suggestions of the Ministry were incorporated and the methodology (including questionnaire) was finalized. The finalized questionnaire was forwarded to the concerned officials of all States /UTs by both soft and hard copies. The directions from the MoPR facilitated the process. The States and UTs have taken more than two months to administer the questionnaire. It is noteworthy to mention that all the States and UTs have participated in the exercise of answering the questionnaire and to return within the time frame, though there are some data gaps in the exercise.

Table No.E.ii: Cumulative Index (Devolution Index by Policy) 2016-2017 among the States and UTs

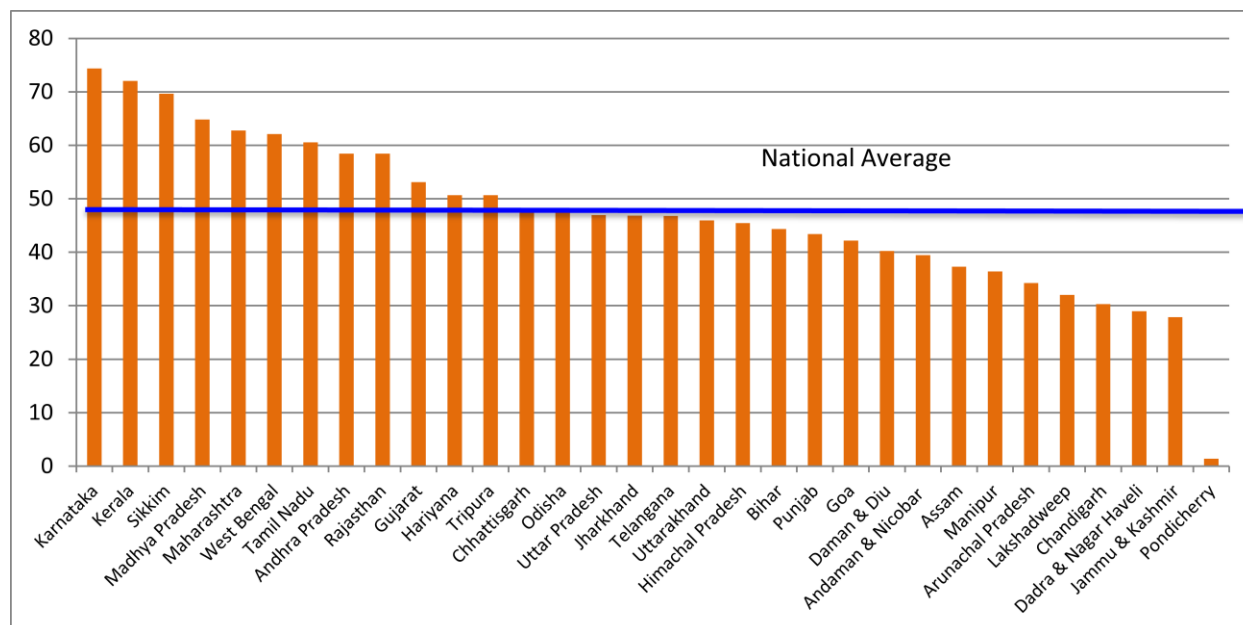
Sl No	State	DI	Rank	1.Frame work	Rank	2.Funds	Rank	3.Functionaries	Rank	4.Functions	Rank	5.Accountability & Transparency	Rank	6.Performance	Rank
1	Karnataka	74.35	1	91.13	1	66.15	1	66.82	1	82.33	1	96.64	1	66.83	3
2	Kerala	72.05	2	86.40	4	65.25	2	62.58	4	80.76	2	77.42	7	76.42	2
3	Sikkim	69.67	3	82.64	5	56.60	5	63.48	3	76.45	5	83.92	4	79.10	1
4	Madhya Pradesh	64.81	4	79.62	6	45.26	12	65.61	2	78.90	3	96.36	2	57.71	7
5	Maharashtra	62.77	5	69.13	16	48.13	8	62.42	5	75.45	6	84.53	3	61.11	5
6	West Bengal	62.11	6	76.66	7	61.71	3	42.87	17	78.73	4	64.30	12	60.79	6
7	Tamil Nadu	60.53	7	72.54	10	58.19	4	53.94	7	55.52	15	83.36	5	55.75	10
8	Andhra Pradesh	58.42	8	62.48	19	49.77	7	48.94	11	71.55	7	83.36	5	55.88	9
9	Rajasthan	58.42	8	89.30	2	47.56	9	49.24	10	66.95	10	75.02	8	52.17	12
10	Gujarat	53.11	9	60.61	20	46.60	10	54.22	6	65.03	12	55.03	21	46.59	14
11	Haryana	50.68	10	87.14	3	41.05	16	48.32	12	54.69	17	57.80	18	40.03	18
12	Tripura	50.68	10	69.44	15	45.52	11	52.87	8	55.10	16	59.45	17	35.33	26
13	Chhattisgarh	48.16	11	70.49	12	23.97	27	47.71	13	67.06	9	65.51	9	51.81	13
14	Odisha	48.16	11	74.35	9	42.06	15	47.55	14	53.59	19	48.89	25	37.72	21
15	Uttar Pradesh	46.96	12	70.22	13	55.77	6	32.41	28	54.48	18	41.55	26	29.33	30
16	Jharkhand	46.86	13	60.21	21	36.00	18	40.76	18	55.65	14	50.20	24	56.38	8
17	Telangana	46.76	14	66.05	18	42.55	13	36.85	21	43.35	24	55.83	20	53.50	11
18	Uttarakhand	45.94	15	57.50	23	42.48	14	38.76	19	48.72	21	60.05	16	42.54	17
19	Himachal Pradesh	45.46	16	74.54	8	35.95	19	51.36	9	58.24	13	22.88	29	39.48	19
20	Bihar	44.37	17	71.56	11	32.43	20	28.56	29	68.46	8	61.78	15	35.46	25
21	Punjab	43.41	18	70.06	14	25.00	25	35.18	23	47.65	22	81.16	6	43.92	16
22	Goa	42.20	19	55.87	25	26.75	23	44.99	15	50.93	20	64.39	11	36.69	23
23	Daman & Diu	40.23	20	33.72	29	40.53	17	37.72	20	40.64	25	54.74	22	37.55	22
24	Andaman & Nicobar	39.47	21	68.39	17	28.51	22	33.18	26	36.09	26	54.20	23	44.06	15

25	Assam	37.31	22	59.19	22	29.65	21	38.76	19	44.80	23	30.68	28	32.97	28
26	Manipur	36.40	23	49.36	26	21.60	28	36.19	22	12.89	31	64.58	10	62.36	4
27	Arunachal Pradesh	34.26	24	39.56	28	5.85	31	33.02	27	66.52	11	61.95	14	38.43	20
28	Lakshadweep	32.02	25	57.33	24	25.37	24	35.15	24	33.41	27	19.90	30	30.99	29
29	Chandigarh	30.29	26	28.06	30	17.78	29	43.63	16	26.93	29	39.23	27	36.37	24
30	Dadra & Nagar Haveli	28.98	27	43.13	27	24.88	26	19.50	30	21.05	30	62.26	13	26.16	31
31	Jammu & Kashmir	27.85	28	12.00	32	12.5	30	35.14	25	33.04	28	56.35	19	35.10	27
32	Pondicherry	1.36	29	13.55	31	0.00	32	0.00	31	0.00	32	0.00	31	0.00	32
33	Meghalaya														
34	Mizoram														
35	Nagaland														
	National Average	47.00		62.57		37.54		43.37		53.28		59.80		45.58	

Source: Computed from the Data Furnished by Respective State Governments/ UT Administration

Ranking of States (Cumulative Index) 2016-2017

Fig No.E.i: Cumulative Devolution Index (DI) by Policy among States/UTs 2016-2017



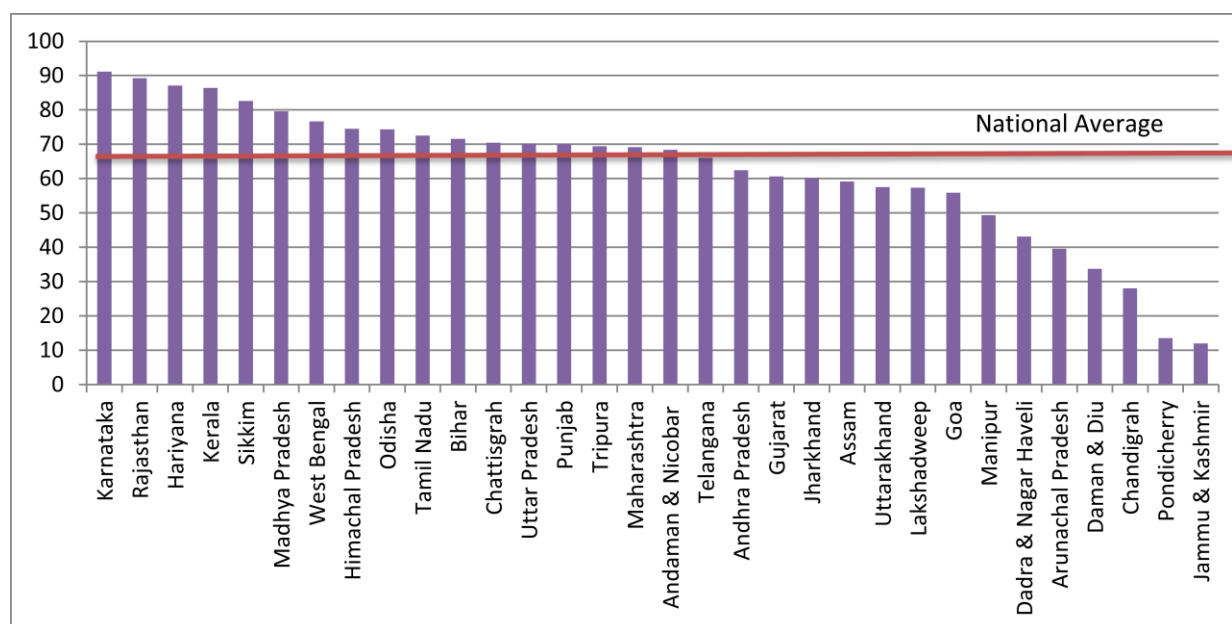
Source: Table No.E.ii

Cumulative Devolution Index (DI) by Policy among States/UTs is the summation of the six dimensions of devolution according to the respective weightage for each dimension. They are (i) framework, (ii) funds, (iii) functions, (iv) functionaries, (v) accountability & transparency and (vi) performance. As per the methodology adopted and its measurement the State of Karnataka reaches the top position in the Cumulative Devolution Index with high score value of 74.35. It is followed by Kerala and Sikkim with 72.05 and 69.67 respectively. The other high performing States are Madhya Pradesh (64.81), Maharashtra (62.77) West Bengal (62.11) and Tamil Nadu (60.53). Andhra Pradesh and Rajasthan have an equal score value of 58.42 and share the eighth position. Gujarat stands at the ninth position with six points higher than the national average of 47.00. Haryana and Tripura are the other two States with the same score value of 50.68. Table No.E.ii and Fig No.E.i show that around half of the States are placed above the national average.

1. Framework Devolution (Climate of Devolution)

Here, an effort is made to cover the overall climate in which the devolution of power and responsibility exert by the Panchayats. It also deals with the mandatory provisions of the Constitution. These mandatory provisions form the prerequisite for effective devolution. It is empirically clear that during the last 25 years optimal level of framework was seen in almost all the States in which the fulcrum of devolution starts moving forward. There are State Election Commissions (SECs) for conducting regular elections to the Panchayats, State Finance Commissions (SFCs) to allocate resources to the Panchayats, District Planning Committees (DPCs) to integrate plans of the three tiers of Panchayats for local economic development and affirmative legal framework to protect the interest of the marginalized sections of the society. Among the four sub indicators, high potential for further devolution is seen with the District Planning Committee and State Finance Commissions rather than the other two (State Election Commission and affirmative framework for marginalized communities). Therefore, more weightage is given to those sub indicators those have the capacity as per the potential for further innovation for to those sub indicators which have the energy to generate more degree of devolution.

Fig No.E.ii: Devolution Index (DI) by Policy (Framework) 2016-2017



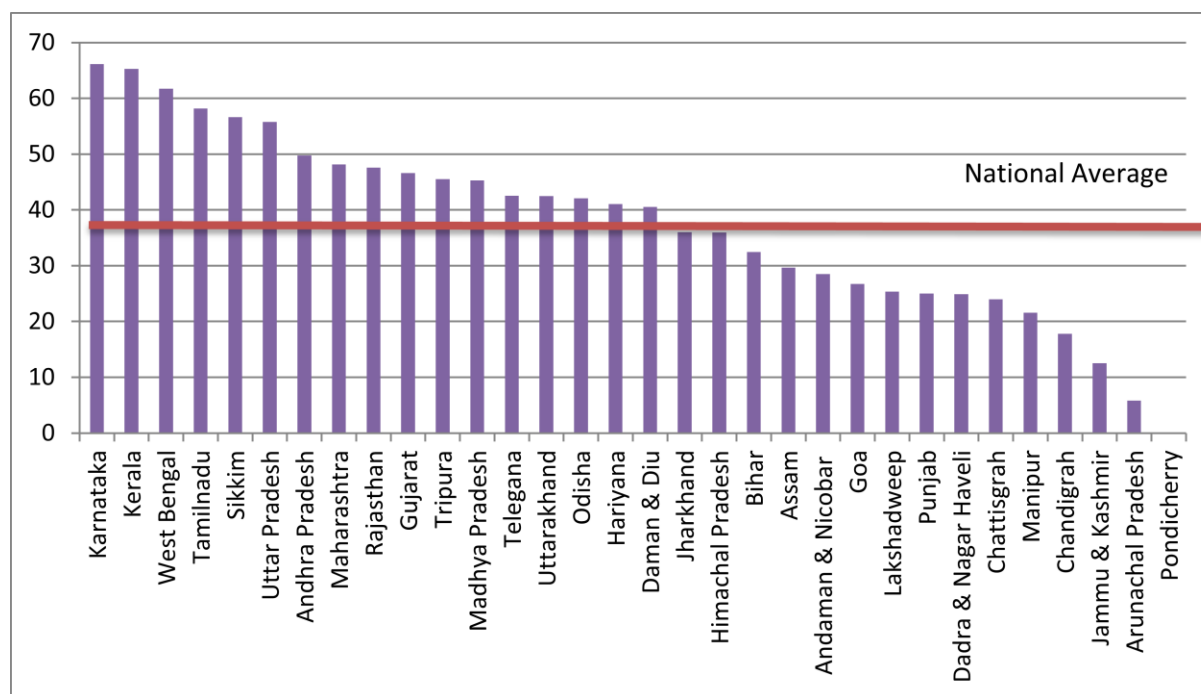
Source: Table No.E.ii.

Table No. E.ii shows that Karnataka ranks first with a score of 91.13 followed by Rajasthan (89.30), Haryana (87.14), Kerala (86.40), Sikkim (82.64) and Madhya Pradesh (79.62). All together 18 States/UTs are above the national average of 62.57 whereas nine States and five UTs are positioned below the national average. Among the score values, framework dimension has attained the highest national average and it is quite expected. The trend is self explanatory too.

2. Devolution of Funds

Dimension on devolution of funds carries more weightage due to its relative importance. While distributing the values among the three tiers of Panchayats this is applicable in Village Panchayats. The increase in the income & expenditure over the last two years and recent initiatives to improve the revenue of Panchayats are considered under the dimension with certain degree of weightage as per the relative importance of the concerned sub indicators.

Fig No E.iii: Devolution Index (DI) by Policy (Fund) 2016-2017



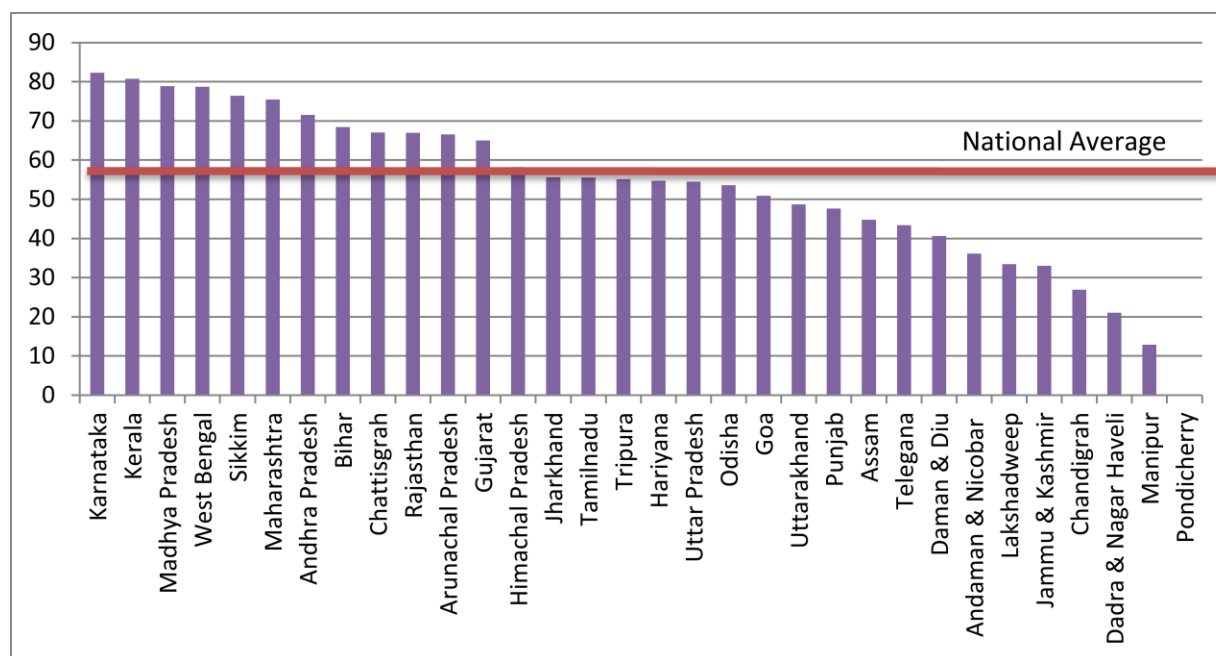
Source: Table No.E.ii.

In the dimension of funds, Karnataka tops the list with a score value of 66.15. Kerala is positioned second with 65.25 followed by West Bengal and Tamil Nadu with 61.71 and 58.19 respectively. There are 16 States and one UT (Daman & Diu) with score above national average of 37.54. It is quite clear that among the score values, the dimension of funds has attained the lowest which is above one third of the total score.

3. Devolution of Functions

Dimension on devolution of functions may have more complicity since the rhetoric and actual always keep wide distance. The Acts/Regulations of the respective States and UTs give the status of devolution according to the conformity legislation to the provisions of the Constitution. The legislative status has its own importance which is the base for action and further devolution. However, the actual status is more important to access the present scenario of devolution. The role of Panchayats in the area of the implementation of different schemes is also taken in to consideration.

Fig No. E.iv: Devolution Index (DI) by Policy (Functions) 2016-2017



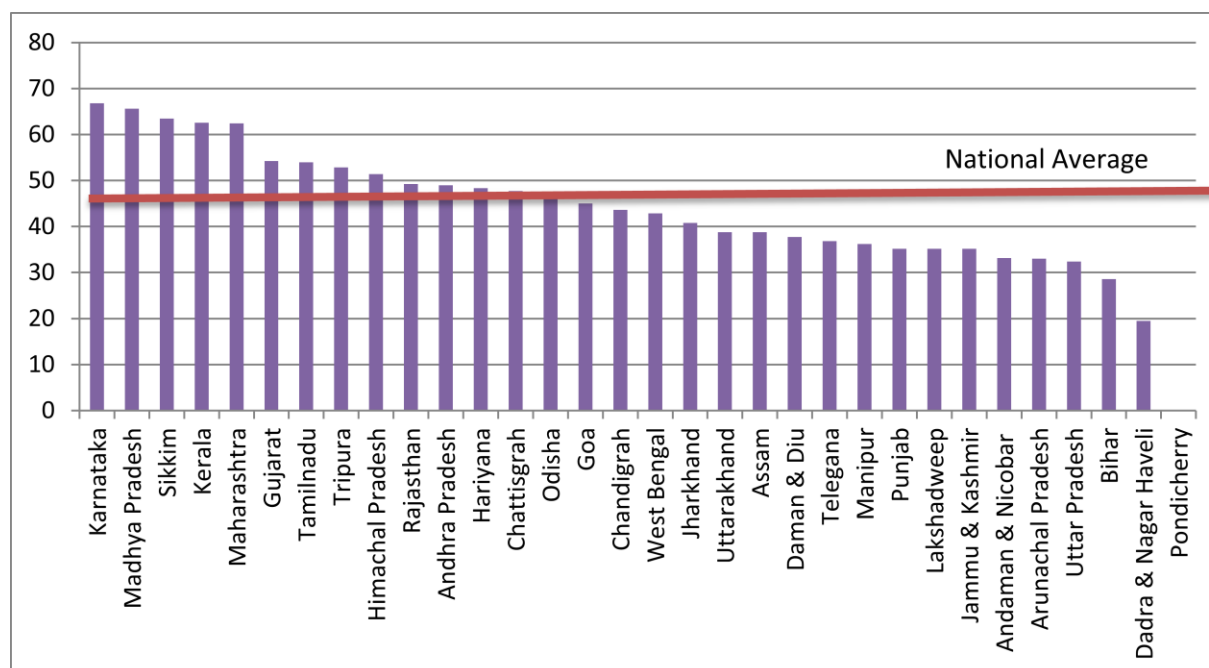
Source: Table No.E.ii

Karnataka ranks the highest with the score value of 82.33, as per the data presented in the Table No. E.ii. Kerala is ranked second with a score value of 80.76 followed by Madhya Pradesh (78.90), West Bengal (78.73), and Sikkim (76.45). The national average in this dimension is 53.28 among the States and UTs.

4. Devolution of Functionaries

The volume and proficiency of the functionaries exert greater influence in any form of governance including the Panchayats. It is argued that, any initiative to transfer functions and funds to the Panchayats may be deprived of by stating the ‘under privileged strength of the functionaries’. In many cases, the deficit of functionaries may be a stumbling block for taking a big bang approach for devolution. In this context, devolution of functionaries has been identified as an important dimension, in making the Panchayat as an institution of self-governing unit.

Fig No.E.v: Devolution Index (DI) by Policy (Functionaries) 2016-2017



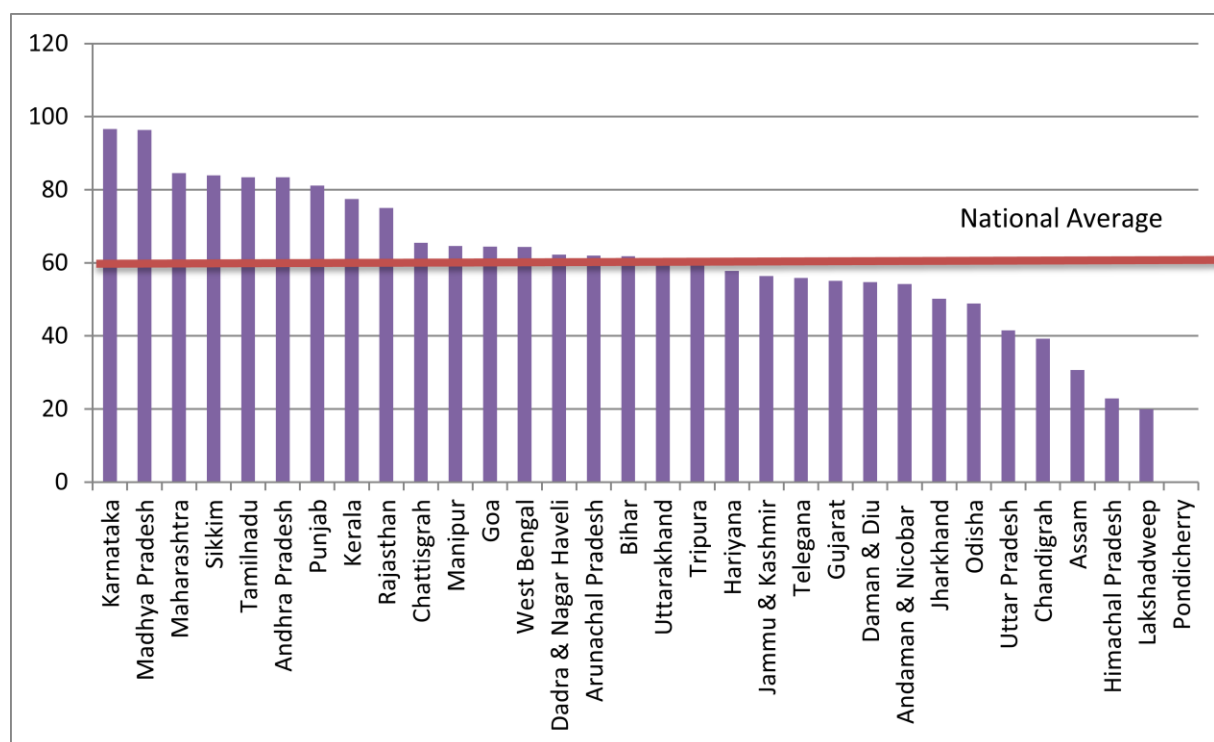
Source: Table No.E.ii

Karnataka ranks the highest with the score value of 66.82. Madhya Pradesh is ranked second with a score value of 65.61 followed by Sikkim (63.48), Kerala (62.58), and Maharashtra (62.42). In the dimension of the Devolution of functionaries, the national average is 43.37.

5. Accountability and Transparency

Micro level accountability and transparency are considered as an important mechanism for enshrining political efficacy of the Panchayat. It is a platform for civic engagement and making the local political system answerable to citizens. The role of accountability and transparency is very high while making a paradigm shift from the government to governance at the local level.

Fig No.E.vi: Devolution Index (DI) by Policy (Accountability & Transparency) 2016-2017

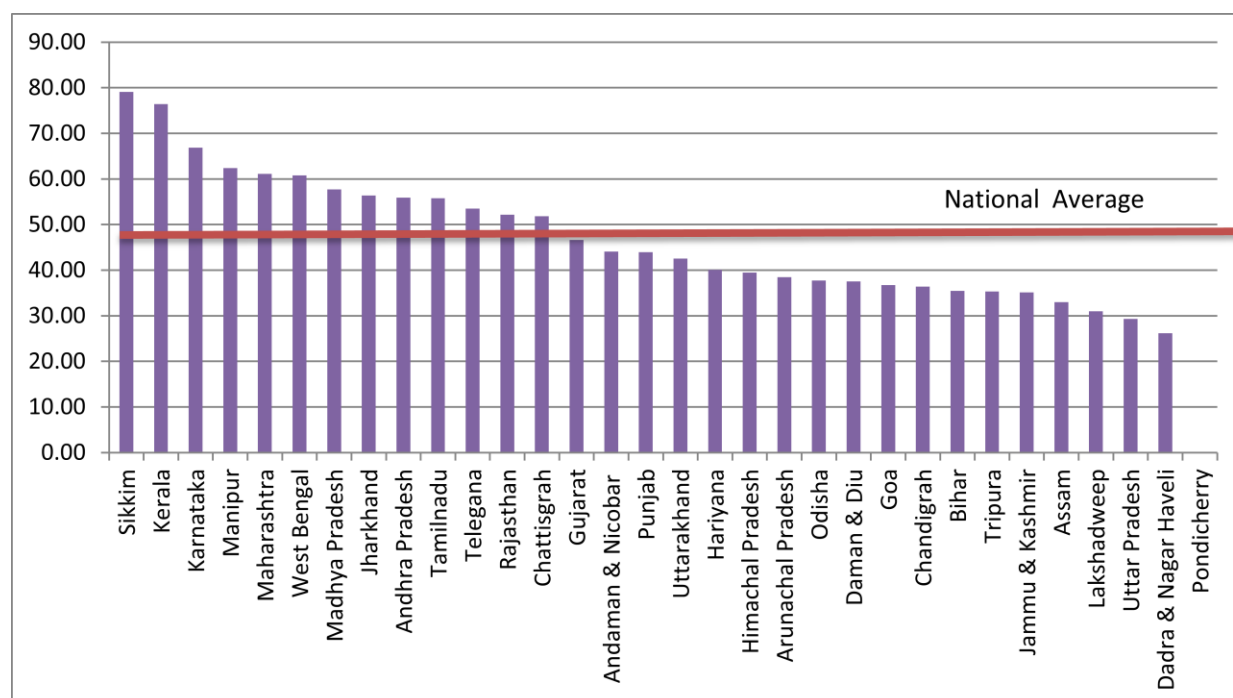


Source: Table No.E.ii

As given in Table No. E.ii & Diagram No. E.vi, Karnataka ranks first with a score value of 96.64 followed by Madhya Pradesh with a value of 96.36. The other four top ranking

States in descending order are Maharashtra, Sikkim, Tamil Nadu and Andhra Pradesh. Seventeen States have scored more than the national average of 59.80.

Fig No.E.vii: Devolution Index (DI) by Policy (Performance) 2016-2017



Source: Table No.E.ii

6. Performance of Devolution

Performance has been identified as an important dimension in making Panchayats favorable to citizens. Proximity to citizens, fairness in business, and efficiency in delivery of services are the factors which accelerate the pace of performance. The hypothesis is that certain level of enabling environment in operation at the Panchayat with a quantum of funds, functions and functionaries as envisaged, an output in term of ‘performance’ of the system may be expected. In other words, the indicator of performance is a litmus test of devolution as per the perception of the local citizenry.

Sikkim is in the top with a value of 79.10. Kerala and Karnataka followed by attaining score values of 76.42 and 66.83 respectively. Manipur, Maharashtra, West Bengal,

Madhya Pradesh, Jharkhand, Andhra Pradesh, and Tamil Nadu have scored well. The score value of national average is less than half (45.58).

Construction of Devolution Index by Practice

Consequent to the 73rd Constitution Amendment, all State Governments and Union Territories (UTs) have enacted Conformity Acts devolving functions and powers to the Panchayati Raj Institutions (PRIs). Yet, the level of devolution of funds, functions, and functionaries among States and UTs varies. The ‘devolution index by practice’ is a tool of analysis which is used (i) to measure the actual devolution happening in the field and (ii) to validate the ‘authenticated’ data furnished by the official agency (States Governments and UTs administration). In order to assess the ‘Devolution in Practice’ three questionnaires were prepared and sample survey was conducted among 54 District Panchayats, 102 Intermediate Panchayats and 228 Gram Panchayats. (Ref. Separate section on Construction of Devolution Index by Practice in Chapter 3). The score value of the different dimensions of the devolution index by policy and that of the devolution by practice among the States and UTs have been obtained without much variations. In other words it validates the data furnished by the official source. In many cases the gap between these two is very insignificant. Only in few cases contrast situations have been noticed and in such cases it can be convincingly explained the reasons thereof.

Karnataka is at the top in the case of devolution by practice. The score value of devolution index by practice is 69.67. It is followed by Kerala with second rank and Sikkim with third. The corresponding figures are 69.47 and 69.21 respectively. (Table No.E.iii and Fig.No E.viii).

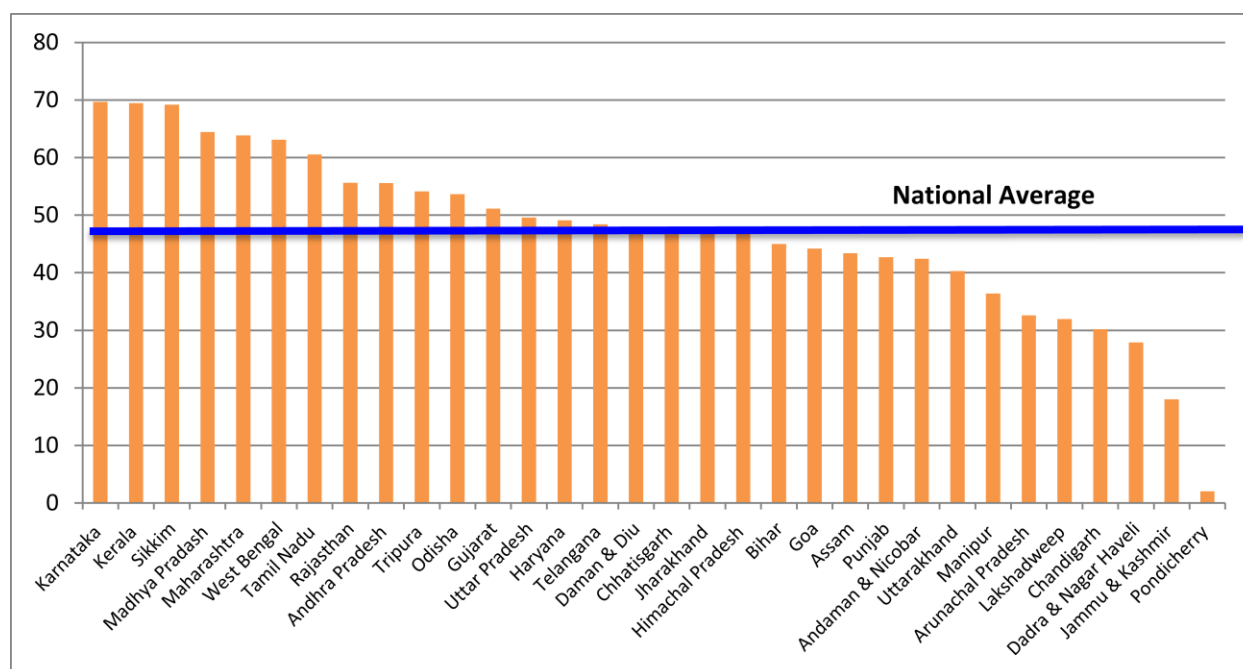
Table No.E.iii: Devolution Index by Practice 2016-2017: Among States and UTs

Sl No	State	DI	Rank	1.Frame work	Rank	2. Funds	Rank	3.Functionaries	Rank	4.Functions	Rank	5.Transparency & Accountability	Rank	6.Performance	Rank
1	Karnataka	69.67	1	85.56	3	62.04	1	61.67	3	76.80	2	88.07	1	65.72	4
2	Kerala	69.47	2	82.28	4	58.06	4	72.02	1	65.80	8	75.34	6	79.95	1
3	Sikkim	69.21	3	76.50	8	57.27	5	66.86	2	78.81	1	78.99	4	75.33	2
4	Madhya Pradesh	64.42	4	74.18	10	43.84	14	55.79	5	76.07	3	84.34	2	64.15	5
5	Maharashtra	63.86	5	78.99	5	53.09	8	57.44	4	67.60	6	82.47	3	67.84	3
6	West Bengal	63.09	6	78.26	7	60.04	2	48.84	11	76.01	4	68.74	9	60.12	6
7	Tamil Nadu	60.54	7	73.82	11	59.01	3	53.96	6	57.60	13	76.47	5	55.87	8
8	Rajasthan	55.60	8	86.18	2	43.34	15	46.65	12	68.01	5	71.01	8	50.20	15
9	Andhra Pradesh	55.57	9	60.38	22	47.36	12	53.54	7	65.80	8	72.81	7	49.92	16
10	Tripura	54.12	10	64.06	17	53.71	7	53.44	8	53.44	16	58.14	12	58.45	7
11	Odisha	53.64	11	71.93	12	56.49	6	49.85	10	51.00	17	48.90	21	49.64	17
12	Gujarat	51.12	12	61.65	19	49.82	10	45.62	14	49.80	19	57.46	13	51.14	14
13	Uttar Pradesh	49.60	13	71.41	13	49.21	11	37.09	20	54.39	15	48.14	22	39.53	26
14	Haryana	49.10	14	87.40	1	41.49	17	41.12	18	55.40	14	55.25	16	39.13	27
15	Telangana	48.38	15	67.99	16	45.01	13	36.81	21	47.02	22	56.20	15	53.47	9
16	Daman & Diu	47.99	16	55.11	24	42.68	16	41.21	17	59.00	11	47.97	23	52.06	13
17	Chhattisgarh	47.56	17	70.26	14	31.40	23	46.55	13	64.00	9	51.42	18	47.09	19
18	Jharkhand	47.54	18	54.16	25	51.36	9	35.92	22	47.40	21	45.37	24	52.58	11
19	Himachal Pradesh	47.33	19	74.37	9	33.24	20	52.55	9	58.02	12	41.66	27	43.52	23
20	Bihar	45.01	20	78.69	6	32.36	22	27.96	30	66.80	7	58.52	10	39.71	25
21	Goa	44.21	21	54.13	26	34.64	18	43.12	15	50.94	18	42.75	26	52.54	12
22	Assam	43.41	22	53.22	27	33.84	19	38.85	19	48.06	20	48.97	20	53.24	10
23	Punjab	42.68	23	63.59	18	28.32	26	31.38	26	47.40	21	58.32	11	44.26	21
24	Andaman & Nicobar	42.43	24	69.62	15	30.10	25	43.01	16	36.00	23	53.77	17	47.12	18
25	Uttarakhand	40.28	25	60.66	21	32.45	21	33.12	24	55.40	14	43.33	25	34.81	29
26	Manipur	36.39	26	55.26	23	30.97	24	33.82	23	18.16	25	56.57	14	43.62	22
27	Arunachal Pradesh	32.60	27	43.79	28	7.56	30	28.67	29	60.40	10	50.33	19	40.97	24
28	Lakshadweep	31.96	28	38.07	30	22.44	29	28.85	27	57.60	13	39.63	28	46.13	20

29	Chandigarh	30.20	29	38.90	29	25.48	27	29.49	28	31.83	24	31.66	31	32.29	30
30	Dadra & Nagar Haveli	27.87	30	60.97	20	24.26	28	26.32	31	1.50	27	37.35	30	35.22	28
31	Jammu & Kashmir	18.02	31	31.57	31	4.66	31	32.91	25	7.62	26	37.52	29	13.30	31
32	Pondicherry	2.03	32	23.03	32	0	32	0	32	0	28	0	32	0	32
33															
34															
35															
	National Average	47.03		63.93		38.92		42.33		51.67		55.23		48.09	

Source: *Computed Data from Field Survey*

Fig No.E.viii: Cumulative Index by Practice 2016-2017



Source: Table No.E.iii

Index of Devolution in Policy Adjusted Against Practice

‘Index of Devolution in Policy Adjusted against Practice’ is computed by taking the average of the score values of the respective dimensions of devolution by policy and devolution by practice. (Table No.E.iv and Fig No.E.ix)

As per the methodology adopted and its measurement the State of Karnataka is at the top in the ‘Index of Devolution in Policy Adjusted against Practice’. Karnataka has a score value of 72.01. Kerala is in the second place with a value of 70.76 followed by Sikkim (69.44), Madhya Pradesh (64.62) and Maharashtra (63.32). The other high performing States are West Bengal (6th rank) and Tamil Nadu (7th rank). The respective score values are 62.60 and 60.54.

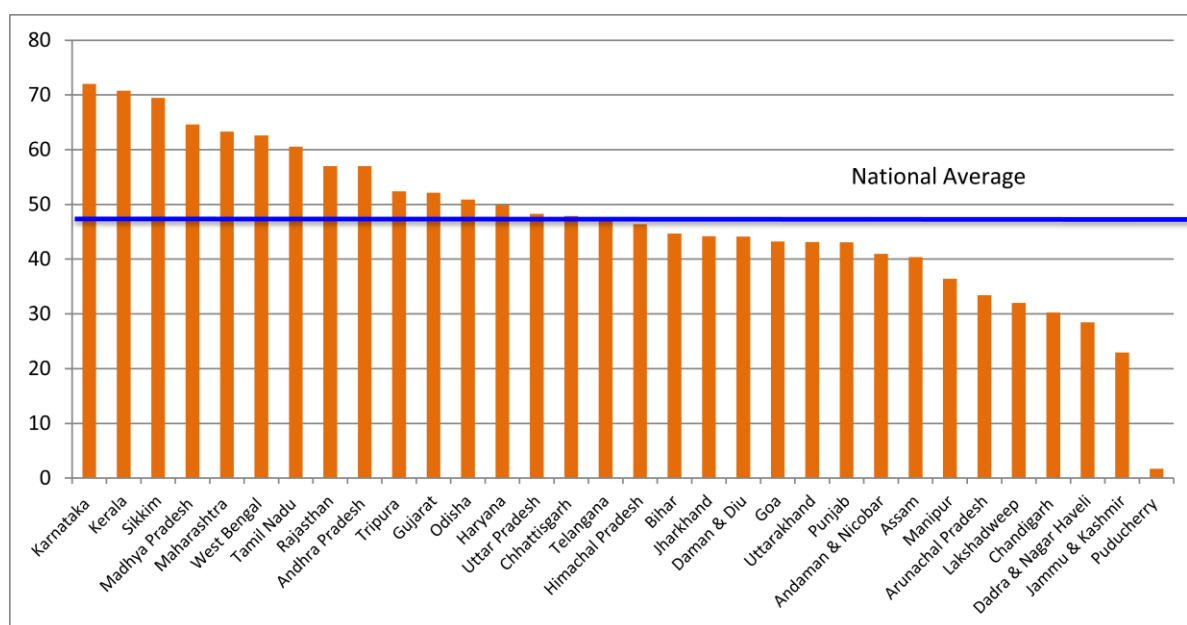
Table No.E.iv: Devolution Index of Policy Adjusted against Practice

Sl No	State	DI	Rank	1.Frame work	Rank	2.Funds	Rank	3.Functionaries	Rank	4.Functions	Rank	5.Accountability & Transparency	Rank	6.Performance	Rank
1	Karnataka	72.01	1	88.35	1	64.10	1	64.25	3	79.57	1	92.36	1	66.28	3
2	Kerala	70.76	2	84.34	4	61.66	2	67.30	1	73.28	5	76.38	6	78.19	1
3	Sikkim	69.44	3	66.32	18	56.94	5	65.17	2	77.63	2	81.46	4	77.22	2
4	Madhya Pradesh	64.62	4	76.90	6	44.55	13	60.70	4	77.49	3	90.35	2	60.93	5
5	Maharashtra	63.32	5	74.06	9	50.61	7	59.93	5	71.53	6	83.50	3	64.48	4
6	West Bengal	62.60	6	77.46	5	60.88	3	45.85	14	77.37	4	66.52	10	60.46	6
7	Tamil Nadu	60.54	7	73.18	4	58.60	4	53.95	6	56.56	14	69.92	8	55.81	7
8	Rajasthan	57.01	8	87.74	12	45.45	12	47.95	12	67.48	9	73.02	7	51.19	12
9	Andhra Pradesh	57.00	9	61.43	10	48.57	10	51.24	9	68.68	7	78.09	5	52.90	11
10	Tripura	52.40	10	66.75	8	49.62	8	53.15	7	54.27	17	58.80	13	46.89	15
11	Gujarat	52.12	11	61.13	11	48.21	11	49.92	10	57.42	13	56.25	16	48.87	14
12	Odisha	50.90	12	73.14	9	49.28	9	48.70	11	52.30	18	48.90	24	43.68	20
13	Haryana	49.89	13	87.27	17	41.27	17	44.72	15	55.05	15	56.53	15	39.58	24
14	Uttar Pradesh	48.28	14	70.82	6	52.49	6	34.75	25	54.44	16	44.85	27	34.43	28
15	Chhattisgarh	47.86	15	70.38	24	27.69	24	47.13	13	65.53	10	58.47	14	49.45	13
16	Telangana	47.57	16	67.02	14	43.78	14	36.83	21	45.19	26	56.02	18	53.49	9
17	Himachal Pradesh	46.40	17	74.46	19	34.60	19	51.96	8	58.13	12	32.27	30	41.50	28
18	Bihar	44.69	18	75.13	20	32.40	20	28.26	30	67.63	8	60.15	12	37.59	27
19	Jharkhand	44.15	19	57.19	15	43.68	15	38.34	19	51.53	20	47.79	25	54.48	8
20	Daman & Diu	44.11	20	44.42	16	41.61	16	39.47	17	49.82	22	51.36	22	44.81	17
21	Goa	43.21	21	55.00	22	30.70	22	44.06	16	50.94	21	53.57	20	44.62	18
22	Uttarakhand	43.11	22	59.08	18	37.47	18	35.94	23	52.06	19	51.69	21	38.68	25
23	Punjab	43.05	23	66.83	16	26.66	25	33.28	27	47.53	23	69.74	9	44.09	19

24	Andaman & Nicobar	40.95	24	69.01	14	29.31	23	38.10	20	36.05	27	53.99	19	45.59	16
25	Assam	40.36	25	56.21	23	31.75	21	38.81	18	46.43	24	39.83	28	43.11	21
26	Manipur	36.40	26	52.31	25	26.29	26	35.01	24	15.53	30	60.58	11	52.99	10
27	Arunachal Pradesh	33.43	27	41.68	29	6.71	31	30.85	29	63.46	11	56.14	17	39.70	23
28	Lakshadweep	31.99	28	47.70	27	23.91	28	32.00	28	45.51	25	29.79	31	38.56	26
29	Chandigarh	30.25	29	33.48	30	21.63	29	36.56	22	29.38	28	35.45	29	34.33	29
30	Dadra & Nagar Haveli	28.43	30	52.05	26	24.57	27	22.91	31	11.28	31	49.81	23	30.69	30
31	Jammu & Kashmir	22.94	31	21.79	31	8.58	30	34.03	26	20.33	29	46.94	26	24.20	31
32	Puducherry	1.70	32	18.29	32	0	32	0	32	0.00	32	0.00	32	0.00	32
33															
34															
35															
	National Average	46.92		62.84		38.24		42.85		52.48		57.20		46.84	

Source: Computed from the Data Furnished by Respective State Governments / UT Administration & Field Survey

Fig No.E.ix: Devolution Index (DI) of Policy Adjusted Against Practice 2016-2017



Source: Table No.E.iv

States Arranged on the Cumulative Index.

I. KARNATAKA (First Position)

As per the methodology adopted and the measurement so derived, the State of Karnataka attains the top position in the Cumulative Devolution Index among the States and UTs in the country. The State also ranks top in all other sub indices except one. Consequently, a balanced platform of all the major pillars of devolution is being created. Since an equilibrium is being maintained in the devolution of 3Fs, the Panchayats in Karnataka have started moving towards the constitutional goal of evolving themselves into ‘institutions of self government’. The interface with the state administration is kept to the minimum by a legal framework supported with State Panchayat Raj Act and other related rules and orders. Hence the autonomy of the PRIs is maintained. Therefore, the Panchayats are functioning in an overall environment of sphere autonomy. Karnataka is one of the top ranking States in terms of physical infrastructure. This is reflected in its scoring of the highest value in the ‘framework’ dimension. Karnataka is the only State in the country which commands a comprehensive data base on local finance, which gives information on functions,

schemes and programmes. The 'Link Document' really serves as a connecting link between the State and PRIs. In terms of the percentage of expenditure of the PRIs relating the Gross State Domestic Product (GSDP) among the States, Karnataka is on the top. Therefore, it is not very difficult to assert that the Panchayats in Karnataka enjoy certain amount of financial autonomy both in theory and practice. It is manifested in securing the highest marks in devolution of finance. In the domain of functionaries also Karnataka is at the top. The Panchayats at all levels are equipped with personnel of professional competency and the administrative morale is relatively high among staff starting from the Chief Executive Officer (CEO) of Zilla Panchayats to the Panchayat Development Officer (PDO) of the Gram Panchayats. At all levels role clarity is maintained among developmental and traditional regulatory structures. The functionaries have been trained in such a way as to comply with both with the decisions of the Committee and with the provisions of the Act. All these achievements have contributed to the securing of the highest score under the dimension of 'functionaries'. The State has a good track record in decentralization in India. The decentralized planning exercise has been institutionalized under the District Planning Committee (DPC). In Karnataka, all Districts have prepared district plans which are integrated with the State plan. The link document is the product of such a planning exercise, which gives directions to prepare action plan for the Panchayats. In other words, the 'link document' is a budget window for the Panchayats. The preparation of District Human Development Reports by all the Zilla Panchayats is a value addition to the decentralized planning exercise in the State. Here, Panchayats are more accountable and transparent. They are strong in implementing *Jamabandhi*, an indigenous mechanism of social audit. The State has also developed a good number of widely acclaimed e-application tools such as *Sakala* for accessing Services from the Panchayats and *Panchatantra*, which would be rated as one of the best software tools in the country for Panchayats.

II. KERALA (Second Position)

Kerala is ranked second in the Cumulative Devolution Index. Kerala takes second in funds, functions and performance. In all the sub indices the rank varies. It has scored

fourth each for the dimensions of ‘framework’ and ‘functionaries’ whereas for the dimension of ‘accountability & transparency’ the position is eighth. The Panchayats in Kerala have better physical infrastructure and staff strength. However, it should be interpreted in terms of the size of the Gram Panchayat, both on the service area and total population/ households to be covered. After the 73rd Constitutional Amendment, Kerala has followed a structure of administrative design at the district level in which a very lean set of core functionaries are maintained under which a good number of ‘transferred institutions’ with functionaries and assets are assigned with the former having only nominal control over the latter. The transferred institutions are still in the process of coming under the administrative purview of the District Panchayats. The functionaries of the transferred institutions are under the ‘dual control mechanism’. They are being trained to work with the Panchayats in an environment in which a new ethics of governance is presupposed. A large number of functions, schemes and programmes are vested with Panchayats, particularly with the Gram Panchayats. Only a limited number of parallel bodies outside the orbit of Panchayats are in operation to administer the functions, schemes and programmes. Over a period of time, the State has developed a system of transferring funds to the Panchayats by a special document attached to the State Budget known as *Appendix IV*, which is really a ‘Budget Window’ for the Panchayats which provides information about the share of the Panchayats in the State’s ‘resource envelope’. The funds earmarked for the marginalized sections are also mentioned in *Appendix IV* of the Budget document. The transparent flow of funds based on a formula has contributed to the State securing the second position in the dimension of ‘funds’. Though the Panchayat administration is more or less transparent in functioning, social audit is relatively weak compared to other Indian States. The Social audit mechanism is yet to be operationalized and institutionalized as a routine practice among the Panchayats in Kerala. All these developments may be the reason for the State obtaining the eighth position in the dimension of ‘accountability and transparency’. Due to a number of reasons including the social mobilization of women and other social groups, the Panchayats in Kerala are bound to perform to a certain extent. The performance of the Panchayats in Kerala by any standard is commendable and is therefore rightly reflected in its

ranking in the Cumulative Devolution Index as the second in the Country . The State has not made any serious attempt to prepare district plans which not being integrated with the State Plan.

III. SIKKIM (Third Position)

Sikkim is placed at the third rank in the Cumulative Devolution Index 2016-17. In the sub indices, the position of Sikkim is as follows. It has been placed fifth in the three dimensions of ‘framework’, ‘funds’ and ‘functions’. Under the dimension, ‘functionaries’ the position is third. Being a small State in the North East, Sikkim needs special attention while analyzing the status of devolution. Two tier system of Panchayats is in operation in the State of Sikkim, Zilla Panchayat at the district level and Gram Panchayat at the village level. There are only four Zilla Panchayats and 165 Gram Panchayats. It has well defined legal entitlements through legislation, rules guidelines and directives .All other structures of framework is very sound and the overall position of the ranking in this dimension is five. All functions listed in the 29 subjects and the implementation of the centrally and State Sponsored Schemes are transferred to the Panchayats. The functions transferred to the Panchayats have a vital role in the context of Sikkim which forest is having environment and wildlife, disaster management and cultural activities. As per the recommendations of the State Finance Commission, the staff strength of the Panchayats has been increased mainly in the accounts section. It has made an impact in two areas - the dimension on functionaries and the dimension on accountability and transparency. The achievements of the State in the formulation of Gram Panchayat Development Plan (GPDP) are commendable. Sikkim has introduced a campaign on e – Panchayats in which knowledge platform has been established for building a culture of using computer and internet at the grass roots level. All these developments have resulted in the efficacy of the Panchayats and finally the State has acquired well status in the dimension of performance.

IV. MADHYA PRADESH (Fourth Position)

Madhya Pradesh is ranked fourth in the Cumulative Devolution Index. In the sub indices, the position of the State varies between 12th and second. It has placed sixth in

the dimension of 'framework'. It has secured better positions in three dimensions of 'functions' (third position), 'functionaries' (second position) and 'accountability & transparency' (second position). In the case of dimension of 'performance' it has arrived at the seventh position. The State has fulfilled all mandatory requirements as included in the dimension of 'framework' but the niceties are yet to be worked out for building a sound structure of foundation. The percentage of expenditure of PRIs to the Gross State Domestic Product (GSDP) among the States, Madhya Pradesh has a good record. All the civic functions are entrusted to the Gram Panchayats. Certain core developmental functions are transferred to the Intermediate Panchayats (Janpad Panchayat). Madhya Pradesh could utilize the Centrally Sponsored Schemes (CSSs) and State Sponsored Schemes (SSSs) in strengthening the size and capacity of the functionaries of the Gram Panchayats. The assistance for appointing functionaries under MGNREGS, Rashtriya Gram Swaraj Abhiyan, PSP, RGPSA & BRGF (not in existence, now) have added the number of functionaries in the Panchayats. In addition to this, the Panchayats at all levels have an attractive list of functionaries. All these developments resulted in securing the second position in the dimension of functionaries to a certain extent. Madhya Pradesh has framed sound rules for accounting, audit and budget which make the Panchayats transparent and accountable. Moreover, the Gram Sabhas are vested with wide powers. A recent amendment in the State Act made it mandatory to accept the Gram Sabha resolutions by the Panchayat. The rank of the State in the sub indices of 'accountability & transparency' is the second. The State is in the top by the application of participatory tools and democratic consultations in the implementation of Gram Panchayat Development Plan (GPDP).

V. MAHARASHTRA (Fifth Position)

Maharashtra is ranked fifth in the Cumulative Devolution Index. The State of Maharashtra has a strong system of Panchayats and is in the forefront over the last five decades. Earlier in two consecutive years (2012-13 and 2013-14) the State was at the top in the devolution index. In all the sub indices the position of the State varies from the third position to the sixteenth position. The State has attained almost middle

position in the ‘framework’ dimension. On financial devolution, the position of the State is eighth. The tax base of the Panchayats is very wide. The middle tier (Panchayat Samiti) has no power to impose taxes and fees whereas it is vested with the other two tiers. Recently, mobile towers and towers erected for wind energy are also being taxed by the Village Panchayats. The devolution of functions in the State of Maharashtra has not been strictly carried out in accordance with the XI Schedule of the Constitution. The Maharashtra pattern of devolution of functions may not easily pursue the prototype architecture. The volume of core functionaries in terms of number and professional competency attached to the Panchayats are the strength of the system. A few departments and agencies have initiated to transfer the functionaries to the Panchayats. The State could secure fifth position in the devolution of functionaries. The State has an inspiring history of decentralized planning. The District Planning is being implemented in the State since 1974. The State has a separate Act for the District Planning Committee (DPC). There is a district sector outlay in the State Budget document which provides information on district wise breakup of allocation, known as the *White Book*. The White Book is a budget window for district outlay. All Panchayats are computerized with software support. The application of e-governance in the Panchayats is commendable. Bio-metric system of attendance and e-tendering are introduced in all Panchayats. The provisions in two supplementary rules enforce sound accounting and audit practices in the Panchayats. The conduct of participatory forums such as the Gram Sabha, Ward Sabha and Mahila Sabha have also contributed to secure a good ranking in the domain of ‘accountability and transparency’ of the Panchayats. Finally, the fifth position on the dimension of ‘performance’ is another achievement of the State.

The Incremental Devolution Index (IDI)

The recent initiatives since April 2015 in the States and UTs for the pace of decentralization have undertaken for constructing the Incremental Devolution Index (IDI). (Ref. Section on Incremental Devolution Index in Chapter 4)

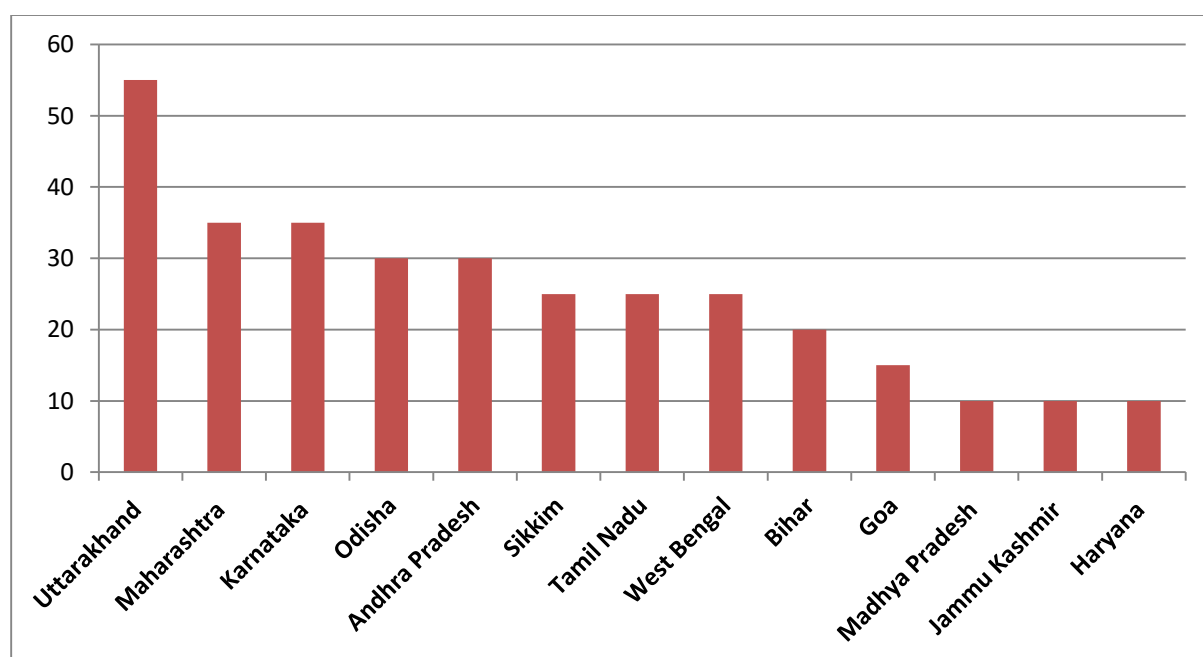
In Incremental Index, Uttarakhand has scored the first rank with a value of 55.00. Maharashtra and Karnataka have attained the same score value of 35.00 and shared the second position. Both Odisha and Andhra Pradesh are in the third rank with a value of 30.00 each. The rank position of the incremental index of other States as placed in the Table No.E.v.

Table No.E.v: Incremental Devolution Index (Policy) among the States and UTs 2016-2017

SL No	State	Index Value	Rank
1.	Uttarakhand	55	1
2.	Maharashtra	35	2
3.	Karnataka	35	2
4.	Odisha	30	3
5.	Andhra Pradesh	30	3
6.	Sikkim	25	4
7.	Tamil Nadu	25	4
8.	West Bengal	25	4
9.	Bihar	20	5
10.	Goa	15	6
11.	Madhya Pradesh	10	7
12.	Jammu Kashmir	10	7
13.	Haryana	10	7

Source: Data Furnished by Respective State Governments

Fig No.E.x: Incremental Devolution Index among the States and UTs 2016-2017



Source: Table No. E.v

Ranking of States (Incremental Index) 2016-2017

UTTARAKHAND (First Position)

The State of Uttarakhand came in to existence in the year 2000, and before that it has been a part of Uttar Pradesh. There are 7958 Gram Panchayats, 95 Kshetra Panchayats and 13 Zilla Panchayats in the State.

Recent Development

It was expected that the whole scenario will be changed within a short period, since the State has enacted its Panchayati Raj Act as per Gazette Notification dated 7 April 2016. According to the new Act (section 29) all the 29 subjects enlisted in the XIth Schedule are devolved. The Panchayats are entrusted with more powers for taxation and collect royalty from the mining of minerals. Toilet in the house has been made a mandatory qualification to contest in the elections to the Panchayats (section 3 of the State Act). Provisions have also been incorporated in the Act to control the '*Pathi Raj*' (Section 8 sub section 1 of the State Act). In the context of the State, this provision may have wide potential to address the issue of backseat driving by husbands which is widespread where women members occupy the Panchayats seats and Panchayat Committees. It has also been stipulated that the committees held in the home of the *Pradhan* or *Upa Pradhan* will deemed to be invalid. Mandatory meetings of Gram Sabha are to be convened quarterly with a quorum of representation from half of the families (section 3 (d) 1). It is seen that a number of provisions which enable the three tier Panchayats, especially Gram Panchayats have been incorporated in the Act which can be treated as a great stride to decentralized governance.

MAHARASHTRA (Second Position)

The State has amended the Act several times to incorporate more and more provisions enabling the Panchayati Raj Institutions to function as institutions of governance. A huge number of functionaries are provided for the day to day functioning of the Panchayats. To ensure more participation of women, the percentage of reservation has

been raised to 50. Maharashtra is the only State in India which has assured 50 percent women participation in the District Planning Committee (DPC). The State is having a separate Act for DPC. One among the first States that have introduced Electronic Voting Machines (EVMs) in the local body elections is Maharashtra. The State is in the process of converting the PRIs to e- PRIs, through computerizing the services provided by these institutions. The Zilla Panchayats and Gram Panchayats are assigned with own sources of revenue. The State has devolved 16 functions and 15480 related functionaries. The allocations to Panchayati Raj Institutions are lesser than recommended by the State Finance Commission (SFC). It may be noted that the PRIs are mainly implementing the transferred Schemes of the State. Providing more untied funds to these institutions for preparing and implementing Gram Panchayat Development Plans (GPDP) will boost the process of devolution in the State.

It is noteworthy that the State has amended not only the Panchayati Raj Act, but also six State specific laws consequent to the enactment of PESA by the Parliament in 1996, empowering the Gram Sabhas in the Scheduled Areas of the State. All the Panchayati Raj Institutions in the State are having computers and internet connectivity. '*Paryavaran Santulith Grama Yojana*' (Eco village) is one of the unique programmes initiated in the State to grow and maintain trees in the villages and the villages are provided with incentives in the form of untied funds. The State has launched '*Panchayat Mahila Sakti Abhyan*' - a State level forum of women representatives of the PRIs. The forum prepares action plan for women empowerment and also initiates follow up action on the issues like women and child exploitation, sexual harassment, untouchability issues etc. In order to empower the Gram Sabha '*Dindi*' is being organized and before the conduct of Gram Sabha, Mahila Gram Sabhas are also convened.

KARNATAKA (Second Position)

The Government of Karnataka has constructed the Gram Panchayat Human Development Index (GPHDI) based on the same set of indicators that were used in the preparation of District Human Development Report and may be the first attempt in the country. Moreover, the GPHDI is available for all the Gram Panchayats across 30 districts in the State. The GPHDI is an important event in the domain of devolution

which provides guidelines for grassroots level sustainable planning for local economic development and social justice. It is reasonably a valuable exercise which helps in preparing and implementing the well-conceived felt needs at the Gram Panchayat level. The report can also be a base for allocation of funds under different programmes implemented depending upon the backwardness of Gram Panchayats. Karnataka had published the State Human Development Report twice in 1999 and 2006 respectively. The Government has gone a step further and started the experiment of preparing District Human Development Reports (DHDRs) to capture the progress made in different sectors at the districts and strengthening the decentralized governance in general and grassroots level planning in particular. The State has brought about DHDRs for a few districts in 2008, as the first phase. After seeing the impact of the reports in the decentralized governance at the sub State level, the Government of Karnataka have decided to extent the preparation of Human Development Reports to all districts of Karnataka. The Zilla Panchayats of each district have been given the task of preparing the reports. As a result, Karnataka is the first State in the country to prepare District Human Development Reports (DHDRs) for all the districts, simultaneously based on the same methodology and within the same time frame. The State of Karnataka asserts that introduction of Gram Panchayat Human Development Index (GPHDI) is a bold step towards Gram Panchayat Development Plan (GPDP) and Sustainable Development Goals (SDGs) which is a constitutional mandate and international commitment.

PESA INDEX: Cumulative and Incremental

As part of this assignment, two separate set of questionnaires related to PESA implementation were also prepared. One was administered by the officials of the concerned States which has reflected the *de-jure* state of affairs. The *de-facto* situation was captured by administering another set of questionnaire by trained investigators from the districts under PESA jurisdiction. The field data was collected from four Gram Panchayats, two intermediate Panchayats and one District Panchayat from within the selected districts. The data collected from the field is used to construct the 'Devolution Index by Practice' since it tells really what happens in the field. The

field data is also used to validate the ‘authenticated’ information furnished by the official agency. Finally, it is applied to construct the ‘Devolution Index by Policy Adjusted against Practice’. Secondary data was also collected from various sources for the construction PESA Index. The PESA Index is the reflection of the willingness of the State Governments to devolve functions, finance and functionaries (Ref, the Section on the Construction of PESA).

Table No. E.vi shows that Maharashtra ranks first with a score of 61.40 followed by Madhya Pradesh (53.07) with Second Position, Andhra Pradesh (51.97) with Third Position. It was followed by other PESA States in the following order, Himachal Pradesh (46.49), Rajasthan (44.08), Gujarat (43.42), Jharkhand (42.11), Telangana (40.35), Chhattisgarh (39.25), and Odisha (31.58). The rank position of the PESA States is in the same order as per both the ‘Devolution by Practice’ and ‘Devolution Index adjusted against Practice’.

Table No.E.vi: Cumulative Devolution Index (Policy) among the PESA States 2016-2017

SL No	State	Index Value	Rank
1	Maharashtra	61.40	1
2	Madhya Pradesh	53.07	2
3	Andhra Pradesh	51.97	3
4	Himachal Pradesh	46.49	4
5	Rajasthan	44.08	5
6	Gujarat	43.42	6
7	Jharkhand	42.11	7
8	Telangana	40.35	8
9	Chhattisgarh	39.25	9
10	Odisha	31.58	10
	National Average	45.37	

Source: Data Furnished by Respective State Governments

Table No.E.vii: Cumulative Devolution Index (Practice) among the PESA States 2016-2017

SL NO	State	Index Value	Rank
1	Maharashtra	57.74	1
2	Madhya Pradesh	51.77	2
3	Andhra Pradesh	50.90	3
4	Gujarat	43.80	4
5	Himachal Pradesh	43.36	5
6	Rajasthan	41.15	6
7	Jharkhand	40.71	7
8	Telangana	38.94	8
9	Chhattisgarh	32.81	9
10	Odisha	31.64	10
	National Average	43.28	

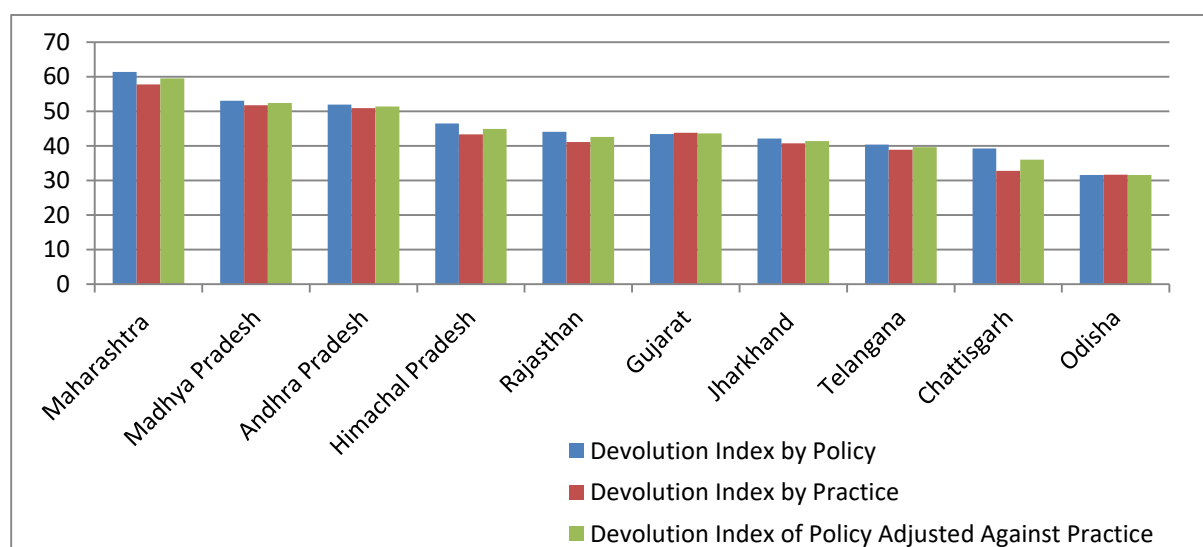
Source: Field Survey

Table No.E.viii: Cumulative Devolution Index (Policy Adjusted Against Practice) among the PESA States 2016-2017

SL NO	State	Index Value	Rank
1	Maharashtra	59.57	1
2	Madhya Pradesh	52.42	2
3	Andhra Pradesh	51.43	3
4	Himachal Pradesh	44.93	4
5	Gujarat	43.61	5
6	Rajasthan	42.62	6
7	Jharkhand	41.41	7
8	Telangana	39.65	8
9	Chattisgarh	36.03	9
10	Odisha	31.61	10
	National Average	44.33	

Source : Data Furnished by Respective State Governments and Field Survey

Fig No.E.xi: PESA Index Devolution Index of Policy Adjusted Against Practice



Source: Table No.E.vi, E.vii & .viii

Ranking of PESA States (Cumulative Index) 2016-2017

MAHARASHTRA (First Position)

MADHYA PRADESH (Second Position)

ANDHRA PRADEH (Third Position)

Incremental PESA Index

The Incremental Devolution Index gives the recent initiatives since April 2015 in the States under Fifth Schedule for the domain of the governance of PESA. Only a few States have taken any serious initiative for the betterment of implementation of PESA. Therefore, for assessing the incremental index, amendment of State specific laws and whether the amendments of the State laws are in consonance with PESA was considered. The State specific laws to be amended including Panchayati Raj Acts have been estimated as seven, the highest individual score. In addition, some State specific initiatives have also been considered and the maximum marks that can be secured by a State were fixed at 30. Based on this, the incremental index on PESA has been constructed. (Ref. the Section on the Construction of PESA Index in Chapter 6).

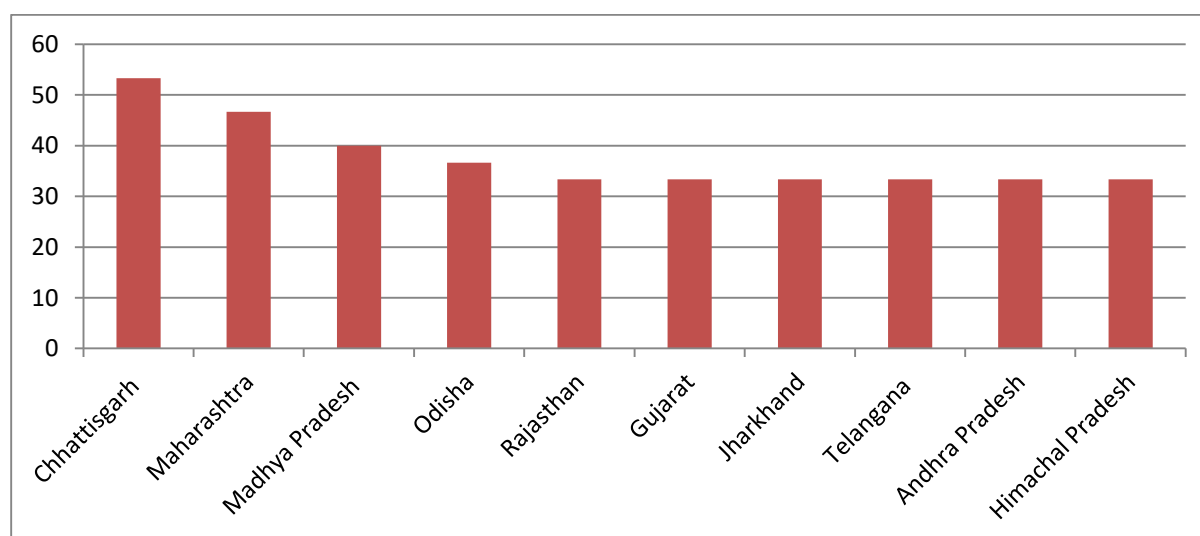
In Incremental PESA Index, Chhattisgarh tops the list with a score value of 53.33. Maharashtra is positioned at second with 46.67 and followed by Madhya Pradesh (third position) and Odisha (fourth position) with 40.00 and 36.67 respectively. It was followed by other States as placed in the Table No.E.ix

Table No.E.ix: Incremental PESA Index among the PESA States 2016-2017

Sl No	Name of PESA States	Index Value	Rank
1	Chhattisgarh	53.33	1
2	Maharashtra	46.67	2
3	Madhya Pradesh	40.00	3
4	Odisha	36.67	4
5	Rajasthan	33.33	5
6	Gujarat	33.33	5
7	Jharkhand	33.33	5
8	Telangana	33.33	5
9	Andhra Pradesh	33.33	5
10	Himachal Pradesh	33.33	5

Source: Data Furnished by State

Fig No.E.xii: Incremental PESA Index 2016-17



Source: Table No.E.ix

Ranking of PESA States (Incremental Index) 2016-2017

CHHATTISGARH (First Position)

MAHARASHTRA (Second Position)

MADHYA PRADESH (Third Position)

State Wise Devolution Index: At a Glance

A separate section on ‘State /UT wise Devolution Index: At a Glance’ is included in the report. A three page note has also been prepared for each State / UT which gives the status of the Devolution Index (both score value and rank position) since the very inception of the exercise. A detailed information on the position of the six dimensions of devolution (framework, funds functions, functionaries, accountability & transparency and performance) captured by data from official channel and field are presented. By making use of the data, the Devolution index by Policy, Devolution Index by Practice, and the Devolution Index of Policy Adjusted against Practice are constructed which is presented both in the form of tables and graphs. There are two more additional tables which give (i) the State /UT Panchayat at a Glance and (ii) General information on PRIs on each State/UT. In addition to this, a brief note on the developments of the Panchayats which shows both the strength and areas need special attention is attached. It has a policy lead component also.

CHAPTER 1

INTRODUCTION

Decentralization has become a dominant trend globally. Democratic decentralization and empowerment of local governments is expected to bring accountability and transparency to a level closer to the people. Citizen participation in developmental activities and delivery of civic services is ensured under such empowered governance. In 1998, the World Bank estimated that 12 out of the 75 developing countries with population above five million are on a process of political devolution (Crook and Manor, 1998). After about two decades, the number must have doubled. Formation of autonomous tiers in local governance by decentralizing the roles, responsibilities and duties with funds, functions and functionaries is termed 'devolution'.

The local governance in India has a lineage traceable to the Vedic period. References on 'Gram Sangha' 'Sabha' and 'Sansad' appears in *Rig-Veda*, *Manusmruthi*, *Arthashastra* of Kautilya and in *Neethisastra* of Sukracharya. In the agrarian society of ancient India, self governing system of the village was the Panchayat, which means the administration by the '*pancha*' (five) members. Panchayats with different names existed in the different parts of the country like, "*Pattala*" in Pratihara Empire, '*Ooru*' in Chola Empire, '*Gram*' and '*Mels*' in Assam, '*Thara*' and '*Koottam*' in the Chera Empire, '*Singlup*' in Manipur, '*Nokma*' in Garo Hill and '*Bamid*' in Minicoy (Lakshadweep Islands).

Even law and order and judicial functions were performed by these institutions. The autonomy enjoyed by these institutions was not the outcome of any statutory mandate. These Autonomous Villages suffered a setback in later years especially during the Mughal period. The rulers of the Mughal dynasty established '*Parganas*' and '*Iqtas*' for the maintenance of law and order and collection of taxes. However,' "the Muslim

rulers did not interfere in to the village affairs so long as they did not trouble the Central Government''. (Bharati-1994.p.70)

During the colonial regime, the company administration entrusted the task of collection of taxes from the peasantry with the Headman of the village, which paved the way to the *zamindari* system. 'The advent of this zamindari system brought the downfall of the village institutions in India' (Bharati 1994.p.71). It was only by the beginning of the 19th century, the British administration recognized the importance of these local administrative units. The attempts to sustain and restore these local self governing bodies led to the establishment of the Madras City Corporation in 1687, followed by the enactment of Bombay Presidency Regulation of 1802. Subsequently, the Regulation of the Government of Bengal in 1813, the Lord Mayo's Resolution of 1870, Lord Rippon's Resolution of 1882 and the report of the Royal Commission on Decentralization in 1907 were introduced to the sphere of local governance. The Government of India Act of 1935, which conferred autonomy to local bodies, accelerated the process of formation of Panchayats.

Mahatma Gandhi has recognized the importance of the village republics. His ambition and thinking on Panchayats are clear from the following words. *"Long ago, how many, history does not record, genius worked out the village and the local Panchayats. It remained our fort, through, many a turbulent period....Kings and dynasties fought... Empire rose, ruled and misruled and disappeared, but the villagers life maintained its even tenor, away from the din of battle and rush of rising and falling empires. We had a village state which protected the life and property and made civilized life possible."*(Bharati 1994).

The Mahatma and the leaders of the freedom movement were ambitious on restructuring and rejuvenating the village administrative system. However, there was a debate mainly on the communitarian theory of Gram Swaraj by Dr. Ambedkar which was to be accommodated in the Constituent Assembly. It was a setback to the aspirations of the national leaders from the Gandhian School. The idea of Village Swaraj reflected only in the Directive Principles of State Policy in Constitution under

Article 40, which emphasized that ‘the State shall take steps to organize Village Panchayats and to endow them with such powers and authority as may be necessary to enable them to function as units of self government’’. The community development programmes initiated under the Second Five Year Plan was not in tune with the activities to be initiated under the above article and the spirit of local government.

Consequent to the recommendations of Balwant Rai Mehta Committee in 1957 Legislative Assemblies of the States framed Acts and Rules for the establishment of the Panchayati Raj Institutions. During the sixties, these institutions came into existence at the village, intermediate and district levels in certain States. These institutions were different in letter and spirit from the earlier versions of village centered and self evolved Panchayats. There was enthusiasm among the rural citizens towards the Panchayats in the hope that these institutions may bring a paradigm shift in local governance. Though the system has been started flourishing in major parts of the country, devolution of funds, functions and functionaries have varied from State to State. The centralized predisposition in governance resulted in the decline of the efficacy of the PRIs within a decade. The main reasons for the decline of these institutions were (i) funds, functions and functionaries ‘devolved’ were limited, (ii) limited and little options in taxation (iii) absence of regular elections (iv) limited representation of women and marginalized sections. In 1963, K Santanam, appointed to examine the financial stability of the Panchayats, recommended limited revenue raising powers to them. Unprecedented centralism emerged in the mid seventies culminating in far-reaching changes in the political landscape of India. The changes at the national level adversely affected the Panchayati Raj System, making them largely *dysfunctional*.

The period witnessed the constitution of different committees/commissions to study and submit recommendations for strengthening the Panchayati Raj Institutions, the first of which was the Ashok Mehta Committee appointed in 1977. The committee has classified the post 1959 scenario of the Panchayats in to three phases such as (i) Ascendancy (1959-64), (ii) Stagnation (1965-69) and (iii) Decline (1969-77). The main recommendation of the Committee was the formation of a two tier system of

governance with constitutional protection at the intermediate and district levels. Serious discussions and debates on 'devolution' and 'decentralization' both at the academic and political sphere emerged during this period. These two words became almost like cliché in the rural political context of India. Two other committees with specific terms of reference like GVK Rao, (1985) and L M Singhvi, (1986) were also constituted in the succeeding years by the Planning Commission and Government of India, respectively. The GVK Rao Committee recommended to activate the Panchayati Raj system with the active involvement of a strong planning unit at block level whereas L M Singhvi Committee had submitted its report with the suggestions for the strengthening Gram Sabha as an institution to promote decentralized democracy. Singhvi Committee also recognized the importance of constitutional support for the Panchayats. An attempt had been made by piloting an Amendment Bill (64th Constitutional Amendment Bill), but it could not be enacted due to strong opposition in the Parliament. It was "alleged to provide the basis for centralization rather than decentralization" (Chandrashekar, 1989). The Bill was visualized as a tool to deal with Panchayats by ignoring the State Governments.

Though the 64th Constitutional Amendment Bill had failed to become an Act, the issue had been widely discussed and a consensus had emerged among all the major political parties. Again, another Constitutional Amendment Bill was introduced in the Parliament which was passed on 22 December 1992. Finally, it became the Constitution (73rd Amendment) Act, on April 24, 1993 with the ratification by the majority of State Legislative Assemblies making the Panchayati Raj Institutions mandatory in all the States and UTs of the Indian Union except in 'certain areas' as per Article 243 (M). Conformity legislations at par with the Central enactment were made within the specified time frame of one year. It is observed that certain States lagging with the enactment rushed at the last hour for passing the State Acts and Rules. Hence, many of the State Acts were drafted in a common format without giving much importance to the State specific realities. Consequently, Panchayati Raj Institutions came in to existence in all the States and Six UTs except the States of Mizoram, Meghalaya, hill areas of Manipur and Assam and tribal areas of Tripura.

For Nagaland, a special system under Article 371 (A) was adopted under which Tribal Councils and Area Councils were constituted. In Jammu and Kashmir, decentralized governance in a different pattern is adopted by the provisions under Article 370 of the Constitution. The Constitution of the State Election Commission (SEC), provisions for regular elections, reservation of seats to the marginalized groups including women, institutionalization of Gram Sabhas, establishment of District Planning Committee (DPC), the appointment of State Finance Commission (SFC) are the highlights of the Amendment. The Amendment Act did not cover the Scheduled Areas identified by the Vth Schedule in 10 States where the tribal population is in majority. To ensure self governance in areas as referred to in clause (i) of the Article 244 of the Constitution through traditional Gram Sabhas in such places, the Government of India enacted Panchayat (Extension to Scheduled Areas) Act 1996 (PESA Act) on 24 December 1996.

The States and UT's not familiar with decentralization were not in a position to adapt fully to the new situation. Some of them even faced problems relating to the formation of State Election Commission, State Finance Commission and District Planning Committee as envisaged in the Act. The 29 subjects in the XIth Schedule was another puzzle to be solved due to the absence of role clarity among the three tiers. According to conventional wisdom and mandatory provisions, the Village Panchayat performs the core civic functions and the other two tiers are vested with either supervisory functions or agency functions or both. However, formation and elections to the three tiers and Gram Sabha meetings were done without much effort. Constitution envisages clear division of powers and functions in the format 'union list' and 'state list' whereas no such clear demarcation exists between States and Panchayats. Ultimately it is up to the State legislature to make laws regarding devolution to the PRIs. All States and UTs had to prepare an 'activity mapping', keeping in view the principle of subsidiarity. Instead of assigning activities and sub activities under the 29 subjects to the different tiers based on the principle of subsidiarity, a tendency of listing the same subjects to different tiers was prevalent. Overlapping of functions may lead to duplication of schemes. Since the authority to transfer funds, functions and functionaries was entrusted to the States, the extent and degree of devolution was at

their discretion. The frequent usages of two words ‘may’ and ‘shall’ in different subsections under section 243 of the Central Act have given freedom to the States, accordingly. It is interesting to note that wherever ‘may’ comes the States have used their discretionary powers whereas mandatory provisions were made where ‘shall’ was used. It is interesting to note that, wherever ‘may’ comes, the status of Panchayats vary from State to State, while where ‘shall’ has been used there is uniformity among the State legislations.

Moreover, the absence of a competent body that can provide handholding support to States and UTs were felt. In this context, the Ministry of Panchayati Raj (MoPR) was formed as a separate Ministry on 27 May 2004. “The primary objective of the Ministry was the implementation of Part IX of the Constitution, Panchayats in Fifth Schedule Areas and District Planning Committees”. Advocacy and financial support are the tools developed for attaining the goals of the Ministry. The MoPR has organized Seven Round Table Conferences in various States and signed Memorandum of Understandings (MoU) with the Chief Ministers of different States in 2005 and released the activity mapping jointly. Special care was taken to ensure the accountability and transparency of governance which led to the development of Panchayat friendly software adaptable to all the PRIs.

The MoPR has launched a series of programmes for strengthening the PRIs and to develop systems for transparency and accountability. The Ministry has also launched programmes for incentivization in the form of awards for the best performing States and PRIs. Advocacy for social security and local economic development resulted in the launching of the flagship programmes like MGNREGS and BRGF. The allocation from the Central Finance Commission contributed a major share to the resource envelope in local economic planning. As per the provisions of the Constitution, the National Finance Commission has to suggest measures to augment the states consolidated funds in the light of the recommendations of the State Finance Commissions (Article 280(3) (cc) of the Constitution). Last four National Finance Commissions have made detailed recommendations in this regard including criteria for allocating recommended amounts to the Panchayats, and this was intended to encourage these institutions to evolve themselves as institutions of self-government.

(The Tenth Finance Commission was not officially mandated to cover Local Governments). The Central Government has accepted the recommendations of the 11th National Finance Commission with a stipulation that the Panchayats should mobilize suitable matching resources. As a result, the grant could not be fully utilized by many States. In response to this situation, the 12th National Finance Commission had to emphasize the issue in its report: “The Central Government should not impose any condition other than those prescribed by us, for release or utilization of these grants”. Thirteenth Finance Commission recommended share of Panchayats in the Union Revenue Divisible Pool. The policy recommended in allocating funds from the 14th Finance Commission only to the Village Panchayats and Municipalities is another contribution for addressing the core basic services (CBS) under public goods and local economic development.

Moreover, the intense handholding provided by the MoPR resulted in the guidelines for Gram Panchayat Development Plan (GPDP) in every State. Special programmes for the construction of Panchayat training centres were also provided under RGPSA. A national framework for Capacity Building and Training (CB&T) for the elected functionaries and the officials of the PRIs has also been developed by the MoPR. The *Panchayat Sashaktikaran Puraskar* (PSP) and *Rashtriya Gaurav Gram Sabha Puraskar* (RGGSP) are initiated by the MoPR for excellence in local governance and strengthening of Gram Sabha. Annual assessment on the level of devolution attained by the States and UTs is also initiated by the Ministry with effect from 2006-2007.

DEVOLUTION INDEX (DI)

The Devolution Index (DI) is an objective and quantifiable measurement of devolution to Panchayats. It is the summation of three sub indices of devolution of funds, functions and functionaries. Indices, if any, having relevance in the process of constructing the DI is also aggregated. Each State and Union Territory is evaluated and ranked on the basis of its score on the Devolution Index.

DEVOLUTION INDEX: PREVIOUS YEARS

NCAER (2006-07, 2007-08 and 2008-09)

The National Council of Applied Economic Research (NCAER) developed a Devolution Index based on the concept paper of Alok and Bhandari (2004). It was based on the empirical estimation of the data on 2006-07. The NCAER had conducted the same exercise for other two consecutive years. The 3Fs Framework had been applied to measure the extent to which States had transferred finance, functions, and functionaries to the Panchayats for the construction of the Devolution index for the year 2006-07. It was calculated by applying an estimation framework of “simple average of three sub indices corresponding to the 3Fs (a sub- index summarizing the devolution of finance, functions and functionaries to Panchayats). Each sub –index in turn was computed as a simple average of the indicators and each indicator was assigned a score value between zero and five. The Devolution Index for the States/UTs was defined algebraically as $DI_j = (\text{sub index } F1_j + \text{sub index } F2_j + \text{sub index } F3_j)/3$. (DI_j -Devolution index of J state, $F1_j$ -Fund index of J state, $F2_j$ -Functions index of J state, $F3_j$ - Functionaries index of J state).

NCAER had developed a more Comprehensive Devolution Index of Panchayats for the years 2007-2008 and 2008-2009 which was an extended and refined approach than the previous year. NCAER says “Taking into account the need for considering additional indicators and the limitations of the previous exercise, we propose to take up a larger number of indicators to capture the multi-dimensional phenomenon of devolution.” (NCAER Report 2008) Therefore, another set of indicators within a framework that retain the original 3Fs, added another dimension of classifying the indicators into initiating measure, enabling measure, and outcome variables. The NCAER could distinguish between the mandatory devolution and progressive devolution in the approach to measuring the status and progress of decentralization.

IIPA (2009-10, 2010-11, 2011-12, 2012-13 and 2013-14)

The Indian Institute of Public Administration (IIPA) had prepared the Devolution Index for a period of five consecutive years from 2009-10 to 2013-14. For the first three years the Devolution index was prepared based on '4 Fs Framework' (Funds, Functions, Functionaries and Framework) with variations in weightage. In 2012-13, two more additional dimensions (accountability and capacity building) were also added.

TISS (2014-15 and 2015-16)

Tata Institute of Social Sciences (TISS) developed a composite index on five components (i) devolution of functions (ii) transfer of functionaries (iii) devolution of finance (iv) Framework and (v) infrastructure governance and transparency.

CRM (2016-17)

Centre for Rural Management (CRM) Kottayam, Kerala has been assigned the task of constructing Devolution Index for the year 2016-17 and the construction of PESA index along with preparation of State of Panchayati Raj reports. In the Devolution Index, CRM has adopted and modified the model developed by VN Alok for the earlier devolution index reports.

PESA

The Scheduled Tribes are the indigenous people of the country. As per the 2011 Census, the scheduled tribe population of India is 10.43 crore which forms 8.60 per cent of the total population. Around 90 per cent of them live in rural areas. The rate of population growth of the tribal community in the decade is 23.66 per cent. Though the scheduled tribes are notified in all States and Union Territories, more than two thirds of them live in seven States in India viz Madhya Pradesh, Maharashtra, Orissa, Gujarat, Rajasthan, Jharkhand and Chhattisgarh. They are commonly known as 'Adivasis' (original inhabitants), though the term 'scheduled tribe' is not co-terminus with *Adivasi*, which is mainly used for administrative purposes. According to Article 366 (25) of the Constitution, the Scheduled Tribes are those communities who are scheduled in accordance with Article 342. Only those communities who have been declared as such by the President of India through a public notification or through an

Amendment by the Parliament are considered to be Scheduled Tribes. They live in various ecological and geo-climatic conditions ranging from plains and forests to hills and inaccessible spatial settings. “Over centuries, the adivasis have evolved an intricate convivial -custodial mode of living. Adivasis belong to their territories, which are the essence of their existence, the abode of the spirits, and their dead and the source of their science, technology, way of life, their religion and culture” (Bijoy, 2003).

The number of individual ethnic groups notified as scheduled tribes is 705 out of which 75 are classified as ‘particularly vulnerable tribal groups’ (PVTG). They are characterized by pre-agricultural level of technology, stagnant or declining population, extremely low literacy and subsistence level of economy. Historically, the *Adivasis* kingdoms have risen and fallen across the centuries, their administration never reached the isolated tribal territories who kept their governance from the hegemony of the outsiders.” (Bijoy, 2003).

The permanent settlement of the British in 1757 and the introduction of ‘zamindari’ system for the purpose of revenue collection disturbed these tribal settlements, and the non tribal people began to infiltrate in to these *Advasi* settlements. The Wild Life Act and the Forest Conservation Act implemented by the British were additional causes for the disruption of life in the tribal areas. This led to a series of Tribal revolts during the 18th and 19th centuries. These uprisings were basically against the colonial regime, which tried to destroy the aboriginality and the traditional thread of the *Adivasis*, and their protected social and economic life. As a practical approach the colonial rulers took a conciliatory approach and enacted the Scheduled District Act 1874, which ensured the exemption of implementing certain Acts in these areas. The Montague- Chelmsford Report of 1918 concluded that the political reforms contemplated for the rest of India could not apply to these backward areas. The Government of India Act 1935 was also based on the policy of relative non interference in these areas, in the context of severe deprivations and massive land alienation and presence of informal and exploitative credit in such areas.

The Constitution of India had considered these ethnic peculiarities, backwardness, exploitation and traditional customs and practices of the tribal people and incorporated the Fifth Schedule and Sixth Schedule. However, with the adoption of the Constitution, all laws of the Centre and concerned States got extended to the 'Scheduled Areas' (Partially Excluded Areas) routinely. This was a paradigm shift in the legal regime in the tribal areas after Independence, a break with the legacy of colonial administration. There was no place in the new Indian legal regime for the tribal community and the system of self-governance according to its customs and traditions.

The historical enactments, the 73rd and 74th Amendments did not cover the Scheduled Areas. There are historical and socio political justifications for not extending the legislation to the domain of the Scheduled Areas. On the other side, there were legal and democratic responsibilities to make separate enactments for these areas. The Parliament had prudently responded to the democratic deficit in the Scheduled Areas. The Scheduled Areas as referred to in clause (1) of Article 244 of the Constitution were excluded from the Panchayati Raj structure as per 243(M) of the 73rd Amendment. This was an exemption in the sense that after the adoption of the Constitution, all laws made by the Centre and the concerned States got extended to all parts of the country, including Scheduled Areas. It may be a unique situation that the Parliament did not extend its legislation to a particular domain, the Fifth and Sixth Schedule areas. However, it has been provided that Panchayati Raj may be made applicable to these areas if the Parliament by a law, provides “for such law subject to exceptions and modifications as may be specified in such law and no such law shall be deemed to be an amendment of the Constitution for the purpose of Article 368”.

In pursuance of this, the Government of India, appointed a 22 member committee in 1994 comprising of the Members of Parliament and experts headed by Dilip Singh Bhuria to recommend exceptions and modifications in Part IX of the Constitution in its application to the Scheduled Areas. The Committee commented that *“Tribal life and economy, in the not too distant past, bore a harmonious relationship with nature and its endowment. It was an example of sustainable development. But with the influx*

of outside population, it suffered grievous blows. The colonial system was established on the basis of expropriation of the natural and economic resources of tribal and other areas in the country. Although, theoretically, there has been difference in the approach after the departure of the colonial masters from tribal areas, in practice, the principles enunciated in Article 39 and other Directive Principles of State Policy have to be followed more rigorously. On account of their simplicity and ignorance, over the decades the tribals have been dispossessed of their natural and economic resources like land, forest, water, air etc. The dispossession has not been confined to that through private parties. For the purpose of promotion of general economic development projects, the State also has been depriving them of the basic means of livelihood. These processes have been operative since a long time causing human misery and socio-economic damage. No reliable picture is yet available, for instance, we are not seized of the total quantum of land alienated from the tribals both on private and state account, nor the number of families, clans or tribes involved. This has compelled some to perceive development as an agent of destruction. But since planned development has been an article of faith with us, it has to be ensured that implementation of the policies and programmes drawn up in tribal interest are implemented in tribal interest. Since, by and large, the politico-bureaucratic apparatus has failed in its endeavour, powers should be devolved on the people so that they can formulate programmes which suit them and implement them for their own benefits.”

Consequent to the recommendations of the Dileep Singh Bhuria Committee, a bill was introduced in the Parliament and passed on 19 December 1996. Finally, the Provisions of the Panchayats (Extension to Scheduled Areas) Act of 1996 came in to force on 24 December 1996, extending the provisions of Part IX of the Constitution with certain exceptions and modifications. Section V of the Act requires that all the States having Scheduled Areas shall adopt PESA within a year. All the States having Fifth Scheduled Areas, viz, Andhra Pradesh (Presently Andhra Pradesh and Telangana), Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Madhya Pradesh, Orissa and Rajasthan had enacted laws within the time frame. It is also important to note that as per the Act, the legislatures of the States are mandated

not to make any law which is inconsistent with the provision of the PESA Act. But tribal habitations in other States have not been covered by the constitutional provisions of the Fifth and Sixth Schedules. Report of MPs and experts to make recommendations on the salient features of the law for extending provisions of the 73rd Amendment Act, 1992 to scheduled areas has suggested extending the provisions to other States. The Report says, “It is necessary that the remaining Tribal sub-Plan and ‘Modified Area Development Approach’ (MADA) areas, as well as similar pockets in West Bengal, Tamil Nadu, Kerala and Karnataka should be covered by Scheduled Areas notification”.

The salient features of PESA are the following.

1. The legislation to these areas by the States shall be in conformity with the customary laws, social and religious practices and traditional management practices of community resources.
2. Habitation or a group of habitations or a hamlet or a group of hamlets comprising a community and managing its affairs according to its traditional customs and practices shall have a separate Gram Sabha
3. Gram Sabha is provided with the right to safeguard and preserve their traditions and customs, cultural identity, community resources and customary mode of dispute resolution.
4. Gram Sabhas are provided with roles and responsibilities in approving all the development works in the village, approval of the plans, programmes and projects for social and economic development and identifying the beneficiaries, issuing certificate of utilization and have powers to control institutions and functionaries in all social sectors.
5. The reservation of seats in the Scheduled Areas at every Panchayat shall be in proportion to the population of the communities in that Panchayat for whom reservation is sought to be given under Part IX of the Constitution. The reservation

for the Scheduled Tribes shall not be less than one-half of the total number of seats. All seats of Chairpersons of Panchayats at all levels shall be reserved for the Scheduled Tribes.

6. The State Government may nominate persons belonging to such Scheduled Tribes as have no representation in the Panchayat at the intermediate level or the Panchayat at the district level. Such nomination shall not exceed one-tenth of the total members to be elected in that Panchayat.
7. Gram Sabha or the Panchayat at appropriate levels have the powers to:-
 - a. Manage minor water bodies.
 - b. Mandatory consultation in matters of land acquisition, resettlement and rehabilitation, and prospecting licenses/ mining leases for minor minerals.
 - c. Prevent alienation of land and restore alienated land.
 - d. Regulate and restrict sale and consumption of liquor
 - e. Manage village markets
 - f. Ownership of minor forest produces.
 - g. Control money lending to scheduled tribes.

Here, the ‘village’ is the basic unit of governance and it is interpreted as a habitation or a group of habitations or a hamlet or a group of hamlets comprising a community and managing its affairs in accordance with traditions and customs as per the provisions of the Act. There is a distinction between the PESA villages and the villages under different State Acts of Panchayati Raj. Since the villages under the Panchayati Raj are constituted for administrative purposes they are normally bigger in size than the PESA villages. The PESA villages are really habitations of natural origin. PESA is founded on a “self governed village community” component and the powers and responsibilities are to be devolved to the community ie, Gram Sabha. Moreover, it recognizes the rights of the community over land, resources and local social institutions. The basic premises of the PESA is that the local citizens and their associational life, the Gram Sabhas, have the natural wisdom and competence to

manage all their affairs, including community resources and dispute resolution, in accordance with their customs and tradition .

To attain this, a number of existing Acts and rules were to be amended to make them in conformity with the PESA and its rules. It is also a fact that the Government of India has been making efforts to ensure effective implementation of PESA in partnership with the State Governments. The Ministry of Panchayati Raj is pursuing with State Governments having Fifth Scheduled Areas to amend their Panchayati Raj Acts and other subject laws to make them compliant to the provisions of the PESA Act. As it is already mentioned, consequent to the enactment of the PESA Act, the States having Fifth Scheduled Areas have taken steps to amend respective Panchayati Raj Acts and subject laws in compliance with PESA Act . However, still there are legal gaps which continue to exist and the proposed exercise of construction of PESA Index may also bring out the real status of the legal document on the amendments of various Acts by the States in compliance of PESA provisions (*de-jure*) and the actual implementation (*de-facto*).

CHAPTER 2

OBJECTIVES, CONCEPT, METHODOLOGY & DESIGN OF THE STUDY

AIM OF THE STUDY

The study aims to develop a Devolution Index for objectively measuring the extent of devolution of funds, functions and functionaries to the three tiers of Panchayats and relate the status of devolution to the level of performance.

OBJECTIVES OF THE STUDY

Specific objectives of the study are:-

1. To review the existing literature on the process and methods for the formulation of devolution index
2. To construct a Devolution Index (cumulative and incremental) for the year 2016-2017. The Devolution Index (DI) is an objective and quantifiable measurement of devolution to Panchayats. It is the summation of three sub indices of devolution of funds, functions and functionaries. Indices, if any, having relevance in the process of constructing the DI can also be aggregated. And rank each State and Union Territory on the basis of its score on the Devolution Index.
3. To construct a PESA Index (cumulative and incremental) for the year 2016-2017. The PESA Index is an objective and quantifiable measurement of the extent to which States have created a facilitative environment for the implementation of the provisions of the PESA. The study also includes Amendments in the laws, Regulations and Government Orders in tune with PESA and strengthening of the Gram Sabha.

STUDY AREA

The study has covered all the States and UTs where the Panchayati Raj Institutions (PRIs) are existing in legal terms. Delhi and the States of Meghalaya, Nagaland, and Mizoram are exempted from the area of study.

APPROACH

The domain of the study is to measure the dimensions of devolution in terms of funds, functions and functionaries. However, it traverses the conventional boundaries and engages the imperative facets of performance, citizen participation and efficacy. Special attention has been paid to each indicator in terms of historical evolution for the pace of devolution. Since the context of the study is made in the background of governance issues relating to Centrally Sponsored Schemes (CSS) and State Sponsored Schemes (SSS), ‘devolution by default’ and ‘devolution by design’ are also covered. The approach of the study is designed in such a way to capture the full agenda of the local governance.

CONCEPT AND DESIGN

It is not in contention that decentralization is now being adopted as progressive and widely acceptable form of governance (John and Chathukulam, 2003). It is further increasingly becoming clear that there is a need to have mechanisms of assessing and measuring the quality of decentralization. The quality of devolution would revolve around service delivery and public participation in governance. In sum, it is clear that assessing and measuring devolution initiatives is not necessarily a straight forward matter. The main problem indeed is to establish the contribution of each parameter to the success of devolution initiatives, because various parameters contribute to devolution differently. Further, it is possible that these parameters may be at play differently from one state to another – to be more specific, developing and developed States may give different results. The period of devolution in a particular State is

defining the endeavor to measure and assess it. For example, a State that has adopted and practicing devolution may be facing different dynamics from another that has been with devolution on a longer period.

OUTLINE OF THE RURAL LOCAL GOVERNANCE SCENARIO

The functions listed in the 11th Schedule are not fully under the domain of the Panchayats. Some of them are still with the line departments, para- statal bodies and parallel bodies. In this background, to understand the total volume of the rural governance one has to examine the role and responsibilities (both *de jure* and *de facto*) of these institutions in each State and UTs. Therefore, the following documents/issues/aspects have been examined in detail to assess the totality of the rural governance structure.

- (i) Panchayati Raj Acts/Regulations of States and UTs: To understand the *de jure* position of the fiscal and functional domain of the Panchayats the Acts and Regulations were verified. In some cases, domain of certain functionaries are seen mentioned in the Acts/Regulations
- (ii) Rules /Notifications / Government Orders / Guidelines /Official Correspondence of States and UTs: To understand the degree of devolution of funds, functions and functionaries to the Panchayats. The actual (*de facto*) status of devolution in majority cases can be captured here.
- (iii) The governance domain of the line departments and para-statal and parallel bodies: To study whether these structures are performing any functions listed in the 11th Schedule of the Constitution. Reports of the States Finance Commissions (SFCs), Action Taken Reports (ATRs) on the recommendations of the SFC, Pronouncement/Notification of the State Election Commissions (SECs), Legal provisions and Guidelines of the District Planning Committees (DPCs) Technical inspection reports of C & A.G on local bodies other statutory reports and , budgets & plan documents of the State/UTs and PRIs:
- (iv) To estimate the overall climate of devolution

CONSTRUCTION OF DEVOLUTION INDEX

Various aspects of the functioning of Panchayati Raj Institutions (PRIs) and its supporting structures are to be evaluated for the construction of the Devolution Index. These aspects are referred as '*dimension*' and each dimension has been measured by employing a number of indicators and variables and sub variables to these indicators. There are a number of dimensions on the working of PRIs which can be evaluated separately such as, funds, functions, functionaries, mandatory bodies constituted by the State legislatures, accountability, transparency, implementation of schemes, peoples participation, performance, obligatory functions of Panchayats etc. Each of these dimensions can be assessed based on sub dimensions or indicators provided to each and these (sub dimensions) are referred to as indicators and again each indicator can be evaluated using variables sub variables. During the first two years of the construction of devolution index only three dimensions on the functioning of Panchayats were assessed. They are (i) funds (ii) functions and (iii) functionaries. From 2008-2009 onwards, a fourth dimension, 'framework' has been included and the devolution index has been prepared as the aggregate of these four indices. Again in 2014-2015 another dimension, infrastructure, governance and transparency (IGT) also has been incorporated for assessing the level of devolution among the States/UT. The construction of devolution index for the year 2016-2017 is an attempt to improve and refine the dimensions and methodology of Devolution Index. It is based on the construction six dimensions such as (i) framework (ii) funds (iii) functions (iv)functionaries (v) accountability and transparency and (vi) performance with relative weightage for each dimension index. However, special attention has been paid to the devolution of funds, functions and functionaries in terms of historical evolution. The data has been engaged in the following three exercise types

1. Devolution Index by Policy: The official data furnished by the State Government / UT Administration is applied for attaining the score value and rank position of the States /UTs across the country. It is the authenticated data source to understand the official position of the State /UT on the domain of devolution. The score value and ranking of cumulative and incremental devolution index for the

year 2016-2017 is based on the application of the Devolution Index by Policy. Of course, the data has been validated by applying different techniques including field investigation by trained researchers in the sample districts covering three tiers of Panchayats. The application of other techniques such as Devolution Index by Practice and Devolution Index of Policy Adjusted against Practice are also used to validate the results. The list of States, Districts, Intermediate Panchayats and Gram Panchayats selected for field visit are provided in Annexure 2.

2. Devolution Index by Practice: The devolution index by practice is constructed by applying the data collected from the field to capture the actual field situation. It is also used to validate the ‘authenticated’ data furnished by the State Governments and UT administration.

3. Devolution Index by Policy Adjusted against Practice: It is a computational exercise by taking the average of the score values of the respective dimensions of devolution by policy and devolution by practice. It is used as a simple method to minimize the deviations from the official information and the field survey.

SIX DIMENSIONS OF DEVOLUTION

A. Framework of Devolution (Climate of Devolution)

Framework of devolution focuses on the status of the operation of the 73rd Constitutional Amendment Act (CAA). Since it really makes the platform for devolution, it is known as the Climate of Devolution. Framework is an outline which looks institutions on the legal, administrative and political aspects of devolution in the rural context. Even after two and a half decades from the enactment, the picture of framework across the Indian States /UTs remains with wide variations. During initial stages of the construction of devolution index, framework was not given due weightage. Only from 2008, framework was included in the estimation for DI. The study will examine whether the institutions specified in the Act have been constituted and are functional. The autonomy of such institutions has also been examined in

detail. The following institutions / legislations and their functions have been analyzed to mark the score of devolution in framework;

- State Election Commission (SEC)¹
- State Finance Commission (SFC) ²
- District Planning Committee (DPC) and
- Legislation on Affirmative Action for Weaker Sections.

B .Devolution of Funds

Among the three Fs, fund is the most critical component of the devolution. State budget (Budget window for Panchayat), plan documents, NFC&SFC recommendations; formula for fund flow to Panchayats etc. was to be covered. Information for the last three years on financial details was to analyzed under this section.

- Per capita of revenue shared by the State
- Extent, sources and its share on own source revenue (OSR) generation
- Transfer of State fund to the Panchayats on different heads
- Extent of untied fund and tied fund and its proportion
- Per capita expenditure by the Panchayats
- Per capita expenditure of Centrally Sponsored Schemes(CSSs) & State Sponsored Schemes (SSSs) by the Panchayats
- Per capita tax collection
- Per capita availability of funds
- Per capita Own Source Revenue (OSR)
- Per capita SFC&NFC grants
- Percentage of expenditure on providing basic amenities
- Expenditure priorities of Panchayats across functional heads & department heads, etc.
- The details of per capita funds are provided as Annexure 2.1 and 2.2

¹ Information on State Elections Commissions are provided in Annexure 2.3

² Details of State Finance Commissions are provided in Annexure 2.4

C. Devolution of Functions

XIth Schedule of the Constitution (Articles 243 G) enlists 29 functions that are to be devolved to three tiers of Panchayats. While making Conformity Acts/Regulations the respective States and UTs allocated these functions /sub functions /activities across the different tiers. The principle of subsidiarity was the guiding philosophy for some States in distributing the activities across the tiers. Therefore, a detailed examination of the respective State Acts /Regulations of the UTs indicates the devolution of functions. Activity mapping exercise is also another document which shows the status of functional devolution. It is developed by using information from the State Panchayati Raj Acts /Regulations of the UTs, Notifications, Government Orders, Guidelines and Official Letters. The documents on the governance domain of the line departments, para- statal bodies and parallel bodies are looked into to assess the extent of encroachment on the assigned functions of the Panchayats. The areas of stress and strain due to the conflicts related to the duplication /overlapping of functional domains between Panchayats and other agencies was considered as a proxy variable to measure the actual status of functional devolution. The functions, sub functions and activities transferred to three tiers of Panchayats are provided in Annexure 2.5 (a), 2.5(b) and 2.5(c). The services delivered by the PRIs are provided in Annexure 2.6.

D. Devolution of Functionaries

A detailed picture of staffing pattern of Panchayats gives the devolution of functionaries. The volume and proficiency of the elected functionaries are not taken in to account while measuring the devolution of functionaries. The phenomenon on ‘dual control mechanism’ over the personnel is a real challenge in measuring the devolution of functionaries .The strength of functionaries for each tier of Panchayat has been measured separately. The following aspects are examined. Deficit of functionaries can be identified as one of the serious challenges in the governance structure of the Panchayat.

- The existence of a ‘State Panchayat Service’
- Percentage of Panchayats having Secretaries

- Ratio of own staff to total population
- Details of own /deployed staff for development areas
- Control (appointment, transfer, sanction of leave, disciplinary action etc) over the staff
- Transfer of departmental staff working at each level of Panchayat and the level of control over the transferred staff.

Devolution of functionaries in various States are provided in the Annexure 2.7

E. Performance of Devolution

Performance is a proxy variable of devolution. The basic assumption is that if certain level of enabling institutions are in operation with a quantum of funds ,functions and functionaries as envisaged in the Act / Regulation , an output in term of ‘performance’ of the system and its delivery are expected. In other words, the indicator of performance is a ‘*litmus test*’ of devolution. For an ordinary citizen, the efficacy and vibrancy of the Panchayat will be realized only by the engagement at the output side .In the rural context, Panchayat is the neighboring and primary level of domain for meaningful interface between the demand and supply of local citizenry. Therefore, Panchayat may be the central platform for the school of local democracy, facilitator for local economic development and protector of social justice. On the other side, it is a fact that, even in a highly advanced devolution system there may be ‘problems of realizing effective outcomes’. The real challenge is how to prevail over these issues. Here, the attempt is to expand the scope of the understanding of devolution by bringing effectiveness at the Panchayat structure and the ground level. It is trying to answer the question of how well is the Panchayat working to meet the goals for which it has been established under the Constitution. The following aspects will be analyzed for measuring the performance devolution and indirectly it may also attempt to test a hypothesis whether high level devolution leads to better performance.

- Structure for Performing
- Autonomy of the Panchayat
- Parallel Bodies and the Panchayat

- Functioning of the Panchayat
- Functioning of the District Planning Committee (DPC)
- Gram Panchayat Development Plan (GPDP) ³
- Panchayat Assessment and Incentives

F. Accountability and Transparency

Devolution is not an end in itself but a means to better outcomes such as greater transparency and accountability and finally towards good governance. Accountability may be obtained at two levels: macro level accountability and micro level accountability. Here, it is confined only micro level accountability. How accountability and transparency can be a vital aspect of devolution and how it is related to devolution?. There can be trade-offs between devolution and accountability & transparency. Several studies have established the impact of devolution on accountability & transparency in developing countries. Panchayats are in better position to promote accountability through transparent decision making due to its proximity to the local community and can be easily watched, accessed and monitored which facilitates these bodies accountable. The following aspects will be analyzed for measuring the accountability and transparency issues of devolution.

- Accounts and Auditing
- Working of Gram Sabha
- Social Audit ⁴
- Transparency and Anti Corruption

METHODOLOGY FOR CONSTRUCTING DEVOLUTION INDEX (DI)

Questionnaire Administered by the States /UTs

The methodology adopted for the construction of devolution index for the year 2016-2017 is mainly based on the directions furnished by the Ministry of Panchayati Raj (MoPR). Before developing the questionnaire, the tools of all the earlier studies were

³ The position of GPDP in various States are provided in Annexure 2.8

⁴ The details of social audit and other transparency mechanisms adopted by each state are provided in annexure 2.9

thoroughly reviewed in the context of the terms of reference (ToR) of the present study. A set of draft questionnaire were prepared by a team of experts who have commendable knowledge on the working of the Panchayats in different States. The State level questionnaire package has three sets – (i) general and customized questionnaire for covering all the States /UTs, (ii) separate questionnaire for covering all the States under the Fifth Schedule (Attached to 10 PESA States only), and (iii) separate questionnaire for covering all the States under the Sixth Schedule, (Attached to the States of Assam, Manipur and Tripura only). Deliberate attempts were made to avoid the subjective judgment towards the pattern of devolution of a particular State. While constituting the team for the preparation of the questionnaire not more than one member from any State was included. The draft was circulated first among the peer groups which was widely discussed and contested. The logic, rationality and relevance of each and every item in each questionnaire were explained with the support of supplementary notes and instructions. A final draft was submitted to the MoPR which was circulated among the senior officials of the Ministry. All the major suggestions of the Ministry were incorporated and the set of questionnaire were finalized. With the permission of the Ministry, the final questionnaire was communicated to concerned officials of all the States /UTs by both soft and hard copies. It was followed by frequent communications by all modes such as e-mails, telephonic conversations, and personal visits. The communication by the MoPR also facilitated the process and one Nodal Officer and one Technical Officer were appointed by each State/UT. The States and UTs have taken more than two months to administer the questionnaire. It is noteworthy to mention that apart from the previous years that for the first time all the States and UTs had participated in the exercise and administered the questionnaire and sent back to the agency within the time limit. Clarifications related to the data furnished by the concerned States / UTs were also given. The questionnaire administered by the States / UTs officials ('authenticated data') was cross checked with the data from the field. However, no unilateral decision was taken for correcting any amount of data furnished by the officials from the States and UTs, in cases of discrepancy with the information from the field. The discrepancies were settled by mutual engagement among the CRM team and the concerned officials from the

States/UTs. In certain cases, the discrepancies were explained in details and in some other cases the field agencies were asked to revisit the field to make a second level of checking with ground realities.

Questionnaire Administered by the Field Agencies.

A separate questionnaire for sample Panchayats from the selected districts of all the States /UTs were designed and finalized as in the case of the questionnaire prepared for the States /UTs. Since it was designed exclusively for field work at the three tiers of Panchayats all over the country the questionnaire was pre tested at five different regions and the feedback was incorporated. The field investigators were trained at State/UT level and the questionnaires were familiarized in detail. During the training, the concept, definitional operations and the methodology were also discussed in detail.

PROCESS IN CALCULATION

Devolution Index (DI) is a device to calculate the extent of any form of devolution from the 'higher tiers' of Government to the lower tiers of governments, assessed in terms of funds, functions and functionaries. Recently attempts have been made to accommodate additional components such as the enabling environment for devolution, accountability & transparency, performance, etc. It is a multi dimensional indicator which is capable to capture the operational complexities and its various gradations in the domain of devolution. The quantitative values for each index and each sub- index can be aggregated to form the Devolution Index. Therefore, it is a weighted aggregation of these values. Differential weights are allotted to each indicator as per their importance in mentoring the process of devolution. Separate list of indicators and sub indicators are covered in the case of all components. For all the States and UTs, the weights attached to each indicator, sub indicators and sub indices remain unchanged in computation of Devolution Index, irrespective of factors related to any administrative unit. Since DI is a quantitative measure, all its indices and sub indices can be measured by allocating respective values that can be captured in quantitative terms from observable developments in the domain of governance with the support of

relevant tools for data collection. Attempts are made to quantify all the variables by applying quantitative techniques.

Three challenges have been encountered while attempting to take measurements related to devolution in general and the performance of the Panchayats in particular. Viz. (i) the issues related to the integration of empirical evidence and citizen's perception in the context of the working of the Panchayats; (ii) the issues related to capturing the wide variation across the States and UTs because of their differences in the history of decentralization experience and socio political settings (iii) grafting of time and space in the multifaceted frame work of devolution. The tools are to be framed and sharpened in such a way to address the issues caused by these three challenges. Maximum effort is made to capture the beauty of diversity in devolution rather than the roots of such variations.

RELEVANCE OF THE STUDY

Immediately after the creation of the Ministry of Panchayati Raj (MoPR) in 2004, it has been an instrumental in promoting the process of devolution by providing handhold support to the States. As part of this, the MoPR had introduced the Panchayats Empowerment and Accountability incentive Scheme (PEAIS) in 2005 which was to motivate the States for greater devolution. The recommendation of the 5th Round Table Conference held at Srinagar was the reference for launching the Scheme. The PEAIS was having two sets of objectives: (i) to motivate the States to empower the Panchayats through devolution of functions, funds and functionaries in accordance with Article 243G of the Constitution and (ii) to motivate the Panchayats to put in place accountability framework & performance system and democratic style for making their functioning transparent and efficient. The first objective was operationalized by incentivizing the highest performing States on the basis of the extent of devolution carried out by them, annually. Initially, the performance of the States is measured through a two stage assessment with the support of a tool called 'Devolution Index' which has been developed from a concept paper by Alok and

Bhandari (2004). The first stage is called ‘framework criteria’ based on four fundamental Constitutional requirements. They are (a) establishment of State Election Commission (SEC) (b) holding of regular elections to PRIs, (c) setting up of State Finance Commission (SFC), and (d) constitution of District Planning Committees (DPCs). States which have fulfilled the framework criteria only were included under the scheme. Weightage was given to the State Finance Commission and District Planning Committee since these institutions have more potential in the domain of ‘progressive devolution’ than the other two which have inclination towards ‘mandatory devolution’. Dimensions of Devolution Index and the methodology are being continuously improved and refined over the years by the perceptions of different stakeholders. The Devolution Index is being constructed annually and computed by independent institutions since 2007-2008. The present report is submitted by the Centre for Rural Management (CRM) Kottayam, Kerala providing the details of the empirical estimation for 2016-17.

LIMITATIONS OF THE STUDY

As per the Terms of Reference (ToR) of the study reliability and time limit in the collection and management of data was dominant in the entire exercise. Therefore, the study depends heavily on the authenticated data provided by the States /UTs which was crosschecked with all information available and the field verification data collected through well designed sample survey with scientific tools. While identifying the indicators and its range of impact in shaping devolution, the consensus of the key researchers, the weightages for each indicator as per its assigned significance was another limitation. After identifying various indicators which shape the pattern of devolution, the relative weightage for each indicator was another challenge. The weightage for each indicator as per its assigned significance was determined on the theoretical understanding and empirical evidence on the practice of devolution. The objective assessment was done to tie up the relative weightage. However, full amount of subjectivity has not been ruled out. The limitations of the study may be a lesson for value addition in coming years.

The absence of a consolidated data base, especially on finances of Panchayati Raj Institutions is a major limitation of the study. Though we have designed a questionnaire to fetch 5454 replies, the total information received was 20 percent and since the quantum of replies varied from the State to State we had to limit the sub variables to a lower number of 771. The absence of a consolidated data base has been pointed out by almost all the State Finance Commissions. The gaps in the data furnished from various States and UTs are provided as Annexure 2.10

REVIEW OF LITERATURE

Review of related literature shows the topic has an international relevance. The measuring of devolution highlights two aspects. Boexa and Simatupang have acknowledged the fact that devolution is a concept that is not easy to define, and perhaps even harder to measure (Boexa and Simatupang, 2010). Abdelhak and team provide an overview of the attempts to collect and measure on the scope and nature of devolution in countries around the world (Abdelhak, Chung, Jingqiang Du and Stellens, 2012). The overview of the understanding of the strength and weakness of the existing methodologies used for measuring devolution is helpful in the future attempts of measuring devolution. Treisman (2002) with a data set of 166 countries brilliantly examined how six type of decentralization varied across countries in the mid 1990s. He investigates how these forms of devolution correlate with various country characteristics. The typology on devolution and the country characteristics identified by Treisman may have some apprehension to apply as a model for measuring devolution in the Indian context. The country characteristics may not be apparently visible across the states in India. Schneider Aaron (2003) proposed a measurement model of devolution based on three dimensions and verified the model by applying data on six indicators gathered from 68 countries. Schneider claims that end result of the exercise is an improved measurement model of devolution that probes further domains of decentralization. Here, the measurement model which is applied across countries needs further adaptation for applying among the states in India. Mariru Patrick (2015) while attempting to measure the degree of devolution in

Kenya admits that there is a need to have mechanism of assessing and measuring the quality of devolution. The study says “the period of decentralization in a particular country is defining in the endeavor to measure and assess it. A Country that has lately adopted and is practicing decentralization would be facing different dynamics from that has a longer period “. What difference the study could make between a country with a long history of decentralization and beginner is equally applicable among Indian states with difference in the standing of decentralization. Patak Zdravko (2004) made an attempt to measure the devolution in the ex -socialist countries with a matrix of expected proclivity to decentralization. The study concludes that “the larger countries should have higher proclivity to decentralization than the small ones, as well as the countries with higher levels of institutional development should have more proclivity for decentralization than countries with lower level of institutional development.” The above hypothesis has been tested by John and Chathukulam (2003), an attempt at measuring decentralization in Kerala, a different context which is visualized by Petak Zdravko (2004).

The finding of the study is relevant in the Indian context where the states are in an uneven level of devolution. The existing literature on devolution related studies (theoretical, research, empirical and case studies) at local and international levels are reviewed in detail. While doing the exercise, special attention has been given to the earlier Devolution Index Reports which were prepared by the National Council of Applied Economics Research (NCEAR) New Delhi, Indian Institute of Public Administration (IIPA), New Delhi and Tata Institute of Social Sciences (TISS) Bombay. Among the reports, the model developed by VN Alok (IIPA Reports) has larger theoretical contributions in the literature on measuring devolution. Important changes on the historical evolution of devolution over a period of time in the estimation of the Devolution Index have been documented. Review of literature has identified the gaps in the estimation of Devolution Index and hones the approach and methodology adopted for the present study.

ADDITIONAL DIMENSIONS

The existing literature on the Devolution Index suggests an urgent need for taking into account of additional dimensions. It is an expanded version of models developed by NCAER, IIPA and TISS

DESIGN OF THE REPORT

The Devolution Index Report is structured and presented in seven chapters as specified below with an executive summary

1. Introduction
2. Objectives, Concept, Methodology and Design of the Study
3. Construction of Index
4. Devolution Index
5. PESA and Sixth Scheduled Areas
6. PESA Index: Cumulative and Incremental
7. Devolution Index Templates among States and UTs: At a Glance

Chapter 1 presents the concept of decentralization and its history and relevance in India. It also provides an insight into Devolution, Devolution Index and the Devolution index for the previous years and recognizes the organizations which prepared the same. Importance of PESA Act and PESA Index is also mentioned in this chapter. **The second chapter** gives the aim, objectives, concept, approach, design, methodology, study area, relevance of the study, its limitations, review of literature and additional dimensions. The **third chapter** presents the process of construction of Devolution Index, various dimensions used in the process, the weightages assigned, and the formula adopted. It presents the process of preparation of index by policy and practice. It also mentions the Incremental Index. **Chapter four** presents the Devolution Index and Incremental Index with the support of tables and graphs. The dimensions used in each aspect covers framework, funds, functions, functionaries, accountability & transparency and performance. Scores are presented and ranks are

allotted for each aspect. Ranks based on DI are the ultimate result. Brief notes on five States with highest ranks are also provided. Incremental Devolution Index is also presented in this chapter. Some unique State specific initiatives are also provided. The process of construction of incremental devolution index is elaborated. State wise Devolution Index (at a glance) is also provided. **Chapter five** give an insight into the PESA and Sixth Schedule States. Short notes on each State under PESA and Sixth Schedule is provided. Cumulative and incremental PESA index is presented in the **sixth chapter** with the support of tables and graphs. The process of calculating incremental index is also given in a table. **Chapter seven** is a separate section on ‘State /UT wise Devolution Index: At a Glance’ presented in the form of templates. A three page note has been prepared for each State / UT which gives the status of the Devolution Index (both score value and rank position) since the very inception of the exercise. A detailed information on the position of the six dimensions of devolution (framework, fund, functions, functionaries, accountability & transparency and performance) captured by data from the official channel and field are presented. By making use of the data, the Devolution index by Policy, Devolution Index by Practice, and the Devolution Index of Policy Adjusted against Practice are constructed and presented both in the form of tables and graphs. There are two more additional tables which give (i) the State /UT Panchayat at a Glance and (ii) General information on PRIs on each State/UT. In addition to this a brief note on the developments of the Panchayats which shows both the strength and areas need special attention. It has a policy lead component also.

CHAPTER 3

CONSTRUCTION OF INDEX

CONSTRUCTION OF DEVOLUTION INDEX

In recent years international organizations, social scientists and the economists have contributed to a dramatic expansion in the range of composite indices measuring human development, governance, social capital etc. The first major area in the construction of such an index is selection of dimensions, indicators and variables to be employed in the measure of construction. The designer of the index has to decide specifically whether to concentrate on just a few key variables or to adopt a more comprehensive approach using the data from a wide range of indicators of varying data quality. This decision largely depends upon the latest variable that the measure is intended to capture. The second consideration is the assignment of the weights to indicators in order to produce the final index.

Funds, functions, and functionaries were only the three dimensions assessed for the construction of Devolution Index during the initial years. A fourth dimension, 'framework' has been included 2008-09 for the construction of Devolution Index. Infrastructure, Governance and Transparency (IGT) has also been included from 2014-15. The following dimensions were evaluated for the construction of devolution index for the year 2016-2017.

- (i) Framework (ii) Functions (iii) Funds (iv) Functionaries (v) Accountability & Transparency (vi) Performance

Almost two and a half decades have passed since the Panchayati Raj Institutions were provided with constitutional support. The Ministry of Panchayati Raj (MoPR) has initiated various steps to empower the PRIs. During the last two decades, almost all the mandatory constitutional provisions have been incorporated by all the States and Union Territories. Though there may be variations among States/UTs, it is a fact that

Panchayats have been provided with some degree of funds, functions and functionaries. Therefore, the Panchayats are bound to perform and it is quite apparent that they have come to achieve some progress on the performance over the years. In this context, it was decided to measure the performance of the Panchayat by constructing an index called 'performance index'. In other words, performance may be a perceptible variable to understand both the output and outcomes of an institution. The purpose of the amendment of the constitution was not only to create three tiers of governance structure, but to widen democracy by granting power to the people. In more concrete terms, performance requires three aspects: (i) delivery of public goods and services (ii) ensuring entitlements and freedom to the marginalized communities and (iii) investment and management of local economic development. To attain these goals, transparency in the day-to-day performance and the creation of mechanisms of accountability to the people are inevitable. Considering this the index on Accountability and Transparency has also been constructed.

After an agreement on the number of indices to be taken in to consideration for the construction of the devolution index, the question arises as to how to measure each dimension. There are two options; one is to provide equal weight to all dimensions, and the second is to accord varying weights. Though all the above mentioned dimensions have their own importance, it was widely felt that the crucial index to assess the devolution in a State is the flow of funds to the Panchayat. Hypothetically, one can argue that even if all the other factors are at a comfortable level, the Panchayat may not perform the assigned duties vested upon them without adequate finance. The dimension of 'funds' has therefore been provided maximum weight in the devolution index as in the previous years. The second important factor that affects the functioning of a Panchayat is the machinery available with them for implementing their assigned functions, projects and plans. They should have enough functionaries under their control including some with technical knowhow for planning and implementation of developmental activities. So the dimension of functionaries has been given the second highest weight.

The Constitution itself has listed 29 subjects or functional areas that could be devolved to PRIs and an overview of the State legislations shows that functions have been more or less devolved by all the State legislatures. The performance of the Panchayats depends mainly on the atmosphere in the State and the attitude of the State Government towards devolution. The State Governments can provide incentives to better performing local governments and can impart sufficient training to the newly elected people's representatives, which can in turn improve their performance. Hence these two dimensions have been provided equal weight.

Consequent to the enactment of Right to Information Act the common man has been provided with the right to get information and copies of documents from any government institution. Moreover, the mandatory provision for the constitution of Gram Sabha ⁵ makes the Panchayati Raj to be more transparent and accountable to people. The frame work for the Panchayati Raj Institutions may be explained as having elements such as constitution of State Election Commission (SEC), State Finance Commission (SFC) District Planning Committee (DPC) and such other institutions and the fulfillment of conditions specified as mandatory by the State Governments. Hence these two dimensions also are provided equal weightage . The weightage given to each Dimension of the Devolution Index is detailed below.

Table No.3.i: The Weightage to each Dimension of the Devolution Index

Sl No	Dimensions of the Devolution Index	Weightage
1	Funds	30
2	Functionaries	20
3	Functions	15
4	Performance	15
5	Framework	10
6	Accountability & Transparency	10
	Total	100

Source: Developed by the Domain Experts & Approved by the MoPR

Variables for each of these dimensions also have weight assigned to them and the marks secured are multiplied with the weight assigned and then added up to obtain a value out of 100 Marks. It is then reduced to a level corresponding to the weight

⁵ The powers and responsibilities of Gram Sabhas across the States are provided in annexure 3.1

assigned to each of the six dimensions. The various indicators or variables, maximum marks and the weight assigned for each in all six dimensional indices are furnished below.

Table No.3.ii Construction of Devolution Index 2016-2017

Parameter	Variables	Max. Marks	Weightage
Framework	Functioning of DPC	12	30
	Aspects of State Election Commission	30	20
	Representation of Weaker Sections	44	20
	Constitution & Functioning of SFC	73	30
	Total	159	100
Funds	Income of District Panchayats	100	10
	Income of Intermediate Panchayats	100	10
	Income of Village Panchayats	100	15
	Increase in the Income of Village Panchayats	20	15
	Increase in the Income of Intermediate Panchayats	20	10
	Increase in the Income of District Panchayats	20	10
	Expenditure of Village Panchayats	30	15
	Expenditure of Intermediate Panchayats	30	5
	Expenditure of District Panchayats	30	5
	Initiatives related with Finance and Accounts	12	5
	Total	462	100
Functionaries	State Panchayat Service	5	10
	Staff with Village Panchayats	22	30
	Staff with Intermediate Panchayats	22	20
	Staff with District Panchayats	22	20
	Relationship with Functionaries	12	20
	Total	83	100
Functions	Activities entrusted with Gram Panchayats	145	10
	Activities entrusted with Intermediate Panchayats	145	10
	Activities entrusted with District Panchayats	145	10
	Involvement in Important Centrally Sponsored Schemes	420	20
	Devolution of Functions and Actual Involvement	203	20
	Other Functions	24	30
	Total *	1082	100
Accountability & Transparency	Accounting & Auditing	77	20
	Gram Sabha	52	40
	Social Audit	45	20
	Transparency and Anti Corruption	32	20
	Total	206	100

*Marks obtained adjusted with functions transferred through activity mapping

Performance	Infrastructure	30	15
	Autonomy of Panchayat	45	10
	Functioning of Panchayats	18	10
	Parallel Bodies	69	10
	Capacity Building	293	30
	GPDP	125	15
	Panchayat Assessment and Incentives	79	10
	Total	659	100
	Devolution Index=		
	Aggregate of		
	10% of Framework Index +		
	30% of Funds Index +		
	20% Functionaries Index+		
	15% of Functions Index+		
	10% of Transparency Index+		
	15% of Performance Index		

For each dimension a good number of variables and sub variables were provided and a detailed questionnaire capable of collecting enough data for evaluating these variables and sub variables was designed and sent to all the States and Union Territories. The secondary data available from the various websites of State Governments, Ministry of Panchayati Raj, State and National Finance Commissions, State Election Commissions, C&AG etc. were also considered. Based on these data, each dimensional index has been constructed. Each sub variables are transformed into numerals and the maximum attainable range and minimum range of each variable was found. For example, the income of a Panchayat is first converted to per capita income by dividing the income by rural population . Then the percentage of each source of income ie , own finance, grants by State Governments, Finance Commission grants, etc was calculated on percentage basis and categorized into ten groups based on percentage range. The maximum percentage (90-100) was given highest number i.e. 10 and where there existed no income 0 mark. Thus the maximum attainable level is 10 and minimum level is zero (0).

After fixing this maximum and minimum attainable range the following formula which was employed in the previous years for the construction of devolution index has been adopted for calculating the index of each variable.

$$\text{Index} = \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}} \times \text{Weightage Assigned to It.}$$

The index so obtained was a figure between '0' and '1'. This value was multiplied with the weightage given to each variable.

Index for all the six dimensions have been constructed with 100 marks as the maximum for each dimension after subdividing it among each of the indicators/variables included in the dimension. Then the index for each indicator was worked out employing the formula and the same was multiplied with the weightage provided for the indicator.

$$\text{Index} = \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}}$$

For example, the dimension framework is constructed on a 100 Marks basis and out of the four indicators DPC and SFC was accorded 30 marks each and SEC and representation of weaker sections 20 marks each.

After computing the index for the four indicators in the above manner all these four indices are aggregated and the framework index worked out.

For example, if the index of State for DPC is 'A' State Election Commission 'B' Representation of Weaker Sections 'C' and SFC 'D' the framework index will be

$$F_i = \sum i_A i_B i_C i_D$$

After computing the indices of all the six dimensions, weight of these indices according to the weightage provided is calculated and aggregating all these 6 weights, the Devolution Index is constructed.

If the Framework index of State 'A' is 'U' Funds 'V' functionaries 'W' functions 'X' transparency 'Y' and performance 'Z' the Devolution Index will be

$$D.A = \frac{U \times 10}{100} + \frac{V \times 30}{100} + \frac{W \times 20}{100} + \frac{X \times 15}{100} + \frac{Y \times 10}{100} + \frac{Z \times 15}{100}$$

Construction of Devolution Index by Practice

Consequent to the 73rd Constitution Amendments, all the State Governments and Union Territories (UTs) have enacted Conformity Acts devolving funds, functions and functionaries to the Panchayati Raj Institutions (PRIs). Yet, the level of devolution of funds, functions, and functionaries among States and UTs varies. The ‘devolution index by practice’ is a tool for analyzing which is used (i) to measure the actual devolution happening in the field and (ii) to validate the ‘authenticated’ data furnished by the official agency (States Governments and UTs administration).

In order to assess the ‘Devolution in Practice’ three questionnaires were prepared and sample survey was conducted among the District Panchayats, Intermediate Panchayats and Gram Panchayats. A sample design was developed in which, three District Panchayats, six Intermediate Panchayats and 12 Gram Panchayats were selected from four large States of Madhya Pradesh, Maharashtra, Bihar and Uttar Pradesh. One District Panchayat, two Intermediate Panchayats and four Gram Panchayats were taken from the small States of Sikkim, Goa, Manipur and Tripura and UTs. Two District Panchayats, four Intermediate Panchayats and eight Gram Panchayats were selected from the other medium sized States. While selecting the districts maximum care was taken to ensure regional representation within the States. In addition to regional representation, other characteristics such as level of development, human development indices and proximity to State Capital were also considered for the selection of districts. The Panchayats at the sub district level were selected on the basis of stratified random sample techniques to cover the Panchayats headed by all reserved categories in terms of gender and social origin (Scheduled Caste and Scheduled Tribe).

Detailed survey questionnaires were designed for collecting 4352 items of informations on District Panchayats, 4980 items on Intermediate Panchayats and 4622 items on Gram Panchayats. A separate questionnaire for covering 10 States under the Fifth Schedule was also designed. Information on 465 items on PESA was also captured through a well designed questionnaire. The draft was circulated first

among the key researchers, domain experts and other peer groups and it was widely discussed and debated. The logic, rationality and relevance of each and every item in each questionnaire were explained with the support of supplementary notes and instructions. A final draft was submitted to the Ministry which was circulated among the senior officials of the Ministry. All the major suggestions of the Ministry were incorporated in the final version. Since it was designed exclusively for collecting field level data from the three tiers of Panchayats across the country, the questionnaire was pre -tested in different five regions including Bangalore, New Delhi, Aurangabad, Allahabad and Assam and the feedback were incorporated in the appropriate questionnaires. The partner organizations / independent researchers in various States were requested to identify knowledgeable and experienced investigators and impart training at different regional centres. They were trained State/UT wise and the questionnaires were explained to them in detail. During the training, the concept, definitions and the methodology were also discussed in detail.

Details of Workshops, Meetings etc. conducted to collect the Field Level and State Level data are listed below

1. Brainstorming exercise by the experts to prepare Draft Questionnaire at CRM
2. Workshop for the Construction of Devolution Index at CRM
3. Workshop for preparation of questionnaire for State and field level data collection at CRM
4. Conduct of Regional Workshops at Bangalore, Allahabad, Assam, New Delhi and Aurangabad
5. Training to field investigators by the Partner Agencies in all States
6. Repeated communication through e-mail, telephone and personal visits by the Principal Researchers.
7. Meeting with the concerned Senior State Officials, Nodal Officers and Technical Officers of each State by the Representatives of Partner Agencies during the field work in the respective States& UTs

In addition to this, CRM has made presentations at MoPR, New Delhi during the different stages of the study, on 5 October 2016, 15&16 March 2017, 22 March 2017, 30 March 2017& 11 April 2017.

Table No.3.iii. List of Partner Agencies

Sl No	Name of State	Partner Agency
1.	Andhra Pradesh	Prof.M.Gopinath Reddy, CESS, Hyderabad
2.	Arunachal Pradesh	Dr. Nabam Nakha, Rajiv Gandhi University, Arunachal Pradesh
3.	Assam	Shri. Chinmoy Debnath, UNICEF, Assam
4.	Bihar	Shri. Jai Somnathan, Bharat Gyan Vigyan Samiti (BGVS), Bihar
5.	Chhattisgarh	Prof. G.C.Rath, G.B Pant Social Science Institute, Allahabad
6.	Goa	Dr.M.Devendra Babu, CDD, ISEC, Bangalore
7.	Gujarat	Dr.Madhusudan Bandi, GIDR, Ahmedabad, Gujarat
8.	Haryana	Dr.Jacob John, Kerala Development Society (KDS), Delhi
9.	Himachal Pradesh	Dr. O.P.Bhuraita, State Resource Centre, Shimla
10.	Jammu & Kashmir	Dr. Aijaz Ashraf Wani, University of Kashmir, Srinagar
11.	Jharkhand	Shri.N.Jagajeevan, Kudumbashree, NRO, Jharkhand
12.	Karnataka	Prof. N. Sivanna, ISEC, Bangalore
13.	Kerala	Dr. John.S.Moolakattu, Central University of Kerala
14.	Madhya Pradesh	Prof. Yatindra Singh Sisodia, MPISSR, Ujjain.
15.	Maharashtra	Shri.M.S.Deshpande, Maitree, Aurangabad
16.	Manipur	Mr. M.Sohodeba Singh, Loyalam Lamjing Lup, Imphal
17.	Odisha	Mr. Bishnu Prasad Mohapatra, CESS, Hyderabad
18.	Punjab	Ms. Sharan Pal Kaur, Democratic Youth Organization for Development ,Patiala
19.	Rajasthan	Dr.Madhusudan Bandi, GIDR, Ahmedabad, Gujarat
20.	Sikkim	Shri.Manu Sankar.S, Kudumbashree, NRO, Sikkim
21.	Tamil Nadu	Dr.Thirunavakkarasu, , TASK, Madurai
22.	Telangana	Prof. M.Gopinath Reddy, CESS, Hyderabad
23.	Tripura	Shri. Amlan Singha, University of Tripura
24.	Uttar Pradesh	Prof .G.C.Rath, G.B.Pant Social Science Institute, Allahabad
25.	Uttarakhand	Ms.Seema Chelat, Kerala Development Society (KDS), New Delhi
26.	West Bengal	Ms.Sanchaita Mukherjee, Durgapur Society for Development Solutions,
27.	Andaman & Nicobar	Dr.S.S.Sreekumar, Govt. College, Andaman & Nicobar Islands
28.	Chandigarh	Ms. Sharan Pal Kaur, Democratic Youth Organization for Development, Patiala
29.	Dadra & Nagar Haveli	Dr.Madhusudan Bandi, GIDR, Ahmedabad, Gujarat
30.	Daman & Diu	Dr.Madhusudan Bandi, GIDR, Ahmedabad, Gujarat
31.	Lakshadweep	Shri. M Yousef, Chetlath Island, Lakshadweep
32.	Puducherry	Shri. Vasudeva Raj, Community Research Centre, Puducherry

The survey forms were introduced to the investigators with practical training as to how to administer them at the Panchayat level. These investigators have visited 54

District Panchayats, 102 Intermediate Panchayats and 228 Gram Panchayats⁶ and administered survey forms, collected all available data in the prescribed format, conducted limited number of Focus Group Discussions (FGDs) and held formal and informal discussions with the stakeholders at different levels. While doing the survey, the investigators were guided and supervised by the State/UT Co-ordinators. The data was cross checked at all the levels with the support of experienced and knowledgeable persons of the respective States /UTs. Any discrepancy in the data collected was identified and rechecked with official (authenticated) available information.

The data was categorized in to six components. The components were based on the theoretical and practical understanding on 'Devolution in Practice'. They are (i) framework, (ii) funds, (iii) functions, (iv) functionaries, (v) accountability & transparency, and (vi) performance. To avoid any amount of discrepancy between the data provided by the official channel and the data collected from the field, the same parameters were applied for both the construction of the 'Devolution Index by Policy' and 'Devolution Index in Practice'. Moreover, for making any level of meaningful comparison, the same parameters may be needed. Accordingly, the Devolution Index in Practice' was constructed by giving the following weightage.

<u>Dimensions</u>	<u>Weightage</u>
1. Framework	10
2. Funds	30
3. Functions	15
4. Functionaries	20
5. Accountability & Transparency	10
6. Performance	15

1. Framework: Framework for the construction of devolution in practice has only very limited relevance when it is operationalized at the level of Panchayats. It is the responsibility of the State to provide framework (climate) for devolution. Here, an attempt is made to see whether, all the elements of the framework are reflected in the Panchayats and it's functions performed by them. Whether the Panchayat has the freedom to extent framework is not considered in this exercise. Conduct of timely

⁶ The list of District Panchayats, Intermediate Panchayats and Gram Panchayats visited are provided in Annexure 3.2

elections, details of oath, year of formation of Panchayats etc. was considered as variables (indicators) of the framework component. Special attention is given to identify any difference between the expressed goals contained in the legal framework (devolution by policy) and what takes place at the ground level (devolution by practice).

2. Functions: Based on the basic functions assigned to Panchayats by legislation and functions actually transferred to Panchayats were considered for computing the Devolution Index of Functions (by Practice).

3. Functionaries: Availability of staff, for the functioning of the Panchayats, ratio of the staff to the population, and the powers of the Panchayats to control the staff were considered for the construction of index of functionaries.

4. Funds: Variables like various sources of own income, extent and proportion of funds transferred to Panchayats by the State Government, percentage of developmental expenditure to total expenditure were taken in to consideration for determining the financial index.

5. Accountability and Transparency: Variables such as computer soft wares used, audits conducted, functioning of Gram Sabha etc. were considered for the construction of Accountability and Transparency Index

6. Performance: It was constructed upon the variables like infrastructure of Panchayat⁷, regularity and attendance in committee meetings, involvement of weaker sections in the decision making process, functioning of standing committees, training attended⁸ by the elected functionaries, involvement in the implementation of MGNREGS, relationship with parallel bodies, and the basic amenities provided by the Panchayats.

The questionnaire for collection of field data also was designed in such a way that the data could be directly fed into the process of ranking according to the six dimensions in practice. The average of data collected from each tier of Panchayats was taken and marks were provided. Index for each dimension was constructed for Gram Panchayat, Intermediate Panchayat and District Panchayat and then added up the value so

⁷ The infrastructure availability of Village Panchayats in various States is provided as annexure 3.3

⁸ The details of training imparted during 2014-2015 and 2015-2016 are given in Annexure 3.4

obtained and adjusted against the weight provided for each dimension (Di) in practice so as to arrive at the devolution index in practice for each tier. These devolution indices in practice for each tier have been aggregated at a proportion of 40 -30-30 i.e 40 percent for Gram Panchayats and 30 each for Intermediate and District Panchayats to compute the devolution index in practice.

For example data from eight Gram Panchayats, four Intermediate Panchayats and two District Panchayats were collected. Marks were given for each variable for each Panchayat and then the average marks taken for the variable. After calculating this average the index for each indicator was worked out after aggregating the indices of each indicator coming under a dimension the Index for that dimension worked out.

For example if the values for a variable 'A' obtained from eight Panchayats from a State is 'X' from three Panchayats 'Y' from four Panchayats and 'Z' from one Panchayat the value of the variable was worked out as

$$\begin{array}{lcl} \text{Mark of the variable} & \text{X+X+X+Y+Y+Y+Y+Z} & \\ & \hline & 8 \end{array}$$

After aggregating the values so obtained for an indicator the index was constructed applying

$$\frac{\text{Actual Value- Minimum Value}}{\text{Maximum Value –Minimum Value}}$$

Then aggregating these indices the Index for that dimension was constructed. After constructing all these 6 dimensional indices the devolution in practice was constructed adding 10% *framework index*, 30% of *funds index*, 15% of *function index*, 20% of *functionary index*, 10% of *accountability & transparency index* and 15% of *performance index*.

In the same way devolution index for Intermediate and District Panchayat were computed. After that the D I in Practice of the State was constructed by adding these values in the ratio 40:30:30.

For example, if the D I for a Gram Panchayat of 'A' State is 'X' Intermediate Panchayat 'Y' and District Panchayat 'Z' the DI in Practice was calculated as follows.

$$\text{DI in Practice of A} = \frac{\text{X} \times 40}{100} + \frac{\text{Y} \times 30}{100} + \frac{\text{Z} \times 30}{100}$$

CHAPTER 4

DEVOLUTION INDEX (CUMULATIVE & INCREMENTAL)

Evaluation of the functions of Panchayati Raj Institutions (PRIs) and its supporting structures is the main task for the construction of the Devolution Index. These aspects are referred as ‘dimension’ and each dimension has been measured by employing a number of variables and sub variables. There are a number of dimensions on the working of PRIs which can be evaluated separately such as, funds, functions, functionaries, mandatory bodies constituted by the State legislatures, accountability, transparency, implementation of schemes, peoples participation, performance, obligatory functions of Panchayats etc. Each of these dimensions can be assessed based on sub dimensions provided to each and these sub dimensions are referred to as indicators and again each indicator can be evaluated using variables and sub variables. During the first two years of the construction of devolution index only three dimensions of the functioning of Panchayats were assessed. They are (i) funds (ii) functions and (iii) functionaries. From 2008-2009 onwards, a fourth dimension, ‘framework’ has been included and the devolution index has been prepared as the aggregate of these four indices. Again in 2014-2015 another dimension, infrastructure, governance and transparency (IGT) also has been incorporated for assessing the level of devolution among the States/UT. The construction of devolution index for the year 2016-2017 is an attempt to improve and refine the dimensions and methodology of Devolution Index. It is based on six dimensions such as (i) framework, (ii) funds, (iii) functions, (iv) functionaries, (v) accountability and transparency and performance and the relative weightage for each dimension index. However, special attention has been paid to the devolution of funds, functions and functionaries in terms of historical evolution. The data has been engaged in the following three exercise types

- 1. Devolution Index by Policy:** The official data furnished by the State Government / UT Administration is applied for attaining the score value and rank position of the States /UTs across the country. It is the authenticated data source to understand the official position of the State /UT on the domain of devolution. The score value and ranking of cumulative and incremental devolution index for the year 2016-2017 is based on the application of the Devolution Index by Policy. Of course, the data has been validated by applying different techniques including field investigation by trained researchers from sample districts by covering three tiers of Panchayats. The application of other techniques such as Devolution Index by Practice and Devolution Index of Policy Adjusted against Practice are used to validate the results.
- 2. Devolution Index by Practice:** The devolution index by practice is constructed by allying the data collected from the field and used to capture the actual field situation .It is also used to validate the ‘authenticated’ data furnished by the States Governments and UT administration.
- 3. Devolution Index of Policy Adjusted against Practice:** It is computational exercise by taking the average of the score values of the respective dimensions of devolution by policy and devolution by practice. It is used as a simple method to minimize the deviations of the official information and the field survey.

The score values and rank positions obtained by applying the Devolution Index by Practice and Devolution Index of Policy Adjusted against Practice are only used for a comparative analysis. Since all the dimensions of devolution are the same in the above three methods, the results are comparable. The results are presented both at the aggregate and disaggregate level which has larger policy implications both at national and state level.

Table No. 4.i: Weightage to Dimensional Index

Sl No	Dimensional Index	Weightage
1.	Funds	30
2.	Functionaries	20
3.	Functions	15
4.	Performance	15
5.	Frame work	10
6.	Accountability & transparency	10
	Total	100

Source: Developed by the Domain Experts & Approved by the MoPR

Tools

The tools adopted for the construction of devolution index for the year 2016-2017 is mainly based on the directions furnished by the Ministry of Panchayati Raj (MoPR). A set of draft questionnaire were prepared by the team of experts who have commendable knowledge on the working of the Panchayats in different States. The State level questionnaire package has three sets – (i) general and customized questionnaire for covering all the States /UTs, (ii) separate questionnaire for covering all the States under the Fifth Schedule and (iii) separate questionnaire for covering all the States under the Sixth Schedule. A final draft was submitted to the Ministry which was circulated among the senior officials of the Ministry. All the major suggestions of the Ministry were incorporated and it was finalized. Finally, with the permission of the Ministry, the final questionnaire was communicated to concerned officials of all the States /UTs by both soft and hard copies. The communication by the MoPR also facilitated the process. The States and UTs have taken more than two months to administer the entire questionnaire. All the States and UTs have participated in the exercise and the filled in questionnaire were sent back to the agency on time.

Table No.4.ii: Cumulative Index (Devolution Index by Policy) 2016-2017 among the States and UTs

Sl No	State	DI	Rank	1.Frame work	Rank	2.Funds	Rank	3.Functionaries	Rank	4.Functions	Rank	5.Accountability & Transparency	Rank	6.Performance	Rank
1	Karnataka	74.35	1	91.13	1	66.15	1	66.82	1	82.33	1	96.64	1	66.83	3
2	Kerala	72.05	2	86.40	4	65.25	2	62.58	4	80.76	2	77.42	7	76.42	2
3	Sikkim	69.67	3	82.64	5	56.60	5	63.48	3	76.45	5	83.92	4	79.10	1
4	Madhya Pradesh	64.81	4	79.62	6	45.26	12	65.61	2	78.90	3	96.36	2	57.71	7
5	Maharashtra	62.77	5	69.13	16	48.13	8	62.42	5	75.45	6	84.53	3	61.11	5
6	West Bengal	62.11	6	76.66	7	61.71	3	42.87	17	78.73	4	64.30	12	60.79	6
7	Tamil Nadu	60.53	7	72.54	10	58.19	4	53.94	7	55.52	15	83.36	5	55.75	10
8	Andhra Pradesh	58.42	8	62.48	19	49.77	7	48.94	11	71.55	7	83.36	5	55.88	9
9	Rajasthan	58.42	8	89.30	2	47.56	9	49.24	10	66.95	10	75.02	8	52.17	12
10	Gujarat	53.11	9	60.61	20	46.60	10	54.22	6	65.03	12	55.03	21	46.59	14
11	Haryana	50.68	10	87.14	3	41.05	16	48.32	12	54.69	17	57.80	18	40.03	18
12	Tripura	50.68	10	69.44	15	45.52	11	52.87	8	55.10	16	59.45	17	35.33	26
13	Chhattisgarh	48.16	11	70.49	12	23.97	27	47.71	13	67.06	9	65.51	9	51.81	13
14	Odisha	48.16	11	74.35	9	42.06	15	47.55	14	53.59	19	48.89	25	37.72	21
15	Uttar Pradesh	46.96	12	70.22	13	55.77	6	32.41	28	54.48	18	41.55	26	29.33	30
16	Jharkhand	46.86	13	60.21	21	36.00	18	40.76	18	55.65	14	50.20	24	56.38	8
17	Telangana	46.76	14	66.05	18	42.55	13	36.85	21	43.35	24	55.83	20	53.50	11
18	Uttarakhand	45.94	15	57.50	23	42.48	14	38.76	19	48.72	21	60.05	16	42.54	17
19	Himachal Pradesh	45.46	16	74.54	8	35.95	19	51.36	9	58.24	13	22.88	29	39.48	19
20	Bihar	44.37	17	71.56	11	32.43	20	28.56	29	68.46	8	61.78	15	35.46	25
21	Punjab	43.41	18	70.06	14	25.00	25	35.18	23	47.65	22	81.16	6	43.92	16
22	Goa	42.20	19	55.87	25	26.75	23	44.99	15	50.93	20	64.39	11	36.69	23
23	Daman & Diu	40.23	20	33.72	29	40.53	17	37.72	20	40.64	25	54.74	22	37.55	22
24	Andaman & Nicobar	39.47	21	68.39	17	28.51	22	33.18	26	36.09	26	54.20	23	44.06	15
25	Assam	37.31	22	59.19	22	29.65	21	38.76	19	44.80	23	30.68	28	32.97	28

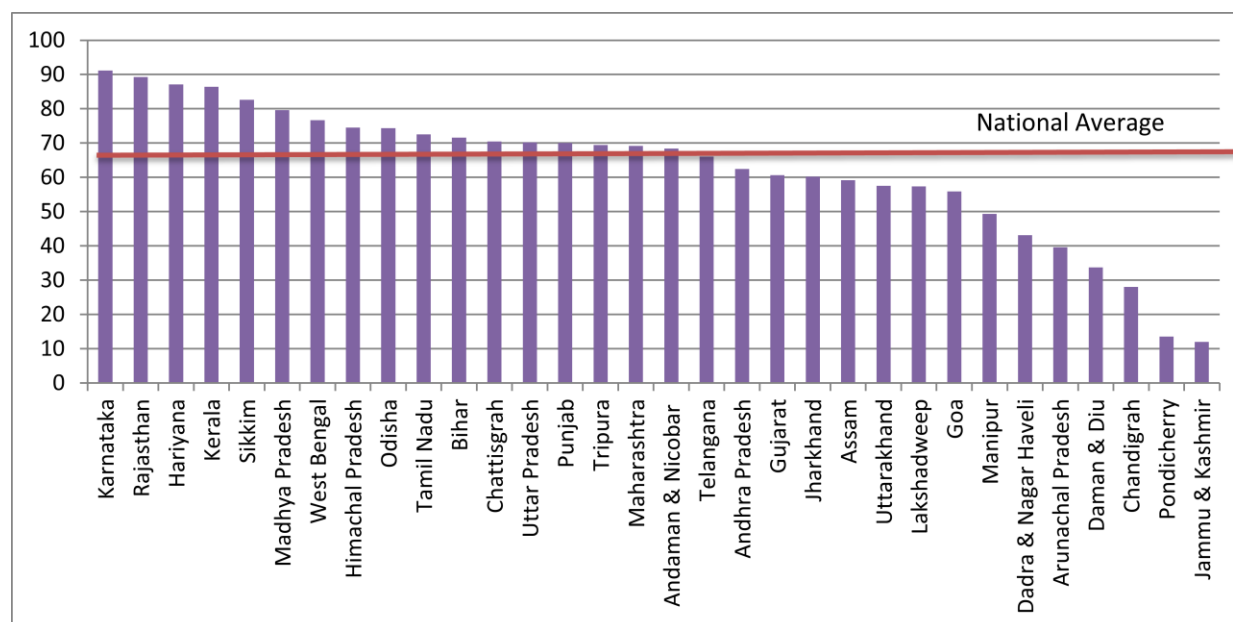
26	Manipur	36.40	23	49.36	26	21.60	28	36.19	22	12.89	31	64.58	10	62.36	4
27	Arunachal Pradesh	34.26	24	39.56	28	5.85	31	33.02	27	66.52	11	61.95	14	38.43	20
28	Lakshadweep	32.02	25	57.33	24	25.37	24	35.15	24	33.41	27	19.90	30	30.99	29
29	Chandigarh	30.29	26	28.06	30	17.78	29	43.63	16	26.93	29	39.23	27	36.37	24
30	Dadra & Nagar Haveli	28.98	27	43.13	27	24.88	26	19.50	30	21.05	30	62.26	13	26.16	31
31	Jammu & Kashmir	27.85	28	12.00	32	12.5	30	35.14	25	33.04	28	56.35	19	35.10	27
32	Pondicherry	1.36	29	13.55	31	0.00	32	0.00	31	0.00	32	0.00	31	0.00	32
33	Meghalaya														
34	Mizoram														
35	Nagaland														
	National Average	47.00		62.57		37.54		43.37		53.28		59.80		45.58	

Source: Computed from the Data Furnished by Respective State Governments/ UT Administration

1. Framework Devolution (Climate of Devolution)

Here, an effort is made to cover the overall climate in which the devolution of power and responsibility exert by the Panchayats. It also deals with the mandatory provisions of the Constitution. These mandatory provisions form the prerequisite for effective devolution. It is empirically clear that during the last 25 years optimal level of framework was seen in almost all the States in which the fulcrum of devolution starts moving forward. There are State Election Commissions for conducting regular elections to the Panchayats, State Finance Commissions to allocate resources to the Panchayats, District Planning Committees to integrate plans of the three tiers of Panchayats for local economic development and affirmative legal framework to protect the interest of the marginalized sections of the society. Among the four sub indicators, high potential for further devolution is seen with the District Planning Committee⁹ and State Finance Commissions rather than the other two (State Election Commission and affirmative framework for marginalized communities).

Fig No.4.i: Devolution Index (DI) by Policy (Framework) 2016-2017



Source: Table No.4.ii

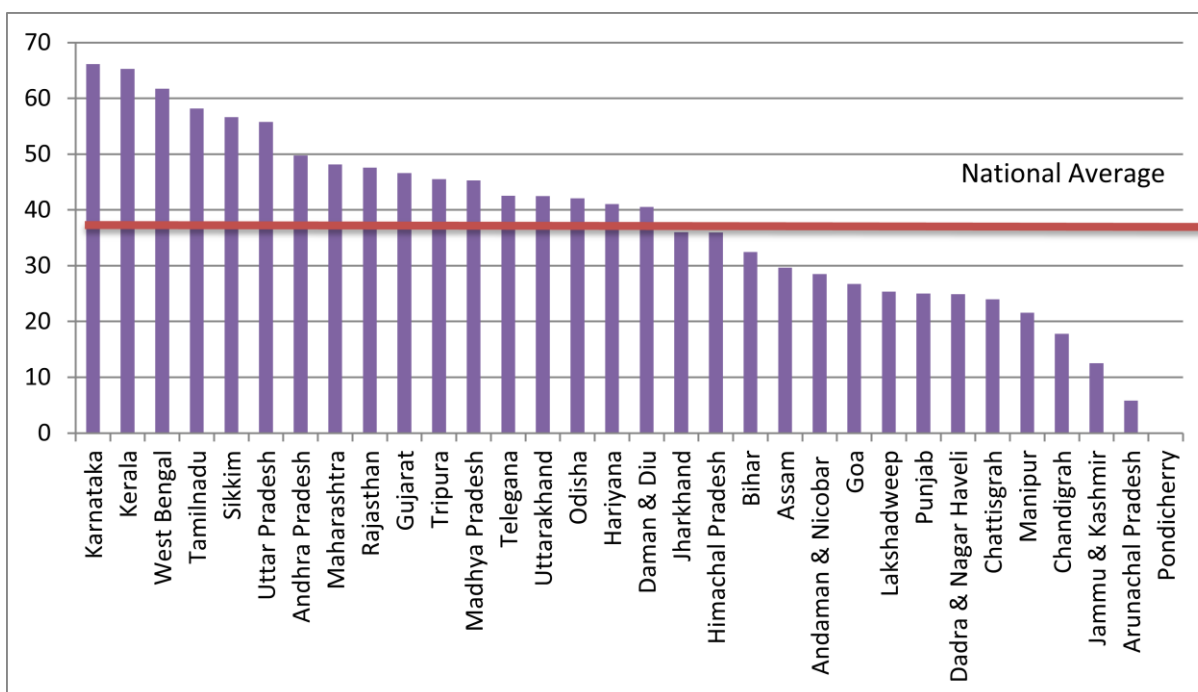
⁹ The information on District Planning Committees(DPCs) are provided as Annexure 4.1

Table No. 4.ii shows that Karnataka ranks first with a score of 91.13 followed by Rajasthan (89.30), Haryana (87.14), Kerala (86.40), Sikkim (82.64) and Madhya Pradesh (79.62). Among the score values, framework dimension has attained the highest national average (62.57) and it is quite expected. The trend is self explanatory too.

2. Devolution of Funds

Dimension on devolution of funds carries more weightage due to its relative importance. While distributing the values among the three tiers of Panchayats this is applicable in Village Panchayats. The increase in the income & expenditure over the last two years and recent initiatives to improve the revenue of Panchayats are considered under the dimension with certain degree of weightage as per the relative importance of the concerned sub indicators.

Fig No 4.ii: Devolution Index (DI) by Policy (Fund) 2016-2017



Source: Table No.4.ii

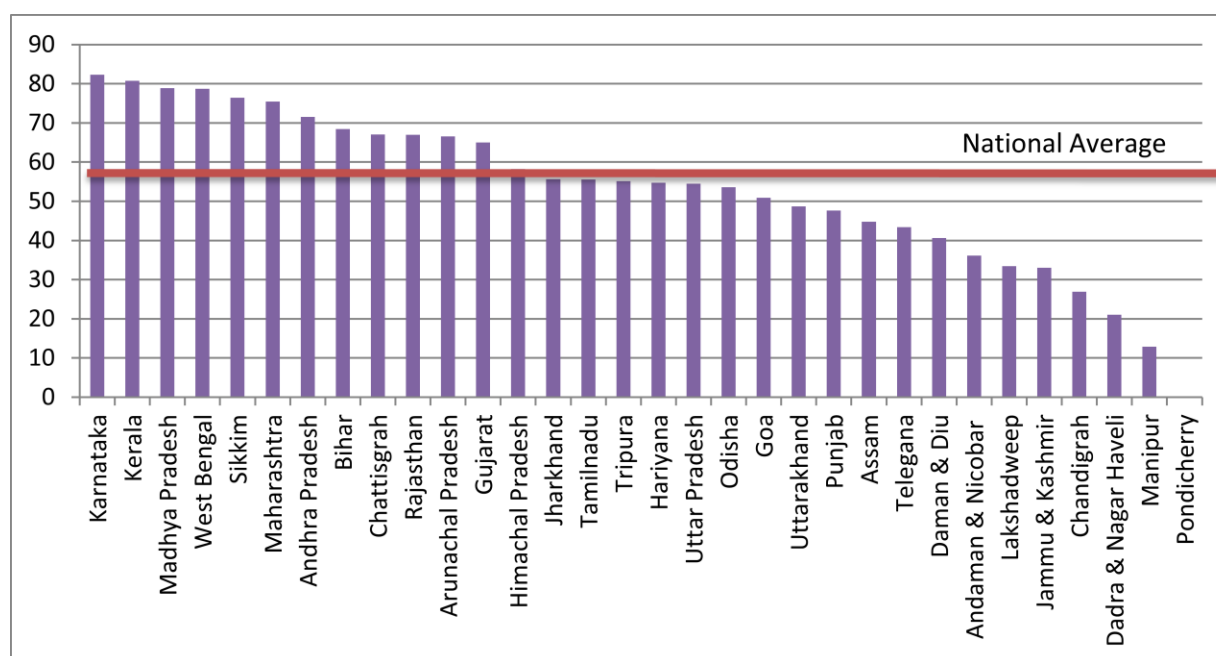
In the dimension of funds, Karnataka tops the list with a score value of 66.15. Kerala is positioned second with 65.25 followed by West Bengal and Tamil Nadu with 61.71 and

58.19 respectively. It is quite clear that among the score values, the dimension of funds has attained the lowest (37.54) which is only one third of the total score.

3. Devolution of Functions

Dimension on devolution of functions may have more complicity since the rhetoric and actual always keep wide distance. The Acts/Regulations of respective States and UTs give the status of devolution according to the conformity legislation to the provisions of the Constitution. The legislative status has its own importance which is the base for action and further devolution. However, the actual status is more important to assess the present scenario of devolution. The role of Panchayats in the area of the implementation of different schemes¹⁰ is also taken in to consideration.

Fig No.4.iii: Devolution Index (DI) by Policy (Functions) 2016-2017



Source: Table No.4.ii

As per the data presented in the table No. 4.ii, Karnataka ranks the highest with the score value of 82.33. Kerala is ranked second with a score value of 80.76 followed by Madhya

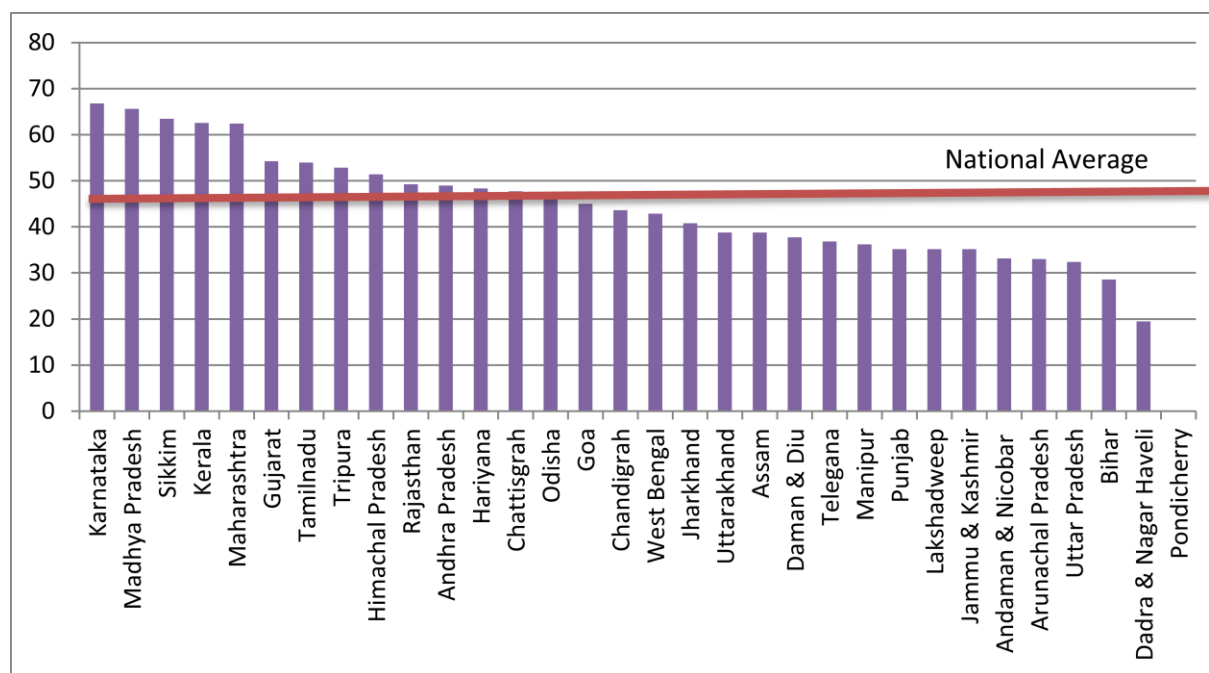
¹⁰ Details of involvement of Panchayati Raj Institutions in important Centrally Sponsored Schemes(CSS) are provided in Annexure 4.2

Pradesh (78.90), West Bengal (78.73), and Sikkim (76.45). The National Average in this dimension is 53.28 among the States and UTs.

4. Devolution of Functionaries

The volume and proficiency of the functionaries exert greater influence in any form of governance including the Panchayats. It is argued that, any initiative to transfer functions and funds to the Panchayats may be deprived of by stating the ‘under privileged strength of the functionaries’. In many cases, the deficit of functionaries may be a stumbling block for taking a big bang approach for devolution. In this context, devolution of functionaries has been identified as an important dimension, in making the Panchayat as an institution of self governing unit.

Fig No.4.iv: Devolution Index (DI) by Policy (Functionaries) 2016-2017



Source: Table No.4.ii

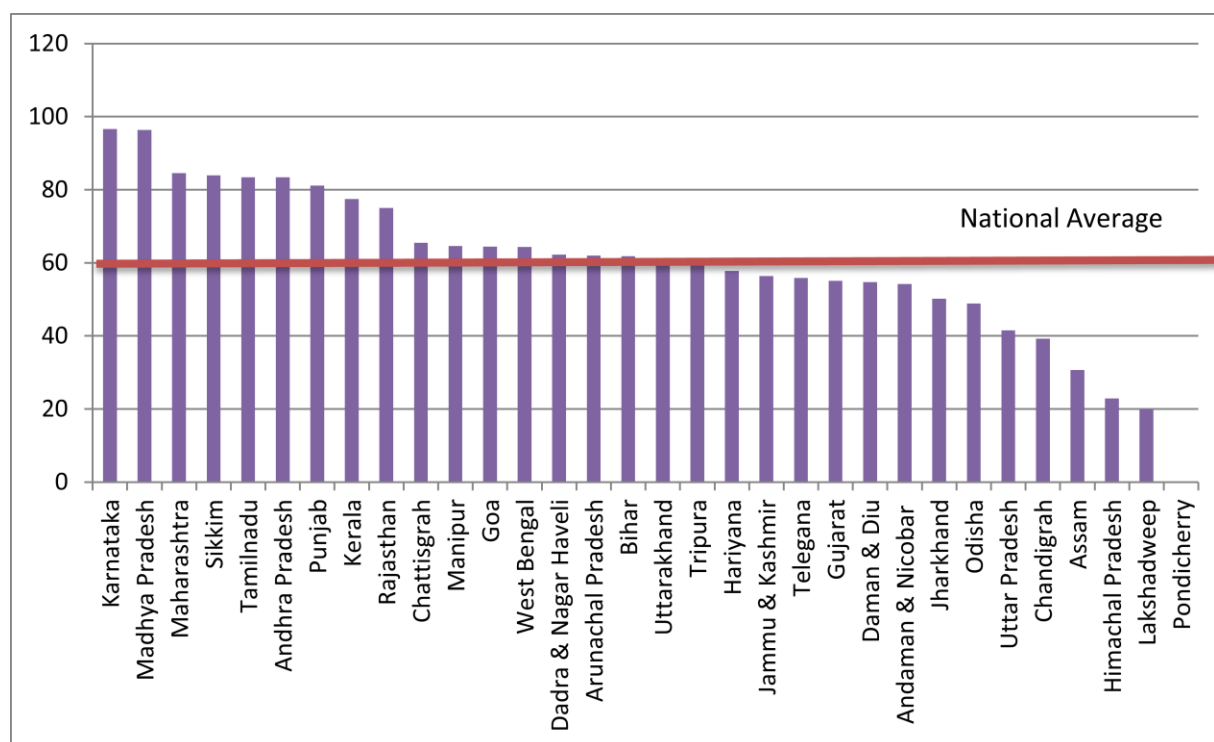
Karnataka ranks the highest with the score value of 66.82. Madhya Pradesh is ranked second with a score value of 62.58 followed by Sikkim (63.48), Kerala (62.58), and

Maharashtra (62.42). In the dimension of the Devolution of functionaries, the National average is 43.70.

6. Accountability and Transparency

Micro level accountability and transparency are considered as an important mechanism for enshrining political efficacy of the Panchayat. It is a platform for civic engagement and making the local political system answerable to citizens. The role of accountability and transparency is very high while making a paradigm shift from the government to governance at the local level.

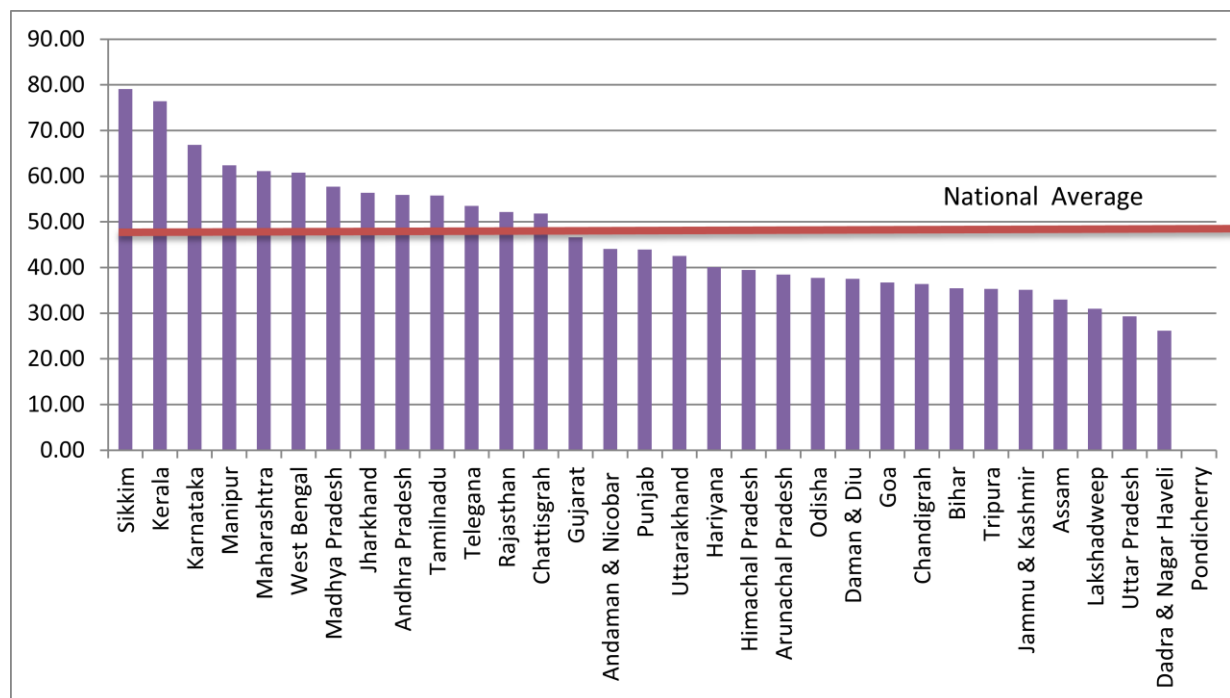
Fig No.4.v: Devolution Index (DI) by Policy (Accountability & Transparency) 2016-2017



Source: Table No.4.ii

As given in Table No 2 and Diagram No 5 Karnataka ranks first with a score value of 96.64 followed by Madhya Pradesh with a value of 96.36. The other four top ranking States in descending order are Maharashtra, Sikkim, Tamil Nadu and Andhra Pradesh. Seventeen States have scored more than the national average of 59.80.

Fig No.4.vi: Devolution Index (DI) by Policy (Performance) 2016-2017



Source: Table No.4.ii

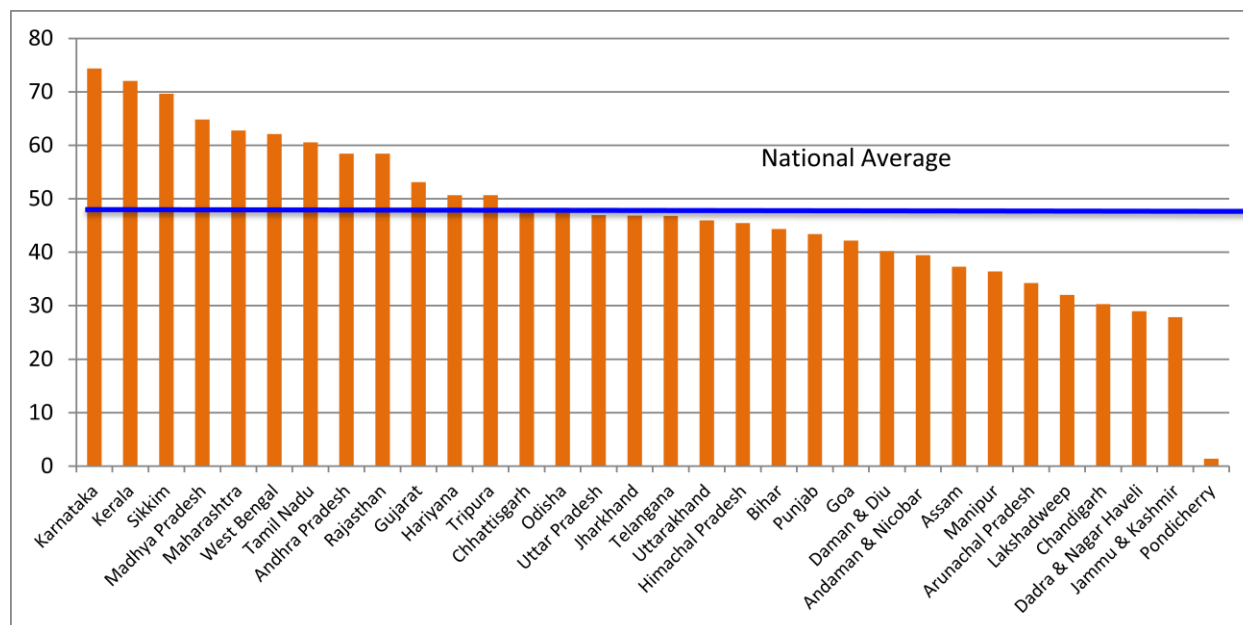
6. Performance of Devolution

Performance has been identified as an important dimension in making Panchayats favourable to citizens. Proximity to citizens, fairness in business, and efficiency in delivery of services are the factors which accelerate the pace of performance. The hypothesis is that certain level of enabling environment in operation at the Panchayat with a quantum of funds ,functions and functionaries as envisaged, an output in term of ‘performance ’of the system may be expected. In other words, the indicator of performance is a litmus test of devolution as per the perception of the local citizenry.

Sikkim is in the top with a value of 79.10. Kerala and Karnataka follow by attaining score values of 76.42 and 66.83 respectively. Manipur, Maharashtra, West Bengal, Madhya Pradesh, Jharkhand, Andhra Pradesh and Tamil Nadu have scored well. The score value of national average is less than half (45.58).

Ranking of States (Cumulative Index) 2016-2017

Fig No.4.vii: Cumulative Devolution Index (DI) by Policy among States/UTs 2016-2017



Source: Table No.4.ii

As per the methodology adopted and its measurement the State of Karnataka reaches the top position in the Cumulative Devolution Index with high score value of 74.35. It is followed by Kerala and Sikkim with 72.05 and 69.67 respectively. The other high performing States are Madhya Pradesh (64.81), Maharashtra (62.77) West Bengal (62.11) and Tamil Nadu (60.53). Andhra Pradesh and Rajasthan have an equal score value of 58.42 and share the eight positions. Gujarat stands ninth position with six points higher than the national average of 47.00. Haryana and Tripura are the other two States with the same score value of 50.68 (Table No.E.ii & Fig. No.E.vii).

Construction of Devolution Index by Practice

Consequent to the 73 Constitution Amendments, all the State Governments and Union Territories (UTs) have enacted Conformity Acts devolving functions powers to the Panchayati Raj Institutions (PRIs). Yet, the level of devolution of funds, functions, and functionaries among States and UTs varies. The ‘devolution index by practice’ is a tool of analysis which is used (i) to measure the actual devolution happening in the field and (ii) to validate the ‘authenticated’ data furnished by the official agency (States Governments and UT administration). In order to assess the ‘Devolution in Practice’ three questionnaires were prepared and sample survey was conducted among the 54 District Panchayats, 102 Intermediate Panchayats and 228 Village Panchayats. (Ref. separate section on Construction of Devolution Index by Practice). The score value of the different dimensions of the devolution index by policy and that of the devolution by practice among the States and UTs have been obtained without much variations. In other words it validates the data furnished by the official source. In many cases the gap between these two is very insignificant. Only in few cases contrast situations has been noticed and in such cases it can be convincingly explained the reasons thereof. Karnataka stands at the top among the score values of ‘Cumulative Devolution Index by Practice’. It has attained a value of 69.67 (Table No. 4.iii & Fig No.4.viii).

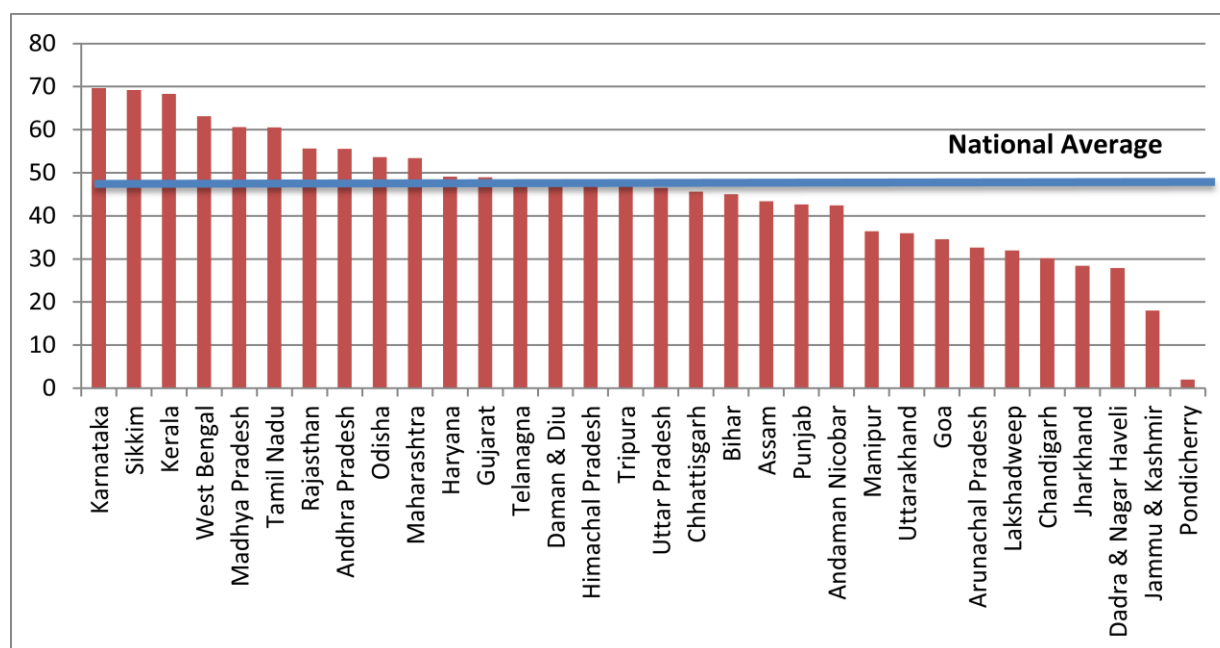
Table No.4.iii: Devolution Index by Practice 2016-2017: Among States and UTs

Sl No	State	DI	Rank	1.Frame work	Rank	2. Funds	Rank	3.Functionaries	Rank	4.Functions	Rank	5.Transparency & Accountability	Rank	6.Performance	Rank
1	Karnataka	69.67	1	85.56	3	62.04	1	61.67	3	76.80	2	88.07	1	65.72	4
2	Kerala	69.47	2	82.28	4	58.06	4	72.02	1	65.80	8	75.34	6	79.95	1
3	Sikkim	69.21	3	76.50	8	57.27	5	66.86	2	78.81	1	78.99	4	75.33	2
4	Madhya Pradesh	64.42	4	74.18	10	43.84	14	55.79	5	76.07	3	84.34	2	64.15	5
5	Maharashtra	63.86	5	78.99	5	53.09	8	57.44	4	67.60	6	82.47	3	67.84	3
6	West Bengal	63.09	6	78.26	7	60.04	2	48.84	11	76.01	4	68.74	9	60.12	6
7	Tamil Nadu	60.54	7	73.82	11	59.01	3	53.96	6	57.60	13	76.47	5	55.87	8
8	Rajasthan	55.60	8	86.18	2	43.34	15	46.65	12	68.01	5	71.01	8	50.20	15
9	Andhra Pradesh	55.57	9	60.38	22	47.36	12	53.54	7	65.80	8	72.81	7	49.92	16
10	Tripura	54.12	10	64.06	17	53.71	7	53.44	8	53.44	16	58.14	12	58.45	7
11	Odisha	53.64	11	71.93	12	56.49	6	49.85	10	51.00	17	48.90	21	49.64	17
12	Gujarat	51.12	12	61.65	19	49.82	10	45.62	14	49.80	19	57.46	13	51.14	14
13	Uttar Pradesh	49.60	13	71.41	13	49.21	11	37.09	20	54.39	15	48.14	22	39.53	26
14	Haryana	49.10	14	87.40	1	41.49	17	41.12	18	55.40	14	55.25	16	39.13	27
15	Telangana	48.38	15	67.99	16	45.01	13	36.81	21	47.02	22	56.20	15	53.47	9
16	Daman & Diu	47.99	16	55.11	24	42.68	16	41.21	17	59.00	11	47.97	23	52.06	13
17	Chhattisgarh	47.56	17	70.26	14	31.40	23	46.55	13	64.00	9	51.42	18	47.09	19
18	Jharkhand	47.54	18	54.16	25	51.36	9	35.92	22	47.40	21	45.37	24	52.58	11
19	Himachal Pradesh	47.33	19	74.37	9	33.24	20	52.55	9	58.02	12	41.66	27	43.52	23
20	Bihar	45.01	20	78.69	6	32.36	22	27.96	30	66.80	7	58.52	10	39.71	25
21	Goa	44.21	21	54.13	26	34.64	18	43.12	15	50.94	18	42.75	26	52.54	12
22	Assam	43.41	22	53.22	27	33.84	19	38.85	19	48.06	20	48.97	20	53.24	10
23	Punjab	42.68	23	63.59	18	28.32	26	31.38	26	47.40	21	58.32	11	44.26	21
24	Andaman & Nicobar	42.43	24	69.62	15	30.10	25	43.01	16	36.00	23	53.77	17	47.12	18
25	Uttarakhand	40.28	25	60.66	21	32.45	21	33.12	24	55.40	14	43.33	25	34.81	29
26	Manipur	36.39	26	55.26	23	30.97	24	33.82	23	18.16	25	56.57	14	43.62	22
27	Arunachal Pradesh	32.60	27	43.79	28	7.56	30	28.67	29	60.40	10	50.33	19	40.97	24
28	Lakshadweep	31.96	28	38.07	30	22.44	29	28.85	27	57.60	13	39.63	28	46.13	20

29	Chandigarh	30.20	29	38.90	29	25.48	27	29.49	28	31.83	24	31.66	31	32.29	30
30	Dadra & Nagar Haveli	27.87	30	60.97	20	24.26	28	26.32	31	1.50	27	37.35	30	35.22	28
31	Jammu & Kashmir	18.02	31	31.57	31	4.66	31	32.91	25	7.62	26	37.52	29	13.30	31
32	Pondicherry	2.03	32	23.03	32	0	32	0	32	0	28	0	32	0	32
33															
34															
35															
	National Average	47.03		63.93		38.92		42.33		51.67		55.23		48.09	

Source: *Computed Data from Field Survey*

Fig No.4.viii: Cumulative Index by Practice 2016-2017



Source: Table No.4.iii

Index of Devolution in Policy Adjusted Against Practice

‘Index of Devolution in Policy Adjusted against Practice’ is computed by taking the average of the score values of the respective dimensions of devolution by policy and devolution by practice. According to the methodology adopted and its measurement Karnataka has secured the first rank in the ‘Cumulative Devolution Index in Policy Adjusted against Practice’ with high score value of 72.01 (Table No.4.iv & Fig No.4.ix).

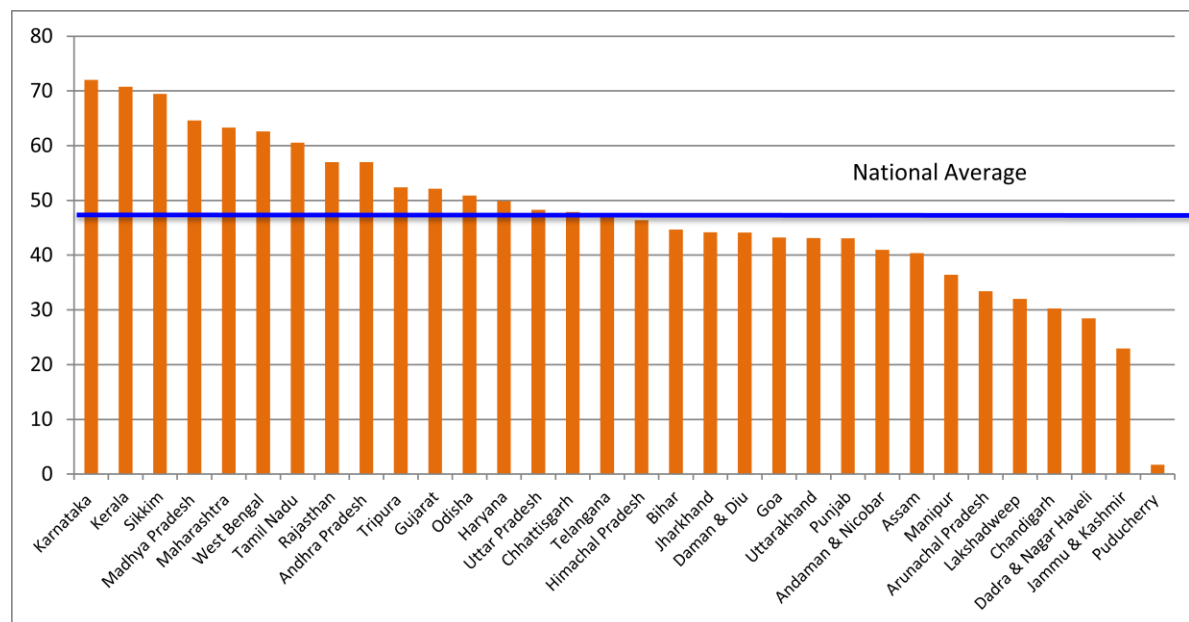
Table No.4.iv: Devolution Index of Policy Adjusted against Practice

Sl No	State	DI	Rank	1.Frame work	Rank	2.Funds	Rank	3.Functionaries	Rank	4.Functions	Rank	5.Accountability & Transparency	Rank	6.Performance	Rank
1	Karnataka	72.01	1	88.35	1	64.10	1	64.25	3	79.57	1	92.36	1	66.28	3
2	Kerala	70.76	2	84.34	4	61.66	2	67.30	1	73.28	5	76.38	6	78.19	1
3	Sikkim	69.44	3	66.32	18	56.94	5	65.17	2	77.63	2	81.46	4	77.22	2
4	Madhya Pradesh	64.62	4	76.90	6	44.55	13	60.70	4	77.49	3	90.35	2	60.93	5
5	Maharashtra	63.32	5	74.06	9	50.61	7	59.93	5	71.53	6	83.50	3	64.48	4
6	West Bengal	62.60	6	77.46	5	60.88	3	45.85	14	77.37	4	66.52	10	60.46	6
7	Tamil Nadu	60.54	7	73.18	4	58.60	4	53.95	6	56.56	14	69.92	8	55.81	7
8	Rajasthan	57.01	8	87.74	12	45.45	12	47.95	12	67.48	9	73.02	7	51.19	12
9	Andhra Pradesh	57.00	9	61.43	10	48.57	10	51.24	9	68.68	7	78.09	5	52.90	11
10	Tripura	52.40	10	66.75	8	49.62	8	53.15	7	54.27	17	58.80	13	46.89	15
11	Gujarat	52.12	11	61.13	11	48.21	11	49.92	10	57.42	13	56.25	16	48.87	14
12	Odisha	50.90	12	73.14	9	49.28	9	48.70	11	52.30	18	48.90	24	43.68	20
13	Haryana	49.89	13	87.27	17	41.27	17	44.72	15	55.05	15	56.53	15	39.58	24
14	Uttar Pradesh	48.28	14	70.82	6	52.49	6	34.75	25	54.44	16	44.85	27	34.43	28
15	Chhattisgarh	47.86	15	70.38	24	27.69	24	47.13	13	65.53	10	58.47	14	49.45	13
16	Telangana	47.57	16	67.02	14	43.78	14	36.83	21	45.19	26	56.02	18	53.49	9
17	Himachal Pradesh	46.40	17	74.46	19	34.60	19	51.96	8	58.13	12	32.27	30	41.50	28
18	Bihar	44.69	18	75.13	20	32.40	20	28.26	30	67.63	8	60.15	12	37.59	27
19	Jharkhand	44.15	19	57.19	15	43.68	15	38.34	19	51.53	20	47.79	25	54.48	8
20	Daman & Diu	44.11	20	44.42	16	41.61	16	39.47	17	49.82	22	51.36	22	44.81	17
21	Goa	43.21	21	55.00	22	30.70	22	44.06	16	50.94	21	53.57	20	44.62	18
22	Uttarakhand	43.11	22	59.08	18	37.47	18	35.94	23	52.06	19	51.69	21	38.68	25
23	Punjab	43.05	23	66.83	16	26.66	25	33.28	27	47.53	23	69.74	9	44.09	19

24	Andaman & Nicobar	40.95	24	69.01	14	29.31	23	38.10	20	36.05	27	53.99	19	45.59	16
25	Assam	40.36	25	56.21	23	31.75	21	38.81	18	46.43	24	39.83	28	43.11	21
26	Manipur	36.40	26	52.31	25	26.29	26	35.01	24	15.53	30	60.58	11	52.99	10
27	Arunachal Pradesh	33.43	27	41.68	29	6.71	31	30.85	29	63.46	11	56.14	17	39.70	23
28	Lakshadweep	31.99	28	47.70	27	23.91	28	32.00	28	45.51	25	29.79	31	38.56	26
29	Chandigarh	30.25	29	33.48	30	21.63	29	36.56	22	29.38	28	35.45	29	34.33	29
30	Dadra & Nagar Haveli	28.43	30	52.05	26	24.57	27	22.91	31	11.28	31	49.81	23	30.69	30
31	Jammu & Kashmir	22.94	31	21.79	31	8.58	30	34.03	26	20.33	29	46.94	26	24.20	31
32	Puducherry	1.70	32	18.29	32	0	32	0	32	0.00	32	0.00	32	0.00	32
33															
34															
35															
	National Average	46.92		62.84		38.24		42.85		52.48		57.20		46.84	

Source: *Computed from the Data Furnished by Respective State Governments / UT Administration & Field Survey*

Fig No.4.ix: Devolution Index (DI) of Policy Adjusted Against Practice 2016-2017



Source: Table No.4.iv

The following States are arranged as per the result of the Cumulative Index.

I. KARNATAKA (First Position)

As per the methodology adopted and the measurement so derived, the State of Karnataka attains the top position in the Cumulative Devolution Index among the States and UTs in the country. The State also ranks top in all other sub indices except one. Consequently, a balanced platform of all the major pillars of devolution is being created. Since an equilibrium is being maintained in the devolution of 3Fs, the Panchayats in Karnataka have started moving towards the constitutional goal of evolving themselves into ‘institutions of self government’. The interface with the state administration is kept to the minimum by a legal framework supported with State Panchayat Raj Act and other related rules and orders. Hence the autonomy of the PRIs is maintained. Therefore, the Panchayats are functioning in an overall environment of sphere autonomy. Karnataka is the first in terms of physical infrastructure. This is reflected in its scoring of the highest value in the ‘framework’ dimension. Karnataka is the only State in the country which

commands a comprehensive data base on local finance, which gives information on functions, schemes and programmes. The 'Link Document' really serves as a connecting link between the State and PRIs. In terms of the percentage of expenditure of the PRIs relative to the Gross state Domestic Product (GSDP) among the States, Karnataka is on the top. Therefore, it is not very difficult to assert that the Panchayats in Karnataka enjoy certain amount of financial autonomy both in theory and practice. It is manifested in securing the highest marks in devolution of finance. In the domain of functionaries also Karnataka is at the top. The Panchayats at all levels are equipped with personnel of professional competency and the administrative morale is relatively high among staff starting from the Chief Executive Officer (CEO) of Zilla Panchayats to the Panchayat Development Officer (PDO) of the Gram Panchayats. At all levels role clarity is maintained among developmental and traditional regulatory structures. The functionaries have been trained in such a way as to comply both with the decisions of the Committee and with the provisions of the Act. All these achievements have contributed to the securing of the highest score under the dimension of 'functionaries'. The State has a good track record in decentralization in India. The decentralized planning exercise has been institutionalized under the District Planning Committee (DPC). In Karnataka, all Districts have prepared district plans which are integrated with the State plan. The link document is the product of such a planning exercise, which gives directions to prepare action plan for the Panchayats. In other words, the 'link document' is a budget window for the Panchayats. The preparation of District Human Development Reports by all the Zilla Panchayats is a value addition to the decentralized planning exercise in the State. Here, Panchayats are more accountable and transparent. They are strong in implementing *Jamabandhi*, an indigenous mechanism of social audit. The State has also developed a good number of widely acclaimed e-application tools such as *Sakala* for accessing Services from the Panchayats and *Panchatantra*, which would be rated as one of the best software tools in the country for Panchayats.

II. KERALA (Second Position)

Kerala is ranked second in the Cumulative Devolution Index. Kerala takes second in funds, functions and performance. In all the sub indices the rank varies. It has scored fourth each for the dimensions of ‘framework’ and ‘functionaries’ whereas for the dimension of ‘accountability & transparency’ the position is eighth. The Panchayats in Kerala have better physical infrastructure and staff strength. However, it should be interpreted in terms of the size of the Gram Panchayat, both of the service area and total population/ households to be covered. After the 73 Constitutional Amendment, Kerala has followed a structure of administrative design at the district level in which a very lean set of core functionaries are maintained at the District Panchayat under which a good number of ‘transferred institutions’ with functionaries and assets are assigned with the former having only nominal control over the latter. The transferred institutions are still in the process of coming under the administrative purview of the District Panchayat. The functionaries of the transferred institutions are under the ‘dual control mechanism’. They are being trained to work with the Panchayats in an environment in which a new ethics of governance is presupposed. A large number of functions, schemes and programmes are vested with Panchayats, particularly with the Gram Panchayats. Only a limited number of Parallel bodies outside the orbit of Panchayat are in operation to administer the functions, schemes and programmes. Over a period of time, the State has developed a system of transferring funds to the Panchayats by a special document attached to the State Budget known as Appendix IV, which is really a ‘Budget Window’ for the Panchayats which provides information about the share of the panchayats in the State’s ‘resource envelope’. The funds earmarked for the marginalized sections are also mentioned in Appendix IV of the Budget Document. The transparent flow of funds based on a formula has contributed to the State securing the second position in the dimension of ‘funds’. Though the Panchayat administration is more or less transparent in functioning, social audit is relatively weak compared to several Indian States. The Social audit mechanism is yet to be operationalized and institutionalized as a routine practice among

the Panchayats in Kerala. All these developments may be the possible reason for the State obtaining the eighth position in the dimension of ‘accountability and transparency’. Due to a number of reasons including the social mobilization of women and other social groups, the Panchayats in Kerala are bound to perform to a certain extent. The performance of the Panchayats in Kerala by any standard is commendable and is therefore rightly reflected in its ranking in the Cumulative Devolution Index as the second in the Country.

III. SIKKIM (Third Position)

Sikkim is placed at the third rank in the Cumulative Devolution Index 2016-17. In the sub indices, the position of Sikkim is as follows. It has been placed fifth in the three dimensions of ‘framework’, ‘funds’ and ‘functions’. Under the dimension, ‘functionaries’ the position is third. Being a small State in the North East, Sikkim needs special attention while analyzing the status of devolution. Two tier system of Panchayat is in operation in the State of Sikkim, Zilla Panchayat at the district level and Gram Panchayat at the village level. There are only four Zilla Panchayats and 165 Gram Panchayats. It has well defined legal entitlements through legislation, rules guidelines and directives. All other structures of framework is very sound and the overall position of the ranking in this dimension is five. All functions listed in the 29 subjects and the implementation of the centrally and State Sponsored Schemes are transferred to the Panchayats. The functions transferred to the Panchayats have a vital role in the context of Sikkim with forest (having environment and wildlife, disaster management and cultural activities). In the functional domain Sikkim is ranked at the third position. As per the recommendations of the State Finance Commission the staff strength of the Panchayats has been increased mainly in the accounts section. It has made an impact in two areas - the dimension on functionaries and the dimension on accountability and transparency. The achievements of the State in the formulation of Gram Panchayat Development Plan (GPDP) are commendable. Sikkim has introduced a campaign on e – Panchayats in which knowledge platform has been established for building a culture of using computer and internet at the

grass roots level. All these developments have resulted in the efficacy of the Panchayats and finally the State has acquired the third position in the dimension of performance.

IV. MADHYA PRADESH (Fourth Position)

Madhya Pradesh is ranked fourth in the Cumulative Devolution Index. In the sub indices, the position of the State varies between ninth and second. It was placed sixth in the dimension of ‘framework’ and ninth in the dimension of ‘funds’. It has secured better positions in three dimensions of ‘functions’ (second position), ‘functionaries’ (third position) and ‘accountability & transparency’ (second position). However, in the case of dimension of ‘performance’ it has arrived only at the ninth position. The State has fulfilled all mandatory requirements as included in the dimension of ‘framework’ but the niceties are yet to be worked out for building a sound structure of foundation. The percentage of expenditure of PRIs to the Gross State domestic Product (GSDP) among the States, Madhya Pradesh has a good record. All the civic functions are entrusted to the Gram Panchayats. Certain core developmental functions are transferred to the intermediate Panchayats (Janpad Panchayat). Madhya Pradesh could utilize the Centrally Sponsored Schemes and State Sponsored Schemes in strengthening the size and capacity of the functionaries of the Gram Panchayats. The assistance for appointing functionaries under the MGNREGS, Rashtriya Gram Swaraj Abhiyan, PSP, RGPSA & BRGF (Both schemes not in existence now) have added the number of functionaries in the Panchayats. In addition to this the Panchayats at all levels have an attractive list of functionaries. All these developments resulted in securing the second position in the dimension of functionaries to certain extent. Madhya Pradesh has framed sound rules for accounting; audit and budget which makes the Panchayat are transparent and accountable. Moreover, the Gram Sabhas are vested with far and wide powers. A recent amendment in the state Act made it mandatory to accept the Gram Sabha resolutions by the Panchayat. The rank of the State in the sub indices of ‘accountability & transparency’ is the second. The State is ranked at the eight positions in ‘performance’. The position on the performance’

may be improved by the participatory tools and democratic consultations in the implementation of Gram Panchayat Development Plan (GPDP).

V. MAHARASHTRA (Fifth Position)

Maharashtra is ranked fifth in the Cumulative Devolution Index. The State of Maharashtra has a strong system of Panchayats and is in the forefront over the last five decades. Earlier in two consecutive years (2012-13 and 2013-14) the State was at the top in the devolution index. In all the sub indices the position of the State varies from the fourth position to the sixteenth position. The State has attained almost middle position in the 'framework' dimension. On financial devolution, the position of the State is eighth. The tax base of the Panchayats is very wide. The middle tier (Panchayat Samiti) has no power to impose taxes and fees whereas it is vested with the other two tiers. Recently, mobile towers and towers erected for wind energy are also taxed by the Village Panchayats. The devolution of functions in the State of Maharashtra has not been strictly carried out in accordance with the XI Schedule of the Constitution. The Maharashtra pattern of devolution of functions may not easily pursue the prototype architecture. The volume of core functionaries in terms of number and professional competency attached to the Panchayats are the strength of the system. A few departments and agencies have initiated to transfer the functionaries to the Panchayats. The State could secure fifth position in the devolution of functionaries. The State has an inspiring history of decentralized planning. The District Planning is being implemented in the State since 1974. The State has a separate Act for the District Planning Committee (DPC). There is a district sector outlay in the State Budget document which provides information on district wise breakup of allocation, known as the *White Book*. The White Book is a budget window for district outlay. All Panchayats are computerized with software support. The application of e-governance in the Panchayats is commendable. Bio-metric system of attendance and e-tendering are introduced in all Panchayats. The provisions in two supplementary rules enforce sound accounting and audit practices in the Panchayats. The conduct of participatory forums such as the Gram Sabha, Ward Sabha and Mahila Sabha

have also contributed to secure a good ranking in the domain of ‘accountability and transparency’ of the Panchayats. Finally, the fifth position on the dimension of ‘performance’ is another achievement of the State.

The Incremental Devolution Index (IDI)

The recent initiatives since April 2015 in the States and UTs for the pace of decentralization have been undertaken for constructing the Incremental Devolution Index (IDI). (Ref. Section on Incremental Devolution Index).

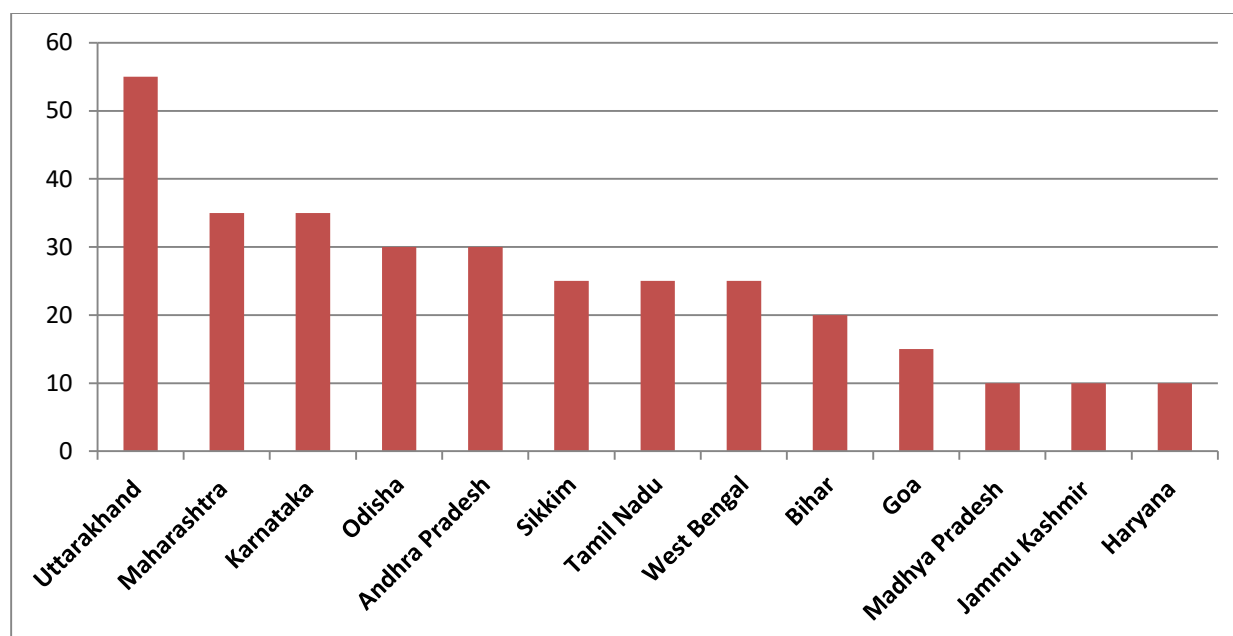
In Incremental Index, Uttarakhand has scored the first rank with a value of 55.00. Maharashtra and Karnataka have attained the same score value of 35.00 and shared the second position. Both Odisha and Andhra Pradesh are in the third rank with a value of 30.00 each. The rank position of the incremental index of other States as placed in the Table No.3

Table No.4.v: Incremental Devolution Index (Policy) among the States and UTs 2016-2017

SL No	State	Index Value	Rank
1.	Uttarakhand	55	1
2.	Maharashtra	35	2
3.	Karnataka	35	2
4.	Odisha	30	3
5.	Andhra Pradesh	30	3
6.	Sikkim	25	4
7.	Tamil Nadu	25	4
8.	West Bengal	25	4
9.	Bihar	20	5
10.	Goa	15	6
11.	Madhya Pradesh	10	7
12.	Jammu Kashmir	10	7
13.	Haryana	10	7

Source: *Computed from the Data Furnished by Respective State Governments & Field Survey*

Fig No.4.x: Incremental Devolution Index among the States and UTs 2016-2017



Source: Table No.4.v

CONSTRUCTION OF INCREMENTAL INDEX OF DEVOLUTION

Sl No	Name of the State	New Initiatives	Points Scored
1	Haryana	1. Educational qualifications and toilets criteria are introduced as conditions for contesting in the Panchayat elections	1
		2. Value Addition to GDP	1
		Total	2
		Index Value : Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (2-0/20-0X100)	10
2	Uttarakhand	1. Toilet criteria is introduced as a condition for contesting in the Panchayats (Panchayati Raj Act , 2016)	1
		2. Provision has been incorporated in the Act to control the 'Pathi Raj'. (New Panchayati Raj Act , 2016)	1
		3. Provision for the invalidation of the post of Pradhan / up Pradhan for the Panchayat meetings held in their houses. ((Panchayati Raj Act , 2016)	1
		4. Gram Sabha to be convened once in three months. (Panchayati Raj Act, 2016)	1
		5. Chairperson post of Education & Health	1

		Standing Committees reserved for women. (Panchayati Raj Act, 2016)	
		6.Power to impose royalty on mining(Panchayati Raj Act ,2016)	3
		7.Devolved 29 subjects under the XI Schedule (Panchayati Raj Act ,2016)	1
		8. Mandatory Social Audit	1
		9.Value Addition to GPDP	1
		Total	11
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (11-0/20-0X100)	55
3	Jammu &Kashmir	1.Audit Manual under Preparation	1
		2. Value Addition to GPDP	1
		Total	2
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (2-0/20-0X100)	10
4	Bihar	1.Mukhya Manthri Gali Nali Pakkekaran Yojana	1
		2. Empanelment of Chartered Accountants (CA) for Auditing the Panchayats	1
		3.Ward Development Committees constituted	1
		3. Value Addition to GPDP	1
		Total	4
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (4-0/20-0X100)	20
5	Madhya Pradesh	1. Conducted Social Audit on seven subjects	1
		2.Value Addition to GPDP	1
		Total	2
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum Value X100 (2-0/20-0X100)	10
6	Odisha	1.Delimitation and re structuring of Panchayats	1
		2.Allocation of 10 lakh Rupees each to the for Gram Panchayts for the maintenance of capital assets	3
		3. Publication of Panchayat Samachar.	1
		4.Value Addition to GPDP	1
		Total	6

		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (6-0/20-0X100)	30
7	Goa	1.Allocation of funds under Dindayal Panchayat Raj Yojana	3
		Total	3
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (3-0/20-0X100)	15
8	Andhra Pradesh	1.Revision of Taxes	3
		2. Collection of revenue monitored by software.	1
		3.Digital Panchayat Citizen Service	1
		4.Value Addition to GPDP	1
		Total	6
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (6-0/20-0X100)	30
9	Maharashtra	1. Computerization of Nomination Process	1
		2.Taxes Amendment Rules for Village Panchayat	3
		3.Introduced Model Accounting System	1
		3. 'Aaple Sarkar' website to track complaints	1
		4. Value Addition to GPDP	1
		Total	7
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (7-0/20-0X100)	35
10	Tamil Nadu	1. 50% Reservation for Women	1
		2.Revision of House Taxes	3
		3.Value Addition to GPDP	1
		Total	5
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (5-0/20-0X100)	25
11	Sikkim	1.Entertainment Tax entrusted with Gram Panchayats	3
		2.Published Budget & Accounting Manuel 2016-2017	1
		3.Value Addition to GPDP	1
		Total	5
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100	25

		(5-0/20-0X100)	
12	Karnataka	1.Compulsory Voting in the Panchayat Elections	1
		2. Revision of Property Tax	3
		3.Grievance Redressal Authority	1
		4.E -swathi software for land	1
		5.Value Addition to GDP	1
		Total	7
		Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (7-0/20-0X100)	35
13	West Bengal	1.Community Health Care Management Initiative	1
		2. Shishu Shikshu Karmasuchi	1
		Sahay	1
		3. Value Addition to GDP	1
		Integrated on line Salary Management System	1
		Total	5
		Index Value : Actual Value-Minimum Value /Maximum Value-Minimum ValueX100) (5-0/20-0X100)	25

Source:Computed from the Data Furnished by the Respective State Governments & Field Survey

Ranking of States (Incremental Index) 2016-2017

UTTARAKHAND (First Position)

The State of Uttarakhand came in to existence in the year 2000, and before that it has been a part of Uttar Pradesh. There are 7958 Gram Panchayats, 95 Kshetra Panchayats and 13 Zilla Panchayats in the State. But it is expected that the whole scenario will be changed within a short period, since the State has enacted its Panchayati Raj Act as per Gazette Notification dated 7 April 2016. According to the new Act (section 29) all the 29 subjects enlisted in the XI Schedule are devolved. It has been made mandatory that the Panchayats are entrusted with more powers for taxation and collect royalty from mining of minerals. Toilet in the house has been made mandatory qualification to contest in the elections to the Panchayats (section 3 of the State Act). Provisions have also been incorporated in the Act to control the 'Pathi Raj' (Section 8 sub section 1 of the State Act). In the context of the State, this provision may have wide potential to address the

issue of backseat driving by husbands which is widespread where women members head the Panchayats and Panchayat Committees. It also has been stipulated that the committees held in the home of the *Pradhan* or *Upa Pradhan* will be deemed to be invalid. Mandatory meetings of Gram Sabha are to be convened quarterly with a quorum of representation from half of the families (section 3 (d) 1). It can be seen that a number of provisions which will enable the three tier Panchayats, especially Gram Panchayats have been incorporated in the Act which can be treated as a great stride to decentralized governance.

MAHARASHTRA (Second Position)

The State has amended the Acts several times to incorporate more and more provisions enabling the Panchayati Raj Institutions to function as institutions of governance. A huge number of functionaries are provided for the day to day functioning of the Panchayats. To ensure more participation of women the percentage of reservation has been raised to 50. Maharashtra is the only State in India which has assured 50 percent women participation in the District Planning Committee (DPC). The State is having a separate Act for DPC. One among the first States that have introduced Electronic Voting Machines (EVM) in the local body elections is Maharashtra. The State is in the process of converting the PRIs to e- PRIs, through computerizing the services provided by these institutions. The Zilla Panchayats and Gram Panchayats are assigned with own sources of revenue. The State has devolved 16 functions and 15480 related functionaries. The allocations to Panchayati Raj Institutions are lesser than recommended by the State Finance Commission (SFC). It may be noted that the PRIs are mainly implementing the transferred Schemes of the State. Providing more untied funds to these institutions for preparing and implementing Gram Panchayat Development Plans (GPDP) will boost the process of devolution in the State. It is noteworthy that the State has amended not only the Panchayati Raj Act, but also six State specific laws consequent to the enactment of PESA by the Parliament in 1996, empowering the Gram Sabhas in the Scheduled Areas of the State. All the Panchayati Raj Institutions in the State are having computers and internet connectivity. ‘*Paryavaran Santulith Grama Yojana*’ (Eco village) is one of the unique programmes

initiated in the State to grow and maintain trees in the villages and the villages are provided with incentives in the form of untied funds. The State has launched '*Panchayat Mahila Sakti Abhyan*' - a State Level forum of women representatives of the PRIs. The forum prepares Action Plan for women empowerment and also initiates follow up action on the issues like women and child exploitation, sexual harassment, untouchability issues etc. In order to empower the Gram Sabha '*Dindi*' is being organized and before the conduct of Gram Sabha Mahila Gram Sabhas are also convened.

KARNATAKA (Second Position)

Karnataka: The Government of Karnataka has constructed the Gram Panchayat Human Development Index (GPHDI) based on the same set of indicators that were used in the preparation of District Human Development Report (DHDR) and may be the first attempt in the country. Moreover, the GPHDI was available for all the Gram Panchayats across 30 districts in the State. The GPHDI is an important event in the domain of devolution which provides guidelines for grassroots level sustainable planning for local economic development and social justice. It is a reasonably valuable exercise which helps in preparing and implementing the well-conceived felt needs at the Gram Panchayat level. The report can also be a base for allocation of funds under different programmes implemented depending upon the backwardness of Gram Panchayats. Karnataka had published the State Human Development Report twice in 1999 and 2006 respectively. Again the Government has gone a step further and started the experiment of preparing district human development reports to capture the progress made in different sectors at the districts and strengthening the decentralized governance in general and grassroots level planning in particular. The State brought about DHDRs for a few districts in 2008, as the first phase. After seeing the impact of the reports in the decentralized governance at the sub State level, the Government of Karnataka have decided to extent the preparation of Human Development Reports to all districts of Karnataka. The Zilla Panchayats of each district have been given the task of preparing the reports. As a result, Karnataka is the first State in the country to prepare District Human Development Reports (DHDRs) for all the districts, simultaneously based on the same methodology

and within the same time frame. The State of Karnataka asserts that introduction of Gram Panchayat Human Development Index (GPHDI) is a bold step towards Gram Panchayat Development Plan (GPDP) and Sustainable Development Goals (SDGs) which is a constitutional mandate and international commitment.

Other Indexes

Apart from constructing Devolution Index, Devolution Index by Practice and Incremental Devolution Index, an attempt have also been made to rank the States according to Own Source of Revenue (ORS), Preparation of GPDP, E-Governance and Availability of Infrastructure. The scores obtained by each State and ranks are provided in Table 4.vi to table 4.ix. The basis of ranking of each of the parameters is as follows.

a. Own Source of Revenue (OSR) Index

The per capita own fund collected (OSR) for 2014-2015 and 2015-2016 are taken in to account and it has been categorized in to different layers such as below Rs.5, Rs.5-10, Rs.16-20, Rs.21-30, Rs.31-50 and above Rs. 50. The absence of OSR will obtain zero marks and for every layer one mark each will be scored in an escalating manner. Following the same methodology, the OSR of Intermediate and District Panchayats have been assessed and a cumulative OSR index constructed by providing a weightage of 50 for Gram Panchayats and 25 each for Intermediate Panchayat and District Panchayat. In the case of certain States which have not furnished the necessary data, the figures were worked out by employing the data collected from the field survey.

b. Gram Panchayat Development Plan (GPDP) Index

The attempts are made by the States to prepare GPDP. It has been analyzed on a scale 15 parameters. These parameters and marks are provided as Annexure 4.3

c. E-Governance Index

The details such as whether funds are transferred electronically, whether budget, annual financial statement, audit report, resolutions, social audit report etc. are uploaded in the website, whether there exists any state specific softwares, whether NIC softwares are used and the number of the softwares used are taken as parameters to construct the E-Governance Index (format provided as Annexure 4.4)

d. Infrastructure Index

Since all the Intermediate & District Panchayats are having the necessary infrastructure including vehicles, the index was constructed for Gram Panchayats, only. Availability of own building, Panchayats having no building, availability of telephone connection, internet, computer and website were taken as parameters to construct the Infrastructure Index (format provided as Annexure 4.5).

Table 4.vi. : E-Governance Index

SL No	States	Index on E Governance	Rank
1	Karnataka	100	1
2	Kerala	100	1
3	Madhya Pradesh	91	2
4	Maharashtra	91	2
5	Sikkim	91	2
6	Punjab	82	3
7	Tamil Nadu	82	3
8	Andhra Pradesh	73	4
9	Rajasthan	73	4
10	West Bengal	73	4
11	Telungana	64	5
12	Assam	55	6
13	Bihar	46	7
14	Chhattisgarh	46	7
15	Manipur	46	7
16	Uttar Pradesh	46	7
17	Chandigarh	46	7
18	Daman & Diu	46	7
19	Gujarat	36	8
20	Odisha	36	8
21	Tripura	36	8
22	Dadra & Nagar Haveli	36	8
23	Arunachal Pradesh	27	9
24	Goa	27	9
25	Haryana	27	9
26	Himachal Pradesh	27	9
27	Jharkhand	27	9
28	Uttarakhand	27	9
29	Andaman Nicobar	27	9
30	Lakshadweep	27	9
31	Jammu & Kashmir	0	10

Source: Data Furnished by the States & UTs

Table 4.vii. Infrastructure Index

Sl No	States	Infrastructure	Rank
1	Gujarat	100	1
2	Kerala	100	1
3	Tamil Nadu	100	1
4	Karnataka	97	2
5	Sikkim	97	2
6	West Bengal	86	3
7	Goa	79	4
8	Lakshadweep	79	4
9	Chandigarh	79	4
10	Daman & Diu	79	4
11	Maharashtra	76	5
12	Andhra Pradesh	72	6
13	Himachal Pradesh	72	6
14	Dadra& Nagar Haveli	72	6
15	Haryana	69	7
16	Madhya Pradesh	69	7
17	Odisha	69	7
18	Andaman Nicobar	62	8
19	Tripura	59	9
20	Assam	55	10
21	Punjab	52	11
22	Telungana	52	11
23	Chhattisgarh	48	12
24	Manipur	48	12
25	Rajasthan	48	12
26	Uttar Pradesh	48	12
27	Uttarakhand	38	13
28	Bihar	34	14
29	Jharkhand	14	15
30	Jammu & Kashmir	10	16
31	Arunachal Pradesh	*	-

*No Data Furnished by the State

Source: Data Furnished by the States & UTs

Table 4.viii: GPDP Index

Sl No	States	GPDP Index	Rank
1	Karnataka	91	1
2	Kerala	91	1
3	Madhya Pradesh	86	2
4	Jharkhand	81	3
5	Rajasthan	81	3
6	Telungana	81	3
7	Sikkim	76	4
8	West Bengal	76	4
9	Arunachal Pradesh	71	5
10	Punjab	71	5
11	Uttarakhand	71	5
12	Andhra Pradesh	67	6
13	Assam	67	6
14	Odisha	62	7
15	Uttar Pradesh	62	7
16	Chhattisgarh	57	8
17	Jammu & Kashmir	57	8
18	Maharashtra	57	8
19	Manipur	52	9
20	Tamil Nadu	52	9
21	Goa	43	10
22	Haryana	43	10
23	Himachal Pradesh	33	11
24	Bihar	24	12
25	Gujarat	*	
26	Tripura	*	
27	Andaman Nicobar	**	
28	Lakshadweep	**	
29	Chandigarh	**	
30	Dadra & Nagar Haveli	**	
31	Daman & Diu	**	

*No Data Furnished by the States, **No 'GPDP' in UTs

Source: Data Furnished by the States & UTs

Table 4.ix: Own Source Revenue (OSR) Index

Sl No	States	OSR Index	Rank
1	Punjab	89	1
2	Gujarat	86	2
3	Chandigarh	71	3
4	Maharashtra	61	4
5	Tripura	61	4
6	Andhra Pradesh	60	5
7	West Bengal	52	6
8	Assam	50	7
9	Lakshadweep	50	7
10	Goa	46	8
11	Dadra& Nagar Haveli	46	8
12	Uttarakhand	45	9
13	Daman & Diu	43	10
14	Kerala	38	11
15	Rajasthan	35	12
16	Sikkim	31	13
17	Andaman Nicobar	31	13
18	Jammu & Kashmir	25	13
19	Uttar Pradesh	25	14
20	Tamil Nadu	22	15
21	Karnataka	21	16
22	Madhya Pradesh	21	16
23	Himachal Pradesh	11	17
24	Telungana	9	18
25	Odisha	7	19
26	Arunachal Pradesh	*	20
27	Bihar	*	20
28	Chhattisgarh	*	20
29	Haryana	*	20
30	Jharkahand	*	20
31	Manipur	*	20

*No Data Furnished by the States

Source: Data Furnished by the States & UTs

CHAPTER 5

PESA AND THE SIXTH SCHEDULED AREAS

PESA: Fifth Schedule

Panchayats (Extension to Scheduled Areas) Act, 1996 or PESA is a law enacted by the [Government of India](#) for ensuring self governance through traditional Gram Sabhas for the people living in the Scheduled Areas of India. Scheduled Areas are areas identified by the Fifth Schedule of the Constitution of India. The Fifth Schedule of the Constitution of India deals with the administration and control of scheduled areas and scheduled tribes in these areas. The Fifth Schedule covers Tribal areas in 10 states of India viz. Andhra Pradesh, Telangana, Jharkhand, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Chhattisgarh, Odisha and Rajasthan.

1. ANDHRA PRADESH

Andhra Pradesh Panchayat Raj Act, 1994 was amended in 1998 by incorporating part VI under special provisions relating to Gram Panchayats, Mandal Praja Parishads and Zilla Praja Parishads (Act No.7 of 1998). A comprehensive Government Order containing detailed guidelines was issued to implement the provisions of PESA. There are examples to suggest that all the mandatory provisions of the PESA have not been considered properly in the Conformity Act. The powers and functions of the Gram Sabha as envisaged by the PESA were diluted in the Conformity Act which is limited only to Gram Panchayats and Mandal Praja Parishads. As per the provisions of PESA, all the posts of the Chairpersons of the Panchayats at all levels have to be reserved to Scheduled Tribe whereas in the Conformity Act it was reserved only for the Gram Panchayats and the Mandal Praja Parishads. The PESA Act envisages nomination of scheduled tribes to the intermediate and district level Panchayats, if they are not represented whereas in the

Conformity Act it is restricted only to the Mandal level. In the Conformity Act more powers are endowed to the Mandal Praja Parishad which was not the real intention of the central legislation. The PESA Act is not fully reflected in the Conformity legislation. The major issue is that majority of the Scheduled Tribe are not aware of the provisions of the PESA Act.

2. MAHARASHTRA

Maharashtra is the only State where through a restructuring of the existing Panchayati Raj Acts (The Bombay Village Panchayat Act, 1958, The Maharashtra Zilla Parishad and Panchayat Samiti Act, 1961) and other related Acts were made to the proper integration of the provisions of the PESA Act in the appropriate domain of the legislative framework of the State. The Maharashtra Zilla Parishad and Panchayat Samiti Act, 1958 were amended on April 1997 and the Bombay Village Panchayat Act, 1958 on 7 August 1997. In addition to this, certain provisions of other Acts of the State were also amended in tune with the PESA Act. They are (i) the Bombay Money Lenders Act, 1946 (ii) the Maharashtra Industrial Development Act, 1961 (iii) the Maharashtra Housing and Area Development Act, 1976 (iv) the Bombay Prohibition Act, 1949 and (v) the Maharashtra Irrigation Act, 1976. Serious attention had been made to remove overlapping and duplication of powers and responsibility among the three tiers of the PRIs. The Scheduled Areas of the State which is fully or partially falling under the jurisdiction of the legal structure had been properly integrated with the administrative units at village, block and district levels. Elections to these bodies became a regular routine and the first one was held in 1997. A commendable achievement had been made to create awareness among the tribal community on the provisions of the Act and in the local parlance it is known as *Apla Hati Apla Vikas*. Under the programme all the Gram Sabhas of the Scheduled areas were conducted simultaneously to generate awareness on Conformity legislations of the State on PESA Act.

3. JHARKHAND

Jharkhand State came in to existence on 15 November, 2000 by carving out 18 districts of South Bihar. Almost 45 per cent of the geographical area in the State is under the Fifth Schedule of the Constitution. The Jharkhand Panchayati Raj Act was enacted in 2001 as per the provisions of both the 73rd Constitution Amendment Act and the PESA Act 1996. In the Scheduled Areas the posts of chairpersons and vice chairpersons of the Gram Panchayats are reserved for STs. The ‘ownership’ of the minor forest produce is endowed with the Gram Sabha and Gram Panchayat by the PESA Act. But in the Conformity Act only managerial responsibilities (‘manage’, ‘store’ and ‘market’) are vested with the Gram Sabhas and Gram Panchayats. As per the provisions of the PESA Act, the rights to prevent land alienation and to restore unlawfully alienated lands of STs are assigned to Gram Sabhas and Gram Panchayats whereas in the Jharkhand Act these powers are given to the Zilla Panchayats of the respective areas. In the PESA Act it is mentioned that before the acquisition of the land in the Scheduled Areas, the Panchayats at the appropriate level shall be consulted. This provision is not available in the State Act. Strong reservations are registered against certain provisions of the State Act. The non tribal groups have opposed the provisions for reservation and the statutory Panchayats in the tribal regions. The traditional leaders have felt that the provisions would threaten their customary public roles and status. Social activists and critics have felt that the State legislation is a soft version of the original PESA Act. However, the provisions of the Jharkhand State Act have brought some changes in the traditional village administrative structure prevailing in the Scheduled areas.

4. ODISHA

The three State Acts on the Panchayati Raj (The Odisha Gram Panchayat Act, 1964, The Odisha Panchayat Samiti Act, 1959 and Odisha Zilla Parishad Act, 1991) have been amended in 1997 to make provisions for the extension of Panchayats in the Fifth Scheduled Areas of the Odisha State. The Conformity Act has not assigned all the powers

to the Gram Sabha as mentioned in the PESA Act. In the State Act more powers are vested with *Zilla Panchayats* than the other two tiers. The management of minor water bodies, acquisition of land, licensing mining and lease for extraction of minor minerals have been entrusted with the *Zilla Parishad*. The authority competent to grant license for manufacture or sale of any intoxicants shall be required to refer the proposal to the concerned Gram Panchayat for decision within a period of 30 days from the date of receipt of the proposal. If the Gram Panchayat fails to communicate its decision within the period prescribed, it shall be deemed to have approved.

5. MADHYA PRADESH

Madhya Pradesh Panchayati Raj Adhiniyam, 1993, was amended on 1997 to include provisions of the PESA Act, 1996. A new chapter was added to this purpose. In accordance with the provisions of the Central legislation, the Gram Sabhas were given specific and exclusive powers in managing the rural economy in the Fifth Scheduled Areas. However, the Gram Sabhas were exempted from the powers to enforce prohibition and move against money lending. There are certain specific provisions in the case of Madhya Pradesh, for example, the Sarpanch or Up Sarpanch are not empowered to preside over the Gram Sabha. A member other than the office bearers has to be nominated to preside over each Gram Sabha meeting. The quorum for the Gram Sabha meeting is one tenth in other areas while it has been made one third in the Fifth Scheduled Areas. The State Government retains certain powers over the Gram Sabha, such as the power to veto, to inspect the proceedings of the Gram Sabha meetings, and to suspend execution of orders, licenses etc. Moreover, in the case of default or failure to implement any state order, the Panchayat can be dissolved by the State. All these provisions limit the powers of the Gram Sabha and the Panchayats in the Fifth Scheduled Areas as against the real spirit of the PESA Act.

6. CHHATTISGARH

The State Chhattisgarh was carved out of Madhya Pradesh in 2000. In the initial years the State had followed the Madhya Pradesh PESA Conformity Act (Madhya Pradesh Panchayati Raj Avam Gram Swaraj Adhiniyam 1993). In the Post- division period, subsequent legislations were made to incorporate those provisions of PESA. The Gram Sabha has been defined and designed as per the provisions of the Central legislation under PESA. It is empowered to safeguard and preserve the traditions, customary mode of dispute settlements and certification of utilization of funds. Planning and regulatory powers of the minor water bodies, streams and rivers are vested with the Gram Sabha, Gram Panchayat, Janpad Panchayat and Zilla Panchayats. Approval of Gram Sabha is a mandatory provision before issuing any license for the extraction of minor minerals. As per the Government Order, the District Collector can issue the mining lease only after getting the approval from the Gram Sabha. The royalty gained from the minor minerals and sand is transferred to Gram Panchayat / Janpad Panchayat. The Gram Sabha has the power to restore the unlawfully alienated land to the original owner belonging to Scheduled Tribes. All the provisions of the existing Acts were amended in tune with the provisions of the PESA Act. However, a unified legislation or compilation of all the amendments are not available at the State level. A committee has been constituted to review the status of the governance under the Fifth Scheduled Areas in the State of Chhattisgarh under the leadership of the Chief Secretary.

7. GUJARAT

The Gujarat Panchayats (Amendment) Act in conformity with PESA came into being in 1998. The Bombay Land Revenue Code, 1879 and the Bombay Money Lenders Act, 1946 and a few other relevant Acts were also made amended for compliance with the provisions of PESA. Finally, the State Government of Gujarat largely made its Panchayati Raj Act compliant with the Section 4 of the PESA Act. Out of the major indicators all except few provisions have been made compliant in the State Act. In the

case of land acquisition and forest produce the State Government has not made substantial progress. The power of the Gram Sabha and Gram Panchayat to grant licenses to mine minor minerals and to grant concessions for the exploitation of these minerals by auction is not mentioned in the State legislation. The provisions in the Conformity Act are not envisaged to arm the Gram Sabha. It empowers the Intermediate Panchayat (Taluk Panchayat) to make consultations before acquisition of land, to manage water bodies, to enforce prohibition to regulate or to restrict the sale and consumption of any intoxicants. The Taluk Panchayat is treated as the ‘most appropriate level’ for engaging with activities related to local tribal economy. The Conformity Act is quite silent on the administrative arrangements that comply with the fifth Schedule. There are 7 PESA districts in the State and these are partially covered. The number of PESA Blocks is 40. The Conformity Act covers to 2388 Village Panchayats spread over 4503 villages.

8. RAJASTHAN

The *Rajasthan Panchayati Raj Adhiniyam*, 1994 had been amended by Act No. 16 of 1999 to incorporate the PESA provisions in the State Panchayati Raj Act. First there was an Ordinance to effect on Rajasthan Panchayati Raj (Modification of Provisions in their Application to scheduled Areas) Ordinance, 1999, and it was promulgated on 26 June 1999. It was a gradual legislative process in which an ordinance was issued in June 1999 corresponding to PESA Act, 1996 and the State Assembly passed the legislation in September 1999. PESA Rules had been notified on 1 November 2011. After the Notification of the Rules, a committee headed by the Chief Minister has approved the operational guidelines which were issued as a Government Order in 2012. A massive training campaign on special powers of Gram Sabha under the PESA was organized for the stakeholders in 2012. It is seen that 1090 Gram Panchayats in 26 blocks of five districts are under the jurisdiction of PESA legislation. Rajasthan has some specific issues related to the implementation of the Conformity Act. The structures and functions of the PRIs have been the same in the entire area of the state. The status of the Panchayats in the State is one and the same throughout the State, irrespective of the areas

under Fifth Schedule or outside. As per the provisions of the Conformity Act, the Panchayats especially the Gram Sabhas in the Fifth Scheduled Areas enjoy more powers than that of the non Fifth Scheduled Areas. Two sets of Panchayats are in operation one for the geographical areas under the provisions of the PESA Conformity Act and the other for the remaining parts of the State. There are other issues related to the settlement pattern of the Communities. Many of the Notified Scheduled Tribes in the State are living outside the Scheduled Areas. As per the PESA Act, an ‘appropriate level of institution’ has to be designed to take up very crucial issues.

9. HIMACHAL PRADESH

In conformity with provisions of the of Central legislation to extend the provisions of the Fifth Schedule in the tribal dominated areas, the Himachal Pradesh Panchayati Raj Act, 1994 was amended in 1997 (Act No.10 of 1998). The Gram Sabha/Gram Panchayat has been recognized as the right body to be considered at the appropriate level with powers and responsibilities. However, certain core issues such as granting of license for mining or issuing lease for minor minerals are not authorized with the Gram Sabha as against the provisions of the central Act. In such cases the Gram Sabha can only make recommendations. In the State Act certain discrepancies are noted in ensuring reservation at the district level which is not in spirit with the provisions of PESA Act.

10. TELENGANA

In Telengana 631 Gram Panchayats and 72 blocks in the districts of Aadilabad, Mahboob Nagar, Khammam and Warangal comes under vth schedule areas. State of Telangana, being newly constituted has not yet framed its own Panchayati Raj Act and is following the Andhra Pradesh Panchayati Raj Act. The State has started to review the status on PESA rules. The state specific laws on land acquisition, excise, forest produce, mines and minerals, money lending etc are yet to be amended to make them in consonance with the PESA Act.

THE STATES OF NORTH EAST AND THE SIXTH SCHEDULED AREAS

There are eight States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura) in the north eastern region of the country where 12 per cent of the India's population is inhabited and the abode of 213 notified Scheduled Tribes. They are located at the foothills of the Himalayas and shares international boundaries with Bangladesh, Bhutan, China, and Myanmar. Under the Government of India Act, 1935 the Governor General designated these tribal areas as 'Backward Tracts'. The colony administration had followed an isolationist policy towards this region and classified under 'excluded areas' and 'partially excluded areas'. The colonial laws and regulations were not applied in these terrains and were regulated and administered with separate legal provisions. The Act of 1935 did not pay any serious attention for local self government or any amount of devolution to these 'excluded areas' and 'partially excluded areas'. The British Superintendents and local chiefs in most of the districts of the excluded areas used to rule the people as virtual dictators (Prasad, 2004). The region known for the ethnic and identity question is seemed to be threatened by infringement and infiltration by outsiders and the persistence of the political economy of backwardness. The isolationist policy towards this region of the British was replaced by inclusive development and national integration of the independent India. After independence the areas of the North East were brought under the special administrative structure of democratic regime in the form of Sixth Schedule. The Sixth Schedule is envisaged to protect the tribal community and the tribal areas by establishing constitutionally supported institutions at the sub state level (district /regional). The ideology of self governance is the foundation of Sixth Schedule. These institutions are empowered to perform multi tasks, mainly to protect the tribal customs, traditions and local wisdom and implement programmes for local economic development.

The tribal population of this region differs from the tribal community of other areas of the country. The tribal communities in this region are deeply rooted in the traditional culture compared with their counterparts in the rest of India. There are regions in India having

tribal population, outside the North East which are covered by the Fifth Schedule and protected by the Central Government in a paternalistic manner. Dr. Ambedkar, the Chairman of the Drafting Committee of the Constitution felt that the tribal communities of the North East were in the similar situation as faced by the Red Indians in the U.S.A . A Sub Committee under the Chairmanship of Gopinath Bordoloi under the Advisory Committee on Fundamental Rights of Minorities was appointed by the Constituent Assembly on 27 February 1947 to report on the North East Frontier (Assam) Tribal and Excluded Areas. The main purpose of the exercise was to acknowledge the aspirations of the people on land, forest, *jhumming* (shifting cultivation), dispute settlement mechanism, village administration, local finance, immigration control, mining, legislation, representation, etc. The Sub Committee has submitted its report on 28 July, 1949, recommending for a separate model of administration which was widely discussed in the Constituent Assembly. There was unanimous opinion that the culture and lifestyle of them are different from the other parts of India and there should be special safeguards to protect it from the ‘mainstream’ population. The Committee also held the view that the normal legal procedures had little relevance for the very simple tribal community. As per the recommendations of the Sub Committee, provisions of the Sixth Schedule were incorporated in the Constitution. Officially, the Sixth Schedule of the Constitution came into force and Autonomous District Councils (ADCs) were established in the States of North East in 1952 which was later changed by the North Eastern Council Act, 1971.

Part X of the Constitution deals with the Scheduled and Tribal Areas. Article 244 says “the provision of the Fifth Schedule shall apply to the administration and control of the Scheduled Areas and Scheduled Tribes in any State other than the States of Assam, Meghalaya, Tripura and Mizoram”. The Sixth Schedule gives the provisions to the administration of Tribal Areas in the States of Assam, Meghalaya, Tripura and Mizoram. The Schedule empowers the Governor to determine the administrative areas of the Councils. The Governor is authorized to create new autonomous districts, increase or diminish the area of any autonomous district council, unite two or more autonomous

districts or parts thereof so as to form one autonomous district and define the boundaries of any autonomous district and alter the name of any of them. But such changes in the territorial composition of the Autonomous Districts can only be brought about by the Governor on the report of the Commission appointed for the purpose as per sub paragraph (1) of the paragraph (14) of the Sixth Schedule. Before issuing such order the Governor has to consult the Hill Areas Committee. However the administrative areas of the District Councils differ from place to place. For instance, the District Councils in Assam and Meghalaya have been constituted at the district level whereas in Mizoram, the District Councils have been created at both the district and sub divisional levels.

In 1874 a separate province of Assam was created with Shillong as its capital which became a state of the Indian Union and it was divided in 1972. In 1963 Nagaland was formed as the 16th State of India which was carved from the Naga Hills District of the undivided Assam. Meghalaya, previously a part of Assam in the Districts of Khasi, Garo, Jaintia became another State. Mizoram was a part of Assam until 1972 when it was carved out as a Union Territory and later became a State in 1987. The NEFA (North East Frontier Agency) was renamed as Arunachal Pradesh which was a Union Territory until it became a State in 1987. Manipur was a princely State under British rule which was made a Union Territory in 1956 and attained Statehood in 1972. The princely State of Tripura became a Union territory in 1963 which attained the status of a State in 1972.

1. Assam:

In 1874 a separate province of Assam was created with Shillong as its capital. It became a State of the Union of India when India attained independence and there after it was divided in 1972. The division of the composite State of Assam led to the drawing of new administrative boundaries. There are three Autonomous Councils which fall under the Sixth Schedule and they are (I) North Cachar Hills District Council /Dima Hasao District Autonomous Council (DHDAC), (ii) Karbi Anglong Autonomous Council (KAAC) and (iii) Bodoland Territorial Council (BTC). The Autonomous Councils have different

degrees of legislative, executive and judicial powers. The KAAC and DHDAC have legislative powers. In addition to the subjects listed in para 3 of the Sixth Schedule, the KAAC has powers to legislate 20 subjects which were agreed to in the MoU signed in 1995. Another 30 subjects are also entrusted with the Council for administration. In addition to the subjects listed in the Sixth Schedule (para 3), 40 subjects are also given to the BTC as per the MoU signed in 2003 among the Government of India, the Government of Assam and the Bodo Liberation Tigers. All of them have judicial powers as given in paras of 4 and 5 of the Sixth Schedule. The State Government has created other six Autonomous Councils which are not supported by the Constitutional provisions under the Sixth Schedule. Generally, the District Councils in Assam are being constituted at the district level.

2. Arunachal Pradesh:

Arunachal Pradesh has attained the status of a full fledged State in 1987. It was created out of the Frontier Tribal Areas of Assam, known as the North East Frontier Agency (NEFA). Panchayats were introduced in the area as early as in 1968. The Part XI of the Constitution covers the entire area of the State whereas it is independent of the Sixth Schedule of the Constitution. The traditional village councils of the various tribes are active in the State. These councils have some sort of status similar to that of the institutions of Self Government at the Grass roots level, controlling and regulating all aspects of individual and community life. A Village Council consists of the village chief, local priest, and elderly mature, respectable and influential persons in the village. The 'Adis' a prominent ethnic group in the State has a three tier structure of traditional village organization. They are - The Babgo Kebang, The Bore Kebang and Atok Kebang. There is a demand for the creation of two Autonomous District Councils in Arunachal Pradesh. The State Assembly had passed two resolutions in 2004 and 2007 for the creation of Patkal ADC covering Tirap and Changlang districts (newly created Londlmg district is also included) and Mon ADC covering Tawang and West Kameng districts. A detailed

proposal with a memorandum was submitted to the Centre by the elected representatives of Tirap and Changlang on 20 June, 2013.

3. Manipur:

Manipur was a princely State under British rule and was made a Union Territory in 1956 and became a State in 1972. The Manipur (Hill Areas) District Council Act, 1971 was passed by the Parliament and accordingly six Autonomous District Councils were constituted on 14 February, 1972. The councils are (i) Chandel (ii) Churachandpur (iii) Sadar Hills/Kangpokpi (iv) Manipur North, (Senapati) (v) Tamengiong and (vi) Ukhrul Autonomous District Councils. The Hill area administration has a unique feature in the sense that it is outside the purview of both the constitutionally demarked areas under Sixth Schedule and the Part IX of the Constitution. The first elections to the Councils were held during 1973. The Act had been amended three times. Section 2 of the Act vests 26 powers with the Autonomous Hill District Council which is similar to that of the 29 subjects listed under the XI Schedule of the Constitution. Manipur is a State in which two systems of administration are simultaneously in operation. Manipur Panchayati Raj Act, 1994 is in place in the valley while Manipur (Hill Areas) District Council Act, 1971 is implemented in hilly areas of the State.

4. Meghalaya:

Meghalaya was previously a part of Assam but in 1972 the Districts of Khasi, Garo and Jaintia formed another State known as Meghalaya. There are three dominant tribes (Khasi, Jaintia and Garo) in the State. It has a unique distinction of having retained its customary laws and practices. The 73rd and 74th Amendment Acts are not in operation in any part of the State. Two sets of sub state level governance institutions are in operation in the State. The traditional bodies (Dorbar Shnong) are supported by customary laws whereas the District Councils by Sixth Schedule of the Constitution. There are three Autonomous Councils which covers all the regions except Shillong and they are (i) Khasi

Hills Autonomous District Council (KHADC), (ii) Garo Hills Autonomous District Council (GHADC) and (iii) Jantia Hills Autonomous District Council (JHADC). The very purpose of creating District Councils is to protect the tribal people with their cultural heritage as well as their socio economic life and living. These Councils have both legislative and judicial powers. It has powers to make legislation on the subjects listed in the para 3 whereas legislative powers are described in the para 4 and 5 of the Sixth Schedule. The status of the Panchayati Raj is not yet assumed either of the two institutions. There is a debate on where to locate an appropriate level to assume the position of Panchayati Raj and the District Council Dorbar Shnong. Because of role clarity among the political institutions no major conflicts have been documented between the State, District Councils and Dorbar Shnong. However, some amount of internal non co-operation among the functionaries of the District Council and traditional Chiefs are prevalent.

5. Mizoram:

Mizoram was a part of Assam till 1972 when it was carved out as a Union Territory and became a State in 1987. The entire area of the State is under the Sixth Schedule and as per the provisions of the Schedule three Autonomous Councils have been constituted. They are (i) Chakma Autonomous District Council (CADC), (ii) Mara Autonomous District Council (MADC) and (iii) Lai Autonomous District Council (LADC). All the three Autonomous Councils have legislative and judicial powers as it is envisaged in the Sixth Schedule. The entire area of the State is excluded from the 73 and 74 Amendment Acts. The legislative powers are envisaged on subjects prescribed in the para 3 of the Sixth Schedule and in addition 20 subjects are also devolved to the Autonomous Councils. The Autonomous Councils are also vested with judicial powers as listed in the Sixth Schedule (Para 4 and 5).

6. Nagaland:

In 1963 Nagaland was formed as the 16th State of India which was carved from the Naga Hills District of the undivided Assam. The sub state politico- administrative institutions are not under the jurisdiction of the Sixth Schedule of the Constitution whereas Article 371 (A) gives special provisions with respect to the State of Nagaland .There is a Constitutional provision for establishing a Regional Council for the Tuensang district. It says “the Governor of Nagaland may by public notification in this behalf specify there shall be established a regional council for the Tuensang district consisting of thirty five members and the Governor shall in his discretion make rules providing for” the composition, qualification, the terms of office, procedure for conducting business appointment of officers and staff and other matters . The Nagaland Tribal, Area, Range and Village Council Act, 1966 provides traditional structures of local governance well before the commencement of 73rd Constitutional Amendment Act. It provides a Tribal Council for each tribe , an Area Council for Kohima and Dimapur, a Range Council where there is a recognized range in Mokukchung and Kohima districts and Village Councils for one or more villages in Mokukchung and Kohima, wherever they may be deemed necessary by the Deputy Commissioner. The Nagaland Village and Area Councils Act, 1978 provides for a Village Council for every village for regulatory functions and Village Development Board for development functions. The institutions have devolved from the indigenous practice of Naga tribes and later it was regularized through legislation. The concept of synergy between civil society and Government was introduced under the Nagaland Communalization of Public Institution and Service Act, 2002 and the Government handed over ownership and management of local services (education, health, water supply, electricity and biodiversity conservation) to the community on a phased manner.

7. Tripura:

The princely State of Tripura became a Union Territory in 1963 and attained the status of State in 1972. Two different administrative structures are present in the State. One is local institutions which are under the domain of Panchayati Raj and the other by that of the Sixth Schedule. The Panchayats covers only one third of the State whereas two thirds of the area is with the Tripura Tribal Areas Autonomous District Council (TTAADC). The TTAADC was constituted on 18, January, 1982. Subsequently the Constitution of India was amended (49th Amendment) on 23 August 1984 for the introduction of the Sixth Schedule of the Constitution to the ADC in Tripura. The provisions of the Sixth Schedule of the Constitution came into effect in TTAADC from 1 April, 1985. The TTAADC is governed by a 30 member elected council and a regular administrative structure. Before the introduction of the District Councils, villages included in the jurisdiction of the TTAADC had Gram Panchayats similar to other parts of the State. After the introduction of the Council, the Tripura Panchayati Raj Act ceased to operate in that area. As a result, for a short period there was no village level politico administrative institution in the areas under the Sixth Schedule. In 2006, the Village Councils were proposed to address the institutional vacuum by treating them at par with the Village Panchayats as in other parts of the State. Such an attempt seems to be successful to endow within the framework of the Sixth Schedule.

8. Sikkim

The State of Sikkim became a part of Indian Union in 1975. The State has a geo political advantage, sharing boundaries with Bhutan, China and Nepal. Sikkim enjoys special status under Article 371F of the Constitution of India .It recognizes and provides safeguards to protect and preserve the unique ethnic character and traditional laws. The Part IX of the Constitution covers the entire State since it has no special areas under ‘areas exempted’ or ‘otherwise’. The Human Development Report of Sikkim, 2014 says, “Decentralized governance and staying connected with people lie at the heart of public

administration in Sikkim”. It admits that an important factor in Sikkim’s human development has been the special efforts made by the government to decentralize governance .Under the two tier PRI system, Gram Vikas Kendra (GVKs) were established in order to strengthen last mile delivery, to provide administrative, accounts and technical support to a cluster of Gram Panchayats .Altogether 31 GVKs have been established to cater to the needs of the 176 Gram Panchayats in Sikkim. All Government institutions at the grassroots (primary schools, primary health centres, libraries, rural tourism, minor irrigation works, community centres, and play grounds) are transferred under the administrative control of the respective Gram Panchayats. Sikkim has developed a decentralization policy which promotes the indigenous political systems. The Lachen and Lachung village is a high altitude village communities settled in Sikkim provides an interesting case of a local political institution called dzumsa (Sabatie, 2004). ‘Dzumsa’ is a traditional administrative system in Lachen and Lachung village of Sikkim inherited from the past that has managed to survive and adapt itself to changing circumstances. When Sikkim had introduced the Panchayat system it was not imposed in the valleys of Lachen and Lachung recognising the ‘*dzumsa*’ officially which is still functional.

Though there may be shortcomings both in the legal structure and implementation strategies of the Sixth Schedule, it is a fact that the District Councils and the Regional Councils of the North Eastern States have played a vital role for moving towards some degree of devolution.

CHAPTER 6

PESA INDEX: CUMULATIVE AND INCREMENTAL

As part of this assignment, two separate set of questionnaires related to PESA implementation were prepared. One was administered by the officials of the concerned States which reflected the *de-jure* state of affairs. The *de-facto* situation was captured by administering another set of questionnaire by trained investigators from districts under PESA jurisdiction. The field data was collected from four Gram Panchayats, two intermediate Panchayats and one District Panchayat. The data collected from the field is used to construct the 'Devolution Index by Practice' since it tells really what happens in the field. The field data is also used to validate the 'authenticated' information furnished by the official agency. Finally it is applied to construct the 'Devolution Index of Policy Adjusted against Practice'. Secondary data was also collected from various sources for the construction PESA Index. The PESA Index is the reflection of the willingness of the State Governments to devolve functions, finance and functionaries.

Table No.6.i shows that Maharashtra ranks first with a score of 61.40 followed by Madhya Pradesh (53.07) with Second Position, Andhra Pradesh (51.97) with Third Position. It was followed by other PESA States in the following order. Himachal Pradesh (46.49), Rajasthan (44.08), Gujarat (43.42), Jharkhand (42.11), Telangana (40.35), Chhattisgarh (39.25), Odisha (31.58). The rank position of the PESA States is in the same order as per both the 'Devolution by Practice' and 'Devolution Index adjusted against Practice' which are given in Table No.6.ii and 6.iii. The comparative position of the same is seen from the Fig.No 6.i

Table No.6.i: Cumulative Devolution Index (Policy) among the PESA States 2016-17

SL No	State	Index Value	Rank
1	Maharashtra	61.40	1
2	Madhya Pradesh	53.07	2
3	Andhra Pradesh	51.97	3
4	Himachal Pradesh	46.49	4
5	Rajasthan	44.08	5
6	Gujarat	43.42	6
7	Jharkhand	42.11	7
8	Telangana	40.35	8
9	Chhattisgarh	39.25	9
10	Odisha	31.58	10
	National Average	45.37	

Source: Computed from the Data Furnished by Respective State Governments

Table No.6.ii: Cumulative Devolution Index (Practice) among the PESA States 2016-17

SL NO	State	Index Value	Rank
1	Maharashtra	57.74	1
2	Madhya Pradesh	51.77	2
3	Andhra Pradesh	50.90	3
4	Gujarat	43.80	4
5	Himachal Pradesh	43.36	5
6	Rajasthan	41.15	6
7	Jharkhand	40.71	7
8	Telangana	38.94	8
9	Chhattisgarh	32.81	9
10	Odisha	31.64	10
	National Average	43.28	

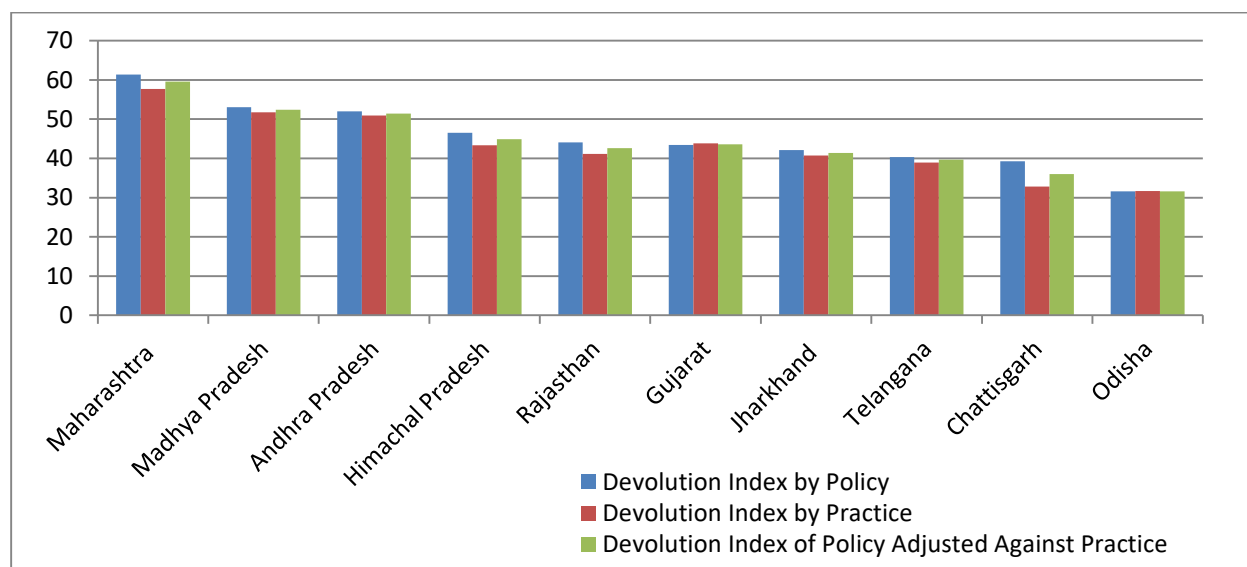
Source: Computed from the Field Survey

Table No.6.iii: Cumulative Devolution Index (Policy Adjusted against Practice) among the PESA States 2016-17

SL NO	State	Index Value	Rank
1	Maharashtra	59.57	1
2	Madhya Pradesh	52.42	2
3	Andhra Pradesh	51.435	3
4	Himachal Pradesh	44.92	4
5	Gujarat	43.61	5
6	Rajasthan	42.62	6
7	Jharkhand	41.41	7
8	Telangana	39.645	8
9	Chhattisgarh	36.03	9
10	Odisha	31.61	10
	National Average	44.33	

Source: Data Furnished by Respective State Governments & Field Survey

Fig No.6.i: PESA Cumulative Devolution Index by Policy, Practice & Policy Adjusted against Practice among the PESA States 2016-17



Source: Table Nos.6.i, 6.ii & 6.iii

Table 6.iv. Construction of PESA Cumulative Index

Sl No	Name of the State	Maxi Marks 100	Maximum Points 456	Min Value 0	Points Scored	Calculation	Index
1	Madhya Pradesh				242	$242-0/456-0 \times 100$	53.07
2	Andhra Pradesh				237	$237-0/456-0 \times 100$	51.97
3	Himachal Pradesh				212	$212-0/456-0 \times 100$	46.49
4	Gujarat				198	$198-0/456-0 \times 100$	43.42
5	Odisha				144	$144-0/456-0 \times 100$	31.58
6	Maharashtra				280	$280-0/456-0 \times 100$	61.40
7	Chhattisgarh				179	$179-0/456-0 \times 100$	39.25
8	Rajasthan				201	$201-0/456-0 \times 100$	44.08
9	Jharkhand				192	$192-0/456-0 \times 100$	42.11
10	Telangana				184	$184-0/456-0 \times 100$	40.35

Source: Data Furnished by Respective State Governments & Field Survey

Ranking of PESA States (Cumulative Index) 2016-2017

MAHARASHTRA (First Position)

MADHYA PRADESH (Second Position)

ANDHRA PRADEH (Third Position)

Incremental PESA Index

The Incremental Devolution Index gives the recent initiatives since April 2015 in the States under Fifth Schedule for the domain of the governance of PESA. Only a few States have taken any serious initiative for the betterment of implementation of PESA. Hence for the incremental index amendment of State specific laws and whether the amendment of the State laws are in consonance with PESA was considered. The state specific laws to be amended including Panchayati raj Acts has been estimated as seven, the highest individual score. In addition to that some State specific initiatives have also been considered and the maximum marks that can be secured by a State is 30. Based on

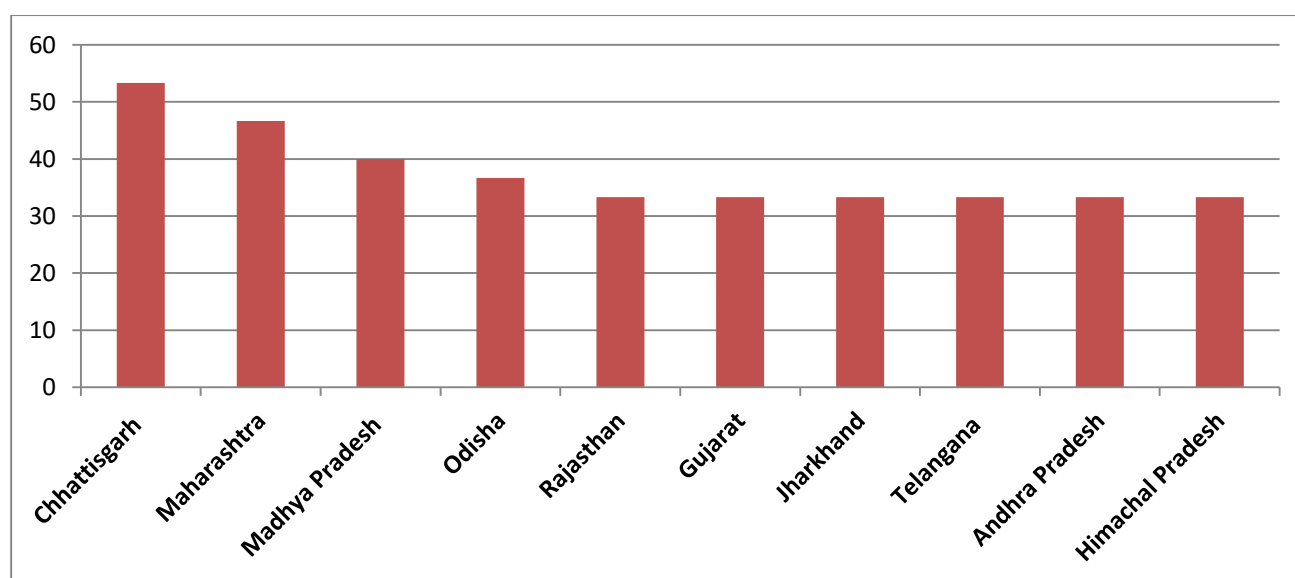
this, the incremental index on PESA has been constructed. In Incremental PESA Index, Chhattisgarh tops the list with a score value of 53.33. Maharashtra is positioned at second with 46.67 followed by Madhya Pradesh 40.00 (third position) and Odisha (fourth position) with 36.67 and 33.33 respectively followed by other States as placed in the Table No.E.v.

Table No.6.v: Incremental PESA Index among the PESA States 2016-2017

Sl No	Name of PESA States	Index Value	Rank
1	Chhattisgarh	53.33	1
2	Maharashtra	46.67	2
3	Madhya Pradesh	40.00	3
4	Odisha	36.67	4
5	Rajasthan	33.33	5
6	Gujarat	33.33	5
7	Jharkhand	33.33	5
8	Telangana	33.33	5
9	Andhra Pradesh	33.33	5
10	Himachal Pradesh	33.33	5

Source: Computed from the Data Furnished by Respective State Governments & Field Survey

Fig No.6.ii: Incremental PESA Index



Source: Table No.6.v

Ranking of PESA States (Incremental Index) 2016-2017**CHHATTISGARH (First Position)****MAHARASHTRA (Second Position)****MADHYA PRADESH (Third Position)****Table No. 6.vi : Incremental PESA Index : Process of Calculation**

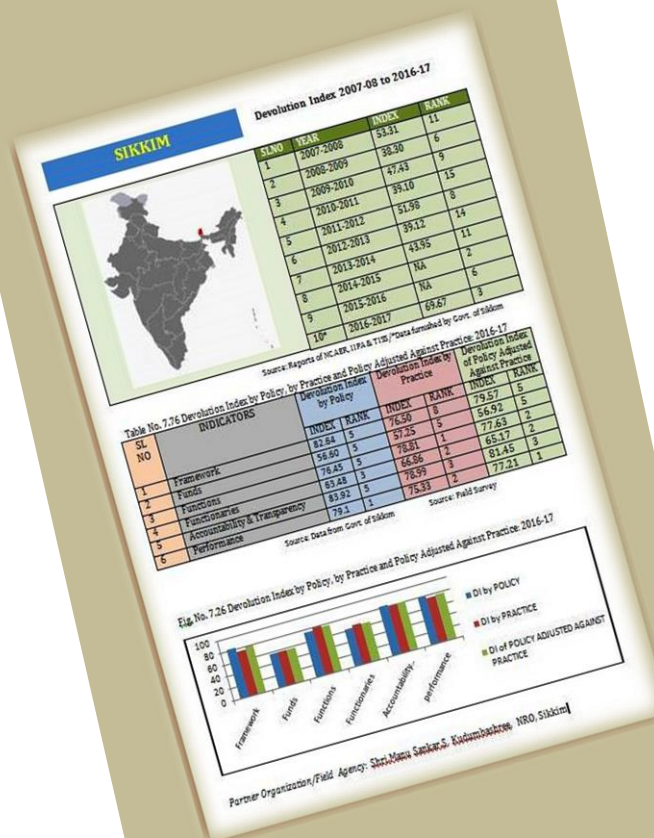
Sl No	Name of PESA States	Index Value	Rank
1	Chhattisgarh	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (16-0/30-0X100)= 53.33	1
2	Maharashtra	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (14-0/30-0X100)= 46.67	2
3	Madhya Pradesh	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (12-0/30-0X100)= 40.00	3
4	Odisha	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (11-0/30-0X100)= 36.67	4
5	Andhra Pradesh	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (10-0/30-0X100)=33.33	5
6	Himachal Pradesh	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (10-0/30-0X100)=33.33	5
7	Telangana	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (10-0/30-0X100)=33.33	5
8	Rajasthan	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (10-0/30-0X100)=33.33	5
9	Gujarat	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (10-0/30-0X100)= 33.33	5
10	Jharkhand	Index Value :Actual Value-Minimum Value /Maximum Value-Minimum ValueX100 (10-0/30-0X100)=33.33	5

Source: *Computed from the Data Furnished by Respective State Governments & Field Survey*

Table No 6.vii: Indicators used for the Construction of PESA Incremental Index

Sl No	Indicators	Andhra Pradesh	Chhattisgarh	Gujarat	Himachal Pradesh	Jharkhand	Maharashtra	Madhya Pradesh	Rajasthan	Odisha	Telangana
1	Amendment of State specific laws and Acts	7	6	5	6	6	6	7	6	7	7
2	No of Amended Acts in consonance with PESA	2	5	1	1	1	1	5	3	4	2
3	States that have framed PESA Rules	1	1	1	1	1	1		1		1
4	State Specific indication special efforts to generate awareness		2	1		1					
5	Observation of PESA Day as December 24 th		2								
6	Rule 2017 under PESA			2							
7	Guidelines for Bamboo cutting					1	2				
8	Seed capital from <i>Manav Vikas</i> Mission to ensure meaningful access to MFP						2				
9	Direct devolution of 5% of TSP funds to Gram Panchayats						2				
10	FRCA constituted				2						
	<i>Total</i>	<i>10</i>	<i>16</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>14</i>	<i>12</i>	<i>10</i>	<i>11</i>	<i>10</i>

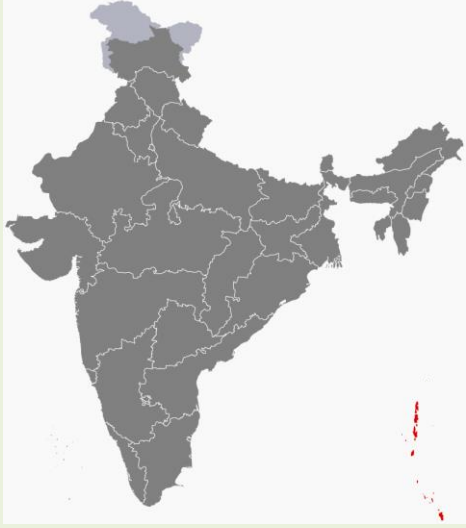
Source: Computed from the Data Furnished by Respective State Governments & Field Survey



Chapter 7

DEVOLUTION INDEX Templates

A set of Templates on 'State /UT wise
Devolution Index: At a Glance

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	NIL	NIL
	2	2008-2009	NIL	NIL
	3	2009-2010	NIL	NIL
	4	2010-2011	NIL	NIL
	5	2011-2012	29.15	18
	6	2012-2013	NIL	NIL
	7	2013-2014	NIL	NIL
	8	2014-2015	NIL	NIL
	9	2015-2016	NA	11
	10*	2016-2017	39.47	21

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Andaman & Nicobar

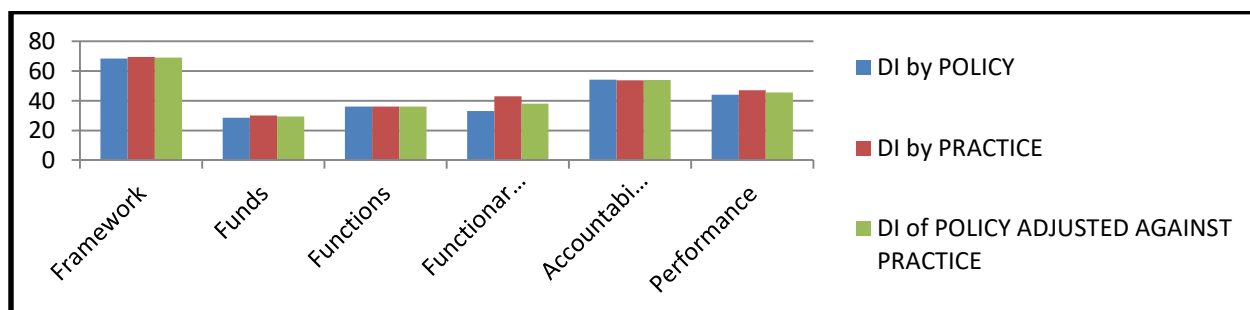
Table No 7.1 . Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	68.39	17	69.62	15	69.01	14
2	Funds	28.51	22	30.10	25	29.31	23
3	Functions	36.09	26	36.00	23	36.05	27
4	Functionaries	33.18	26	43.01	16	38.10	20
5	Accountability & Transparency	54.20	23	53.77	17	53.99	19
6	Performance	44.06	15	47.12	18	45.59	16

Source: Data from Govt. of Andaman & Nicobar

Source: Field Survey

Fig. No.7.1 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr.S.S.Sreekumar, Govt. College, Andaman & Nicobar Islands

ANDAMAN & NICOBAR ISLANDS

Table No. 7.2 Andaman & Nicobar Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	70	7	2
2	No. of ERs	753	70	35
3	No. of Women ERs	262	28	12
4	No of ERs belonging to Scheduled Caste	Nil	Nil	Nil
5	No of ERs belonging to Scheduled Tribe	NR	NR	NR
6	No. of Women Panchayat Presidents	24	NR	NR
7	No. of Presidents belonging to Scheduled Caste	NR	NR	NR
8	No. of Presidents belonging to Scheduled Tribe	NR	NR	NR

Source: Govt. of Andaman & Nicobar and Field Survey

Table No. 7.3 General Information on PRIs

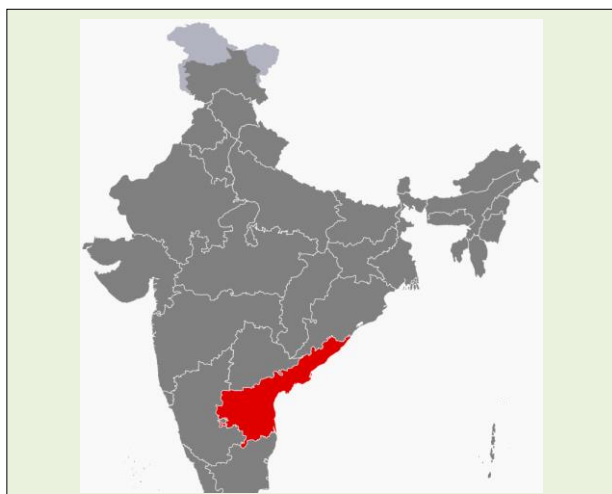
1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Pradhan
4	No. of Standing Committees mandated	Nil
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Pramukh
7	Ex-officio Members in the Intermediate Panchayat	A group of the Pradhans on rotation basis and the MP
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	Adhyaksha, Zilla Parishad
10	Ex-officio members of the District Panchayat	Pramukhs and MPs
11	Chairperson of the DPC	Adhyaksha
12	Whether there is a provision for Nyaya Panchayat	Yes

Source: Govt. of Andaman & Nicobar and Field Survey

ANDAMAN & NICOBAR ISLANDS

Having the status of a Union Territory, the Andaman and Nicobar Islands is governed by the Union Government through the Lt. Governor. The inhabitants of Nicobar group of Islands are mainly indigenous people and among them traditional village governance system was in operation. The village elders used to settle the local issues amicably as part of traditional village administration. Panchayati Raj Institutions came in to existence in the Union Territory consequent to the promulgation of Andaman Nicobar Panchayat Regulation of 1961. Thirty three Gram Panchayats and 26 *Nyaya* Panchayats were constituted in 1962. Prior to 73rd Amendment of the Constitution the number of Panchayats in the Andaman group were 42 and two in Great Nicobar. The present Regulation came into force in 1994 in conformity with the Constitution Amendment.

As per the Regulation, 29 functions have been devolved to the PRIs but during the field survey it is observed that the Gram Panchayats are engaged only in 14 subjects. The average number of regular functionaries of the Village Panchayats is two with three employees on contract basis. Three hundred and thirty nine functionaries of various departments working at the village level have also been transferred to the Panchayats. The Village Panchayats are entrusted with eight items of own sources and the other two tiers with two each. It is observed that the PRIs are not collecting any taxes. They are functioning mainly on the grants provided by the Administration. Another major source of revenue is the allocation for Centrally Sponsored Schemes (CSSs). The District Planning Committee (DPC), and State Election Commission (SEC) are functional. During the field survey it was found that the Gram Sabhas are often held without maintaining the prescribed quorum. The Devolution Index of the UT for the year 2016-17 is 39.47 which bring to the rank of 21. All the dimensions of the Devolution Index except one, the position of the UT is below the national average. However, the dimension of 'framework' the position is above national average. Since the UT of Andaman and Nicobar Islands was not a regular participant in the construction of Devolution Index, it is not possible to present the overall performance in the pace of devolution over the years.



SLNO	YEAR	INDEX	RANK
1	2007-2008	63.99	8
2	2008-2009	30.50	11
3	2009-2010	50.10	8
4	2010-2011	NA	10
5	2011-2012	NIL	NIL
6	2012-2013	NIL	NIL
7	2013-2014	40.69	NIL
8	2014-2015	NA	18
9	2015-2016	NA	11
10*	2016-2017	58.42	8

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Andhra Pradesh

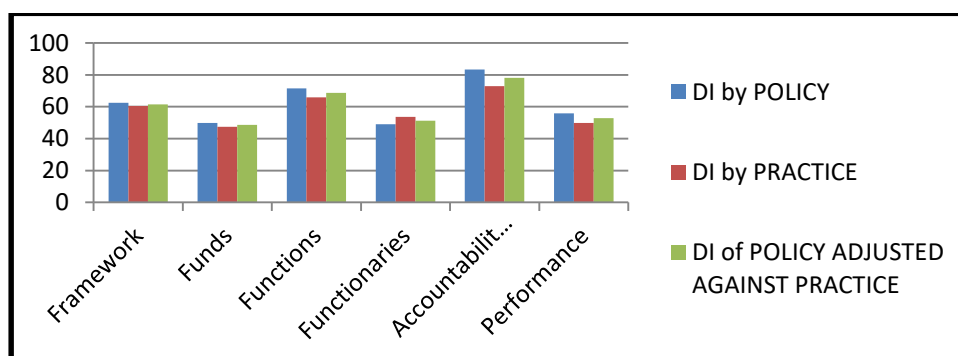
Table No.7.4 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	62.48	19	60.38	22	61.43	19
2	Funds	49.77	7	47.36	12	48.57	10
3	Functions	71.55	7	65.80	8	68.68	7
4	Functionaries	48.94	11	53.54	7	51.24	9
5	Accountability & Transparency	83.36	5	72.81	7	78.09	5
6	Performance	55.88	9	49.92	16	52.90	11

Source: Data from Govt. of Andhra Pradesh

Source: Field Survey

Fig. No. 7.2 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Prof.M.Gopinath Reddy, CESS, Hyderabad

ANDHRA PRADESH

Table No. 7.5 Andhra Pradesh Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	12920	660	13
2	No. of ERs	143973	10807	672
3	No. of Women ERs	71822	5630	326
4	No of ERs belonging to Schedule Caste	28440	2069	129
5	No of ERs belonging to Schedule Tribe	10964	704	44
6	No. of Women Panchayat Presidents	6452	329	6
7	No. of Presidents belonging to Scheduled Caste	2493	127	1
8	No. of President belonging to Scheduled Tribe	1118	54	1

Source: Govt. of Andhra Pradesh and Field Survey

Table No. 7.6 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	At least one tenth
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	7
5	Nomenclature of Intermediate Panchayat	Mandal Praja Parishad
6	Nomenclature of the Intermediate Panchayat President	President
7	Ex-officio Members in the Intermediate Panchayat	MP, MLAs, MLCs, one person from Minorities to be co opted
8	Nomenclature of the District Panchayat	Zilla Praja Parishad
9	Nomenclature of District Panchayat President	Chairperson
10	Ex-officio members of the District Panchayat	MP, MLAs, MLCs, two persons from Minorities to be co opted
11	Chairperson of the DPC	Zilla Praja Parishad Chairman
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Andhra Pradesh and Field Survey

ANDHRA PRADESH

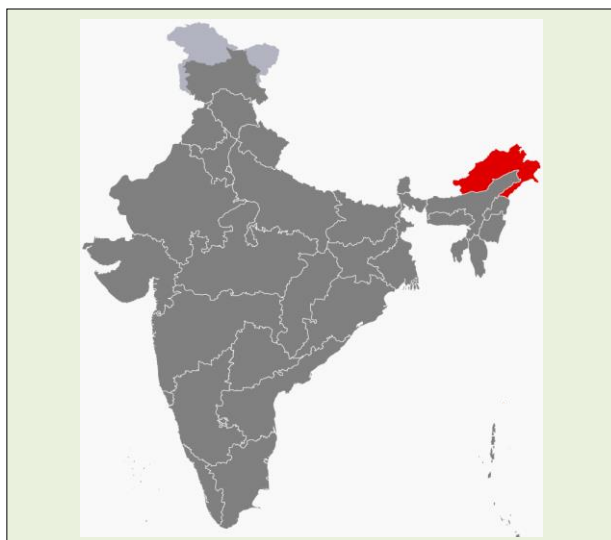
There are 12920 Gram Panchayats, 660 Mandal Praja Parishads and 13 Zilla Praja Parishads in Andhra Pradesh. The Devolution Index of the State for the current year is 58.42 against the national average of 47. It could attain 8th position among the States /UTs. It has well performed in the dimension of accountability and transparency thanks to the social audit mechanism in the State .The State has devolved 10 subjects out of 29 enlisted in the XIth Schedule. The Gram Panchayats are empowered to levy taxes and non tax sources of revenue. They are also given statutory grants such as per capita grant, profession tax, seigniorage fee and grants for salaries. The Gram Panchayats are regularly collecting the revenue entrusted with them and the total own resources of Gram Panchayats in 2015-16 is reported to be Rs.78830 lakhs.

The State has done Activity Mapping covering more subjects and transferring more functions to the PRIs. Funds for the subjects transferred also are being transferred by the line departments. Eight State Sponsored Schemes are also being implemented by the Panchayati Raj Institutions. Some parts of the State is under the Fifth Scheduled areas and PESA is in operation.

But it is seen that no functionaries of the departments transferred have been devolved to Panchayats which are having little administrative control over the functionaries. The Secretary of the Gram Panchayats is from the revenue department and he/she is entrusted with a number of other functions also. Only $\frac{1}{3}$ Gram Panchayats are having computer facilities and 7.9 percent of Gram Panchayats are not having own building for functioning. The MGNREGS and the preparation of Gram Panchayat Development Plan (GPDP) have made the Panchayats more active in the State.

ARUNACHAL PRADESH

Devolution Index 2007-08 to 2016-17



SLNO	YEAR	INDEX	RANK
1	2007-2008	11.33	18
2	2008-2009	28.20	14
3	2009-2010	18.25	22
4	2010-2011	23.70	25
5	2011-2012	21.31	21
6	2012-2013	23.67	25
7	2013-2014	27.03	23
8	2014-2015	NA	24
9	2015-2016	NA	26
10*	2016-2017	34.26	24

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Arunachal Pradesh

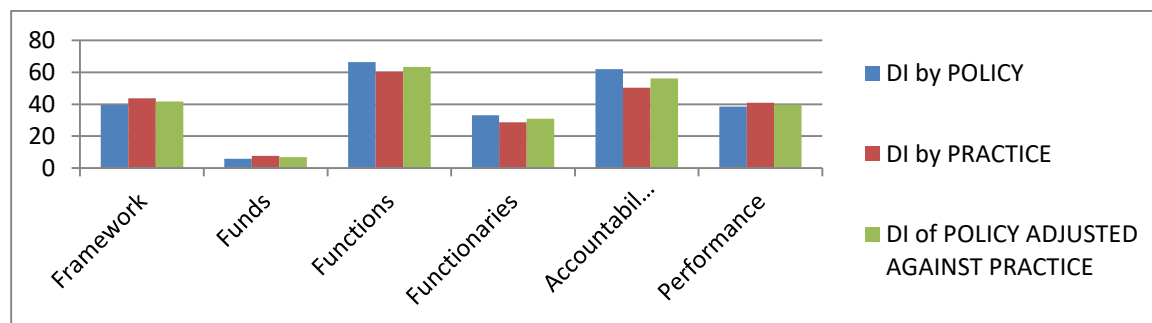
Table No.7.7 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	39.56	28	43.79	28	41.68	29
2	Funds	05.85	31	07.56	30	6.71	31
3	Functions	66.52	11	60.40	10	63.46	11
4	Functionaries	33.02	27	28.67	29	30.85	29
5	Accountability & Transparency	61.95	14	50.33	19	56.14	17
6	Performance	38.43	20	40.97	24	39.70	23

Source: Data from Govt. of Arunachal Pradesh

Source: Field Survey

Fig. No. 7.3 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr. Nabam Nakha, Rajiv Gandhi University, Arunachal Pradesh

ARUNACHAL PRADESH

Table No. 7.8 Arunachal Pradesh Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	1779	182	20
2	No. of ERs	7416	1779	182
3	No. of Women ERs	NR	NR	NR
4	No of ERs belonging to Scheduled Caste	Nil	Nil	Nil
5	No of ERs belonging to Scheduled Tribe	7416	1779	182
6	No. of Women Panchayat Presidents	NR	NR	NR
7	No. of Presidents belonging to Scheduled Caste	Nil	Nil	Nil
8	No. of President belonging to Scheduled Tribe	1778	182	20

Source: Govt. of Arunachal Pradesh and Field Survey


Table No.7.9 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Chairperson
4	No. of Standing Committees mandated	Nil
5	Nomenclature of Intermediate Panchayat	Anchal Samiti
6	Nomenclature of the Intermediate Panchayat President	Chairperson
7	Ex-officio Members in the Intermediate Panchayat	MPs, MLAs, Gram Panchayat Chairperson and one circle officer
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	Chairperson
10	Ex-officio members of the District Panchayat	Anchal Samiti Chairpersons, MPs and MLAs
11	Chairperson of the DPC	Deputy Commissioner
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Arunachal Pradesh and Field Survey

ARUNACHAL PRADESH

Arunachal Pradesh is located at the north eastern part of the country which shares international boundary. Traditional Village Councils existed in Arunachal Pradesh from time immemorial which performed judicial, administrative and developmental functions. These Traditional Village Councils were recognized by the Government as per North East Frontier Administration of Justice Regulation of 1945. On 11 April, 1964 the Governor of Assam appointed a committee popularly known as '*Ering Committee*'. The Panchayati Raj system has been introduced in Arunachal Pradesh on 2nd October 1968. Consequent to the 73rd Amendment of the Constitution, Arunachal Pradesh has enacted the Arunachal Pradesh Panchayati Raj Act, 1997 (Act 5 of the 2001) which came into force on 14 November, 2001. Twenty nine subjects were transferred to these institutions and Government orders were issued devolving functions related to 20 subjects. But the same has not been implemented and the Panchayats are still performing the traditional functions. The Average population of a Gram Panchayat is 600 and Panchayat Samiti is 5850. The total geographical area of the State is 83743 sq.km and the density of population is 17 per sq.km which make certain specific impediments in the delivery of public goods and services. The terrain specific issues of the State also provide additional hurdles to local development. The only functionary of the Gram Panchayat is the Secretary, normally in full additional charge of more than half a dozen Panchayats. No functionaries for the developmental areas have been fully transferred to the PRIs. The Gram Panchayats have powers to impose and levy various taxes and fees including tax on land and building, additional stamp duty on transfers on immovable property, entertainment tax, fees on pilgrimage, fees on water distribution, lighting, trade licences etc. But they are not collecting any taxes as per the official data furnished by the State. The information collected during the field work reveals that the some Panchayats are mobilizing local resources both in cash and voluntary contribution which makes a difference in the dimension of finance by policy and practice. It is observed that the State is not having any consolidated data on the collection of taxes and fees. The Panchayati Raj Institutions in Arunachal Pradesh are functioning mainly on awards of National Finance Commission and allocations under Centrally Sponsored Schemes (CSSs). The recommendations of the first SFC were not accepted by the State as it was found 'unworkable'. But recently, consequent to the award of the 14th Finance Commission, the Gram Panchayats have prepared their own development plans under GPDP. It was reported that only 710 Gram Panchayats are having own building. Since the Panchayati Raj system has not developed much as in other States the State Government has to give more attention to nurture these dormant institutions to full-fledged institutions of self governance. Among the six dimensions constructed for assessing the Devolution Index, the State has crossed the national average only in two dimensions of 'function' and 'accountability & transparency'. The State could attain only a score value of 5.85 against the national value of 37.54 under funds. The devolution index of Arunachal Pradesh is 34.26 as against the national average of 47.00 and the State is placed at the 27th rank among the States and UTs of the country.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	NIL	NIL
	2	2008-2009	32.40	10
	3	2009-2010	28.31	21
	4	2010-2011	36.90	17
	5	2011-2012	NIL	NIL
	6	2012-2013	36.89	16
	7	2013-2014	40.26	13
	8	2014-2015	NA	13
	9	2015-2016	NA	20
	10*	2016-2017	37.31	22

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Assam

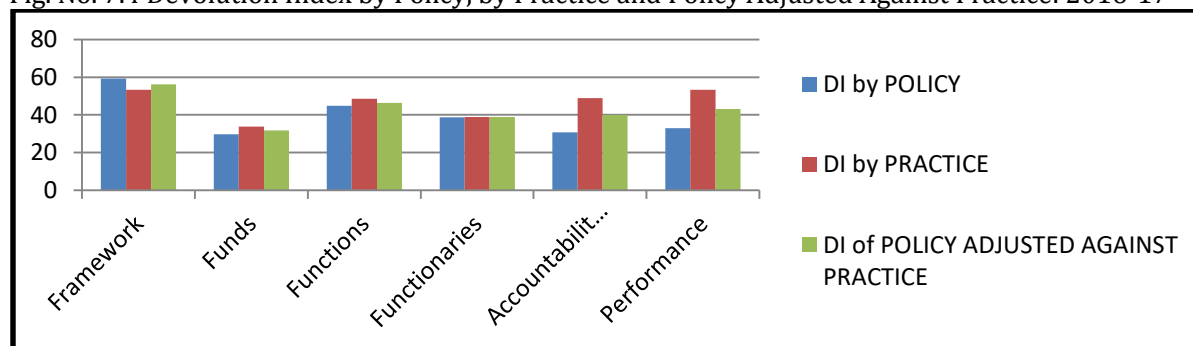
Table No. 7.10 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	59.19	22	53.22	27	56.21	23
2	Funds	29.65	21	33.84	19	31.75	21
3	Functions	44.80	23	48.60	20	46.43	24
4	Functionaries	38.76	19	38.85	19	38.81	18
5	Accountability & Transparency	30.68	28	48.97	20	39.83	28
6	Performance	32.97	28	53.24	10	43.11	21

Source: Data from Govt. of Assam

Source: Field Survey

Fig. No. 7.4 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Shri. Chinmoy Debnath, UNICEF, Assam

ASSAM

Table No. 7.11 Assam Panchayats - At a Glance

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	2200	185	21
2	No. of ERs	23775	2183	418
3	No. of Women ERs	11451	1192	227
4	No of ERs belonging to Scheduled Caste	2280	230	44
5	No of ERs belonging to Scheduled Tribe	2446	327	39
6	No. of Women Presidents	1092	94	14
7	No. of Presidents belonging to Scheduled Caste	173	15	3
8	No. of Presidents belonging to Scheduled Tribe	290	26	3

Source: Govt. of Assam and Field Survey

Table No. 7.12 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	1/10 or 100
3	Nomenclature of the Gram Panchayat President	President
4	No. of Standing Committees mandated	3
5	Nomenclature of the Intermediate Panchayat	Anchalik Panchayat
6	Nomenclature of Intermediate Panchayat President	President
7	Ex officio members in the intermediate Panchayat	Gram Panchayat Presidents MPs, MLAs
8	Nomenclature of District Panchayat	Zilla Parishad
9	Nomenclature of the District Panchayat President	President
10	Ex officio members of the District Panchayat	Achalik Presidents MP, MLA
11	Chairperson of the DPC	ZP President
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Assam and Field Survey


ASSAM

Assam is having a long history of decentralized governance, from centuries back. The Rural Self Government Act of 1926 by which the Chief Commissioner was empowered to constitute a village authority in each village with some members being elected and others being nominated. The Rural Self Government Act of 1926 provided that every village have an authority consisting of not more than nine elected members. Assam Panchayati Raj Act passed in 1948 established a two tier rural administrative system. Consequent to 73rd Constitution Amendment, the Gaon Panchayat at Village level, Achalik Panchayat at Intermediate level and Zilla Parishad and district level came into existence.

As per the XIth Schedule of the Constitution 29 subjects were proposed to be devolved to the PRIs but the State Act has enlisted only 13 subjects. From the field survey reports obtained from the village Panchayats it is seen that even the mandatory functions are not performed by the Panchayats. The own revenue measures are nominal, and the SFC awards for specific purpose are also nominal. The major funds received by the Panchayats are from Centrally Sponsored Schemes (CSSs).

No data base for PRIs are maintained in Assam also. Though the agency functions are growing tremendously over years for CSS the staffing pattern laid down in the administrative rules 2002 has not been revised till date. The third State Finance Commission has pointed and that “In the above background the staff in position or even the staff admissible as per laid down norms for different tiers of PRIs seems to be utterly inadequate to cope with the multiplicity of functions” (*Par 4.36 of State Finance Commission, Report, Assam*)

The lack of funds, functions and functionaries has placed the State in the rank of 22nd in the Devolution Index. The empowerment of Panchayati Raj Institutions in the State remains by and large confined to setting up State Election Commission, conducting regular elections, constituting SFC's periodically and devolution of funds as per the awards of the SFCs and NFCs. Even if the situation is so, the Fourteenth Finance Commission awards for Gram Panchayat Development Plan (GPDP) and the implementation of MGNREGS has made the PRIs, especially the Gaon Panchayats active and performing units. The proactive role of the State Institute of Rural Development (SIRD) in collaboration with the UNICEF and the Government of Assam is a trend setter in Capacity Building and Training (CBT).

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	29.78	15
	2	2008-2009	22.50	19
	3	2009-2010	41.20	14
	4	2010-2011	29.90	21
	5	2011-2012	32.71	17
	6	2012-2013	29.90	20
	7	2013-2014	29.15	21
	8	2014-2015	NA	23
	9	2015-2016	NA	15
	10*	2016-2017	44.37	17

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Bihar

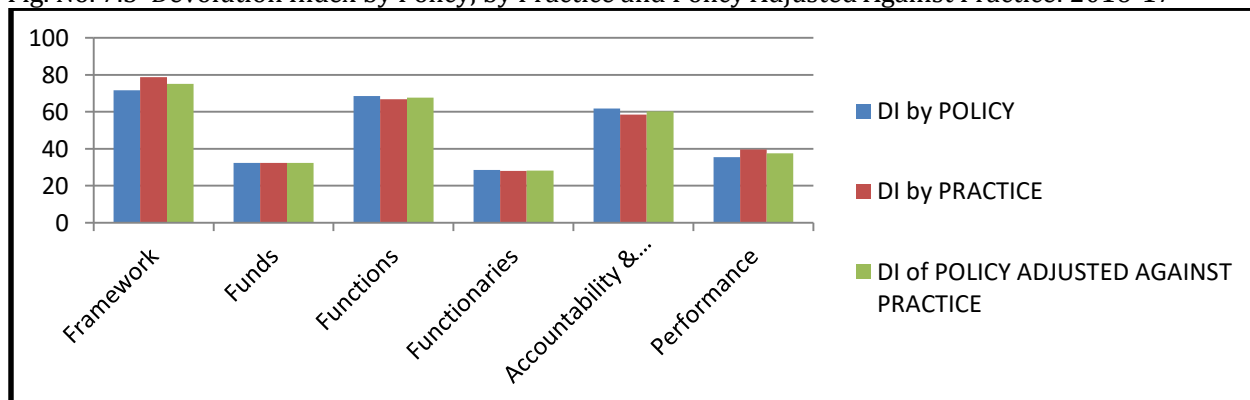
Table No. 7.13 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	71.56	11	78.69	6	75.13	7
2	Funds	32.43	20	32.36	22	32.40	20
3	Functions	68.46	8	66.80	7	67.63	8
4	Functionaries	28.56	29	27.96	30	28.26	30
5	Accountability & Transparency	61.78	15	58.52	10	60.15	12
6	Performance	35.46	25	39.71	25	37.59	27

Source: Data from Govt. of Bihar

Source: Field Survey

Fig. No. 7.5 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Shri.Jai Somnathan, Bharat Gyan Vigyan Samiti (BGVS), Bihar

BIHAR

Table No. 7.14 Bihar Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	8391	534	38
2	No. of ERs	114733	11497	1161
3	No. of Women ERs	51998	5341	548
4	No of ERs belonging to Scheduled Caste	19037	1910	195
5	No of ERs belonging to Scheduled Tribe	1223	131	13
6	No. of Women Panchayat Presidents	3772	236	17
7	No. of Presidents belonging to Scheduled Caste	1388	92	02
8	No. of President belonging to Scheduled Tribe	92	5	NR

Source: Govt. of Bihar and Field Survey

Table No. 7.15 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	1/20
3	Nomenclature of the Gram Panchayat President	Mukhia
4	No.of Standing Committees mandated	6
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Pramukh
7	Ex-officio Members in the Intermediate Panchayat	Gram Panchayat Mukhia, MPs and MLAs
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	Adhyaksha
10	Ex-officio members of the District Panchayat	Pramukhs , MPs and MLAs
11	Chairperson of the DPC	Adhyaksha
12	Whether there is a provision for Nyaya Panchayat	Yes

Source: Govt. of Bihar and Field Survey

BIHAR

There are 8391 Gram Panchayats 534 Panchayat Samitis and 38 Zilla Parishads in Bihar. The MGNREGS which mandates the Panchayats as the planning and implementing authorities and the preparation of Gram Panchayat Development Plan (GDP) has given visibility to Panchayats which catalyzed their enablement. The State Government has devolved 20 out of the 29 subjects enlisted in the XIth Schedule to the PRIs but funds and functionaries are yet to be devolved. In the State Panchayati Raj Act there is a provision for the ‘*Gram Kacheri*’ and it is functional. The Gram Panchayats are entitled to collect two items of tax and five items of non tax revenue. The Intermediate and District Panchayats are also provided with own sources of revenue. But the State Government has neither framed necessary rules nor issued clear guidelines for the collection of revenue and hence the collection of revenue by the Panchayati Raj Institutions in the State is practically, nil.

The available staff in a Gram Panchayat is a Panchayat ‘*Sachiv*’ and usually the Sachives are in full additional charge of three to five Gram Panchayats. Though appointed for specific schemes and purposes contractual personnel such as *Vikas Mitra*, *Tolasevak*, *Rozgar Sevak*, *Krishi Mitras* etc. are available in the Panchayat. According to the observation of the Vth State Finance Commission the Panchayat Samiti has only one ‘*orderly*’ as its staff. The BDO’s office is hardly accessible to Panchayat Samiti. The State could only achieve a score point of 28.56 against the national average of 43.37 in the dimension of functionaries proving the observation of the SFC on the weak devolution of functionaries. The state could only grab the 29th rank under functionaries. The Devolution Index of the State for the year 2016-17 is 44.37 and is placed at the 17th Rank. The following observation of the Vth Finance Commission of the State clearly explains the reason for that.

“Though funds available to the local bodies (Both PRIs and ULBs) from various sources are inadequate for their assigned functions, they are unable to utilize even that. Such unsatisfactory situation is primarily due to the capacity constraints, eg. Serious deficiencies in skilled man power, office space, IT facility etc and non implementation of much needed reports”. All this shows that the State needs a surgical package in the devolution of functionaries. However, a close observation of the State on the Devolution Index Reports of the last 10 years gives an impression that the Panchayat system has been on a linear motion which may be a contribution of *Gram Sarkar*.



SLNO	YEAR	INDEX	RANK
1	2007-2008	NIL	NIL
2	2008-2009	NIL	NIL
3	2009-2010	17.19	23
4	2010-2011	15.30	28
5	2011-2012	14.91	23
6	2012-2013	15.30	28
7	2013-2014	17.30	26
8	2014-2015	NIL	NIL
9	2015-2016	NA	22
10*	2016-2017	30.29	26

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Chandigarh

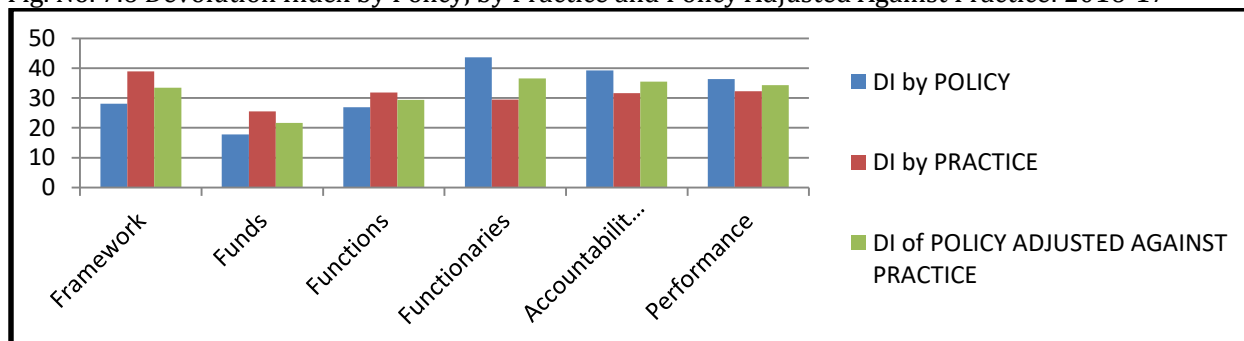
Table No. 7.16 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	28.06	30	38.90	29	33.48	30
2	Funds	17.78	29	25.48	27	21.63	29
3	Functions	26.93	29	31.83	24	29.38	28
4	Functionaries	43.63	16	29.49	28	36.56	22
5	Accountability & Transparency	39.23	27	31.66	31	35.45	29
6	Performance	36.37	24	32.29	30	34.33	29

Source: Data from Govt. of Chandigarh

Source: Field Survey

Fig. No. 7.6 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Ms. Sharan Pal Kaur, Democratic Youth Organization for Development, Patiala

CHANDIGARH

Table No. 7.17 Chandigarh Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	12	1	1
2	No. of ERs	144	15	10
3	No. of Women ERs	49	6	3
4	No of ERs belonging to Scheduled Caste	24	3	2
5	No of ERs belonging to Scheduled Tribe	NIL	NIL	NIL
6	No. of Women Panchayat Presidents	3	NR	NR
7	No. of Presidents belonging to Scheduled Caste	NR	NR	NR
8	No. of President belonging to Scheduled Tribe	NA	NA	NA

Source: Govt. of Chandigarh and Field Survey

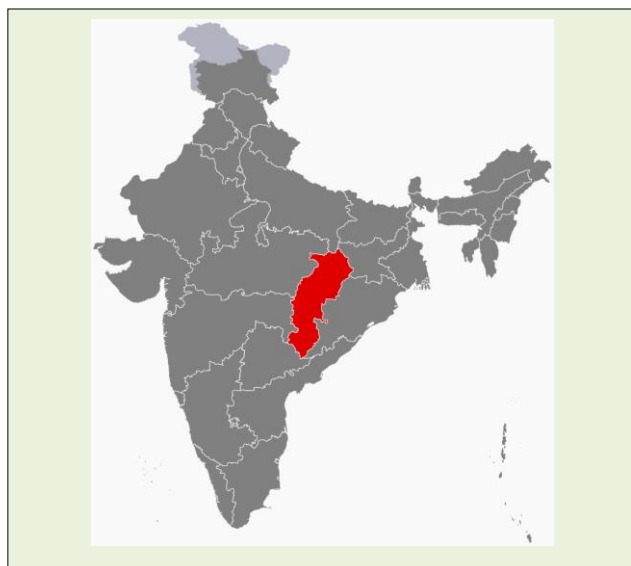
Table No. 7.18 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/5
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	3
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Chairman
7	Ex-officio Members in the Intermediate Panchayat	Representatives of Sarpanches
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	Chairman
10	Ex-officio members of the District Panchayat	Samiti Chairman
11	Chairperson of the DPC	No DPC
12	Whether there is a provision for Nyaya Panchayat	No

CHANDIGARH

The rural population in the Union Territory of Chandigarh is 93863 as per 2011 census. The Panchayati Raj Institutions functioning in the rural area are one Zilla Parishad one Panchayat Samiti and 12 Gram Panchayats. The Gram Panchayats are governed by the Panchayati Raj Act of Punjab (Notification No. SRD/259 Dated 09/05/2013 of Chandigarh Administration, Report of the Rural Development and Panchayat. Accordingly Panchayati Raj Act of Punjab 1994 has made applicable to the rural areas of Chandigarh). Fast Urbanization is being taking place in these villages. The administration has devolved functions of 12 departments to the PRIs without devolving funds and functionaries. The total own resources of the 12 Gram Panchayats during 2015-16 was Rs. 28.82 lakhs and the grants received by them Rs. 265.47 lakhs. Out of the total expenditure of Rs.205.87 lakhs during 2015-16, Rs.160.07 lakhs were non developmental expenditure.

The only one Intermediate Panchayat was having an opening balance of Rs. 692.89 lakhs and a receipt of Rs. 92.63 lakhs during 2015-16 out of which the expenditure was only Rs.149.54 lakhs. The average functionaries available with the Panchayats for their day to day functioning are 13. From the field survey it has been found that the Gram Sabhas are conducted without attaining the prescribed quorum. The Devolution Index of the UT is 30.29 and the rank is 26.



SLNO	YEAR	INDEX	RANK
1	2007-2008	NIL	NIL
2	2008-2009	33.50	9
3	2009-2010	34.24	18
4	2010-2011	44.60	8
5	2011-2012	49.69	9
6	2012-2013	44.61	8
7	2013-2014	55.16	5
8	2014-2015	NA	11
9	2015-2016	NA	17
10*	2016-2017	48.16	11

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Chhattisgarh

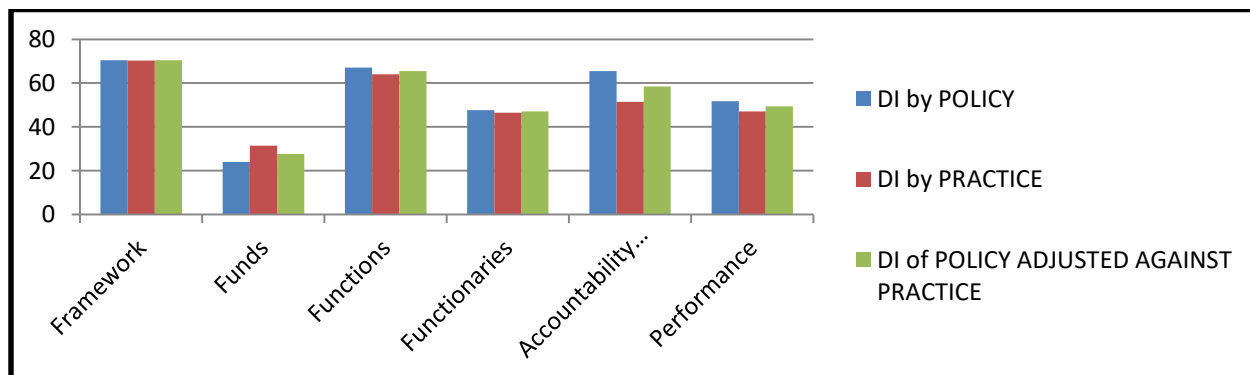
Table No. 7.19 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	70.49	12	70.26	14	70.38	13
2	Funds	23.97	27	31.40	23	27.69	24
3	Functions	67.06	9	64.00	9	65.53	10
4	Functionaries	47.71	13	46.55	13	47.13	13
5	Accountability & Transparency	65.51	9	51.42	18	58.47	14
6	Performance	51.81	13	47.09	19	49.45	13

Source: Data from Govt. of Chhattisgarh

Source: Field Survey

Fig. No. 7.7 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Prof. G.C.Rath, G.B Pant Social Science Institute, Allahabad

CHHATTISGARH

Table No. 7.20 Chhattisgarh Panchayats - At a Glance

SL. NO		Gram Panchayats	Intermediate Panchayats	District Panchayats
1	No. of Panchayats	10971	146	27
2	No. of ERs	166890	2973	402
3	No. of Women ERs	90974	1670	222
4	No of ERs belonging to Scheduled Caste	20042	361	43
5	No of ERs belonging to Scheduled Tribe	64653	1188	135
6	No. of Women Panchayat Presidents	5822	NR	NR
7	No. of Presidents belonging to Scheduled Caste	1232	NR	NR
8	No. of Presidents belonging to Scheduled Tribe	5464	NR	NR

Source: Govt. of Chhattisgarh and Field Survey

Table No. 7.21 General Information on PRIs

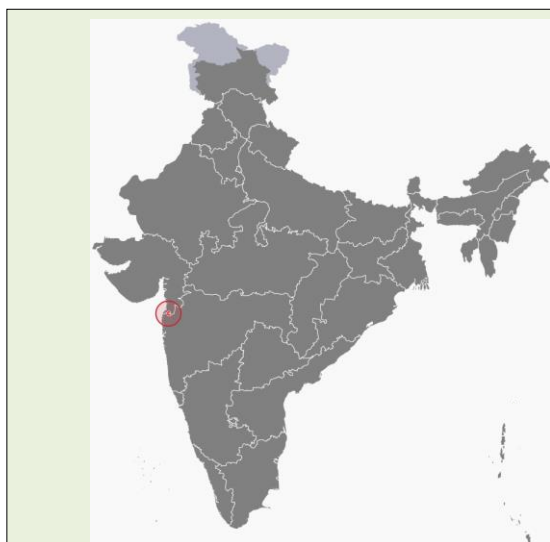
1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	1/20
3	Nomenclature of the Gram Panchayat President	Mukhia
4	No.of Standing Committees mandated	6
5	Nomenclature of Intermediate Panchayat	Janpad Panchayat
6	Nomenclature of the Intermediate Panchayat President	Pramukh
7	Ex-officio Members in the Intermediate Panchayat	Mukhias, MLCs MLAs and MPs
8	Nomenclature of the District Panchayat	Zila Parishad
9	Nomenclature of District Panchayat President	Adhyaksha
10	Ex-officio members of the District Panchayat	Pramukhs MPs, MLAs, MLCs
11	Chairperson of the DPC	NR
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Chhattisgarh and Field Survey

CHATTISGARH

The present State of Chhattisgarh was carved out of Madhya Pradesh on 1st November 2000, and is following the Madhya Pradesh Panchayat Raj Act. There is 10971 Gram Panchayats in the State out of which, 4607 falls under Vth Scheduled Areas. Though the State has devolved all the 29 subjects as per the Act, majority of the functionaries of the Panchayats are unaware of the functions vested upon them. No functionaries under developmental sector have been transferred. The Gram Panchayats are authorized to levy four items of taxes and two items of fees. There are five optional taxes and six items of optional fees. The Janpad Panchayats are permitted to collect two items of taxes while the Zilla Parishad is provided with cess on land revenue. Apart from contract staff for MGNREGS the only functionary provided with the Gram Panchayat is the *Sachiv*. All the three tiers of PRIs have not made any serious attempts to collect the own revenue entrusted with them.

The score value of devolution index (DI) of the State for the year 2016-2017 is 48.16 and the rank is 11, while the same was 17 in the previous year. The State has appointed its third State Finance Commission on 20 January 2016. The second State Finance Commission in its report has clearly stated that “the Gram Panchayat with its single employee, the Panchayat Secretary does not have the capacity even for the primary Panchayat functions like delivery of basic services in the village”. It has also pointed out that the maintenance of accounts is very poor and statutory audit by the local fund audit department is practically nonexistent. The second Finance Commission has recommended providing an accountant- cum-computer operator, one assistant and one technical person in the bigger Panchayats which has not yet been fulfilled. The SFC has recommended an additional Rs.2 lakh for the Village Panchayats in PESA areas. It has not yet been materialized as per the field data collected. From the field survey it was observed that proxy persons are involved in the functioning of some Panchayats for the women elected representatives. Though the mandated Gram Sabha meetings are convened the participation of the citizens are very poor, often not attaining the prescribed quorum. Though PESA has been incorporated in the State Act and some of the State specific Acts have been amended, the village community is yet to be sensitized to wield the powers and materialize the responsibilities entrusted with. Recently, a committee has been constituted under the Chairmanship of the Chief Secretary to review the status of the conformity State legislations in consonance with the 73 Constitutional Amendment and Central PESA Act. Consolidation of the existing amendments, rules and government orders are in progress intending towards a unified State legislation, if necessary. This may address some of the impediments both in the Fifth Scheduled and non Fifth Scheduled areas.



SLNO	YEAR	INDEX	RANK
1	2007-2008	53.40	10
2	2008-2009	NIL	NIL
3	2009-2010	NIL	NIL
4	2010-2011	17.30	27
5	2011-2012	NIL	NIL
6	2012-2013	17.25	27
7	2013-2014	16.98	27
8	2014-2015	NIL	NIL
9	2015-2016	NA	14
10*	2016-2017	28.98	27

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Dadra & Nagar Haveli

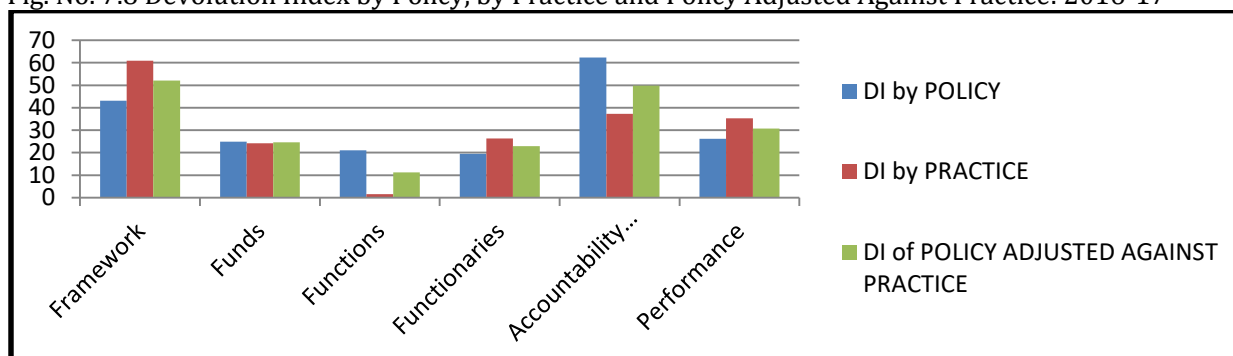
Table No.7.22 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	43.13	27	60.97	20	52.05	26
2	Funds	24.88	26	24.26	28	24.57	27
3	Functions	21.05	30	1.50	27	11.28	31
4	Functionaries	19.50	30	26.32	31	22.91	31
5	Accountability & Transparency	62.26	13	37.35	30	49.81	23
6	Performance	26.16	31	35.22	28	30.69	30

Source: Data from Govt. of Dadra & Nagar Haveli

Source: Field Survey

Fig. No. 7.8 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr.Madhusudan Bandi, GIDR, Ahmedabad, Gujarat

DADRA & NAGAR HAVELI

Table No. 7.23 Dadra & Nagar Haveli Panchayats-At a Glance

Source:

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	20	NIL	1
2	No. of ERs	203	NIL	20
3	No. of Women ERs	109	NIL	10
4	No of ERs belonging to Scheduled Caste	3	NIL	NR
5	No of ERs belonging to Scheduled Tribe	132	NIL	16
6	No. of Women Panchayat Presidents	11	NIL	NIL
7	No. of Presidents belonging to Scheduled Caste	NR	NIL	NIL
8	No. of President belonging to Scheduled Tribe	19	NIL	1

Source: Govt. of Dadra & Nagar Haveli and Field Survey


Table No. 7.24 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No. of Standing Committees mandated	NIL
5	Nomenclature of Intermediate Panchayat	NIL
6	Nomenclature of the Intermediate Panchayat President	NIL
7	Ex-officio Members in the Intermediate Panchayat	NIL
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	President
10	Ex-officio members of the District Panchayat	Sarpanches and MP
11	Chairperson of the DPC	District Collector
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Dadra & Nagar Haveli and Field Survey

DADRA & NAGAR HAVELI

Consequent to the Dadra & Nagar Haveli Panchayat Regulation 2012, one District Panchayat and 20 Gram Panchayats came into existence in the UT. Out of the 29 subjects under the XIth Schedule, 20 subjects have been transferred fully and seven partly to the PRI'S. Funds and functionaries of five departments have been transferred to the District Panchayat. The Gram Panchayats are empowered to collect taxes and levy fees. But from the data collected in the field survey it is seen that the major source of revenue of the Village Panchayats is the funds received for Centrally Sponsored Schemes(CSSs) . The Panchayats are having sufficient functionaries both regular and contractual. The Panchayats in the UT have a good system of accounting and audit and which has resulted in scoring a good value of 62.26 in the dimension of 'accounting and transparency' when compared to other dimensions .But it is not reflected in the field survey . The UT could attain a rank of 13 in this domain . The overall Devolution Index (DI) of the UT for 2016-17 is 28.98 which place it at a rank of 27. Since the UT Administration is not covered by the award of the National Finance Commissions, separate grants are available for the Panchayats in the Dadra & Nagar Haveli. The UT is governed by an Administrator, appointed by the Union Government.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	28.18	17
	2	2008-2009	NIL	NIL
	3	2009-2010	NIL	NIL
	4	2010-2011	18.10	26
	5	2011-2012	26.39	20
	6	2012-2013	18.08	26
	7	2013-2014	14.10	28
	8	2014-2015	NIL	NIL
	9	2015-2016	NA	19
	10*	2016-2017	40.23	20

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Daman & Diu

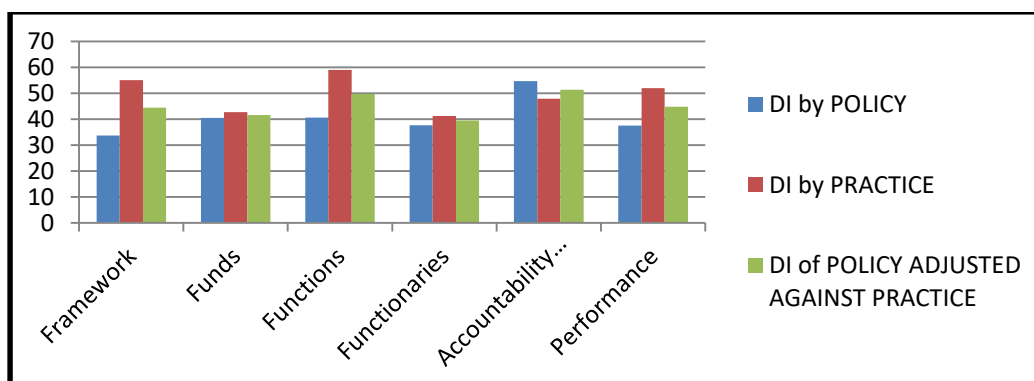
Table No. 7.25 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	33.72	29	55.11	24	44.42	28
2	Funds	40.53	17	42.68	16	41.61	16
3	Functions	40.64	25	59.00	11	49.82	22
4	Functionaries	37.72	20	41.21	17	39.47	17
5	Accountability & Transparency	54.74	22	47.97	23	51.36	22
6	Performance	37.55	22	52.06	13	44.81	17

Source: Data from Govt. of Daman & Diu

Source: Field Survey

Fig. No. 7.9 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr.Madhusudan Bandi, GIDR, Ahmedabad, Gujarat

DAMAN & DIU

Table No. 7.26 Daman & Diu Panchayats-At a Glance

Source:

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	12	No Intermediate	2
2	No. of ERs	152	No Intermediate	20
3	No. of Women ERs	82	No Intermediate	10
4	No of ERs belonging to Scheduled Caste	3	No Intermediate	1
5	No of ERs belonging to Scheduled Tribe	16	No Intermediate	1
6	No. of Women Panchayat Presidents	8	No Intermediate	0
7	No. of Presidents belonging to Scheduled Caste	NIL	No Intermediate	NIL
8	No. of President belonging to Scheduled Tribe	2	No Intermediate	0

Source: Govt. of Daman & Diu and Field Survey


Table No. 7.27 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	NR
5	Nomenclature of Intermediate Panchayat	NA
6	Nomenclature of the Intermediate Panchayat President	NA
7	Ex-officio Members in the Intermediate Panchayat	NA
8	Nomenclature of the District Panchayat	District Panchayat
9	Nomenclature of District Panchayat President	President
10	Ex-officio members of the District Panchayat	Sarpanches and MP
11	Chairperson of the DPC	District Collector
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Daman & Diu and Field Survey

DAMAN & DIU

The Union Territory (UT) of Daman and Diu is regulated by the Daman and Diu Panchayat Regulation, 2012 (No.4 of 2012) and the Daman and Diu Panchayat Administration Rules, 2015. The UT is governed by an Administrator appointed by the Government of India .There are 20 Gram Panchayats and two District Panchayats in Daman & Diu. 12 subjects have been fully devolved and 10 Subjects are partially devolved to the PRIs. The Gram Panchayat is having one Secretary from the rural development department on regular basis. The Secretary is having full additional charge of two to three Panchayats. In addition to the Secretary one computer operator cum accountant, peon, electricians and sweepers are appointed on contract basis. Functionaries of five departments and funds of eight departments have already been devolved to Panchayats. The basic functions like cleaning of streets, street lighting, maintenance of Panchayat assets etc. are performed by the Village Panchayats. Panchayat meetings and Gram Sabha meeting are held regularly. The Gram Panchayats are authorized to impose and collect property tax, construction fees, fees for the registration of birth and death, change of name of property etc. The Panchayats are imposing charges for erection of mobiles towers. A few Panchayats have also started lending out of urban services to the public in response to the demands of the local citizens of Daman and Diu .The vacuum cleaners are one such case. Though the Panchayats are mobilizing own resources, the main source of revenue is the grants from the Union Government. No specific criteria are seen followed in the distribution of funds. The District Planning Committees (DPCs) are functional. Elections to the local bodies are conducted on regular basis .The devolution index of Daman & Diu for the current year is 40.23 and the rank is 20.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	46.64	13
	2	2008-2009	26.80	16
	3	2009-2010	34.52	17
	4	2010-2011	31.80	22
	5	2011-2012	33.56	16
	6	2012-2013	31.77	18
	7	2013-2014	24.75	24
	8	2014-2015	NIL	NIL
	9	2015-2016	NA	25
	10*	2016-2017	42.20	19

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Goa

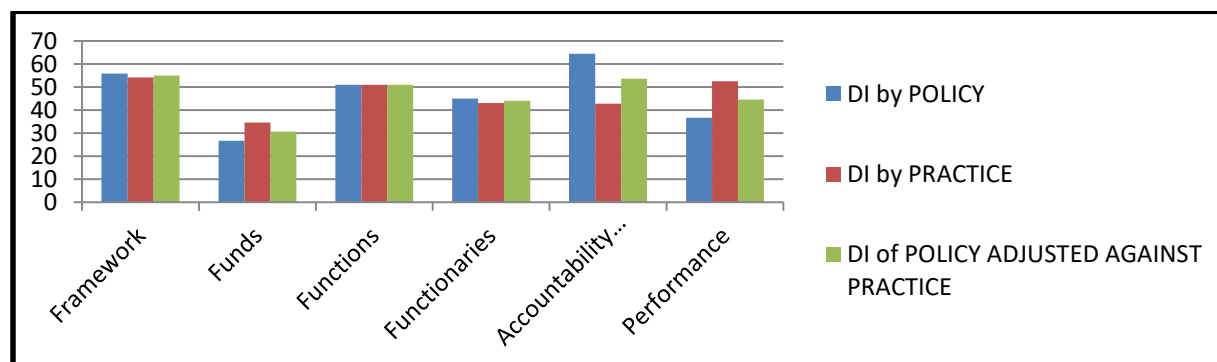
Table No.7.28 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	55.87	25	54.13	26	55.00	24
2	Funds	26.75	23	34.64	18	30.70	22
3	Functions	50.93	20	50.94	18	50.94	21
4	Functionaries	44.99	15	43.12	15	44.06	16
5	Accountability & Transparency	64.39	11	42.75	26	53.57	20
6	Performance	36.69	23	52.54	12	44.62	18

Source: Data from Govt. of Goa

Source: Field Survey

Fig. No.7.10 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr.M.Devendra Babu, CDD, ISEC, Bangalore

GOA

Table No. 7.29 Goa Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	190	NA	2
2	No. of ERs	1514	NA	50
3	No. of Women ERs	499	NA	17
4	No of ERs belonging to Scheduled Caste	47	NA	NR
5	No of ERs belonging to Scheduled Tribe	104	NA	6
6	No. of Women Panchayat Presidents	79	NA	NR
7	No. of Presidents belonging to Scheduled Caste	NR	NA	NR
8	No. of President belonging to Scheduled Tribe	NR	NA	NR

Source: Govt. of Goa and Field Survey

Table No. 7.30 General Information on PRIs


1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No. of Standing Committees mandated	3
5	Nomenclature of Intermediate Panchayat	Taluka Panchayat (as per Act)
6	Nomenclature of the Intermediate Panchayat President	Chairperson
7	Ex-officio Members in the Intermediate Panchayat	NR
8	Nomenclature of the District Panchayat	Zilla Panchayat
9	Nomenclature of District Panchayat President	Adhyaksha
10	Ex-officio members of the District Panchayat	MPs and MLAs
11	Chairperson of the DPC	Not reported
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Goa and Field Survey

GOA

The ancient settlers of the villages of Goa organized themselves into '*comunidades*' which functions as autonomous units of local Administration. During the Portuguese rule they have introduced a system of local governance known as '*Camara Municipals*' having their Jurisdiction over both rural and urban areas of the entire Taluka. After the liberation of Goa in 1962 the Goa, Daman and Diu Panchayat regulation 1962 under article 240 has been promulgated by the President of India which has provided for the setting up of a single tier Panchayati Raj system. The term of the Panchayats was 4 years and there was a provision for reservation of one seat for women. Apart from other States in the country the Panchayats of Goa were functional and elections were conducted regularly. Consequent to 73rd Amendment the new Panchayati Raj Act was passed in 1994.

As per the Act 18 functions were devolved to the Gram Panchayats and six to the District Panchayats. The Gram Panchayats are entrusted with 11 sources of own income, and they are levying the taxes regularly. The State Government is providing matching grant in proportion to the own income collected to financially weaker Panchayats. Grants in lieu of the abolished octroi are given to Panchayats on petroleum products. The Panchayats are permitted to propose projects for infrastructure development up to Rs.1 Core under Din Dayal Panchayati Raj infrastructure development scheme. Assistance for disposal of plastic waste and garbage disposal are also provided by the State Government. Three regular employees and three on contract are available with the Gram Panchayats. But functionaries and funds for developmental areas are yet to be devolved. Consolidated data bases on Panchayats are not available at the State level which is evident from the filled up questionnaire furnished by the State. The Devolution Index of the State is only 42.20. There are no intermediate Panchayats constituted in the State though there is provision for the same in the Act.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	NIL	NIL
	2	2008-2009	NIL	NIL
	3	2009-2010	53.07	7
	4	2010-2011	40.80	10
	5	2011-2012	48.64	10
	6	2012-2013	40.75	10
	7	2013-2014	42.61	12
	8	2014-2015	NA	14
	9	2015-2016	NA	10
	10*	2016-2017	53.11	9

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Gujarat

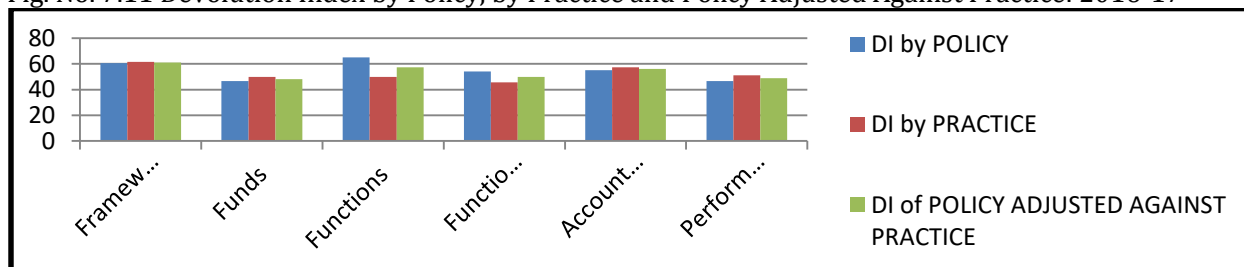
Table No. 7.31 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	60.61	20	61.65	19	61.13	20
2	Funds	46.60	10	49.82	10	48.21	11
3	Functions	65.03	12	49.80	19	57.42	13
4	Functionaries	54.22	6	45.62	14	49.92	10
5	Accountability & Transparency	55.03	21	57.46	13	56.25	16
6	Performance	46.59	14	51.14	14	48.87	14

Source: Data from Govt. of Gujarat

Source: Field Survey

Fig. No. 7.11 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr.Madhusudan Bandi, GIDR, Ahmedabad, Gujarat

GUJARAT

Table No. 7.32 Gujarat Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	14029	247	33
2	No. of ERs	122947	5265	1086
3	No. of Women ERs	40979	2603	513
4	No of ERs belonging to Scheduled Caste	NR	387	73
5	No of ERs belonging to Scheduled Tribe	NR	1258	286
6	No. of Women Panchayat Presidents	5112	124	16
7	No. of Presidents belonging to Scheduled Caste	981	16	2
8	No. of Presidents belonging to Scheduled Tribe	NR	56	7

Source: Govt. of Gujarat and Field Survey

Table No. 7.33 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	Not prescribed
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	2
5	Nomenclature of Intermediate Panchayat	Taluka Panchayat
6	Nomenclature of the Intermediate Panchayat President	President
7	Ex-officio Members in the Intermediate Panchayat	MLAs are permanent invitees
8	Nomenclature of the District Panchayat	District Panchayat
9	Nomenclature of District Panchayat President	President
10	Ex-officio members of the District Panchayat	MLAs are permanent invitees
11	Chairperson of the DPC	Minister of Councils
12	Whether there is a provision for Nyaya Panchayat	No


Source: Govt. of Gujarat and Field Survey

GUJARAT

There are 14029 Gram Panchayats, 247 Intermediate Panchayats and 33 District Panchayats in Gujarat. The Devolution Index of the State for the year 2016-2017 is 53.11 and the rank arrived is 9. The rank position of the previous year was 10. The State Government have devolved 14 functions fully and five functions partially to the PRIs. As per the field survey it is understood that there is wide scope for the pace of devolution in convergence with local economy and co-operative sector. During the field work it is also observed that certain amount of voluntary staff support is available in the Panchayats which are elected unanimously. Eight items of taxes have been assigned with the PRIs. Though building tax, drainage tax and lighting tax are collected by the Gram Panchayats the amount collected is nominal. The main sources of revenue of the Gram Panchayats are the amount received for Centrally Sponsored Schemes (CSSs). Education tax is levied by the Intermediate Panchayat.

As pointed out by the Controller and Auditor General (C&AG) in the Technical Inspection Report the model accounting system prescribed is yet to be adopted by the PRIs. Moreover, consolidated details of Panchayati Raj Institutions are not maintained at the State level. Parts of four Districts of the State come under the Fifth Schedule area. Though the State Government has amended the Panchayati Raj Act, some of the State specific laws are yet to be amended in consonance with the PESA Act.

In Gujarat the *Samaras* Panchayats, Panchayats where representatives are elected on consensus without election, are awarded special grants by the State Government and more than 25 percent of the Village Panchayats are *Samaras* Panchayats. The process of devolution in *Samaras* Panchayats needs separate attention. The Gram Panchayats have begun to formulate Development Plans under GPDP consequent to the award of 14th Finance Commission grants.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	41.84	14
	2	2008-2009	34.20	8
	3	2009-2010	43.23	11
	4	2010-2011	43.60	9
	5	2011-2012	47.32	11
	6	2012-2013	43.63	9
	7	2013-2014	48.27	9
	8	2014-2015	NA	17
	9	2015-2016	NA	10
	10*	2016-2017	50.68	10

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Haryana

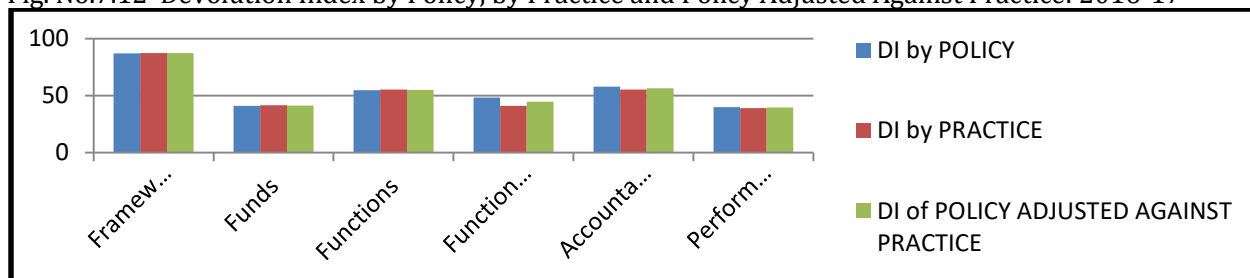
Table No. 7.34 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	87.14	3	87.40	1	87.27	3
2	Funds	41.05	16	41.49	17	41.27	17
3	Functions	54.69	17	55.40	14	55.05	15
4	Functionaries	48.32	12	41.12	18	44.72	15
5	Accountability & Transparency	57.80	18	55.25	16	56.53	15
6	Performance	40.03	18	39.13	27	39.58	24

Source: Data from Govt. of Haryana

Source: Field Survey

Fig. No.7.12 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr.Jacob John, Kerala Development Society (KDS), Delhi

HARYANA

Table No. 7.35 Haryana Panchayats-At a Glance

Source:

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	6205	126	21
2	No. of ERs	66622	2997	416
3	No. of Women ERs	28060	1258	181
4	No of ERs belonging to Scheduled Caste	16903	748	96
5	No of ERs belonging to Scheduled Tribe	Nil	Nil	Ni
6	No. of Women Panchayat Presidents	2561	77	13
7	No. of Presidents belonging to Scheduled Caste	1433	25	3
8	No. of President belonging to Scheduled Tribe	Nil	Nil	Nil

Source: Govt. of Haryana and Field Survey

Table No. 7.36 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	4
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Chairman
7	Ex-officio Members in the Intermediate Panchayat	MLA's
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	President
10	Ex-officio members of the District Panchayat	Samiti Chairmen, MPs, MLAs
11	Chairperson of the DPC	Chief Planning & Development Officer
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Haryana and Field Survey

HARYANA

As far as the framework for decentralization is concerned the State of Haryana has complied with all the mandatory provisions contained in the 73rd amendment. State Election and State Finance Commissions have been constituted, State Finance Commission (SFCs) is appointed in time, elections are being conducted regularly and District Planning Committees (DPCs) are also constituted. Staff pattern of the PRIs are also better compared to many other States. Subjects coming under the XIth Schedule have been fully devolved. The PRIs are entrusted with the collection of certain taxes. The State has been placed in a medium position in the previous devolution indices with an average of above 45 devolution index. Last year the State was placed in the 10th rank and it has retained its position this year also.

The main source of income of the PRIs is allotments received for centrally Sponsored Schemes (CSSs), especially MGNREGS. The collection of own revenue is meager, as noticed by the fourth State Finance Commission. “The experience all over Haryana has been that local authorities are more reluctant to levy taxes or to collect them and this tendency limits the extent to which taxation powers and functional responsibilities can be transferred to local bodies” (Chapter . 2 Approach and Issues 2.18).

During 2001 certain functions of twelve departments were transferred to PRIs with control over functionaries and activity mapping prepared in 2006. Yet the experience from field the verification revealed that the PRIs are actually not involved in the implementation of these functions and the control over the functionaries is practically ‘nil’. Though the State Finance Commission was constituted, inordinate delay can be noticed in the submission of reports and submission of ATR’s. Moreover, the 4th SFC itself has pointed out that the major recommendations of previous SFC’s including financial devolutions were not fully accepted.



SLNO	YEAR	INDEX	RANK
1	2007-2008	65.97	7
2	2008-2009	36.50	7
3	2009-2010	47.01	10
4	2010-2011	36.80	18
5	2011-2012	41.39	12
6	2012-2013	36.83	17
7	2013-2014	36.96	16
8	2014-2015	NA	6
9	2015-2016	NA	18
10*	2016-2017	45.46	16

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Himachal Pradesh

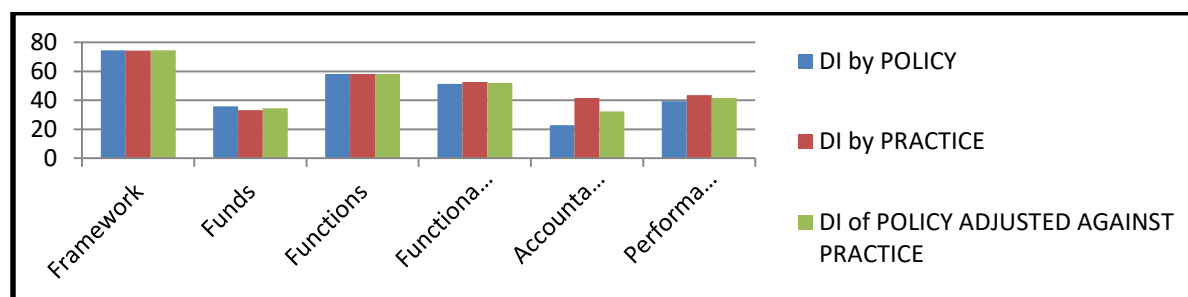
Table No.7.37 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	74.54	8	74.37	9	74.46	8
2	Funds	35.95	19	33.24	20	34.60	19
3	Functions	58.24	13	58.02	12	58.13	12
4	Functionaries	51.36	9	52.55	9	51.96	8
5	Accountability & Transparency	22.88	29	41.66	27	32.27	30
6	Performance	39.48	19	43.52	23	41.50	22

Source: Data from Govt. of Himachal Pradesh

Source: Field Survey

Fig. No. 7.13 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr. O.P.Bhuraita, State Resource Centre, Shimla

HIMACHAL PRADESH

Table No.7.38 Himachal Pradesh Panchayats -At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	3226	78	12
2	No. of ERs	26800	1673	250
3	No. of Women ERs	13409	862	127
4	No of ERs belonging to Scheduled Caste	6106	435	61
5	No of ERs belonging to Scheduled Tribe	1664	127	24
6	No. of Women Presidents	1631	42	6
7	No. of Presidents belonging to Scheduled Caste	852	19	3
8	No. of Presidents belonging to Scheduled Tribe	250	8	2

Source: Govt. of Himachal Pradesh and Field Survey

Table No. 7.39 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	1/3
3	Nomenclature of the Gram Panchayat President	<i>Pradhan</i>
4	No.of Standing Committees mandated	2
5	Nomenclature of Intermediate Panchayat	<i>Panchayat Samiti</i>
6	Nomenclature of the Intermediate Panchayat President	Chairman
7	Ex-officio Members in the Intermediate Panchayat	1/5 of Pradhans, Z.P.Members, MPs, MLAs and MLC's
8	Nomenclature of the District Panchayat	<i>Zila Parishad</i>
9	Nomenclature of District Panchayat President	Chairman
10	Ex-officio members of the District Panchayat	1/5 Samiti, Chairman, MPs, MLAs, MLCs
11	Chairperson of the DPC	Minister decided by the Govt.
12	Whether there is a provision for Nyaya Panchayat	No

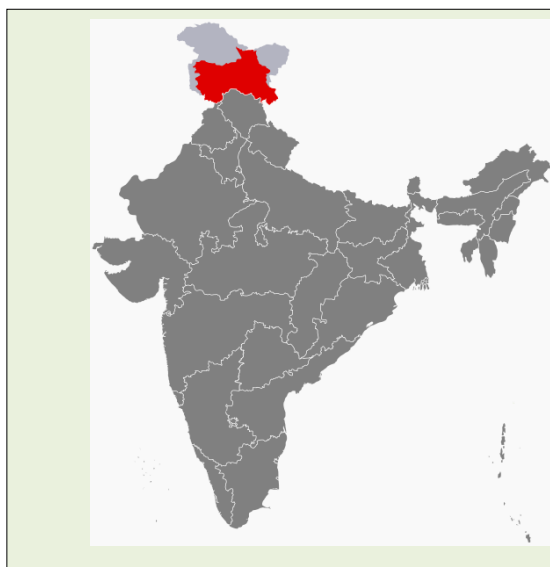
Source: Govt. of Himachal Pradesh and Field Survey

HIMACHAL PRADESH

The State of Himachal Pradesh has devolved 26 functions out of the 29 enlisted in the XIth Schedule of the Constitution. But funds and functionaries remain to be devolved. The State has appointed the Fifth State Finance Commission and the Election Commission is in place for the conduct of Panchayat elections. In all the districts, DPCs have been constituted and are functional. The grants from the Central and State Governments are the major source of revenue of the Panchayati Raj Institutions in the State. The own revenue is inadequate as compared to the Central and State grants. Though the functions have been transferred to the Panchayati Raj Institutions, the developmental establishment at the grassroots level is still remaining under the full control of the State Government. The functionaries attached to the PRIs also have not been brought under the administrative control of the respective Panchayats. Moreover, the income and expenditure of the Panchayats are not seen consolidated at any level. As per the field level data it is observed that one Secretary is in charge of more than two Gram Panchayats. Even many of the basic functions which are to be managed by the Gram Panchayat also have not been transferred. Though the 26 functions have been transferred by legislation the Gram Panchayats are not engaged in any of such functions.

The Devolution Index (DI) for the year 2016-2017, Himachal Pradesh has a medium score value of 45.46 and the rank position is 16. In the position of the DI the State is placed between Bihar and Uttarakhand. A wide variation is noticed among the score value of different dimensions of devolution. Take the case of dimension of devolution under 'framework' the score is eight whereas it is 29 for 'accountability and transparency'. The Devolution Index prepared for the ten PESA States in the country, the position of Himachal Pradesh is also near to the national average.

The field level data also reveals that though Gram Sabhas are convened in fixed intervals only a limited number of citizens attends it and the meetings are generally conducted without a mandated quorum. However, Panchayats at the grassroots level are actively engaged in the planning and implementation of MGNREGS. All the Gram Panchayats have prepared development plans under the GPDP and in the State it is known as '*Hamari Panchayat, Hamari Yojana*', thanks



SLNO	YEAR	INDEX	RANK
1	2007-2008	NIL	NIL
2	2008-2009	NIL	NIL
3	2009-2010	NIL	NIL
4	2010-2011	28.90	22
5	2011-2012	NIL	NIL
6	2012-2013	28.85	21
7	2013-2014	32.95	19
8	2014-2015	NA	25
9	2015-2016	NA	21
10*	2016-2017	27.85	28

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Jammu & Kashmir

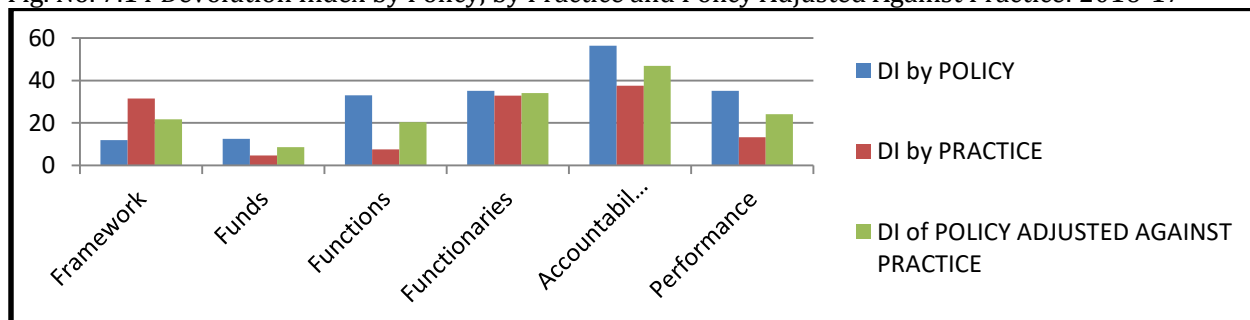
Table No.7.40 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	12.00	32	31.57	31	21.79	31
2	Funds	12.50	30	4.66	31	8.58	30
3	Functions	33.04	28	7.62	26	20.33	29
4	Functionaries	35.14	25	32.91	25	34.03	26
5	Accountability & Transparency	56.35	19	37.52	29	46.94	26
6	Performance	35.10	27	13.30	31	24.20	31

Source: Data from Govt. of Jammu & Kashmir

Source: Field Survey

Fig. No. 7.14 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr. Aijaz Ashraf Wani, University of Kashmir, Srinagar

JAMMU & KASHMIR

Table No. 7.41 Jammu & Kashmir Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	4198	Not Applicable	Not Applicable
2	No. of ERs	31441	Not Applicable	Not Applicable
3	No. of Women ERs	9936	Not Applicable	Not Applicable
4	No of ERs belonging to Scheduled Caste	2475	Not Applicable	Not Applicable
5	No of ERs belonging to Scheduled Tribe	5471	Not Applicable	Not Applicable
6	No. of Women Panchayat Presidents	25	Not Applicable	Not Applicable
7	No. of Presidents belonging to Scheduled Caste	165	Not Applicable	Not Applicable
8	No. of President belonging to Scheduled Tribe	482	Not Applicable	Not Applicable

Source: Govt. of Jammu & Kashmir and Field Survey

Table No. 7.42 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	Not prescribed
2	Quorum prescribed for the Gram Sabha	Not prescribed
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	Nil
5	Nomenclature of Intermediate Panchayat	Not Applicable
6	Nomenclature of the Intermediate Panchayat President	Not Applicable
7	Ex-officio Members in the Intermediate Panchayat	Sarpanches and Chairman of marketing society
8	Nomenclature of the District Panchayat	District Panchayat and Development Board
9	Nomenclature of District Panchayat President	Not existing
10	Ex-officio members of the District Panchayat	Not Applicable
11	Chairperson of the DPC	Nil
12	Whether there is a provision for Nyaya Panchayat	Yes, Panchayat Adalath


Source: Govt. of Jammu & Kashmir and Field Survey

JAMMU & KASHMIR

The seeds of Panchayati Raj in Jammu and Kashmir were sowed through the promulgation of Jammu and Kashmir, Village Panchayat Regulation (1) in 1935 by Maharaja Harising. The Panchayati Raj Institutions were re-established in 1951 through another Act and in 1958 the same was amended again. The Jammu and Kashmir Government enacted a new Panchayati Raj Act in 1989 replacing all the previous Acts and the same is in force now. This Act provides for a three tier system of PRIs-‘*Halqa*’ Panchayat at the village level, Block Development Council at Intermediate level and District Planning and Development Board at the district level. However, Panchayats at the intermediate and district level are not yet constituted. Though no amendments to the Act were made based on the 73rd Amendment in 1996, the State has framed Jammu and Kashmir Panchayat Rules and the first elections to the Panchayats were held in 2001.

As per the notification dated 18th June 2004 one third seats of ‘*Panches*’ were reserved for women and reservation in proportion to the population of Scheduled Caste and Scheduled Tribe was ensured. In 2011 the Act was amended twice, one to incorporate the provisions for State Election Commission (SEC) and another to constitute the State Finance Commission (SFC). In 2011 elections to the ‘*Halqa*’ Panchayats were conducted. The existing Panchayats have been dissolved on completion of 5 years and elections are proposed to be conducted in March 2017.

Though only limited functions have been entrusted through the Act, the State has issued Government orders notifying Activity Mapping. Functionaries have also been identified in the Activity Mapping to assist Panchayats in carrying out the functions assigned but have not been transferred. Though the ‘*Halqa*’ Panchayats are entrusted with six items of tax and eight items of fees, the Panchayats have not yet started assessment and collection of local own resources . The main sources of income of Panchayats are the nominal amounts received as grants and the funds received for Centrally Sponsored Schemes (CSS) especially MGNREGS. The implementation of MGNREGS and the preparation of GPDP based on the allocation by the 14th NFC have made the ‘*Halqa*’ Panchayats active.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	NIL	NIL
	2	2008-2009	NIL	NIL
	3	2009-2010	NIL	NIL
	4	2010-2011	27.30	23
	5	2011-2012	15.55	22
	6	2012-2013	27.25	22
	7	2013-2014	29.40	20
	8	2014-2015	NA	22
	9	2015-2016	NA	12
	10*	2016-2017	46.86	13

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Jharkhand

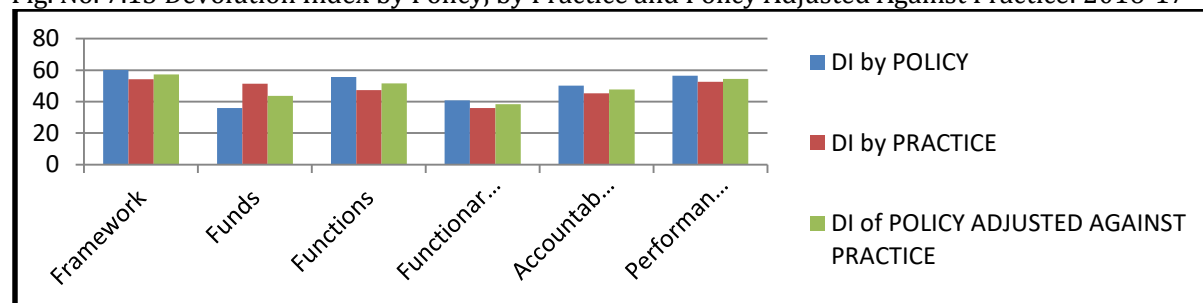
Table No.7.43 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	60.21	21	54.16	25	57.19	22
2	Funds	36.00	18	51.36	9	43.68	15
3	Functions	55.65	14	47.40	21	51.53	20
4	Functionaries	40.76	18	35.92	22	38.34	19
5	Accountability & Transparency	50.20	23	45.37	24	47.79	25
6	Performance	56.38	8	52.58	11	54.48	8

Source: Data from Govt. of Jharkhand

Source: Field Survey

Fig. No. 7.15 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Shri.N.Jagajeevan, Kudumbashree, NRO, Jharkhand

JHARKHAND

Table No. 7.44 Jharkhand Panchayats - At a Glance

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	4398	263	24
2	No. of ERs	58732	5423	543
3	No. of Women ERs	28915	2823	281
4	No of ERs belonging to Scheduled Caste	6477	650	66
5	No of ERs belonging to Scheduled Tribe	20741	1818	179
6	No. of Women Panchayat Presidents	2275	132	13
7	No. of Presidents belonging to Scheduled Caste	421	27	3
8	No. of President belonging to Scheduled Tribe	2268	148	13

Source: Govt. of Jharkhand and Field Survey

Table No. 7.45 General Information on PRIs


1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	$\frac{1}{10}$
3	Nomenclature of the Gram Panchayat President	Mukhiya
4	No. of Standing Committees mandated	7
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Pramukh
7	Ex-officio Members in the Intermediate Panchayat	$\frac{1}{5}$ of the Mukhiyas by rotation. MP, MLA and eminent person nominated
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	Adhyaksha
10	Ex-officio members of the District Panchayat	Pramukhs, MLAs, MPs and one nominated from the 'eminent persons category'
11	Chairperson of the DPC	Minister in Charge of the district
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Jharkhand and Field Survey

JHARKHAND

The State of Jharkhand was constituted by dividing the Bihar State in 2001. The State had witnessed Panchayat elections for the first time in three decades in 2010. Though the seats reserved for women were 50 percent, women have contested in more seats and won 56 percent seats in the PRIs. It is noteworthy to comment that it may be a reflection of the efficacy of the Panchayats among the women population in the State. A large number of representatives from weaker sections entering into Panchayats are an encouraging development in the State particularly by considering their inherently weak control over political structures.

Though the State has constituted 1st SFC in 2004 elections to the Panchayats were not conducted. The second SFC was constituted in 2009. Out of the 29 subjects enlisted in the XIth Schedule, the State has devolved certain functions related with agriculture and welfare only. The whole of 12 districts and parts of three districts in the State belongs to Fifth Schedule Areas and are governed by the provisions of PESA Act. A number of provisions in the State specific acts including Panchayati Raj Acts are to be made in consonance with the PESA Act. Out of the 10 PESA States, The Devolution Index of the State for the year 2016-2017 is 46.86 as against the national average of 47.00 and the rank of the State is 13. Out of the six dimensions of devolution, the State of Jharkhand is below the national average. The implication is that since Jharkhand is a late entry in the introduction of the Panchayati Raj Institutions, State has to move much ahead with a strong policy package for devolution covering all the domains in general and particularly finance to cope up with the forerunners in the country and to make it a real local government.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	79.70	4
	2	2008-2009	39.80	5
	3	2009-2010	69.45	2
	4	2010-2011	62.20	2
	5	2011-2012	62.15	2
	6	2012-2013	62.22	2
	7	2013-2014	65.75	3
	8	2014-2015	NA	3
	9	2015-2016	NA	2
	10*	2016-2017	74.35	1

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Karnataka

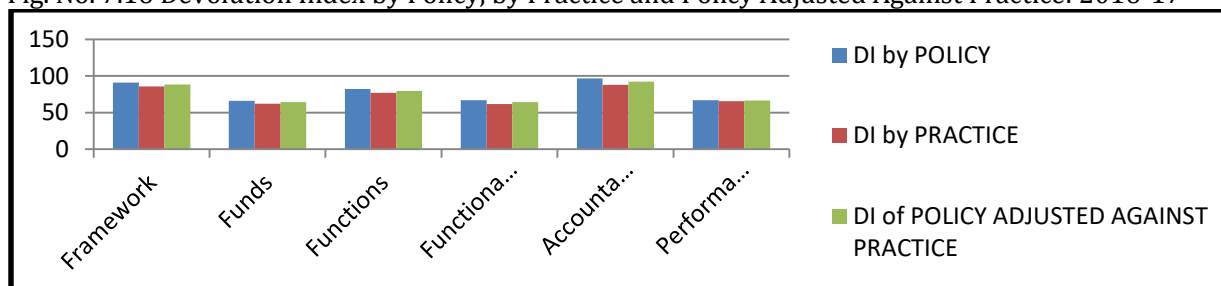
Table No.7.46 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	91.13	1	85.56	3	88.35	1
2	Funds	66.15	1	62.04	1	64.10	1
3	Functions	82.33	1	76.80	2	79.57	1
4	Functionaries	66.82	1	61.67	3	64.25	3
5	Accountability & Transparency	96.64	1	88.07	1	92.36	1
6	Performance	66.83	3	65.72	4	66.28	3

Source: Data from Govt. of Karnataka

Source: Field Survey

Fig. No. 7.16 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Prof. N. Sivanna, ISEC, Bangalore

KARNATAKA

Table No. 7.47 Karnataka Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	6022	176	30
2	No. of ERs	96968	3903	1083
3	No. of Women ERs	48335	2018	539
4	No of ERs belonging to Scheduled Caste	18797	771	212
5	No of ERs belonging to Scheduled Tribe	10687	387	95
6	No. of Women Panchayat Presidents	3011	88	15
7	No. of Presidents belonging to Scheduled Caste	1318	26	6
8	No. of President belonging to Scheduled Tribe	682	11	3

Source: Govt. of Karnataka and Field Survey

Table No. 7.48 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	$\frac{1}{10}$ or 100
3	Nomenclature of the Gram Panchayat President	<i>Adhyaksha</i>
4	No.of Standing Committees mandated	3
5	Nomenclature of Intermediate Panchayat	Taluk Panchayat
6	Nomenclature of the Intermediate Panchayat President	<i>Adhyaksha</i>
7	Ex-officio Members in the Intermediate Panchayat	$\frac{1}{5}$ Gram Panchayat <i>Adhyakshas</i> , MPs, MLAs and MLCs
8	Nomenclature of the District Panchayat	Zilla Panchayat
9	Nomenclature of District Panchayat President	<i>Adhyaksha</i>
10	Ex-officio members of the District Panchayat	<i>Adhyakshas</i> of Taluk Panchayats, MPs, MLAs and MLCs
11	Chairperson of the DPC	<i>Adhyaksha</i> , Zilla Panchayat
12	Whether there is a provision for Nyaya Panchayat	No


Source: Govt. of Karnataka and Field Survey

KARNATAKA

Karnataka has an inspiring history of Panchayats. The genesis of Panchayats in the State dates back to 1862 when a local fund was introduced for constructing roads and other local works (Sivanna, 2002). The Mysore Local Boards Act 1902 was another land mark which established a three- tier structure of local self government. Subsequent to the Montague –Chelmsford recommendations, the Government of Mysore enacted the Mysore Local Board and Village Panchayat Act, 1918. In the history of Panchayats in Karnataka the period between 1950 and 1954 was of great significance. During the period two committees were in operation to suggest for the strengthening of the District Boards and Village Panchayats. The Mysore Village Panchayats and Local Boards Act, 1959 is another signpost which provided for the District Development Councils, Taluk Development Councils and Village Panchayats. Almost ten years prior to the 73rd Constitution Amendment Act, the State of Karnataka expressed its willingness to make Panchayats a ‘real centre of power’ by enacting the Karnataka Zilla Parishad, Taluk Panchayat Samitis, Mandal Panchayats and Nyaya Panchayats Act 1983. Some of the salient features of 73rd Amendment Act can be easily traced out in the 1983 Act of the State. It is significant to note that Karnataka is the first State to pass the Conformity Act by incorporating all the provisions of the Constitution. The State had inherited varying pattern of local governance and rich experience which became a resource envelope for enacting the State Act with commitment and vision for devolution.

The State has devolved 29 functions along with funds and functionaries of all line departments. The State has also devolved considerable portion of its own revenue to the PRIs. Apart from other major States where the main source of revenue of Gram Panchayats is funds received for Centrally Sponsored Schemes, the main source of revenue of Gram Panchayats in Karnataka is State Government grants. The Gram Panchayats are assigned with own sources of revenue which forms almost 15 per cent of the Panchayat’s total revenue. The Panchayats are having an average of seven regular and seven contract Staff. The State has prepared the Human Development Index for all the 6022 Gram Panchayats of the State. The State amended the Panchayat Raj Act in 2015 to accord 50 per cent reservation for women and to provide continuation of rotation of reservation up to five years, and compulsory voting in Panchayat elections.

One of the areas which need immediate attention is the preparation of the integrated Panchayat development plans in convergence model in accordance with people’s aspirations rather than scheme based stand alone plans. In many cases production of a uniform set of goods and services gives an impression that plans are formulated by the State Government and entrusted with the Panchayats for implementation. In many Panchayats it is seen that Gram Panchayat Development Plan (GPDP) has started moving in the guiding principle of planning –efficient allocation of local resources to maximize the outcome. Visible evidences are reported from many Panchayats in the area of service delivery of civic amenities particularly in the supply of drinking water and rural connectivity .The own sources of income entrusted with Gram Panchayats are being levied properly by the Gram Panchayats verified across the States. These initiatives have moved the Panchayats to perform better and also placed the State at the second position for the last seven years since 2007-08 in devolution index and for the year 2016-17 at the first rank.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	87.85	2
	2	2008-2009	40.40	4
	3	2009-2010	74.73	1
	4	2010-2011	55.40	3
	5	2011-2012	63.07	1
	6	2012-2013	55.41	3
	7	2013-2014	68.00	2
	8	2014-2015	NA	1
	9	2015-2016	NA	1
	10*	2016-2017	72.05	2

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Kerala

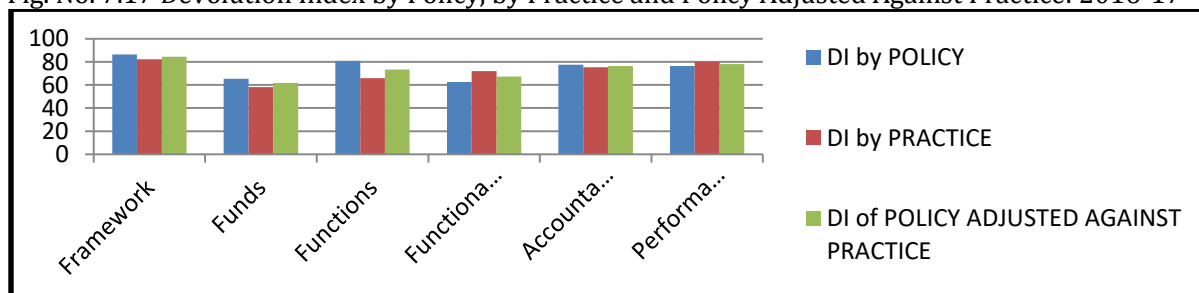
Table No. 7.49 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	86.40	4	82.28	4	84.34	4
2	Funds	65.25	2	58.06	4	61.66	2
3	Functions	80.76	2	65.80	8	73.28	5
4	Functionaries	62.58	4	72.02	1	67.30	1
5	Accountability & Transparency	77.42	7	75.34	6	76.38	6
6	Performance	76.42	2	79.95	1	78.19	1

Source: Data from Govt. of Kerala

Source: Field Survey

Fig. No. 7.17 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr. John.S.Moolakattu, Central University of Kerala

KERALA

Table No. 7.50 Kerala Panchayats - At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	941	152	14
2	No. of ERs	15965	2082	331
3	No. of Women ERs	8714	1118	174
4	No of ERs belonging to Scheduled Caste	1708	218	33
5	No of ERs belonging to Scheduled Tribe	244	31	6
6	No. of Women Panchayat Presidents	470	76	7
7	No. of Presidents belonging to Scheduled Caste	66	11	2
8	No. of President belonging to Scheduled Tribe	18	3	-

Source: Govt. Kerala and Field Survey

Table No. 7.51 General Information on PRIs

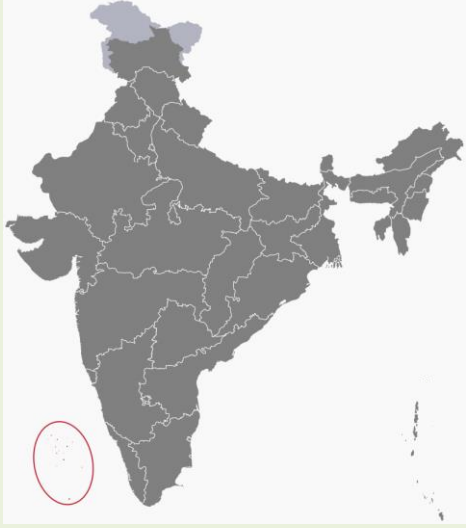
1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	$\frac{1}{10}$
3	Nomenclature of the Gram Panchayat President	President
4	No. of Standing Committees mandated	5
5	Nomenclature of Intermediate Panchayat	Block Panchayat
6	Nomenclature of the Intermediate Panchayat President	President
7	Ex-officio Members in the Intermediate Panchayat	Presidents of Gram Panchayats
8	Nomenclature of the District Panchayat	District Panchayat
9	Nomenclature of District Panchayat President	President
10	Ex-officio members of the District Panchayat	Block Panchayat Presidents
11	Chairperson of the DPC	President District Panchayat
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Kerala and Field Survey

KERALA

The State of Kerala is having its own special features and peculiarities as it is known in the development literature, 'Kerala Model of Development' which has contributed for the foundation of the administrative structure and dynamics of the Panchayats. The State has health and other social parameters at par with the developed countries. The settlement pattern of the State is different from other parts of the country. As per the dispersed settlement pattern of the State no villages can be easily identified as in other States. The entire State can also be considered as a single village or a town. The local governing institutions, in many cases are formed based on the division of administrative units rather than natural geographical boundaries. The trend of devolution in Kerala has not been a linear one. The evolution of Panchayats was not uniform throughout the State since parts of it were under princely rule and the rest under the British province of Madras. The average area of a Village Panchayat is 37.16 sq.km and average population 26674. In 1994, the Kerala Panchayat Raj Act was passed in consonance with the 73rd Constitution Amendment. Unlike all the other States in India, Kerala has made huge human resource and material investment in devolution from 1996 onwards through decentralized planning process known as 'peoples plan campaign for the ninth plan' or *Janakeeyasuthranam* ('people's planning') in local parlance. It was started by devolving 30 per cent of the State Plan fund to the Local Self Government institutions. The State Government has devolved 29 functions enlisted in the XIth Schedule along with funds and functionaries of fifteen line departments. Activity Mapping without any over lapping of functions among the tiers has also been framed. All development areas have made commendable achievements in local planning. However, whatever Kerala had inherited in the domain of decentralized planning and the experiences has not logically culminated in the Gram Panchayat Development Plan (GPDP) at an expected level of achievement.

Only the Gram Panchayats are having sources of own income among the PRIs. Based on the recommendations of the State Finance Commissions 3.5 percent of States own Revenue (SOR) are devolved to the PRIs as general purpose grant for their day to day functioning. They are also provided with grants for maintenance of the roads entrusted with them and for the non road assets owned and managed by them. The State has created relatively conducive climate for pursuing devolution at the grassroots. The Panchayats could make use of the overall devolution climate in the State and convert it in to policies and programmes suited to local conditions. In many cases, the Panchayats could take concrete decisions for social justice, efficient delivery of public goods and services and the quest for local economic development. Of course, it may be also a concern that in many cases it ends up in the production of 'fit for all' set of goods and services. The summation of all initiative of the State for the creation of good will for devolution have placed the State at the acme for the past many years and second for the year 2016-2017. But it is important to note that the consolidated receipt and expenditure details of the PRIs are not available at the State level. Moreover, though the three tier Panchayati Raj Institutions are functioning under the Local Self Government department, the day to day functioning, administration and staffing of the Intermediate Panchayat and the other two tiers are entirely different and the same has not been properly integrated till date.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	28.33	16
	2	2008-2009	NIL	NIL
	3	2009-2010	NA	15
	4	2010-2011	39.62	13
	5	2011-2012	25.10	21
	6	2012-2013	25.07	24
	7	2013-2014	17.91	25
	8	2014-2015	NIL	NIL
	9	2015-2016	NA	11
	10*	2016-2017	32.02	25

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Lakshadweep

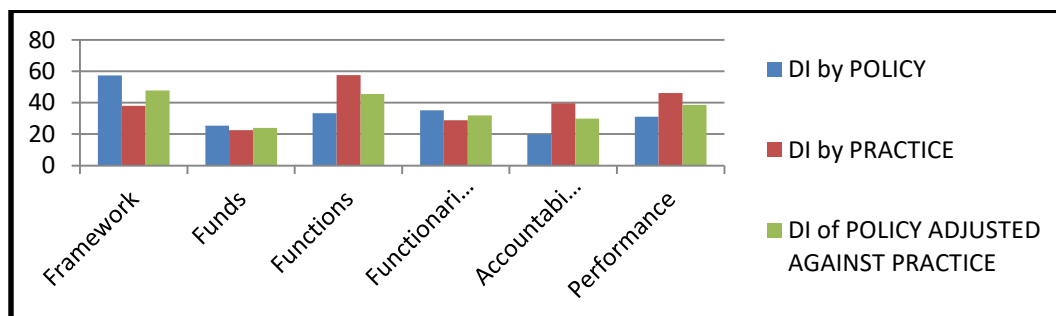
Table No.7.52 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	57.33	24	38.07	30	47.70	27
2	Funds	25.37	24	22.44	29	23.91	28
3	Functions	33.41	27	57.60	13	45.51	25
4	Functionaries	35.15	24	29.85	27	32.00	28
5	Accountability & Transparency	19.90	30	39.63	28	29.79	31
6	Performance	30.99	29	46.13	20	38.56	26

Source: Data from Govt. of Lakshadweep

Source: Field Survey

Fig. No. 7.18 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Shri. M Yousef, Chetlath Island, Lakshadweep

LAKSHADWEEP

Table No.7.53 Lakshadweep Panchayats - At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	10	No Intermediate	1
2	No. of ERs	85	No Intermediate	25
3	No. of Women ERs	32	No Intermediate	9
4	No of ERs belonging to Scheduled Caste	NIL	No Intermediate	NIL
5	No of ERs belonging to Scheduled Tribe	50	No Intermediate	16
6	No. of Women Panchayat Presidents	4	No Intermediate	0
7	No. of Presidents belonging to Scheduled Caste	NIL	No Intermediate	Nil
8	No. of President belonging to Scheduled Tribe	10	No Intermediate	1

Source: Govt. of Lakshadweep and Field Survey

Table No. 7.54 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Chairperson
4	No.of Standing Committees mandated	NIL
5	Nomenclature of Intermediate Panchayat	No Intermediate Panchayat
6	Nomenclature of the Intermediate Panchayat President	NA
7	Ex-officio Members in the Intermediate Panchayat	NA
8	Nomenclature of the District Panchayat	District Panchayat
9	Nomenclature of District Panchayat President	President –Cum- Chief Counsellor
10	Ex-officio members of the District Panchayat	Chairperson of Village (Dweep) Panchayats & MP
11	Chairperson of the DPC	Collector Cum Dev. Commissioner
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Lakshadweep and Field Survey

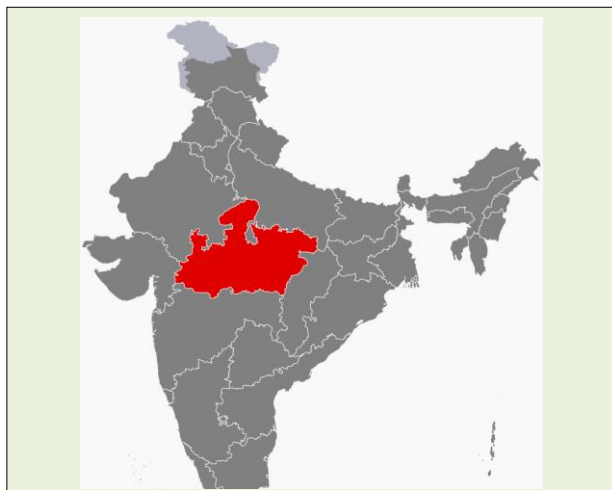
LAKSHADWEEP

Among the 10 inhabited Villages (Dweep) Panchayats in Lakshadweep, Minicoy has along history of decentralized governance in Dweep affairs. Traditionally there existed a governance system known as *Bamid* which controlled the Village life.

Before the Promulgation of Lakshadweep Village Panchayat Regulation 1994 there existed Pradesh Council for the whole Island and Island Councils for the 10 inhabited islands. Consequent to the Lakshadweep Village Panchayat Regulation, One District Panchayat for the whole Lakshadweep Islands and ten Village (Dweep) Panchayats came into existence. Each Village (Dweep) Panchayat has its own official emblem. The District Panchayat is having 25 elected members who is headed by the President -Cum -Chief Counsellor and two Vice President –Cum –Counsellors (1&2). The Ex -officio Chairman of the District Planning Committee (DPC) is the Administrator or such other officer as may be designated by the Administrator. Presently, the Collector –Cum- Development Commissioner is designated as Chairperson of the DPC.

All schemes and programmes implemented by the Education, Medical & Health services, Fisheries, Animal husbandry & Agriculture have been transferred to the PRIs with effect from April 2010. Staff, Plan and non-Plan budget of these Departments at the district level are also transferred fully to the District Panchayat.

The Village Panchayats are empowered to collect tax and non tax revenue. But the main source of revenue is the grants given by the Lakshadweep Administration and the Union Government. A consolidated data on Village (Dweep) Panchayats is not available at the UT level. The Panchayats are provided with Secretary and other staff for its day to day functioning .The Devolution Index of the Union Territory for the current year is 32.02 which brings to the rank of 25.



Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Madhya Pradesh

SLNO	YEAR	INDEX	RANK
1	2007-2008	73.86	6
2	2008-2009	44.40	1
3	2009-2010	59.78	6
4	2010-2011	47.30	7
5	2011-2012	59.43	4
6	2012-2013	47.26	7
7	2013-2014	51.14	8
8	2014-2015	NA	9
9	2015-2016	NA	9
10*	2016-2017	64.81	4

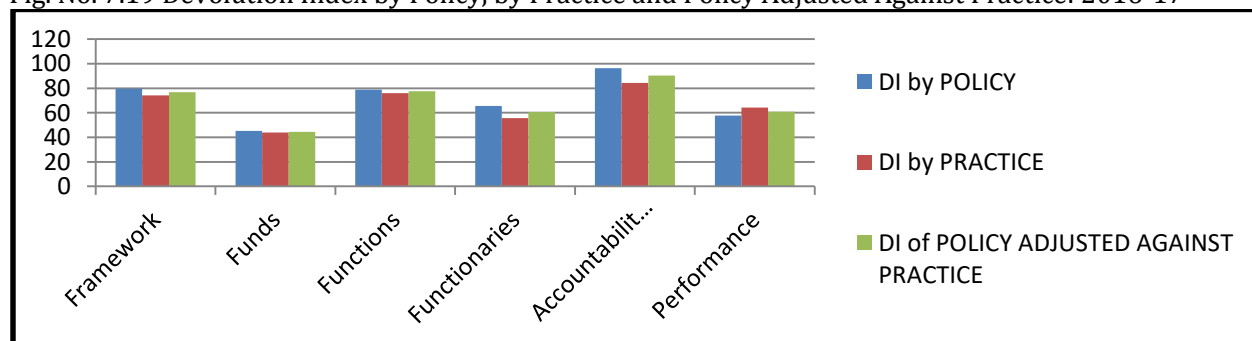
Table No. 7.55 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	79.62	6	74.18	10	76.90	6
2	Funds	45.26	12	43.84	14	44.55	13
3	Functions	78.90	3	76.07	3	77.49	3
4	Functionaries	65.61	2	55.79	5	60.70	4
5	Accountability & Transparency	96.36	2	84.34	2	90.35	2
6	Performance	57.71	7	64.15	5	60.93	5

Source: Data from Govt. of Madhya Pradesh

Source: Field Survey

Fig. No. 7.19 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Prof. Yatindra Singh Sisodia, MPISSR, Ujjain.

MADHYA PRADESH

Table No. 7.56 Madhya Pradesh Panchayats - At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	22816	313	51
2	No. of ERs	273792	6792	852
3	No. of Women ERs	136896	3396	426
4	No of ERs belonging to Scheduled Caste	43807	1086	136
5	No of ERs belonging to Scheduled Tribe	54758	1358	170
6	No. of Women Panchayat Presidents	10261	160	20
7	No. of Presidents belonging to Scheduled Caste	3650	50	9
8	No. of President belonging to Scheduled Tribe	4563	62	12

Source: Govt. of Madhya Pradesh and Field Survey

Table No. 7.57 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	$\frac{1}{10}$ from which $\frac{1}{3}$ to be woman
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No. of Standing Committees mandated	NR
5	Nomenclature of Intermediate Panchayat	Janpad Panchayat
6	Nomenclature of the Intermediate Panchayat President	President
7	Ex-officio Members in the Intermediate Panchayat	MLAs
8	Nomenclature of the District Panchayat	Zilla Panchayat
9	Nomenclature of District Panchayat President	President
10	Ex-officio members of the District Panchayat	MPs, MLAs and Chairman of the District co-operative Bank
11	Chairperson of the DPC	Minister in charge of the District
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Madhya Pradesh and Field Survey

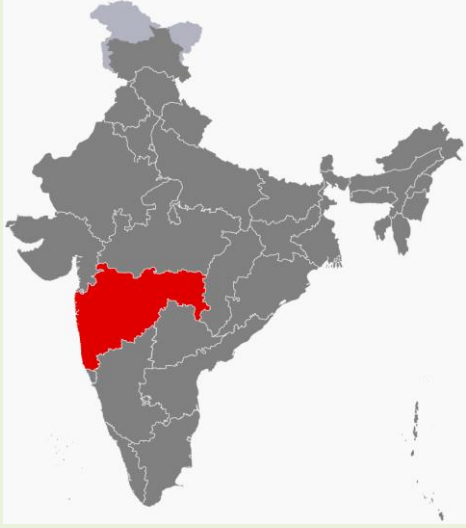
MADHYA PRADESH

The spirit of the 73rd amendment of the constitution was to provide power to the people and the strengthening of Gram Sabha. Madhya Pradesh is the first State in the country to empower the Gram Sabha with provisions to call back the elected functionaries of the Gram Panchayats (after a period of two and half years).

The Panchayati Raj Institutions in the State are provided with sources of own revenue and Government grants. The State Finance Commissions are being appointed regularly and financial devolution is made to the local bodies based on the recommendations of the SFC. Activity Mapping in respect of 25 matters pertaining to 22 departments have been issued. Funds for 13 departments covering 19 matters are released to the PRIs. The State has constituted a State Panchayat Service and functionaries of 13 departments at the Village level have been transferred to these institutions. The PRIs are given the powers to appoint teachers and staff of Anganwadis.

Consequent to the enactment of PESA Act the State Panchayati Raj Act has been amended to incorporate the provisions of PESA in the Act. The Madhya Pradesh Land Acquisition Act, Excise Act, Mines and Minerals Act, Agricultural Produce and Market Act and Money Lending Act also have been amended to safeguard the interests of the tribal people in the PESA areas.

It is seen from the field level data that the own revenue collected by the Panchayats are nominal and the peoples participation in the Gram Sabhas are poor. But the State has initiated steps to improve the revenue collection and proper accounting of the receipts and expenditure. It is observed that the main Source of Revenue (SoR) of the PRIs in the State is the funds released for Centrally Sponsored Schemes (CSS). The planning and implementation of MGNREGS and the introduction of Gram Panchayat Development Plan (GPDP) have made the PRIs especially the Gram Panchayats more vibrant. The Devolution Index of the State for the year 2016-17 is 64.81 which bring the State to the fourth rank. At the disaggregate level, the ranking shows that the State has performed well in all the domains of the Devolution Index. In all the cases, the State is above the national average. It could attain second rank in two dimensions of 'functionaries' and 'accountability & transparency'. It is third in the domain of 'functions'. The year wise data on the score value of devolution and the position of rank over a period of last 10 years shows that the State has a strong foundation which promotes devolution by policy.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	NIL	NIL
	2	2008-2009	29.30	13
	3	2009-2010	61.49	5
	4	2010-2011	64.00	1
	5	2011-2012	59.74	3
	6	2012-2013	64.04	1
	7	2013-2014	70.21	1
	8	2014-2015	NA	4
	9	2015-2016	NA	3
	10*	2016-2017	62.77	5

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Maharashtra

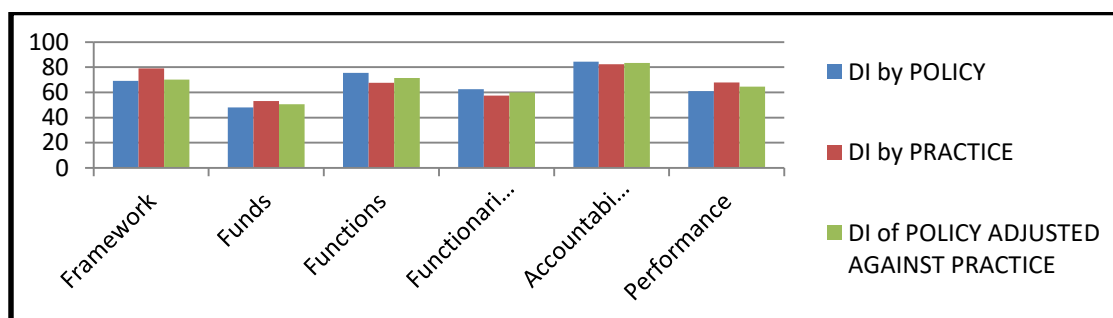
Table No. 7.58 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	69.13	16	78.99	5	74.06	9
2	Funds	48.13	8	53.09	8	50.61	7
3	Functions	75.45	6	67.60	6	71.53	6
4	Functionaries	62.42	5	57.44	4	59.93	5
5	Accountability & Transparency	84.53	3	82.47	3	83.50	3
6	Performance	61.11	5	67.84	3	64.48	4

Source: Data from Govt. of Maharashtra

Source: Field Survey

Fig. No. 7.20 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Shri.M.S.Deshpande, Maitree, Aurangabad

MAHARASHTRA

Table No. 7.59 Maharashtra Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	27901	351	34
2	No. of ERs	227241	3922	1961
3	No. of Women ERs	112621	1925	973
4	No of ERs belonging to Scheduled Caste	25269	446	225
5	No of ERs belonging to Scheduled Tribe	27597	532	272
6	No. of Women Panchayat Presidents	13998	176	18
7	No. of Presidents belonging to Scheduled Caste	3359	41	04
8	No. of President belonging to Scheduled Tribe	4788	59	05

Source: Govt. of Maharashtra and Field Survey

Table No. 7.60 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	Nil
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	No
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Chairman
7	Ex-officio Members in the Intermediate Panchayat	NR
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	President
10	Ex-officio members of the District Panchayat	Chairmen of Panchayat Samitis
11	Chairperson of the DPC	President
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Maharashtra and Field Survey

MAHARASHTRA

A three tier Panchayati Raj System has been introduced in Maharashtra in 1962. Consequent to the 73rd Amendment of the constitution, the State Government has amended the Bombay Village Panchayat Act 1958 in consonance with the provisions of the constitution. The Maharashtra Zilla Parishads and Panchayat Samiti Act were also amended accordingly. The State has amended the Acts several times to incorporate more and more provisions enabling the Panchayati Raj Institutions to function as institutions of governance. A huge number of functionaries are provided for the day to day functioning of the Panchayats. To ensure more participation of women the percentage of reservation has been raised to 50. The State has launched '*Panchayat Mahila Sakti Abhyan*' - a State Level forum of women representatives of the PRIs. The forum prepares Action Plan for women empowerment and also initiate follow up action on the issues like women and child exploitation, sexual harassment, untouchability issues etc. In order to empower the Gram Sabha '*Dindi*' is being organized and before the conduct of Gram Sabha Mahila Gram Sabhas are also convened.


Maharashtra is the only State in India which has assured 50 percent women participation in the District Planning Committee (DPC). The State is having a separate Act for DPC. One among the first States that have introduced Electronic Voting Machines (EVM) in the local body elections is Maharashtra. The State is in the process of converting the PRIs to e- PRIs, through computerizing the services provided by these institutions. All the Panchayati Raj Institutions in the State are having computers and internet connectivity. '*Paryavaran Santulith Grama Yojana*' (Eco village) is one of the unique programmes initiated in the State to grow and maintain trees in the villages and the villages are provided with incentives in the form of untied funds.

The Zilla Panchayats and Gram Panchayats are assigned with own sources of revenue. The State has devolved 16 functions and 15480 related functionaries. The allocations to Panchayati Raj Institutions are lesser than recommended by the State Finance Commission (SFC). It may be noted that the PRIs are mainly implementing the transferred Schemes of the State. Providing more untied funds to these institutions for preparing and implementing Gram Panchayat Development Plans (GPDP) will boost the process of devolution in the State.

It is noteworthy that the State has amended not only the Panchayati Raj Act, but also six State specific laws consequent to the enactment of PESA by the Parliament in 1996, empowering the Gram Sabhas in the Scheduled Areas of the State. The devolution index of the State for the year 2016-17 is 62.77, brings the State to the 5th Rank.

MANIPUR

Devolution Index 2007-08 to 2016-17

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	52.52	12
	2	2008-2009	14.60	21
	3	2009-2010	NIL	NIL
	4	2010-2011	25.90	24
	5	2011-2012	NIL	NIL
	6	2012-2013	25.91	23
	7	2013-2014	27.87	22
	8	2014-2015	NA	20
	9	2015-2016	NA	23
	10*	2016-2017	36.40	23

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Manipur

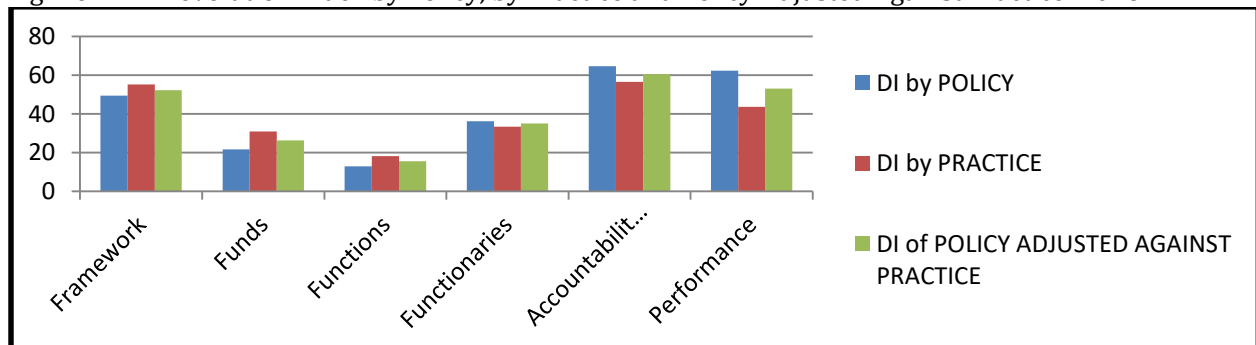
Table No. 7.61 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	49.36	26	55.26	23	52.31	25
2	Funds	21.60	28	30.97	24	26.29	26
3	Functions	12.89	31	18.16	25	15.53	30
4	Functionaries	36.19	22	33.82	23	35.01	24
5	Accountability & Transparency	64.58	10	56.57	14	60.58	11
6	Performance	62.36	4	43.62	22	52.99	10

Source: Data from Govt. of Manipur

Source: Field Survey

Fig. No. 7.21 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Mr. M.Sohodeba Singh, Loyalam Lamjing Lup, Imphal

MANIPUR

Table No. 7.62 Manipur Panchayats - At a Glance

SL. NO	No of Panchayats	Village Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	161	Nil	4
2	No. of ERs	1664	Nil	60
3	No. of Women ERs	590	Nil	24
4	No of ERs belonging to Schedule Caste	40	Nil	22
5	No of ERs belonging to Schedule Tribe	34	Nil	1
6	No. of Women Panchayat Presidents	55	Nil	4
7	No. of Presidents belonging to Scheduled Caste	2	Nil	NR
8	No of presidents belong to ST	4	Nil	NR

Source: Govt. of Manipur and Field Survey

Table No. 7.63 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Pradhan
4	No of standing committees mandated	3
5	Nomenclature of Intermediate Panchayat	NIL
6	Nomenclature of the Intermediate Panchayat President	NIL
7	Ex-officio Members in the Intermediate Panchayat	NIL
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	<i>Adhyaksha</i>
10	Ex-officio members of the District Panchayat	10% of Pradhans on rotation basis MPs MLAs
11	Chairperson of the DPC	<i>Adhyaksha</i> , Zilla Parishad
12	Whether there is a provision for Nyaya Panchayat	No

MANIPUR


Two tier Panchayati Raj Institutions have been established and they are functional only in the plain areas of Manipur State. In the hill areas Autonomous Hill Area District Councils are functioning. During 2008-09 the overall devolution index of the State was 14.60. It became 25.90 during 2010-11 and last year the rank of the State was 23. For the current year the rank has come to 23 with a score value of 36.40 as against the national average of 47.00. A small improvement in the status of Devolution Index of the State is observed. It may be due to the special initiatives taken by the State for the introduction of Gram Panchayat Development Plan initiated under the directions of MoPR. The quorum for the Gram Sabha according to the Act is 1/10. But from the field level data it is seen that actual attendance of voters in the Gram Sabha is below the stipulated percentage. Out of the 29 subjects enlisted in the XIth Schedule, 24 have been devolved by legislation. But from field level data it is found that the Gram Panchayat is not involved in any of these functions. The Gram Panchayats are having a permanent Secretary and one / two contract staff.

The village Panchayats are entrusted to collect the following taxes and fee.

- (1) Fee for sanitary arrangements
- (2) Lighting fee
- (3) Conservancy rate for clearing private latrines.

But the actual collection of these rates and fees are 'nil' according to the proforma furnished by the State and from the information collected from the field. The major sources of funds of the Panchayats are allocation for the Centrally Sponsored Schemes (CSS) and the State and National Finance Commission grants. As far as accounts are concerned the technical inspection report of the C&AG has pointed out that the maintenance of accounts of village Panchayats are very poor and has pointed out that the state has to adopt a model accounting system.

The Panchayats are performing four basic functions only. But the implementation of MGNREGS has made the Panchayats functional and active. The only income of the District Panchayats is the State Finance Commission awards. It may be noted that the transparency index of the State is 64.58. The performance index of the State is also far better from other states with an index of 62.36 which imply that Panchayati Raj Institutions have potential and may become a vibrant institution in the State if they are provided with sufficient funds and functions.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	60.53	9
	2	2008-2009	23.00	18
	3	2009-2010	42.93	12
	4	2010-2011	40.00	11
	5	2011-2012	37.28	13
	6	2012-2013	40.01	11
	7	2013-2014	39.95	14
	8	2014-2015	NA	10
	9	2015-2016	NA	16
	10*	2016-2017	48.16	11

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Odisha

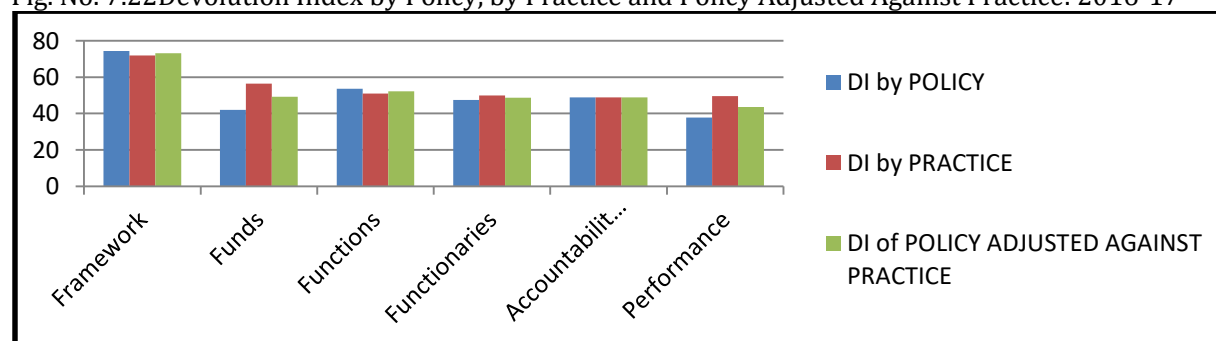
Table No.7.64 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	74.35	9	71.93	12	73.14	11
2	Funds	42.06	15	56.49	6	49.28	9
3	Functions	53.59	19	51.00	17	52.30	18
4	Functionaries	47.55	14	49.85	10	48.70	11
5	Accountability & Transparency	48.89	25	48.90	21	48.90	24
6	Performance	37.72	21	49.64	17	43.68	20

Source: Data from Govt. of Odisha

Source: Field Survey

Fig. No. 7.22 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Mr. Bishnu Prasad Mohapatra, CESS, Hyderabad

ODISHA

Table No. 7.65 Odisha Panchayats - At a Glance

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	6805	314	30
2	No. of ERs	87551	6211	854
3	No. of Women ERs	NR	NR	NR
4	No of ERs belonging to Scheduled Caste	6530	445	64
5	No of ERs belonging to Scheduled Tribe	11242	763	101
6	No. of Women Panchayat Presidents	3230	163	18
7	No. of Presidents belonging to Scheduled Caste	966	85	8
8	No. of President belonging to Scheduled Tribe	2329	72	7

Source: Govt. of Odisha and Field Survey

Table No.7.66 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	¹ / ₁₀
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	6
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Chairman
7	Ex-officio Members in the Intermediate Panchayat	Sarpanch of GPs, MPs, MLAs
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	Adyaksha
	Ex-officio members of the District Panchayat	Samiti Chairman, MLAs, MLCs and MPs
	Chairperson of the DPC	As appointed by the Government
	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Odisha and Field Survey

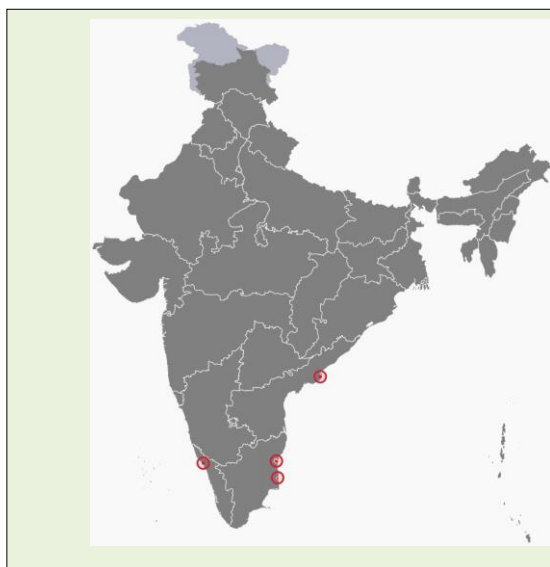
ODISHA

There was 6211 Gram Panchayats in Odisha. But before the elections to the Panchayati Raj Institutions in the year 2016, the Gram Panchayats were re-organized, bifurcating the Panchayats which were having population over 10000. At present there are 6805 Gram Panchayats 314 intermediate Panchayats and 30 Zilla Parishads. The Election Commission is in position and the 4th State Finance Commission has submitted their report. Apart from the Secretary, the State Government has recently taken a decision to engage an Accountant cum Computer Assistant in each Gram Panchayat. As per notification No.8430 IPR dated 25 October 2005 Activity Mapping for nine departments have been done.

Though the Gram Panchayats are entrusted with certain sources of own revenue, the collection of revenue is very meagre and the Panchayats depends on resources devolved by the State Government and funds received for Centrally Sponsored Schemes (CSS).

As per the study on Devolution Index for the year 2016-17 the index of the State has arrived at 48.16 and the rank is 11. The disaggregate figures of the six dimensions of devolution gives an interesting inference. In all the four core dimensions (framework, functions funds, functionaries) the State could attain score values above the national average whereas in other two (accountability & transparency and performance) it is below the national average. The State can improve its position by devolving more subjects along with funds and functionaries to the PRIs along with support institutions and systems for accountability & transparency. More initiatives are needed for better performance and efficacy of the Panchayats. At present, the main activities of the Panchayats are only agency functions. The consolidated data base on Panchayati Raj Institutions and their income and expenditure is not available at the State level.

Certain parts are under the Fifth Schedule and therefore comes under PESA regime . Though the Panchayati Raj Act of the State has been amended, other State Specific laws are to be amended in consonance with the PESA Act. Special attention may be given for the dissemination of information on PESA to the local community.



SLNO	YEAR	INDEX	RANK
1	2007-2008	NIL	NIL
2	2008-2009	NIL	NIL
3	2009-2010	NIL	NIL
4	2010-2011	NA	19
5	2011-2012	NIL	NIL
6	2012-2013	NIL	NIL
7	2013-2014	NIL	NIL
8	2014-2015	NIL	NIL
9	2015-2016	NA	24
10*	2016-2017	1.36	29

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Puducherry

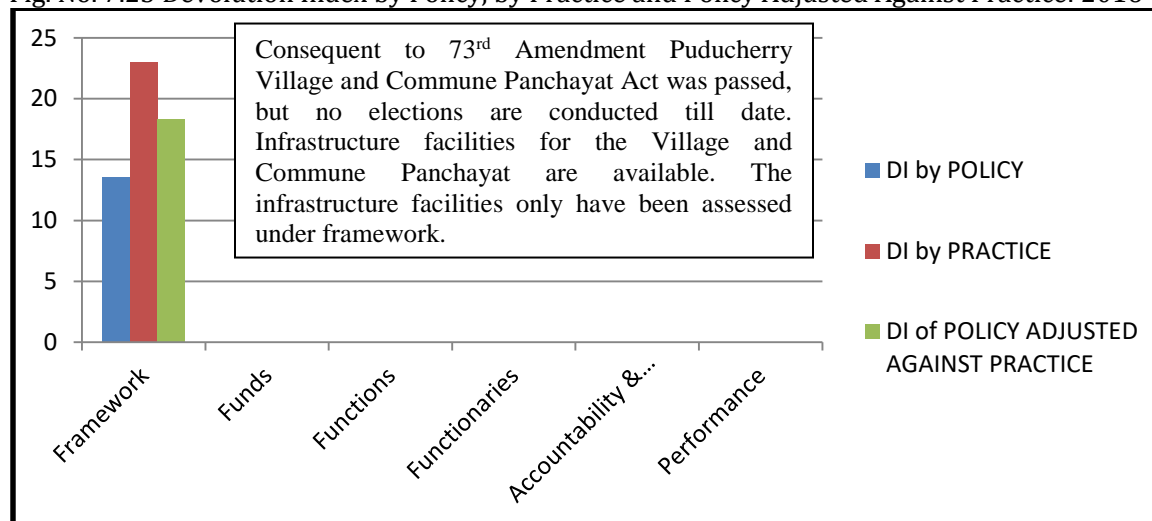
Table No. 7.67 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	13.55	31	23.03	32	18.29	32
2	Funds	0	32	0	32	0	32
3	Functions	0	32	0	28	0	32
4	Functionaries	0	31	0	32	0	32
5	Accountability & Transparency	0	31	0	32	0	32
6	Performance	0	32	0	32	0	32

Source: Data from Govt. of Puducherry

Source: Field Survey

Fig. No. 7.23 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Shri. Vasudeva Raj, Community Research Centre, Puducherry

PUDUCHERRY

Table No. 7.68 Puducherry Panchayats - At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	98	10	NIL
2	No. of ERs	Not elected	Not elected	NIL
3	No. of Women ERs	Not elected	Not elected	NIL
4	No of ERs belonging to Scheduled Caste	Not elected	Not elected	NIL
5	No of ERs belonging to Scheduled Tribe	Not elected	Not elected	NIL
6	No. of Women Panchayat Presidents	Not elected	Not elected	NIL
7	No. of Presidents belonging to Scheduled Caste	Not elected	Not elected	NIL
8	No. of Presidents belonging to Scheduled Tribe	Not elected	Not elected	NIL

Source: Govt. Puducherry and Field Survey

Table No. 7.69 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	Not Relevant
2	Quorum prescribed for the Gram Sabha	Not Relevant
3	Nomenclature of the Gram Panchayat President	Not Relevant
4	No. of Standing Committees mandated	Not Relevant
5	Nomenclature of Intermediate Panchayat	Not Relevant
6	Nomenclature of the Intermediate Panchayat President	Not Relevant
7	Ex-officio Members in the Intermediate Panchayat	Not Relevant
8	Nomenclature of the District Panchayat	Not Relevant
9	Nomenclature of District Panchayat President	Not Relevant
10	Ex-officio members of the District Panchayat	Not Relevant
11	Chairperson of the DPC	Not Relevant
12	Whether there is a provision for Nyaya Panchayat	Not Relevant

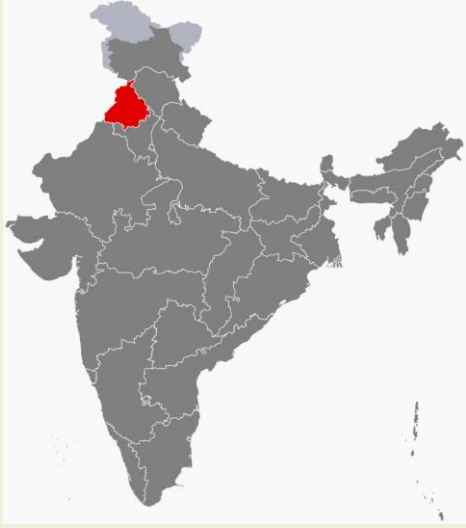
Source: Govt. Puducherry and Field Survey

PUDUCHERRY

The local administration in Puducherry has a history from 1880. The French Administration prevailed in the territory has organized clusters of 20 to 50 villages including towns to form a commune and Municipal Council. There were six Communes in Puducherry, six in Karaikal and one each in Mahi and Yanam. These Municipal Councils have played a significant role in merging of Puducherry to the Indian Union, through secret vote referendum among the Commune Municipal members in the referendum held on 18th October 1954

170 out of 178 members voted for the merging with Indian Union. These Commune Municipal councils continued up to 1973 where the Puducherry Village and Commune Panchayat Act was enacted which has given birth to Village and Commune Panchayats. Even after the enactment no elections were conducted and these institutions were entrusted with bureaucracy. Consequent to 73rd and 74th constitutional amendments Puducherry Village and Commune Panchayat Act was passed, but no elections are conducted till date.

No Panchayati Raj Institutions have been functioning in the Union Territory for the last four and half decades. The devolution index for the UT has been prepared only on the ground that there exists a Panchayati Raj Act and the DI of the UT is 1.36, the lowest in the Country and the rank is 29.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	NIL	NIL
	2	2008-2009	16.10	20
	3	2009-2010	31.54	19
	4	2010-2011	31.20	20
	5	2011-2012	27.22	19
	6	2012-2013	31.23	19
	7	2013-2014	35.28	17
	8	2014-2015	NA	19
	9	2015-2016	NA	24
	10*	2016-2017	43.41	18

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Punjab

Table No. 7.70 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	70.06	14	63.59	18	66.83	16
2	Funds	25.00	25	28.32	26	26.66	25
3	Functions	47.65	22	47.40	21	47.53	23
4	Functionaries	35.18	23	31.38	26	33.28	27
5	Accountability & Transparency	81.16	6	58.32	11	69.74	9
6	Performance	43.92	16	44.26	21	44.09	19

Source: Data from Govt. of Punjab

Source: Field Survey

Fig. No.7.24 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Ms. Sharan Pal Kaur, Democratic Youth Organization for Development, Patiala

PUNJAB

Table No. 7.71 Punjab Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	13028	147	22
2	No. of ERs	94118	2731	331
3	No. of Women ERs	31373	910	110
4	No of ERs belonging to Scheduled Caste	4254	903	109
5	No of ERs belonging to Scheduled Tribe	No ST	No ST	No ST
6	No. of Women Presidents	4436	60	7
7	No. of Presidents belonging to Scheduled Caste	4254	NR	NR
8	No. of Presidents belonging to Scheduled Tribe	NR	NR	NR

Source: Govt. of Punjab and Field Survey

Table No. 7.72 General Information on PRIs

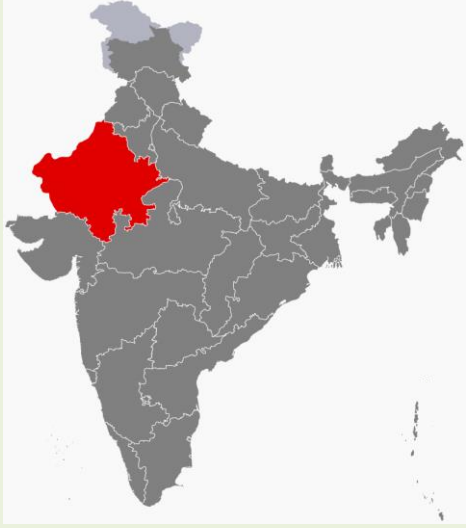
1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/5
3	Nomenclature of the Gram Panchayat President	<i>Sarpanch</i>
4	No.of Standing Committees mandated	3
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	<i>Chairman</i>
7	Ex-officio Members in the Intermediate Panchayat	Representatives of Sarpanches elected from among them, MLA's, MLC's
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	<i>Chairman</i>
10	Ex-officio members of the District Panchayat	Samiti Chairman, MP, MLA, MLCs
11	Chairperson of the DPC	Person nominated by Govt.
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Punjab and Field Survey

PUNJAB

The State has framed all institutions mandated by the Constitution. The State Election Commission (SEC), the State Finance Commission (SFC), District Planning Committees (DPCs,) reservation of seats and positions for weaker sections have also been fulfilled. Hence the score of the State under framework stands as high as 70.06. But for the effective functioning of the Panchayats, functionaries, and funds are inevitable. Except the Panchayat Secretary no other posts are sanctioned to the Gram Panchayats. The core issue relating to the Panchayats of the State is that a consolidated database is not available at the state level. The third Finance Commission of the State has recommended for dedicated cells within the Department of Local Government and the Department of Rural Development and Panchayats. The Commission has emphasized that the cell should be populated by staff and to assist in collecting and maintaining data which must cover the actual expenditure and resources of each local body, both rural and urban. As per the information furnished by the State and the data collected at the field level, it is observed that the only reliable data available on finance is the allocation given under the National Finance Commission. Though the State Government has devolved the 29 subjects listed under the XIth Schedule to the three tiers of Panchayats, only 13 subjects are actually transferred to the PRIs.

As per the Devolution Index constructed for 2016-2017 the State has scored a weightage of 70.06 for framework while the weightage for funds is only 25.00. For accountability and transparency the State has secured 81.16. The score value is very low for all other dimensions (functions, functionaries and performance) and they all are less than the national average. The total score value of the DI 2016-17 is 43.41 with 18th rank among the States and UTs. In the former years also the position of the State was hovering at 20 point. In order to strengthen the PRIs, all the functions are to be devolved with activity mapping. Necessary rules may be formulated for the effective collection of taxes assigned to the PRIs. Capacity Building and Training (CB&T) measures also are to be imparted.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	78.38	5
	2	2008-2009	27.00	15
	3	2009-2010	37.56	16
	4	2010-2011	52.10	4
	5	2011-2012	57.90	5
	6	2012-2013	52.10	4
	7	2013-2014	54.23	6
	8	2014-2015	NA	7
	9	2015-2016	NA	9
	10*	2016-2017	58.42	8

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Rajasthan

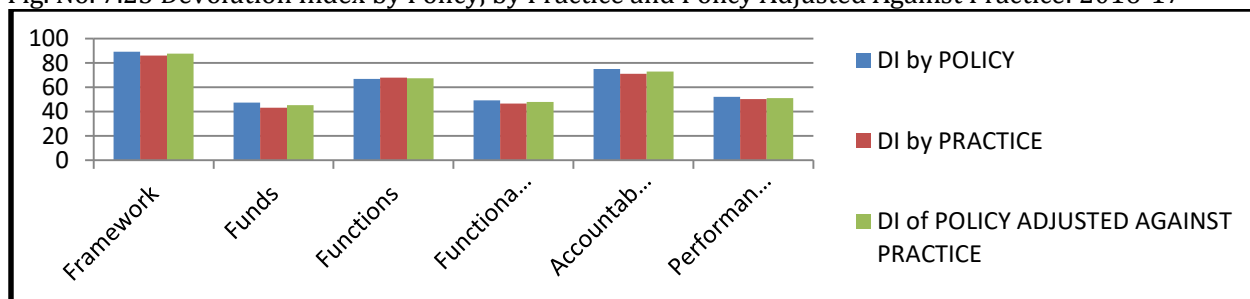
Table No. 7.73 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	89.30	2	86.18	2	87.74	2
2	Funds	47.56	9	43.34	15	45.45	12
3	Functions	66.95	10	68.01	5	67.48	9
4	Functionaries	49.24	10	46.65	12	47.95	12
5	Accountability & Transparency	75.02	8	71.01	8	73.02	7
6	Performance	52.17	12	50.20	15	51.19	12

Source: Data from Govt. of Rajasthan

Source: Field Survey

Fig. No. 7.25 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr.Madhusudan Bandi, GIDR, Ahmedabad, Gujarat

RAJASTHAN

Table No. 7.74 Rajasthan Panchayats - At a Glance

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	9894	295	33
2	No. of ERs	117604	6236	1014
3	No. of Women ERs	66826	3118	587
4	No of ERs belonging to Scheduled Caste	18434	971	185
5	No of ERs belonging to Scheduled Tribe	14389	871	168
6	No. of Women Panchayat Presidents	4947	148	16
7	No. of Presidents belonging to Scheduled Caste	1583	47	5
8	No. of President belonging to Scheduled Tribe	1187	34	4

Source: Govt. of Rajasthan and Field Survey

Table No. 7.75 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	6
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Pradhan
7	Ex-officio Members in the Intermediate Panchayat	Sarpanchs MLAs
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	Pramukh
10	Ex-officio members of the District Panchayat	Pradhans MPs & MLAs
11	Chairperson of the DPC	Pramukh ,Zilla Parishad
12	Whether there is a provision for Nyaya Panchayat	No


Source: Govt. of Rajasthan and Field Survey

RAJASTHAN

Consequent to the Balwanth Rai Mehtha Committee recommendations, Rajasthan was the first State to adopt Panchayati Raj system. The first Panchayat was inaugurated in Nagaur district, which was the constituency of SK Dey, on 2nd October 1959. The State has enacted the revised legislation on Panchayati Raj in the year 1994 in tune to the spirit of the 73rd Amendment of the Constitution. It is observed that 25 out of the 29 subjects have been devolved to the Panchayati Raj Institutions and the activity mapping was also done. Functionaries and funds along with functions relating to five areas have been transferred. Functionaries for the day to day functioning of the Panchayats were also provided to these institutions. All the mandatory institutions which form the framework for the smooth functioning of PRI's have also been made a reality by the State Government. The Gram Panchayats are entrusted with seven items of taxes and fourteen items of fees. Four sources of income have been devolved to Panchayat Samitis and two to the Zilla Parishads. These interventions have placed the State in the 6th rank among the States during 2013-2014 and at 9th rank last year. For the current year also the State comes at the 8th rank with second in framework, 8th in transparency and 12th place in performance. It is also an achievement that the State has attained a position of above national average in all the six dimensions of devolution.

The main reason for the stagnation in devolution index of the State seems to be the meagre collection of own resources and high dependency on Central and State grants by the Panchayats. The functionaries available are not sufficient to provide the manpower required for meeting the responsibilities and functions entrusted with the PRIs. Though the number of Gram Sabhas to be held and the quorum mandated, it is found that the functioning of Gram Sabhas are not properly monitored as evident from the data collected from Gram Panchayats where no Gram Sabhas were held with prescribed quorum during 2015-2016 and 2016-2017.

Moreover, Rajasthan is not having a consolidated data base on Panchayati Raj Institutions as stated by the fourth State Finance Commission in its final report. Parts of two districts in Rajasthan come under Fifth Schedule Area. According to PESA Act 1996, the Gram Sabhas in the scheduled areas are bestowed with more powers as far as local resources are concerned. From the field survey it is found that the Gram Panchayats and Gram Sabhas are not exercising the duties and powers bestowed upon them. The State may take initiatives to augment the collection of own resources of the Panchayats.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	53.31	11
	2	2008-2009	38.30	6
	3	2009-2010	47.43	9
	4	2010-2011	39.10	15
	5	2011-2012	51.98	8
	6	2012-2013	39.12	14
	7	2013-2014	43.95	11
	8	2014-2015	NA	2
	9	2015-2016	NA	6
	10*	2016-2017	69.67	3

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Sikkim

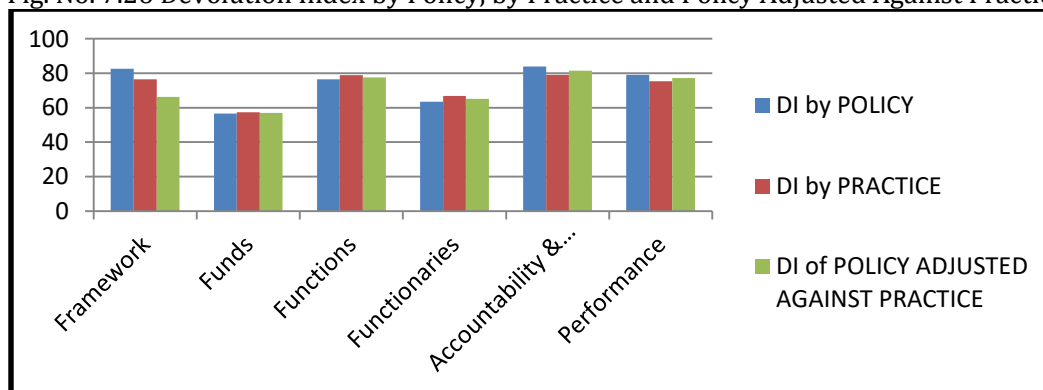
Table No. 7.76 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	82.64	5	76.50	8	66.32	18
2	Funds	56.60	5	57.25	5	56.94	5
3	Functions	76.45	5	78.81	1	77.63	2
4	Functionaries	63.48	3	66.86	2	65.17	2
5	Accountability & Transparency	83.92	4	78.99	4	81.46	4
6	Performance	79.10	1	75.33	2	77.22	2

Source: Data from Govt. of Sikkim

Source: Field Survey

Fig. No. 7.26 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Shri.Manu Sankar.S, Kudumbashree, NRO, Sikkim

SIKKIM

Table No.7.77 Sikkim Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	176	No Intermediate	4
2	No. of ERs	986	No Intermediate	110
3	No. of Women ERs	493	No Intermediate	55
4	No of ERs belonging to Scheduled Caste	59	No Intermediate	7
5	No of ERs belonging to Scheduled Tribe	355	No Intermediate	39
6	No. of Women Panchayat Presidents	88	No Intermediate	2
7	No. of Presidents belonging to Scheduled Caste	11	No Intermediate	-
8	No. of Presidents belonging to Scheduled Tribe	63	No Intermediate	2

Source: Govt. of Sikkim and Field Survey

Table No. 7.78 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	<i>Sabhapati</i>
4	No.of Standing Committees mandated	NIL
5	Nomenclature of Intermediate Panchayat	No Intermediate Panchayat
6	Nomenclature of the Intermediate Panchayat President	NA
7	Ex-officio Members in the Intermediate Panchayat	NA
8	Nomenclature of the District Panchayat	Zila Panchayat
9	Nomenclature of District Panchayat President	<i>Adhyaksha</i>
10	Ex-officio members of the District Panchayat	Sabhapatis, MPs, MLA's
11	Chairperson of the DPC	NA
12	Whether there is a provision for Nyaya Panchayat	No

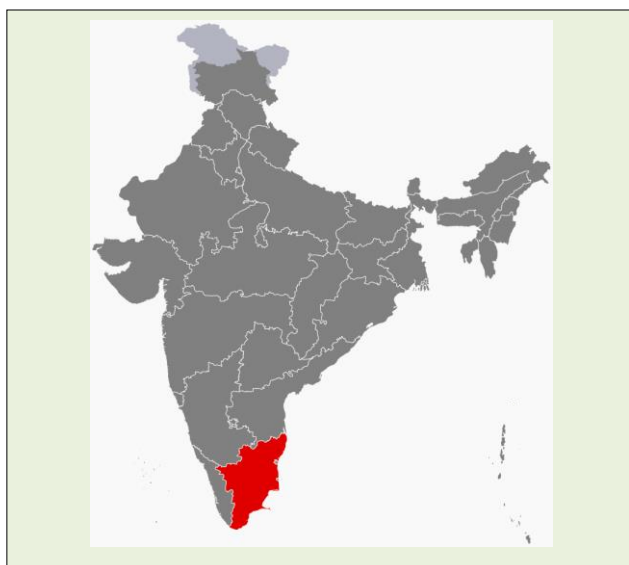
Source: Govt. of Sikkim and Field Survey

SIKKIM

Sikkim is placed at the third rank at the Composite Devolution Index for 2016-17. In the sub indices, the position of Sikkim is as follows. It has been placed at fifth in the three dimensions of ‘framework’, ‘funds’, and ‘functions’. Under the dimension ‘functionaries’ the position is third. Being a small State in the North East, Sikkim needs special attention in analyzing the status of devolution. Two tier system of Panchayat is in existence in the State of Sikkim- Zilla Panchayat at the district level and Gram Panchayat at the Village level. There are only four Zilla Panchayats and 165 Gram Panchayats. It has well defined legal entitlements through legislation, rules, guidelines and directives. All other structures of framework are very sound and the overall position of the ranking in this dimension is five. All functions listed in the 29 subjects and the implementation of the centrally and State sponsored schemes are transferred to the Panchayats. The functions transferred to the Panchayats have a vital role in the context of Sikkim which has forest, environment and wildlife, disaster management and cultural activities. In the functional domain Sikkim is ranked at the fifth position. As per the recommendations of the State Finance Commission the staff strength of the Panchayats has been increased mainly in the accounts section. It has made an impact in two areas-the dimension on functionaries and the dimension on accountability and transparency. The achievements of the State in the formulation of Gram Panchayat Development Plan (GPDP) are commendable. Sikkim has introduced a campaign on e-Panchayats in which knowledge platform has been established for building a culture of using computer and internet at the grass roots level. All these developments have resulted in the efficacy of the Panchayats and finally the State has acquired the first position in the dimension of performance.

TAMIL NADU

Devolution Index 2007-08 to 2016-17



SLNO	YEAR	INDEX	RANK
1	2007-2008	89.42	1
2	2008-2009	43.00	3
3	2009-2010	67.06	3
4	2010-2011	52.10	5
5	2011-2012	56.90	6
6	2012-2013	52.05	5
7	2013-2014	58.98	4
8	2014-2015	NA	8
9	2015-2016	NA	4
10*	2016-2017	60.53	7

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Tamil Nadu

Table No. 7.79 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	72.54	10	73.82	11	73.18	10
2	Funds	58.19	4	59.01	3	58.60	4
3	Functions	55.52	15	57.60	13	56.56	14
4	Functionaries	53.94	7	53.96	6	53.95	6
5	Accountability & Transparency	83.36	5	76.47	5	69.92	8
6	Performance	55.75	10	55.87	8	55.81	7

Source: Data from Govt. of Tamil Nadu

Source: Field Survey

Fig. No.7.27 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Dr.Thirunavakkarasu, , TASK, Madurai

TAMIL NADU

Table No. 7.80 Tamil Nadu Panchayats at a Glance

SL. NO		Village Panchayats	Intermediate Panchayat	District Panchayats
1	No of Panchayats	12524	385	31
2	No of total seats	1,11,8557	6856	686
3	No reserved for women (as on 2015)	41790	NR	
4	No of reserved for scheduled tribe (as on 2015)	28655	NR	NR
5	No reserved for scheduled tribe (As on 2015)	119	NR	NR
6	No of President seats reserved for women (As on 2015)	NR	NR	NR
7	No of president seats reserved for scheduled caste (as on 2015)	NR	NR	NR
8	No of President seats reserved for scheduled tribe as on 2015	NR	NR	NR

Source: Govt. of Tamil Nadu and Field Survey

Table No. 7.81 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	NR
3	Nomenclature of the Gram Panchayat President	President
4	No.of Standing Committees mandated	NR
5	Nomenclature of Intermediate Panchayat	Panchayat Union Council
6	Nomenclature of the Intermediate Panchayat President	Chairman
7	Ex-officio Members in the Intermediate Panchayat	Nil
8	Nomenclature of the District Panchayat	District Panchayat
9	Nomenclature of District Panchayat President	Chairman
10	Ex-officio members of the District Panchayat	MPs, MLAs
11	Chairperson of the DPC	NR
	Whether there is a provision for Nyaya Panchayat	NR

TAMIL NADU

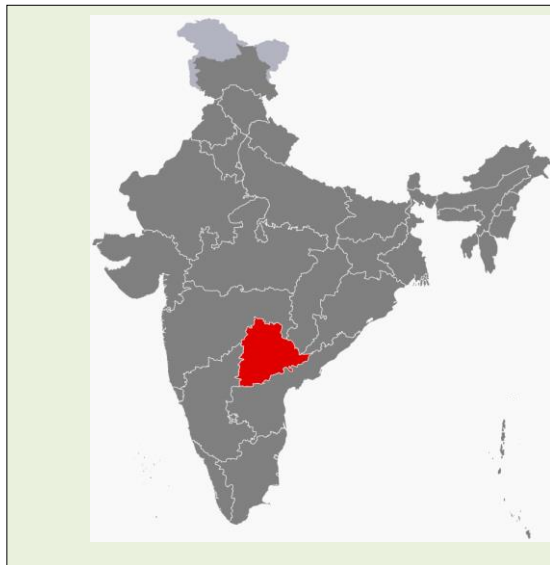
Soon after the Amendment of the Constitution, the State of Tamil Nadu not only revised the State Panchayati Raj Act but also constituted the mandatory institutions viz State Election Commission (SEC) and State Finance Commission (SFC). 1/3rd of the seats were reserved for women (present quota is 50%) and proportionate seats reserved for Scheduled Caste and Scheduled Tribe and immediately after the 1st elections to the Panchayati Raj Institutions the District Planning Committees (DPCs) were also constituted.

Four State Finance Commissions have been constituted till date who have submitted their reports without much delay. The State Government have accepted the proposals for the total resources to be devolved and the funds to the PRIs. In Tamil Nadu the Gram Panchayats are the appointing authority of the Secretary and this may be considered as the highest form of devolution of functionaries.

Due to these positive aspects, the State has always scored a high index and rank in all the previous devolution index reports. In the previous year the rank of the State was four but for the current year the devolution index of the State is 60.53 and the rank is seven. In 2016-2017, the State could attain a very healthy position in which it has crossed the national average in all the six dimensions of devolution.

All the three tiers of Panchayats are provided with own sources of revenue and the rate of collection of own revenue is appreciable. The main source of income of the PRIs is still the Central and State Government grants and funds for Centrally Sponsored Schemes (CSS). The elections to the Panchayati Raj Institutions are pending for want of disposal of a suit filed before the H'ble High Court of Tamil Nadu. The State has amended the Panchayati Raj Act in 2006, enhancing the percentage of reservation of seats for women from 33.33 per cent to 50 per cent.

The State has devolved the 29 subjects to the Panchayati Raj Institutions. But the State has not transferred the functionaries required to carry out these functions as observed by the Controller and Auditor General in its technical inspection report.



SLNO	YEAR	INDEX	RANK
1	2007-2008	NIL	NIL
2	2008-2009	NIL	NIL
3	2009-2010	NIL	NIL
4	2010-2011	NIL	NIL
5	2011-2012	NIL	NIL
6	2012-2013	NIL	NIL
7	2013-2014	NIL	NIL
8	2014-2015	NA	15
9	2015-2016	NA	5
10*	2016-2017	46.76	14

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Telangana

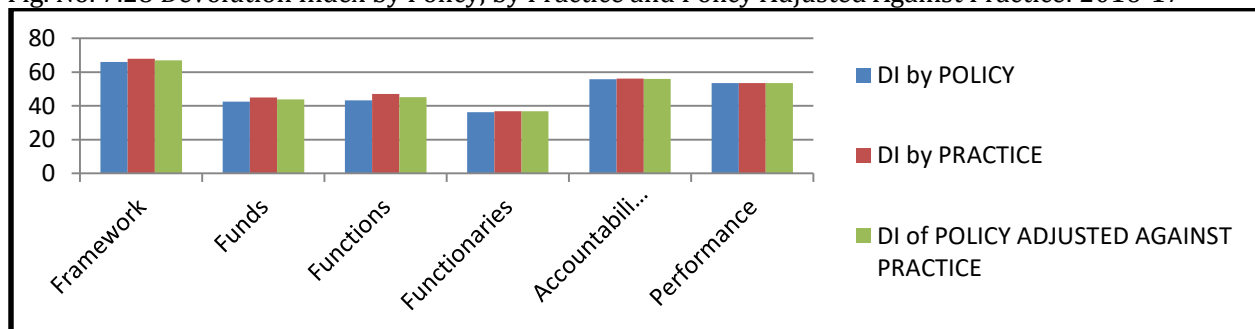
Table No. 7.82 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	66.05	18	67.99	16	67.02	15
2	Funds	42.55	13	45.01	13	43.78	14
3	Functions	43.35	24	47.02	22	45.19	26
4	Functionaries	36.35	21	36.81	21	36.83	21
5	Accountability & Transparency	55.83	20	56.20	15	56.02	18
6	Performance	53.50	11	53.47	9	53.49	9

Source: Data from Govt. of Telangana

Source: Field Survey

Fig. No. 7.28 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Prof. M.Gopinath Reddy, CESS, Hyderabad

TELANGANA

Table No. 7.83 Telangana Panchayats -At a Glance

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	8695	438	9
2	No. of ERs	96533	6879	456
3	No. of Women ERs	48283	3440	223
4	No of ERs belonging to Scheduled Caste	17375	1238	82
5	No of ERs belonging to Scheduled Tribe	8688	619	41
6	No. of Women Panchayat Presidents	4600	220	6
7	No. of Presidents belonging to Scheduled Caste	1563	79	2
8	No. of Presidents belonging to Scheduled Tribe	782	39	1

Source: Govt. of Telangana and Field Survey

Table No. 7.84 General Information on PRIs


1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	Not prescribed
3	Nomenclature of the Gram Panchayat President	Sarpanch
4	No.of Standing Committees mandated	7
5	Nomenclature of Intermediate Panchayat	Mandal Praja Parishad
6	Nomenclature of the Intermediate Panchayat President	President
7	Ex-officio Members in the Intermediate Panchayat	MPs, MLAs, MLCs and one person from the minority communities to be co-opted
8	Nomenclature of the District Panchayat	Zilla Praja Parishad
9	Nomenclature of District Panchayat President	Chairman
10	Ex-officio members of the District Panchayat	MPs, MLAs, MLCs two representatives from the minorities to be co-opted
11	Chairperson of the DPC	Chairman , Zilla Praja Parishad
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Telangana and Field Survey

TELANGANA

Telangana State was carved out from the State of Andhra Pradesh as per Gazette notification dated 1 March 2014. There are 8695 Gram Panchayats 438 Mandal Praja Parishads and 9 Zilla Praja Parishads in the State. (Recently, the number of districts has been increased and the formation of the corresponding number of the Zilla Praja Parishads is in process) Being constituted before two years the State is still following the Panchayati Raj Act of Andhra Pradesh. Out of the 29 subjects in the XIth Schedule 17 subjects have been devolved to the PRIs.

The State of Telangana has introduced '*Meeseva*' (At Your Service), providing online service to the door steps by the Panchayats. Telangana Panchayats have also begun to collect the taxes through online. Officials of the 29 departments of Telangana have been made accountable to PRIs. The Devolution Index of the State is 46.76 as against the national average of 47.00 and the rank is 14. Out of the six dimensions, the State is ranked above the national average in three cases (framework, finance, and performance) whereas in other three it is below and they are functions, functionaries and accountability & transparency. The effective collection of taxes and fees assigned to them, and the betterment of accounting system may improve the devolution index of the State further upward. In order to convert the Panchayats as institutions of self governance devolution of more functions with detailed Activity Mapping and devolution of functionaries for the implementation of devolved functions are a pre-requisite, but in the case of Telangana there are deficit on these dimensions . Parts of four districts fall under PESA and special attention may be provided for the empowerment of PRIs especially Gram Sabhas in the PESA areas. Introduction of Gram Panchayat Development Plan (GPDP) and the implementation of MGNREGS have made the Gram Panchayats and the elected functionaries enthusiastic recently.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	NIL	NIL
	2	2008-2009	23.40	17
	3	2009-2010	NIL	NIL
	4	2010-2011	39.70	12
	5	2011-2012	NIL	NIL
	6	2012-2013	39.72	12
	7	2013-2014	44.98	10
	8	2014-2015	NA	12
	9	2015-2016	NA	11
	10*	2016-2017	50.68	10

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Tripura

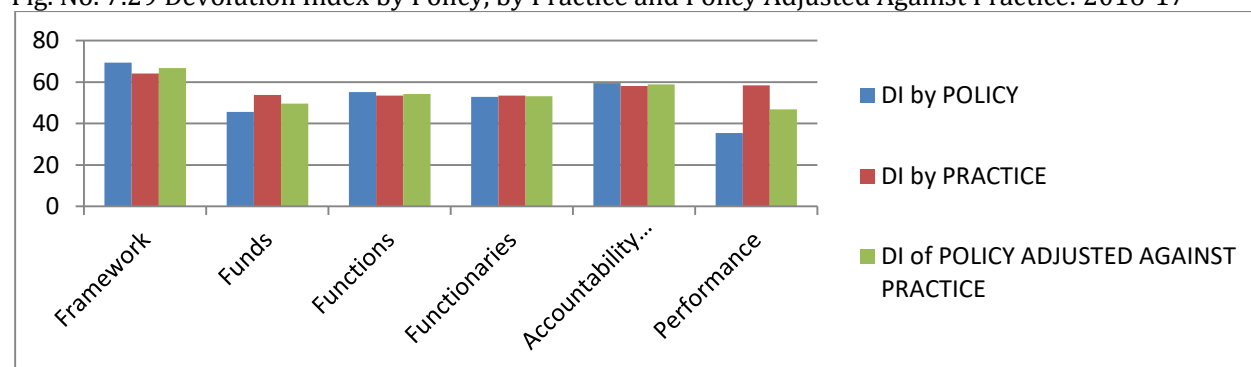
Table No. 7.85 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	69.44	15	64.06	17	66.75	17
2	Funds	45.52	11	53.71	7	49.62	8
3	Functions	55.10	16	53.44	16	54.27	17
4	Functionaries	52.87	8	53.44	8	53.15	7
5	Accountability & Transparency	59.45	17	58.14	12	58.80	13
6	Performance	35.33	26	58.45	7	46.89	15

Source: Data from Govt. of Tripura

Source: Field Survey

Fig. No. 7.29 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Shri. Amlan Singha, University of Tripura

TRIPURA

Table No. 7.86 Tripura Panchayats - At a Glance

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat	Autonomous District Councils
1	No. of Panchayats	591	35	8	1
2	No. of ERs	6111	419	116	30
3	No. of Women ERs	2760	192	54	NR
4	No of ERs belonging to Scheduled Caste	990	75	20	NR
5	No of ERs belonging to Scheduled Tribe	181	9	2	NR
6	No. of Women Panchayat Presidents	285	17	4	NR
7	No. of Presidents belonging to Scheduled Caste	94	5	1	NR
8	No. of Presidents belonging to Scheduled Tribe	15	1	NR	NR

Source: Govt. of Tripura and Field Survey

Table No. 7.87 General Information on PRIs


1	No. of Gram Sabha Meetings mandated	At least once in a year and as and when necessary
2	Quorum prescribed for the Gram Sabha	$\frac{1}{8}$ of the total voters
3	Nomenclature of the Gram Panchayat President	Pradhan
4	No. of Standing Committees mandated	3
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Chairman
7	Ex-officio Members in the Intermediate Panchayat	Pradhans and MLAs
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of District Panchayat President	Sabhapathi
10	Ex-officio members of the District Panchayat	Chairman of Panchayat Samiti, MPs and MLAs
11	Chairperson of the DPC	Sabhapathi
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Tripura and Field Survey

TRIPURA

Seventy percent of the geographical area and thirty percent of the population of Tripura comes under Autonomous District Council and the remaining are under the Panchayati Raj Institutions. There are 591 Gram Panchayats, 35 Panchayat Samitis and eight Zilla Parishads in Tripura. The devolution index of the State for the year 2016-17 is a little higher than the national average and the score value is 50.68 as against the national average of 47.00, which secures the 10th position. Among the north east States Tripura is second after Sikkim. Tripura is hovering around the national average in many dimensions of devolution. In the dimensions of framework, funds, functions and functionaries, the position of the State is above the national average whereas in the other dimensions of accountability and transparency and performance it is ranked less than the average. The State of Tripura needs a quantum leap in the financial devolution. A higher devolution in the financial domain may help the state to achieve better position in the other dimensions of devolution.

Consequent on the legislation of Tripura Panchayati Raj Act 1993 the Government has transferred some powers and functions in respect of 12 line departments to the Panchayats. Later on 28 March more powers and functions of additional nine line departments were also transferred. The said notification emphasized that the Gram Panchayats will have control over the village level functionaries of these departments. Tripura is the second State in the country which have initiated preparation of Gram Panchayat Development Plans (GPDP) under the banner “*Gramoday*” from 2001-2002. But from the reports furnished by the State and as per the information collected through the field survey it is seen that field level functionaries are not devolved to the Gram Panchayats. A consolidated database on Panchayats at the State level is not available in Tripura. The functionaries available with the Panchayats are insufficient to cope with the functions entrusted with the Panchayats. The district Plan, consolidating the Plans of the other tiers of Panchayats are not being prepared by the District Planning Committees (DPCs). The implementation of MGNREGS has created good impact on income, asset creation, food security and poverty alleviation. The functioning of the Tripura Tribal Area Autonomous Development Council (TTAADC) is remarkable and under the TTAADC, Village Development Councils have also been constituted. Tripura is a successful State having two different administrative structures of Panchayati Raj and Autonomous Council under the Sixth Schedule. The village councils under Sixth Schedule are on par with the Village Panchayats.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	NIL	NIL
	2	2008-2009	29.50	12
	3	2009-2010	41.73	13
	4	2010-2011	37.30	16
	5	2011-2012	35.84	15
	6	2012-2013	37.34	15
	7	2013-2014	34.11	18
	8	2014-2015	NA	21
	9	2015-2016	NA	13
	10*	2016-2017	46.96	12

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Uttar Pradesh

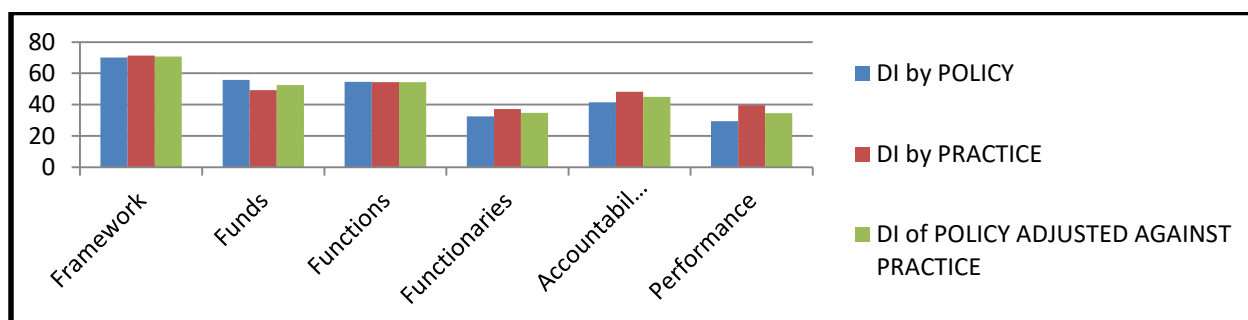
Table No. 7.88 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	70.22	13	71.41	13	70.82	12
2	Funds	55.77	6	49.21	11	52.49	6
3	Functions	54.48	18	54.39	15	54.44	16
4	Functionaries	32.41	28	37.09	20	34.75	25
5	Accountability & Transparency	41.55	26	48.14	22	44.85	27
6	Performance	29.33	30	39.53	26	34.43	28

Source: Data from Govt. of Uttar Pradesh

Source: Field Survey

Fig. No.7.30 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Prof .G.C.Rath, G.B.Pant Social Science Institute, Allahabad

UTTAR PRADESH

Table No. 7.89 Uttar Pradesh Panchayats- At a Glance

SL NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	59162	816	74
2	No. of ERs	8 86 626	78786	3203
3	No. of Women ERs	State has reported that records are not available	29966	3203
4	No of ERs belonging to Schedule Caste	State has reported that records are not available	12891	786
5	No of ERs belonging to Schedule Tribe	Not Reported	Not Reported	Not Reported
6	No. of Women Panchayat Presidents	19992	298	30
7	No. of Presidents belonging to Scheduled Caste	12246	158	16
8	No. of President belonging to Scheduled Tribe	Not Reported	Not Reported	Nil

Source: Govt. of Uttar Pradesh and Field Survey

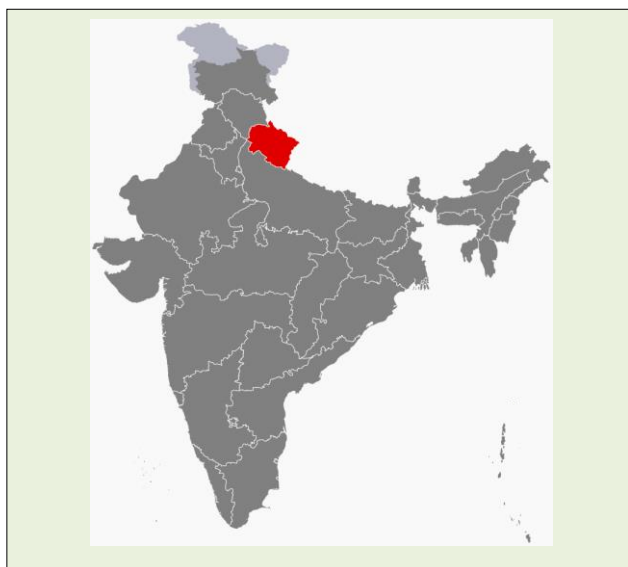
Table No. 7.90 General Information on PRIs

1	No. of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/5
3	Nomenclature of the Gram Panchayat President	<i>Pradhan</i>
4	No.of Standing Committees mandated	6
5	Nomenclature of Intermediate Panchayat	Kshetra Panchayat
6	Nomenclature of the Intermediate Panchayat President	<i>Pramukh</i>
7	Ex-officio Members in the Intermediate Panchayat	Pradhans, MPs, MLAs, MLCs, District Panchayat members.
8	Nomenclature of the District Panchayat	Zila Panchayat
9	Nomenclature of District Panchayat President	<i>Adhyaksha</i>
10	Ex-officio members of the District Panchayat	Pramukhs, MPs, MLAs, MLCs
11	Chairperson of the DPC	Minister in charge
12	Whether there is a provision for Nyaya Panchayat	Yes

Source: Govt. of Uttar Pradesh and Field Survey

UTTAR PRADESH

Uttar Pradesh is the largest State in the country and is having almost 10 percent of the Gram Panchayats. There are 59162 Gram Panchayats, 816 Kshetra Panchayats and 74 Zilla Panchayats. There doesn't exist a consolidated data base of the Gram Panchayats in the State. Out of the 29 subjects enlisted in the 11th Schedule only 22 functions are transferred to PRIs. The number of other functions entrusted with the Panchayats is four. The 21 subjects have been transferred by legislature, the details of functions to be entrusted to each tier of Panchayat on these 22 subjects have not been fixed and no activity mapping is done. The Panchayati Raj Institutions especially Kshetra Panchayats and Gram Panchayats are fully depended on State and National Finance Commission Grants for their day to day functioning. 100 per cent District Planning Committees have been constituted and the DPCs have prepared District Plans for the District during 2015-16. Though for the effective functioning of the Panchayat Raj Institutions capacity building is a pre-requisite much importance is not seen paid for this. The very purpose the amendment of the Constitution was to involve the Panchayati Raj Institutions in the process of planning for economic development and social justice. For this funds and clarity in functions to be under taken by each tiers and functionaries for Developmental areas are necessary. The State can initiate some steps in this direction. The Award of 14th Finance Commission grants to Gram Panchayats and the initiations taken by the MoPR in the preparation and implementation of Gram Panchayat Development Plan(GPDP) has made them vibrant and active.



SLNO	YEAR	INDEX	RANK
1	2007-2008	NIL	NIL
2	2008-2009	NIL	NIL
3	2009-2010	28.92	20
4	2010-2011	39.40	14
5	2011-2012	36.78	14
6	2012-2013	39.37	13
7	2013-2014	37.87	15
8	2014-2015	NA	16
9	2015-2016	NA	13
10*	2016-2017	45.94	15

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of Uttarakhand

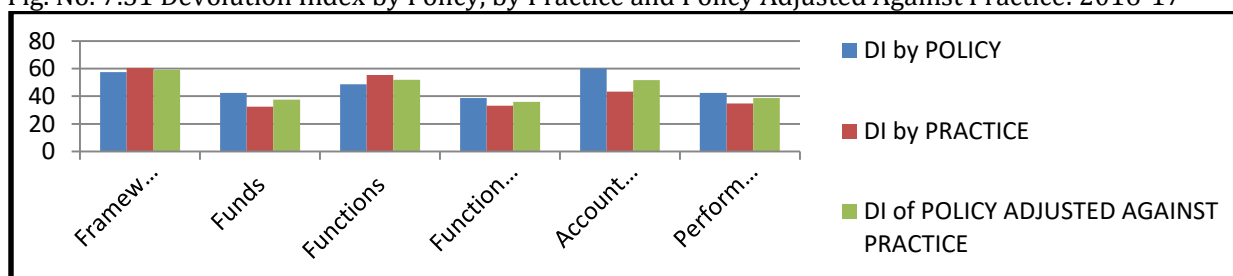
Table No. 7.91 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	57.50	23	60.66	21	59.08	21
2	Funds	42.48	14	32.45	21	37.47	18
3	Functions	48.72	21	55.40	14	52.06	19
4	Functionaries	38.76	19	33.12	24	35.94	23
5	Accountability & Transparency	60.05	16	43.33	25	51.69	21
6	Performance	42.54	17	34.81	29	38.68	25

Source: Data from Govt. of Uttarakhand

Source: Field Survey

Fig. No. 7.31 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Ms.Seema Chelat, Kerala Development Society (KDS), New Delhi

UTTARAKHAND

Table No. 7.92 Uttarakhand Panchayats - At a Glance

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	7958	95	13
2	No. of ERs	61047	3266	436
3	No. of Women ERs	34400	1654	220
4	No of ERs belonging to Scheduled Caste	12821	713	92
5	No of ERs belonging to Scheduled Tribe	2105	101	12
6	No. of Women Panchayat Presidents	4007	51	7
7	No. of Presidents belonging to Scheduled Caste	1760	21	3
8	No. of President belonging to Scheduled Tribe	244	3	0

Source: Govt. of Uttarakhand and Field Survey

Table No. 7.93 General Information on PRIs


1	No. of Gram Sabha Meetings mandated	4
2	Quorum prescribed for the Gram Sabha	1/5 voters from 50% of the families
3	Nomenclature of the Gram Panchayat President	Pradhan
4	No. of Standing Committees mandated	NR
5	Nomenclature of Intermediate Panchayat	Kshetra Panchayat
6	Nomenclature of the Intermediate Panchayat President	Pramukh
7	Ex-officio Members in the Intermediate Panchayat	Pradhans, MLAs ZP members as special invitees
8	Nomenclature of the District Panchayat	Zilla Panchayats
9	Nomenclature of District Panchayat President	Adhyaksh
10	Ex-officio members of the District Panchayat	Pramukhs, MLCs, MLAs, MPs
11	Chairperson of the DPC	Minister in Charge of the District
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of Uttarakhand and Field Survey

UTTARAKHAND

The State of Uttarakhand came in to existence in the year 2000, and before that it has been a part of Uttar Pradesh. There are 7958 Gram Panchayats, 95 Kshetra Panchayats and 13 Zilla Panchayats in the State. Out of 29 subjects only 17 subjects have been transferred to these institutions. Collection of some items of tax has also been entrusted with the Gram Panchayats. But as per field data obtained the own income collected by the Panchayats are practically nil. During 2009-10 the overall devolution index of the State was 28.92 with 20th rank. But for the current year the value has been improved to 45.94 and the rank is 15. The Zilla Panchayat has been entrusted with the power to collect some items of taxes and is having a better staff pattern. The main sources of the income of the *Kshetra Parishad* are funds received for Centrally Sponsored Schemes (CSS) and grants received under finance commission recommendations. The *Kshetra Parishad* is having adequate staff for its day to day functioning. But more than fourteen percent of Gram Panchayats have no building and only below 18 percent are having computers. In most of the Gram Panchayats the Secretaries are holding full additional charges of more than half a dozen Panchayats. While collecting field data the most astonishing thing noticed was that in some Panchayats necessary data was available neither with the Secretary nor with the *Pradhan* but with the husband of the *Pradhan*. These ground realities have reduced the Devolution Index of the State in Practice to a lower position.

But it is expected that the whole scenario will be changed within a short period, since the State has enacted its Panchayati Raj Act as per Gazette Notification dated 7 April 2016. According to the new Act all the 29 subjects enlisted in the XI Schedule are devolved. It has been made mandatory and the Panchayats are entrusted with more powers for taxation and collect royalty from mining of minerals. Toilet in the house has been made mandatory qualification to contest in the elections to the Panchayats. Provisions have also been incorporated in the Act to control the '*Pathi Raj*'. In the context of the State, this provision may have wide potential to address the issue of backseat driving by husbands which is widespread where women members head the Panchayats and Panchayat Committees. It has also been stipulated that the committees held in the home of the *Pradhan* or Vice *Pradhan* will be deemed to be invalid. Mandatory meetings of Gram Sabha are to be convened quarterly with a quorum of representation from half of the families. It can be seen that a number of provisions which will enable the three tier Panchayats, especially Gram Panchayats have been incorporated in the Act which can be treated as a great stride to decentralized governance.

	SLNO	YEAR	INDEX	RANK
	1	2007-2008	80.72	3
	2	2008-2009	43.70	2
	3	2009-2010	66.51	4
	4	2010-2011	49.80	6
	5	2011-2012	55.27	7
	6	2012-2013	49.81	6
	7	2013-2014	52.09	7
	8	2014-2015	NA	5
	9	2015-2016	NA	7
	10*	2016-2017	62.11	6

Source: Reports of NCAER, IIPA & TISS/*Data furnished by Govt. of West Bengal

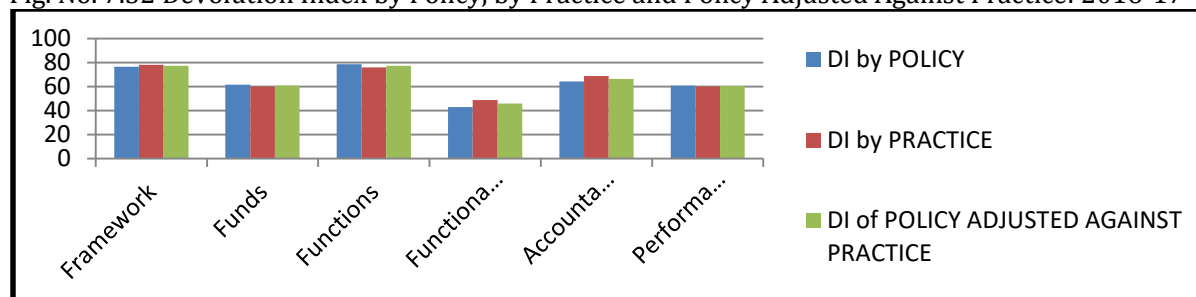
Table No. 7.94 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17

SL NO	INDICATORS	Devolution Index by Policy		Devolution Index by Practice		Devolution Index of Policy Adjusted Against Practice	
		INDEX	RANK	INDEX	RANK	INDEX	RANK
1	Framework	76.66	7	78.26	7	77.46	5
2	Funds	61.71	3	60.04	2	60.88	3
3	Functions	78.73	4	76.01	4	77.37	4
4	Functionaries	42.87	17	48.84	11	45.85	14
5	Accountability & Transparency	64.30	12	68.74	9	66.52	10
6	Performance	60.79	6	60.12	6	60.46	6

Source: Data from Govt. of West Bengal

Source: Field Survey

Fig. No. 7.32 Devolution Index by Policy, by Practice and Policy Adjusted Against Practice: 2016-17



Partner Organization/Field Agency: Ms.Sanchaita Mukherjee, Durgapur Society for Development Solutions

WEST BENGAL

Table No. 7.95 West Bengal Panchayats - At a Glance

SL. NO		Gram Panchayat	Intermediate Panchayat	District Panchayat
1	No. of Panchayats	3342	341	18
2	No. Total ERs	49055	9283	832
3	No. of Women ER's	24471	4632	415
4	No. of ERs belonging to Scheduled Caste	12267	2188	208
5	No. of ERs belonging to Scheduled Tribe	2968	566	54
6	No. of Women Panchayat Presidents	1657	NR	NR
7	No. of Presidents belonging to Scheduled Caste	NR	NR	NR
8	No. of President belonging to Scheduled Tribe	NR	NR	NR

Source: Govt. of West Bengal and Field Survey

Table No. 7.96 General Information on PRIs

1	No of Gram Sabha Meetings mandated	2
2	Quorum prescribed for the Gram Sabha	1/10
3	Nomenclature of the Gram Panchayat President	Pradhan
4	No of Standing Committees mandated	5
5	Nomenclature of Intermediate Panchayat	Panchayat Samiti
6	Nomenclature of the Intermediate Panchayat President	Sabhapati
7	Ex-officio Members of the Intermediate Panchayat	Pradhans, MLAs, MLC, MPs, Zilla Parishad Members who are voters of Samiti area
8	Nomenclature of the District Panchayat	Zilla Parishad
9	Nomenclature of the District Panchayat President	Sabhadhipathi
10	Ex officio members of the District Panchayat	10% of the Pradhans on rotation basis, Sabhapatis, MPs, MLAs and MLCs
11	Chairperson of DPC	Sabhadhipathi, Zilla Parishad
12	Whether there is a provision for Nyaya Panchayat	No

Source: Govt. of West Bengal and Field Survey

WEST BENGAL

Panchayati Raj System in West Bengal started functioning after the enactment of Panchayati Raj Act 1957. Apart from other States, West Bengal introduced four tier system of governance –the Gram Panchayats, Panchayat Samiti, Anchalik Parishad and the Zilla Parishad. Later by the revised Act of 1973 extinguishing the Anchalik Parishad the three tier system is continuing even after the amendment act of 1994. The devolution of funds, functionaries and functions in West Bengal is at par with the spirit of Constitutional Amendment to a large extent. The rank of the State in Devolution Index for 2016-2017 is six with a score value of 62.11. The position of the State is above the national average on all the five dimensions of Devolution Index. The State has a long history of an uninterrupted governance of Panchayats over the years. The PRIs are provided with funds as grants of the State Government, SFC grant, NFC grants and funds for Centrally Sponsored Schemes (CSS). Only the Gram Panchayats are delegated with power of taxation. Compared to other States, the Gram Panchayats are effectively collecting the own revenue assigned to them and there is an annual growth in the collection of taxes and fees, according to the State Finance Commission.

As per the State legislation, 29 subjects have been devolved to the three tier Panchayats, but the activities to be undertaken by them are not specified. Moreover, though the functions have been devolved none of the functionaries working with line departments have been transferred. From the field survey it is observed that the PRIs, especially the Gram Panchayats are not aware of the subjects and functions devolved to them. Though the Gram Panchayats are having powers of taxation, the main sources of income of these institutions are still funds received for the implementation of Centrally Sponsored Schemes (CSS), especially MGNREGS. In 1978, the only functionary of the Gram Panchayat was the Secretary whereas more than seven functionaries are available at present for the discharge of day to day functions of the Panchayats. During 2005-06, six posts were created for the functioning of Intermediate Panchayats in addition to the staff of the Block Development Office. The authority to collect entertainment tax, profession tax etc have been transferred to the PRIs in almost all the States, but in West Bengal these taxes are still collected by the State and are transferred to PRIs. Though the third Finance Commission has recommended assigning these to the Gram Panchayats along with royalties on minor minerals and rates on irrigation, the same has not been accepted till date. If the duties that can be performed by the PRIs more effectively than the line departments under 29 subjects are entrusted with them along with functionaries, the Panchayati Raj system in the State will become a model to other States.

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