

# Panchayati Raj Institutions across the States

In 2004, the UPA government with its focus on holistic rural development through community engagement established the ministry for Panchayati Raj in order to strengthen grass root democracy.

The current NDA government has come to power after a rigorous campaign, promising reforms and change. However, throughout the campaign the electoral discourse focussed mostly on urban and economic agendas championed by BJP and supported by its allies. The issues of rural development and the pivotal role played by Panchayati Raj Institutions (PRIs) in rural India seems to have taken a backseat with the market oriented development taking the central position.

This paper attempts to prognosticate the future of PRIs in the next five of NDA government by analysing the performance of PRIs in the major NDA governed states and comparing it with states governed by UPA.

## Background

With the 73<sup>rd</sup> amendment of the Constitution of India in 1992, Panchayati Raj Institutions (PRIs) were accorded a constitutional status. For successful functioning of the PRIs it is essential for the states to devolve functions and funds to the PRI as this allows for a community level involvement in the last mile delivery of goods and services to the people.

## Methodology

Metric taken for analysis of performance of major NDA and UPAgoverned states are the Devolution Indices for the years 2009-10 (23 states and UTs) and 2012- 2013<sup>1</sup> (28 states and UTs).<sup>2</sup>

The states chosen for this paper are:

<u>NDA</u>		<u>UPA</u>	
<u>State</u>	<u>Tenure</u>	<u>State</u>	<u>Tenure</u>
<b>Chhattisgarh</b>	2003-Present	<b>Assam</b>	2001-Present
<b>Gujarat</b>	1998-Present	<b>Goa</b>	2002-2012
<b>Karnataka</b>	2007-2013	<b>Haryana</b>	2005-Present
<b>Madhya Pradesh</b>	2003-Present	<b>Kerala</b>	2011- Present
<b>Punjab</b>	2007-Present	<b>Maharashtra</b>	1999-Present
<b>Uttarakhand</b>	2007-2012	<b>Rajasthan</b>	2008-13

<sup>1</sup> Devolution Index is developed by the Indian Institute of Public Administration (IIPA)

<sup>2</sup> Out of the 28 States and Union Territories ranked for in the DI for 20012-13, 16 were being governed by UPA and NDA. Out of these, equal number of states has been selected for both NDA and UPA. Those states were selected which did not have a change in government due to elections in 2012. All NDA ruled states (till 2012-13) have been included except Himachal Pradesh (INC came to power after the 2012 elections). Out of 9 UPA states, 3 states not included in the list are- Tamil Nadu (AIADMK came to power 2011 by defeating the incumbent DMK, therefore, Kerala was chosen over Tamil Nadu as it had INC government while Tamil Nadu was being governed by an alliance partner of INC); Goa and HP both had elections in 2012, however Goa was chosen over HP as it had successive INC governments while HP has a history of alternating governments of INC and BJP. Out of the three north- eastern states having INC government, Assam was chosen as it is the most populous.

## Devolution Index

In order to assess the overall functioning and extent of powers delegated to the PRIs in each state, Ministry of Panchayati Raj sponsors an annual detailed study for evaluation of Devolution Index (DI).

The devolution index for the year 2009-10 was calculated by measuring states' performances in 4 sub- indices corresponding to the 4Fs i.e., a sub- index summarising the devolution of framework, functions, finances, and functionaries (support provided for PRI functionaries).

For 2012-13, 2 new indices were added to the existing 4 sub- indices. These sub- indices covered Capacity Building and Accountability.

### Ranking of States in Devolution Index (DI)

<u>NDA</u>			<u>UPA</u>		
<u>State</u>	<u>Rank</u> (2009-10)	<u>Rank</u> (2012-13)	<u>State</u>	<u>Rank</u> (2009-10)	<u>Rank</u> (2012-13)
Chhattisgarh	18	8	Assam	21	16
Gujarat	7	10	Goa	17	18
Karnataka	2	2	Haryana	11	9
Madhya Pradesh	6	7	Kerala	1	3
Punjab	19	19	Maharashtra	5	1
Uttarakhand	20	13	Rajasthan	16	4

Both NDA and UPA governed states seem to have done equally well in 2012-13. However, the change in rankings from the year 2009-10 is more significant for UPA governed states.

**UPA-** except Goa (declined by 1 spot) and Kerala (declined by 2 spots) all states have improved to a better ranking. Maharashtra has improved by 4 positions and moved to the top of the ranking table. Rajasthan has shown the most remarkable improvement (12 positions) by jumping from the 16<sup>th</sup> rank in 2009-10 to the 4<sup>th</sup> rank in 2012-13.

**NDA-** In 2012-13 rankings the NDA governed states have seen improvement only for two states- Chhattisgarh and Uttarakhand. Karnataka (2<sup>nd</sup>) and Punjab (19<sup>th</sup>) have held on to their respective positions while Madhya Pradesh and Gujarat have declined by one and three spots respectively.

Overall, 4 NDA governed states have declined/inert in their rankings as opposed to 2 UPA states. The improvement in rankings for UPA states has been by 12, 5, 4 and 2 points while the improvement in NDA states have been by 10 and 7.

## Sub- Indices of Devolution Index

### Framework

The sub- index of Framework was introduced in 2009- 10 when the valuation of DI was undertaken by the IIPA. This indicator includes the basic details of Panchayats, Panchayat duration and elections including state election commission, role of Panchayats in parallel bodies, and autonomy to Panchayats.

### Sub- index for Framework

<u>NDA</u>			<u>UPA</u>		
<u>State</u>	<u>Rank</u> (2009-10)	<u>Rank</u> (2012-13)	<u>State</u>	<u>Rank</u> (2009-10)	<u>Rank</u> (2012-13)
<b>Chhattisgarh</b>	20	16	<b>Assam</b>	16	22
<b>Gujarat</b>	18	14	<b>Goa</b>	15	17
<b>Karnataka</b>	3	5	<b>Haryana</b>	19	1
<b>Madhya Pradesh</b>	8	7	<b>Kerala</b>	2	23
<b>Punjab</b>	17	8	<b>Maharashtra</b>	10	19
<b>Uttarakhand</b>	22	15	<b>Rajasthan</b>	13	4

For the year 2012-13, most of the states have seen a steep decline in rankings.

**UPA-** With four out of six states registering a fall in rank for sub- index for framework, the decline in ranking is more significant for the UPA governed states. However, Haryana has seen a drastic improvement of 18 points in its ranking, moving from 19<sup>th</sup> position in 2009-10 to the top rank in 2012-13. Similarly, Rajasthan has improved by 9 points, moving from the 13<sup>th</sup> position in 2009-10 to the 4<sup>th</sup> position in 2012-13.

**NDA-** The only state that saw a decline in rank for sub- index for framework is the state of Karnataka, which moved from 3<sup>rd</sup> position (2009-10) to 5<sup>th</sup> position (2012-13). Chhattisgarh, Gujarat and Madhya Pradesh have registered a marginal improvement of 4, 4 and 1 points respectively. Punjab and Uttarakhand have improved by 9 and 7 spots respectively. Clearly, in terms of framework the NDA states are performing much better than UPA states.

### Functions

This index focuses on the transfer of 29 functions listed in the 11<sup>th</sup> schedule of the constitution, detailed activity mapping of these functions and extent of involvement of the Gram Panchayat (GP) in implementing the flagship programmes<sup>3</sup>.

### Ranking for sub- index of Functions

<u>NDA</u>			<u>UPA</u>		
<u>State</u>	<u>Rank</u> (2009-10)	<u>Rank</u> (2012-13)	<u>State</u>	<u>Rank</u> (2009-10)	<u>Rank</u> (2012-13)
<b>Chhattisgarh</b>	18	16	<b>Assam</b>	22	12
<b>Gujarat</b>	7	15	<b>Goa</b>	17	22
<b>Karnataka</b>	2	1	<b>Haryana</b>	13	17
<b>Madhya Pradesh</b>	6	6	<b>Kerala</b>	1	5
<b>Punjab</b>	15	18	<b>Maharashtra</b>	5	2
<b>Uttarakhand</b>	19	3	<b>Rajasthan</b>	16	4

<sup>3</sup> NREGA, SSA, MDM, ICDS and NRHM

For both NDA and UPA, 3 states have seen a decline/no change while the rest 3 have seen an improvement. However, for UPA governed states the improvement has been more significant.

**UPA-** the greatest improvement in rankings has been registered by Rajasthan (improved by 12 points) and Assam (improved by 10 points); while Maharashtra improved by 3 points. Both Goa and Haryana saw a decline in their rankings.

**NDA-** The only state to have seen a substantial improvement in its ranking for sub- index of functions is Uttarakhand, which has improved from 19<sup>th</sup> spot in 2010-11 to 3<sup>rd</sup> spot in 2009-10. Other states to improve their rankings were Chhattisgarh (improved by 2 places) and Karnataka (improved from 2<sup>nd</sup> rank in 2009-10 to the top spot in 2012-13). Both Punjab and Gujarat registered a decline in rankings, while Punjab slipped by 3 places, the decline for Gujarat was much steeper, from 7<sup>th</sup> rank in 2009-10 to the 15<sup>th</sup> rank in 2012-13.

### **Finance**

The sub- index of finance ranks states to the extent to which these states are allowed to collect taxes, duties, tolls, etc, PRIs own revenue as a percentage of PRIs' expenditure, action taken on the recommendation of the latest SFCs, presence of separate budget line for PRIs in the state budget.

#### **Ranking for sub- index of Finance**

<b>NDA</b>			<b>UPA</b>		
<b>State</b>	<b>Rank (2009-10)</b>	<b>Rank (2012-13)</b>	<b>State</b>	<b>Rank (2009-10)</b>	<b>Rank (2012-13)</b>
<b>Chhattisgarh</b>	10	11	<b>Assam</b>	15	21
<b>Gujarat</b>	8	16	<b>Goa</b>	16	23
<b>Karnataka</b>	5	2	<b>Haryana</b>	9	5
<b>Madhya Pradesh</b>	7	10	<b>Kerala</b>	1	3
<b>Punjab</b>	21	24	<b>Maharashtra</b>	2	1
<b>Uttarakhand</b>	20	15	<b>Rajasthan</b>	12	6

3 UPA and 2 NDA governed states have registered an improvement in ranking for the sub- index for Finance, however UPA governed states have registered more significant improvement and less steep decline.

**UPA-** Rajasthan, Haryana and Maharashtra are the only states that have improved there rankings. Rajasthan has improved the most with a 6 point upward jump while Maharashtra has become the top ranking state for the year 2012-13. The remaining 3 states have registered a decline in rankings since 2009-2010. Goa's ranking fell by 7 places while that of Assam declined by 6 places. Kerala moved from being the top ranking state in 2009-10 to the 3<sup>rd</sup> position in 2012-13.

**NDA-** only 2 states have registered an improvement in rankings. Karnataka improved from the 5<sup>th</sup> position in 2009-10 to the 2<sup>nd</sup> position in 2012-13 while Uttarakhand improved by 5 positions in the same period. The remaining four states saw a decline in rankings, Gujarat's ranking saw the steepest decline by 8 positions while both Madhya Pradesh and Punjab's ranking fell by 3 points. Chhattisgarh saw a marginal decline of 1 point.

3 UPA states have registered an improvement in rankings as opposed to 2 NDA states. Maximum decline in ranking has been for Gujarat (8 positions).

## Functionaries

The indicators constituting functionaries are- the involvement of expert institutions and entities to support PRIs for the preparation of their annual plans, capacity building, training of elected and appointed officials, number of days of training held etc.

### Ranking for sub- index for Functionaries

<u>NDA</u>			<u>UPA</u>		
<u>State</u>	<u>Rank</u> (2009-10)	<u>Rank</u> (2012-13)	<u>State</u>	<u>Rank</u> (2009-10)	<u>Rank</u> (2012-13)
<b>Chhattisgarh</b>	19	15	<b>Assam</b>	23	25
<b>Gujarat</b>	6	5	<b>Goa</b>	14	7
<b>Karnataka</b>	1	3	<b>Haryana</b>	10	6
<b>Madhya Pradesh</b>	3	10	<b>Kerala</b>	2	2
<b>Punjab</b>	10	23	<b>Maharashtra</b>	7	1
<b>Uttarakhand</b>	16	17	<b>Rajasthan</b>	18	8

In 2012-13, not only more UPA governed states have been able to improve their sub- index for functionaries' rankings but also the improvement registered is much more than those recorded by the NDA governed states.

**UPA-** 4 out of 6 states have improved their rankings while Kerala has maintained its 2<sup>nd</sup> position. Assam is the only state to have registered a marginal decline of 2 spots. States which have improved their rankings are Goa (improved by 7 points), Haryana (improved by 4 points), Rajasthan (improved by 10 points), and Maharashtra (improved by 6 points) to reach the top spot for the year 2012-13.

**NDA-** Only states improve their rankings- Chhattisgarh by 4 points and Gujarat by a marginal 1 point. The remaining four states have seen a decline in their rankings. The steepest decline in ranking was registered by Punjab which fell by 13 points, followed by Madhya Pradesh which saw a decline by 7 points. Both Gujarat and Uttarakhand saw a marginal decline of 1 point. Karnataka fell from the top position in 200-10 to the 3<sup>rd</sup> rank in 2012-13.

4 of UPA states have improved their ranking as opposed to only 2 NDA states. The improvement in ranking for UPA states are significantly greater (10, 7, 6 and 4 points) than the improvement registered in NDA states (4 and 1 points). The decline in ranking is steeper in NDA states (13, 7, 2 and 1 point) while in UPA the only decline registered was by 2 points.

## Capacity Building

Sub- index for capacity building accounts for the training institutes involved in the training of PRIs and training activities initiated during the financial year.

### Sub- index for Capacity Building (2012-13)

<u>NDA</u>		<u>UPA</u>	
<u>State</u>	<u>Rank</u> (2012-13)	<u>State</u>	<u>Rank</u> (2012-13)
<b>Chhattisgarh</b>	4	<b>Assam</b>	6
<b>Gujarat</b>	11	<b>Goa</b>	22
<b>Karnataka</b>	3	<b>Haryana</b>	16
<b>Madhya Pradesh</b>	10	<b>Kerala</b>	8
<b>Punjab</b>	19	<b>Maharashtra</b>	5
<b>Uttarakhand</b>	15	<b>Rajasthan</b>	2

Three out of six NDA governed states feature in the top ten states in the ranking table for sub- index for capacity building, while all except two UPA governed states are not featured in the top ten brackets.

### Accountability

This sub- index includes accounting and audit of Panchayat, social audits of Panchayat, formation of citizens' charter, transparency and anti- corruption measures.

#### Sub- index for Accountability (2012-13)

<u>NDA</u>		<u>UPA</u>	
<u>State</u>	<u>Rank</u> (2012-13)	<u>State</u>	<u>Rank</u> (2012-13)
<b>Chhattisgarh</b>	10	<b>Assam</b>	18
<b>Gujarat</b>	15	<b>Goa</b>	16
<b>Karnataka</b>	2	<b>Haryana</b>	13
<b>Madhya Pradesh</b>	4	<b>Kerala</b>	3
<b>Punjab</b>	12	<b>Maharashtra</b>	1
<b>Uttarakhand</b>	9	<b>Rajasthan</b>	5

Both UPA and NDA have 3 states in the top 10 bracket of ranking table for sub- index for accountability. For NDA, the remaining three states are between the ranking brackets of 11 to 15 while for UPA two out of three remaining states have score ranks below 15. However, both the better performing states (ranked 1, 3 and 5) and the worse off states (ranked 13, 16 and 18) are governed by UPA. The NDA governed states seem to have registered an average performance in this category.

### Conclusion

In conclusion, with four states from both UPA and NDA governed states featuring in the top ten bracket of the overall DI table, it can be deduced that the PRIs are doing equally well in under both the governments. However, a closer look at the overall and sub- indices level throws up a different picture; one that favours UPA governed states over the NDA governed states.

The UPA governed states have clearly registered greater improvements in their ranking between 2009-10 and 2012-13. In the overall DI index four UPA states have improved in rankings while only 2 NDA states have improved in the same period.

For the sub- index of framework 5 NDA states have improved while only 2 UPA state has registered an improvement. However, the improvement registered by the 2 UPA states are impressive, with Haryana improving its ranking by 18 points and Rajasthan by 9, on the other hand the maximum decline has also been registered by UPA state, with Kerala dropping by 21 positions in the ranking table.

In the sub- index of Functions both NDA and UPA have done equally well, with 3 states improving under both the alliances. The maximum improvement (16 positions) was seen by NDA governed Uttarakhand while UPA's Rajasthan saw an improvement of 12 positions.

UPA has performed slightly better than the NDA governed states in the sub- index for Finances, 3 UPA states have improved their rankings while only 2 NDA states have been able to improve their rankings during the same duration.

Similarly, in the sub- index of Functionaries, 4 UPA states have improved their rankings significantly (improving by 10, 7, 6 and 4 positions) while only 2 NDA states have registered an improvement (improving their ranks by 4 and 1 positions).

In the sub-index for Capacity Building introduced in the ranking mechanism for 2012-13, 4 UPA states and 3 NDA have been ranked in the top 10 bracket. However, for the sub- index for Accountability this figure has been reversed, with 4 NDA states and 3 UPA states have been ranked in top 10 states.

Overall, UPA administered states have performed slightly better than NDA state. Between 2009-10 and 2012-13 more UPA states have seen improvement in rankings for the Devolution Index, Sub- indices of Finance and Functionaries more states under UPA featuring in the top 10 category of Sub- index for Capacity Building. Although, NDA states have done extremely well in improving framework for PRIs in its states, this is reflected in the NDA states' ranking in sub- index for Framework.

If performance of NDA governed states is to go by, the PRIs are unlikely to receive major thrust from the central government in the coming years.