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Date:14.07.2004

Dear Aiyarji,

Let me at the outset congratulate you for organizing the 2 day national workshop on "Poverty Alleviation and Rural Prosperity THROUGH Panchayati Raj Institution" recently. I am glad to know about the efforts being taken up by you to create further space for PRIs in India. I remember Sri Biju Patnaik who said at the time of inauguration of Panchayat Raj in 1961 "The objective of this new experiment is noble and so is the work involved. Panchayat Raj will remove poverty illiteracy and diseases. Reluctance to surrender power to them will be a continuing challenge for future leadership". We know that leadership is not possible " without a leader who genuinely cares about the cause and the people behind it. I know for sure that dreams have no dead-line and timelines till we reach the final goal. Sandbox wisdom is a delightful parable about suspicious system struggling with devolution. We must challenge conventional wisdom and re-examine development strategy of growth with jobs. I dream of a day when Planning Commission and Palli Sabha will join hands in planning and implement schemes of "economic development and social justice" and work like Lagaan team i.e. relying on their collective strength and individual excellence than compete against each other for devolution and decentralization. We need to change the "mindset" against devolution to appreciate the principle of "subsidiarity" and virtues of interdependence.

I do accept that legal compliance of provisions of 73rd amendment and PESA by way of amending Gram Panchayat, Panchayat Samiti and Zilla Parishad Act, to adopt 3-tier elected panchayati raj bodies, 5 year tenure, independent election commission, state finance commission and reservation of seats and post for SAC ST and Women etc. have been complied with. But you will agree that flesh and muscle to this rickety structure by way of devolution of 3-Fs i.e. "fund, function and functionaries" if I add 4th F Freedom only is yet to take place and only then we can claim to have filled up the democratic deficit.

I am surprised with the reported study by World Bank on the devolution of finances to rural government in some leading states. Outlay for rural local bodies in general and for people living below poverty line is one of the big casualty. Our planned economy also for long made salaries dominate revenue expenditure in projects. PRI empowerment can be seen as a tool of "right-sizing" of the government. Fiscal prudence now means less allocation on capital goods and services including on those who are poor. Panchayats should not fall into what I call " devolution-trap" by transferring the liabilities and headaches than assets and revenues.

May I take this opportunity of thanking you once again for this unique efforts of mainstreaming PRIs in development process.

With regards.

Sri Manishankar Aiyar

Hon'ble Union Minister

Panchayati Raj, Petroleum

And Natural Gas, Shastri

Bhawan, New Delhi.

Yours truly,

sd/-

(Dr. Damodar Rout)