
UNIT 12 EVOLUTION OF LOCAL GOVERNANCE (BEFORE 73RD & 74TH) AMENDMENT

Structure

- 12.0 Learning Outcome
- 12.1 Introduction
- 12.2 Historical Overview
- 12.3 Post- independence Developments
 - 12.3.1 Brief Overview of Initiatives Post -independence
- 12.4 Committees in Chronological Order of Appearance
- 12.5 Weakness of the New Panchayati Raj System
- 12.6 Evolution of Urban Local Government in India
- 12.7 Issues in Urban Governance
- 12.8 Conclusion
- 12.9 Key Concepts
- 12.10 References and Further Reading
- 12.11 Activities

12.0 LEARNING OUTCOME

After studying this Unit you should be able to:

- Understand the origin of local governance in India;
- Explain the evolution of Panchayati Raj Institutions;
- Discuss the initiatives taken by various committees on local governance; and
- Identify the weaknesses of the local governance before 73rd and 74th amendment.

12.1 INTRODUCTION

“Human institutions evolve over a period of time and in the process get adapted to the traditions and temper of the people”(Report of the Committee on democratic decentralization, Government of Maharashtra, 1969). It is therefore pertinent to understand the functioning of local self-governance institutions within the specific historical context. With the understanding gained by such study of the historical evolution of local self governing institutions and their functioning in different time periods in history, one is in a better position to understand their present working and likewise, suggest alterations, for further improvement. It is the *functioning* of the local institutions henceforth, that have been set up following the 73rd and the 74th constitutional amendments, that needs to be observed and studied for the purpose of real democracy, for democracy *inheres in processes*; in the way things are actually done. The historical factor in attitudes and proclivities that

develop over time, that characterize a particular culture cannot be denied. Democratic Decentralisation holds the promise of affecting real democracy by involving people in policy choices and other vital matters of administration that concern them, at the grass roots, which is where the actual implementation of policies take place and results are achieved, and where, the real success or otherwise of schemes and projects can be gauged.

In this Unit we will study the evolution of local self-governance in India in the *pre* and *post* independence periods. Texts tell us that neither democracy nor democratic decentralisation is/are an alien concept(s) in India. There was an interregnum when local autonomy in governance was lost to centralised administrations. However after successive attempts in the post independence period, the desired three-tier arrangement for local governance has been put in place.

12.2 HISTORICAL OVERVIEW

Panchayats as an institution of local self-government at the village level had its origin in Ancient India. A sort of village council or an association of the residents of the village consisting of the village elders, Panchayats or Gram Sangha performed administrative and judicial functions. Sometimes, the Gram Sanghas or Panchayats were formed among the villagers who regulated their own lives through these bodies. We find reference to Gram Sanghas in the Manusmriti, Kautilaya's Arthashastra (400 B.C.) and the Mahabharata. The Shanti Parva of Mahabharata refers to a Sabha named 'Sansad' also. This consisted of the common people and was, therefore, called the 'Jan Sansad'. Valmiki's Ramayana speaks of the Ganapada, which was a sort of federation of village republics. Only those persons could become the members who had the general welfare of the people in their hearts (Kashyap, 2003).

Local self-governing institutions were disrupted following invasions from the north-west. Not much effort was made during the medieval period to reestablish the same. Mughal governance was highly centralised. Villages were penetrated only for purposes of collection of revenue, never that much for administrative purposes. While the emperor had ultimate control, his team of jagirdars, zamindars, who formed the aristocracy of the Mughals interacted with the peasantry, but for exploitative purposes. This complicated agrarian relations in the countryside. The pre-British Mughal system of administration had a highly bureaucratized hierarchy of officials. The British made full use of this apparatus of administration while bringing about necessary changes as per their own requirements. Administrative and political reform during the time of the British was largely guided by commercial considerations. Expanding commerce and private property needed rule of law and an official machinery to enforce the contractual obligations. Therefore, political and administrative reforms were carried out from time to time, including establishment of local self-governing institutions on lines of British theory and practice. They lacked the local tinge; nevertheless, were there.

The 'feudalisation' of India is attributed mainly to the Gupta era, when centralised authority of the preceding Mauryan age gave way to a decentralised system where the aristocracy attained land rights and subsequently power over subjects. The oligarchy exerted considerable influence on the monarch who depended on them for military supplies and cooperation during combat. The trend continued during the reign of Harsha, and worsened later. At the eve of the twelfth century, India had ceased to be a cohesive polity and presented a variegated picture of numerous tribes and ceaseless battles for

‘paramountcy’. Paramountcy however, was attained, long after, by the British. They consolidated the ‘nation state’, however obviously for personal gain, as above stated, and introduced modern systems of governance. The British rulers for the first thought of reversing the trend of centralisation only in 1882 when the Government of Rippon issued a resolution proposing steps in the direction of local self-government. The resolution called upon the provincial governments to establish a network of Local Boards charged with definite funds throughout the country.

Accordingly, the present idea of democratic decentralization (rural local government) is the result of Lord Mayo’s Resolution (1870) and Lord Rippon’s Resolution (1882). The Report of the Royal Commission on Decentralisation (1909), and the Government of India Acts of 1919 and 1935 have further contributed in this direction (Malik, 2002).

The British Government, with a view to preserve and stabilise its political control, took various measures and recognised village panchayats. A special Commission was appointed in 1909 on local self-government, which suggested the need for revitalising the village Panchayats for handling local affairs. The Decentralization Commission, which reported in 1909 made some far-reaching suggestions to remove some of the defects in the working of the Local Boards. In 1915 a Government resolution endorsed the Commission proposals. But, again the provincial governments took no steps in the matter. Following the Montague Declaration of 1917 regarding the introduction of responsible government in gradual beginning with the local bodies a Resolution was issued by the Government of India in 1918 and, under the scheme of provincial dyarchy, by 1919; rural self-government was put under the charge of the Indian ministries. Some progress was made. Besides Municipal and Local Boards Acts, laws were passed in almost all the provinces to introduce Panchayats in villages (Henry, 1970).

Subsequently, a number of Acts were passed like the Bengal village self-government Act of 1919; Madras, Bombay and United Provinces Village Panchayats Acts of 1920, Bihar and Orissa Village Administration Act, Assam Rural Self- government Act of 1926, Punjab Village Panchayats Act of 1935 etc. to look after the village affairs and certain matters relating to their development. Under the Government of India Act, 1935 provincial autonomy started functioning in the provinces from April 1937. Congress Governments took office in eight of the eleven provinces. Considerable progress in the direction of Panchayati Raj was made during the period of the Congress rule. According to the January 1948 Plan of Gandhiji, each village Panchayat would constitute a working party with an elected leader. Above the village Panchayat came the hierarchy of indirectly elected bodies— taluka and district panchayats—each of which comprised the sarpanchas of the next lower panchayats. Members from the district and municipal panchayats would make up the provincial Panchayat. The national Panchayat would be responsible for defence, currency, customs, running of key industries of national importance and the coordination of provincial economic development plans (N.V, Raj. 1948).

But the Panchayats formed under these acts were not democratic bodies as the government mostly nominated their members. The powers given to them were meager and their financial resources were also limited. Commenting on the status of Panchayats during the British period, Maddick observed, “*The British administration, with its Roman sense of justice replacing the traditional powers of Panchayats in the more serious judicial cases, its system of tax gathering and of administration made such a violent impact that the corporate life of the villages was weakened and in most cases ‘died’.*”

The end of the Second World War brought in its wake the downfall of colonialism and the subject countries were granted independence by the ruler countries one after another. Invariably these countries were underdeveloped and backward because science and technology were not applied to the welfare of the masses of these countries. The gap between rich and poor countries begins widening instead of narrowing down, because in the newly emerged nations there was human power but not wealth. This enormous disparity among the people of the world is a problem not only for the poor nations but also for the rich parts of the world. Prosperity, like peace is indivisible. The end of the war also brought on the world stage two super powers having different approaches for the economic progress and welfare of their masses. These approaches are poles apart from each other. The first is the democratic approach and second is the revolutionary approach. Thus a great burden fell on the shoulders of our leaders and they were called upon to share the responsibilities, which were to them a dream. Under such circumstances history came to their rescue and they cleared their policy in clear terms: *Planning—Democratic*, with a view to get the benefits of both the approaches—*Democratic and Revolutionary*.

In every committee, conferences and meeting be it national, international or regional, there was only one topic under discussion and it is how to achieve speedy development in underdeveloped and undeveloped countries. A great number of programmes are assisted by the United Nations, its specialised agencies, inter-governmental organisations, regional commissions, bilateral agreements and many semi-public and private agencies, with a view to improving the economic conditions of the people in different parts of the world.

12.3 POST INDEPENDENCE DEVELOPMENTS

The plea for greater autonomy to the rural bodies received conceptual strength with the advent of Mahatma Gandhi on the national scene and his advocacy of the doctrine of the national development through autonomous rural organisations, which he strived to model on the lines of Panchayat system as it prevailed in Ancient India. He envisaged five-tier system of Panchayats, Taluka Panchayats, District Panchayats, Provincial Panchayats and All-India Panchayats. The administrative system envisaged by him was that of a pyramid whose broad base would comprise numerous village communities of the country.

Mahatma Gandhi, in 1946 had rightly remarked that the Indian independence must begin at the bottom and every village ought to be a Republic of Panchayat having powers. It is a welcome phenomenon that several economists have started discovering a new virtue in the concept of political decentralisation to ensure people's participation at the grassroots level so as to allow the gains of development to reach them.

It was therefore only natural that demands were made in the Constituent Assembly for the revival of the Panchayat system of government at the local level. Soon after the independence some of the provinces had passed Panchyati Raj Acts and taken practical steps to organise village panchayats as units of rural self-government and endow them with certain powers and authority of administration.

The Gandhian Constitution for free India drafted by S.N. Agarwal envisaged self-sufficient, self-governing village communities. Gandhiji was an ardent exponent and devotee of village swaraj (self-rule). For him, the term comprises village autonomy and self-sufficiency. Thus, Gandhiji wanted to see each village working as a small republic in which the people will not only solve their problems at their own but also formulate policy and

programmes for development (On Gandhiji's insistence a clause regarding PRIs was inserted in Indian constitution in Article 40 under the chapter on Directive Principles of State Policy. Members of the village panchayats were to be elected by all the adults in the village). The village was to be the primary unit and the foundation of development planning. Later on, the Sarvodaya movement had also drawn on this philosophy of diffused democracy and decentralisation. As a result, "the movement for Panchayati Raj achieved both an intellectual respectability and sentimental appeal emphasizing that in such a state the best servants of the village should form the Panchayat, being elected unanimously, and from the village level there should be indirect election to sub-districts, provincial and central administration (Henry 1970).

Jawaharlal Nehru also referred to the existence of democratic institutions at the village level in ancient India and said that India's strength really lay in 'her widespread system of village republics or self-governing Panchayats'. These Panchayats were 'elected by the village folk and thus there was a basis of democracy in this system.' Nehru was rather surprised to find that these Panchayats enjoyed both executive and judicial powers 'and their members were treated with greatest respect by the King's officers' (Nehru, 1962). On 16th March 1963, Nehru remarked that community development and Panchayati Raj were among the most helpful developments in the country, together constituting a revolutionary movement which, even if it had only yielded a fourth of the expected results, yet had proved' an amazing success, strengthening India at the very roots and preparing millions of men and women to shoulder responsibility and to be self-reliant. Still later, on 22 June 1963, Nehru said: "*I have full confidence in its success because I have full confidence in Indian people.*"

In March 1950, the Planning Commission came into existence and we began to plan for large-scale economic and social progress. As such the Planning Commission gave concentrated thought for a period of two years to the development of rural areas. The Planning Commission, therefore, thought of shaping the village development programmes, so as to attack the five giants of hunger, Poverty, Disease, and Ignorance through a self-help programme of Community Development. "Community Development is a movement designed to promote better living for the whole community with the active participation and on the initiative of the community". Thus was defined the term at the Ashridge Conference of Social Development in 1954.

The village Panchayats gained further impetus with the beginning of the First Five Year Plan in 1951. In 1952, several states launched community development and rural development plans with the help of local Five Year Plan introduced in 1956.

The Panchayat Raj Institutions (PRIs) in India have traveled a long way to acquire a constitutional status from a mere mentioning of it in the constitution in the form of Directive Principles (Article 40). Article 40 of the Indian Constitution states: "The state shall take steps to organise Village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government." The Article remained a dead letter for many years before finding a place of some importance in the form of the Balwantrai Mehta Study Team Report in 1959. The team had inter-alia envisaged directly elected Panchayats for a village or a group of villages, an executive body called Panchayat Samiti for a block with directly elected and co-opted members and an advisory body, Zilla Parishad, at the district level constituted indirectly with an ex-officio member from the lower tier and others with the Collector as the Chairman (Mishra, S.N, Kumar, Lokesh, Pal Chaitali, 1996).

12.3.1 Brief Overview of Initiatives Post-Independence

The term 'Panchayati Raj' came into usage after the acceptance of the recommendations on Democratic Decentralisation of the Balwant Rai Mehta Study Team. Previously the terms used were 'village panchayat', 'district board' or 'sub-district board', which were the self-governing bodies at the village or regional levels. Panchayati Raj implies the creation of local government institutions at the village, block and district levels. The Institutionalisation of democratic decentralisation in the form of statutory Panchayati Raj thus opened a new chapter in the history and gave a new turn to the evolution of rural local self- government institutions in India (Maithali, 1995).

Panchayati Raj involves a three-tier structure of democratic institutions at districts, block and village levels, namely Zila Parishad, Panchayat Samiti, and Village Panchayat respectively. These institutions are considered as training ground, or democracy and political education. Rural development plans and programmes are implemented at this level so that fruits of development at this level so that fruits of development can accrue to the community directly. These institutions were established in 1959 based on the philosophy of decentralization and Gram Swaraj. The philosophy of development that emerged in India after Independence emphasised the involvement of the people into a structure that would enable them to actively participate in the process of decision-making. In order to bring democracy to the grassroots level and involve people in decision-making, an experiment was made with the devolution of power to the elected representatives and allocation of responsibility and financial resources as it was felt that this would be a major institutional device for the development of rural areas.

Introduction of Panchayati Raj was hailed as one of the most important political innovation in independent India. It was also considered as a revolutionary step. Panchayati Raj is a system of local self-government wherein the people take upon themselves the responsibility for development. It is also a system of institutional arrangement for achieving rural development through people's initiative and participation. Administration of development programmes aimed at social economic and cultural development, provision of community and welfare services etc. are entrusted to these local self-governing intuitions.

Balwantrai Mehta himself, who said that a welfare state would never be achieved in reality so long as local self-government did not function at the District, Taluka and Village levels with elective elements, moved the Resolution on "Panchayati Raj". According to him, Panchayats and the cooperatives were the two institutions through which the people could be trained for the leadership. By the year 1962, Panchayati Raj had come to be accepted as national programme. It was felt necessary that Panchayati Raj got the widest support of the people and therefore the need for avoiding party politics in the election to village Panchayats was emphasised. It was hoped that the political parties would also avoid setting up candidates hoped that political parties would also avoid setting up candidates on party lines for Panchayat elections.

Balwant Rai Mehta Committee was appointed to enquire into, among other things, the lack of initiative, apathy and indifference on the part of the rural population. According to the Committee there was to be a Panchayat Samiti at the Block level, which was to be indirectly elected by the village Panchayats. At the district level there was to be a coordinating body called the Zilla Parishad consisting of the Presidents of the Panchayat Samitis, Members of State Legislatures and Parliament and all district level officers of the development departments as members and, with the collector as the Chairman.

The sixty-fourth and sixty-fifth amendment bills, which later became the seventy-third and seventy-fourth amendments were the first major constitutional efforts with the stated objective of transferring power to the grassroots people. It was a great initiative by Rajiv Gandhi as Prime Minister. But unfortunately, the two bills were lost in the Rajya Sabha by three votes.

The 73rd Constitutional Amendment sought to integrate the democratic process at all levels by formalizing a mechanism wherein people at all levels were to have an opportunity to participate openly in matters which concern their welfare and development. No doubt, a wide variety of functions have been assigned to the institutions of Gram Sabha but there is no uniformity in assigning the functions among the states and in most of the cases they are non-functional. The rural people are not fully involved in the decision –making process and financial management. They are kept aloof in the development process from planning to execution of rural development schemes and Programmes. The devolution of powers and functional strengthening of the different tiers of the PR system is progressing at snails pace in most of the states. Bureaucratic control over PRIs continues to be very strong. The financial devolution from centre to the states and the PRIs has not yet taken place. There is lack of proper maintenance of records and registers by the Panchayats. The elected representatives fail due to illiteracy and lack of awareness as compared to their better off counter parts. The bureaucrats are unwilling to empower the Panchyats. Politicisation has been the main in the smooth functioning of Panchayats (Singh, 2005).

12.4 COMMITTEES IN CHRONOLOGICAL ORDER OF APPEARANCE

The year 1959 marked a revolutionary step in the development of the institutions of rural local self-government in the country. The year saw the inauguration of Panchayat Raj movement throughout the country. The Panchayats which had formerly been associated only in an executive and advisory capacity, under the community development programme were now to assume full responsibility for carrying it a head. The turning point came with the publication of the report of the Committee on Plan Projects in 1957, popularly known as the Balwant Rai Mehta Committee. The Committee was set up by Central government in 1957 to enquire into the questions of economy and efficiency and suggest other measures for the reorganization of community development programme. The Ashok Mehta Committee (1977), appointed by the Janata Party Government, was the major one, which suggested two- tier system of Panchayati Raj consisting of Zila Parishad and village Panchayats. However, these recommendations were not accepted by the government. C.H. Hanumantha Rao working Group (1983), G.V.K. Rao Committee (1985), L.M. Singhvi Committee(1986), Thungan Committee (1988) etc. were the other committees, which gave valuable suggestions for revamping the local bodies. The 64th and 74th Constitution Amendment Bills of 1989 and 1990 were the other abortive attempts made in this direction. (The Constitution (73rd Amendment) Act, 1992). Let us try and discuss the major landmark attempts in sufficient detail (in chronological order).

The Community Development Programme

The Panchayati Raj System in India has evolved out of the Community Development Programme (CDP) introduced on Oct 2, 1952 intended to bring about the socio-economic development of rural masses in a democratic way. The National Extension Service (NES) further supplemented it in 1953. But, within a few years, it was realised that the programme has not delivered the desired results due to lack of people's

participation in development programmes and it was not able to initiate the process of transformation of socio-economic life of rural masses as was expected in the First Five Year Plan document (Darshankar, A.Y, 1979).

The United Nations has defined the term community development “as a process designed to create conditions of economic and social progress for the whole community with its active participation and the fullest possible reliance upon the community’s initiative”(United Nations, 1955). Community Development is a process of social action in which the people of a community organise themselves for planning and action; define their individual needs and problems; make group and individual plans to meet their needs and solve their problems; execute these plans with a maximum of reliance upon community resources; and supplement these resources with necessary with services and materials from Governmental and non-governmental agencies outside the community”(Community Development Review, 1956).

So, it can be said that without community development, democracy cannot work for a longer period. In this way the community development is the best approach for achieving economic development under democratic conditions. “Community development is a powerful means of creating the conditions that are essential to the growth of freedom in the newly developing countries of today’s world. It is a practical and effective way to achieve a viable and political, social and economic order in accordance with the principles of human dignity and self-determination. It is democracy’s most positive alternative to communism” (Poston, R.W).

India is the only country in the world—the greatest democracy— where this programme was initiated for the betterment of the life of several others in a peaceful way. The programme of community development started on October, 2, 1952, with the launching of 55 community projects comprising 27,388 villages and a population of about 2 lacs and a cultivated area of about 1,50,000 acres. National Extension Service Programme – was formulated and put into operation on Oct 2, 1953. This was a great plan for the uplift of the rural masses of India. This programme was initiated with a view to removing the mental lethargy of the rural people, i.e., to develop both an urge and the initiative for better living conditions. It is a human movement that seeks to “instill in the people a will for a better life, create in them a passionate desire for improving their standard of living through their own efforts and in full co-operation with the neighbours.”

The Balwant Rai Mehta Committee Report, 1957

The Government accepted the recommendation of the Committee in 1958 and the PR system was inaugurated on 2nd October, 1959 in Nagaur district to Rajasthan by the then P.M Pandit Jawaharlal Nehru. The other states also adopted this system as per their requirements and condition. But these institutions could not fulfill the desired goals and came to decide with passage of time due to odd or even reasons. Various Committees were set up by various states to review their functioning and position.

Assuring that people’s participation involvement and ultimate taking over the Community Development programmes by the local institutions was the heart of the message. The Committee was faced with the puzzle of exploring the low level of activity in terms of people’s participation in post –intensive phase, the entire objective of transforming the programme from a “Government Programme with people’s participation” would be defeated (Mishra Sweta, 1994).

The Committee came out with the suggestions of three-tier system of rural local government, which would be given statutory status and upon which the various development function performed by blocks were to be devolved. “*Democratic Decentralisation*” was the name given to this process. Subsequently, the same begun to be called as “*Panchayati Raj*” in popular speeches and literature – a name, which is also synonymous with the term—“*Rural local self- government in India.*”

The first state to go for full stream with the scheme of democratic decentralisation were Rajasthan and Andhra Pradesh. Late Pt. Jawaharlal Nehru inaugurated the PR measures in Rajasthan on Oct 2, 1959 in an impressive ceremony at Nagaur. The movement spread like wild fire all over the country. By the end of 1963 most of the states had enacted legislation to introduce PR within their jurisdiction. It was hoped that by 1964-65, all the states would have introduced Panchayat Legislation in their areas.

The basic philosophy behind the PRIs was to ensure people’s participation in the development programme which was expected to unleash the arrested process of change and growth. However, these institutions failed to a great extent on both the fronts due to their no-performance. So much so that during the seventies, it created an impression of a “*God that failed.*” Nevertheless it had perceptible impact in terms of galvanizing the average citizen in rural India and whenever it took roots; it helped in narrowing the gap between the bureaucracy and the people (Mishra, S.N. 1981).

Keeping this in consideration, the Balwant Rai Mehta Committee recommended and stressed on the need of democratic decentralization, which is popularly known as Panchayati Raj (PR). It was a three-tier system and Zilla Parishad was the apex body. The Committee also opined that the system could be affected by devolution of powers to these bodies and handing over the entire charge of development works within its jurisdiction. (Singh, Hoshiar, 1996-97)

Ashoka Mehta Committee (1977)

The Committee with Asoka Mehta as chairman was appointed by the then Janata Government in 1977 and was entrusted with enquiring into the sorry situation of the PRIs and suggesting measures to rectify them. The 132 recommendations of Asoka Mehta Committee speak a volume in regard to its terms of reference and the important aspects of it encompassed. The first three chapter of the Report are devoted to survey of the antecedents and development of Panchayati Raj into three phases—1959 to 1964—the striking of roots; 1964 to 1969—the phase of corrosion; 1967 —the stage of non-performance.

The Committee outlined the reasons for the decline of PRIs haphazard programmes, non-performance, rise of vested interests, lack of adequate financial resources. The concept of PR itself got lost in a haze of conflicting interpretations. The major thrust of the Report was on decentralization. “The formulation of structural function and the utilization of financial, administrative and human resources in PRIs should be determined on the emerging functional necessity of management of development,” stated the Report.

Though the Union Government, did not accept the recommendations of the Committee due to change again in the ruling party within it, some of these did exercise varying influence upon the working of Panchayati Raj in a few states. Some years later (1983-85) Karnataka and Andhra Pradesh remodeled their respective PR system under their influence by and large. The recommendations of the Ashoka Mehta Committee were

considered by a conference of chief Ministers held in 1979, which favored the continuance of the three-tier system. They suggested the drawing up of a model bill, which should be adopted and enacted by the states with necessary modifications to suit the local needs.

After concerns expressed by the Central Government several state governments including MP, Bihar, and Rajasthan also took serious steps in this direction. The Planning Commission also reiterated its plea in the seventh and eighth Five Year Plans for expanding and energizing the role of Panchayati Raj in promotion and management of rural development, which has been growing in scope, diversity and complexity. The Commission viewed that effective people's participation through PR in rural development, would contribute to better responsiveness to people's needs and aspirations, and to considered and to coordinated and accelerated progress of this development (Khanna, B.S.,1994).

In 1985 a twelve member Committee was appointed under the chairmanship of Dr. G.V.K. Rao for reviewing the administrative arrangements for rural development and poverty alleviation programmes. While recommending that the district should be the basic unit for Policy planning and programme implementation, this committee emphasized the need for regular elections to the PRIs. These grassroots bodies are to be assigned important role in respect of planning, implementation and monitoring of rural development programmes. Some of the planning functions of the state level may have to be transferred to the district level for effective decentralized district planning (Govt. of India, (CAARD) 1985).

After receiving the report of the Committee, the then PM, late Shri Rajiv Gandhi, organised All India Sarpanchas Conferences in New Delhi to ascertain their viewpoints. Once again in 1986, another Committee headed by Dr. L.M. Singhvi was appointed by late Rajiv Gandhi to suggest approaches as to how PRIs could be given constitutional status. The Committee recommended the reorganizations of villages to make village Panchayats more viable. It also suggested that more financial resources should be made available to these institutions. It further recommended that PRIs should naturally facilitate the participation of the people in the process of planning and development following from below as part of the concept of self-government and development planning should be democratic planning. (Government of India, Occasional Paper, 1988).

While these activities were going on, in the meantime Sarkaria Commission was enquiring into the federal structure particularly with regard to centre-state relations, which also made a passing remark in its report on nature of rural and urban local self-government. The Commission observed that many of the local self-governing bodies were not functioning effectively mainly because election to these bodies was being superceded. The need of uniformity of law in the states regarding holding of periodical election and super session of the Panchayat Raj bodies was also emphasized by the Commission (Government of India, Sarkaria) 1988).

A sub-committee to the Parliamentary Consultative Committee attached to the Ministry of Personnel, Public Grievances and pensions was set up under the chairmanship of Dr. P.K. Thungon to consider the type of political and administrative structure needed in the district planning. The Committee felt that the PRIs should be recognized continuously and recommended that a constitutional provision should be made to ensure timely and regular elections to these bodies with their terms lasting for 5 years. The Zilla Parishad should be the only planning and development agency in the district according to the opinion of the sub-committees. It also suggested setting up of a planning and co-ordination committee

at the state level under the chairmanship of the PM and Presidents of the ZP should be made members of the Committee (Government of India, Reports of the Working Group on District Planning, 1988).

The Indian National Congress also appointed a Committee on Policy and Programmes headed by V.N. Gadgil, which was entrusted the task of examining how best PRIs could be made effective (All-India Congress Committee, 1988). The Committee recommended a three-tier system of PR reservation of constituencies for SC/STs and women so that adequate representation is given to the weaker sections, five years tenure for PRIs, constitution of state Finance Commission and state Finance Commission.

The net result of the recommendations of these Committees was that a proper environment was created in favor of giving new thrust to the concept of democratic decentralisation. All political parties by and large arrived to the conclusion that it was a high time to give constitutional status to PRIs. The result of such consensus was the introduction of 64th Constitutional Amendment Bill in the Parliament in July 1989.

The Constitutional (64th Amendment Bill, 1989, which though was passed by the Lok Sabha could not become a part of the Constitution as it was not passed by the Rajya Sabha. This Bill provided for constitution of Panchayats in every state at the village, intermediate and district levels with the exception of state, which have a population not exceeding 20 lakh, where states may not constitute the intermediate level. It also provided for ‘, Eleventh Schedule’ in the Constitution embodying the functions to be given to PRIs.

The Panchayati Raj Institutions (PRIs) in India are the Prime instruments of decentralisation at the grassroots level. They assume importance due to the need to contain the relentless demographic pressures and optimum use of scarce resources for development. They act as vehicles in carrying back to people the power that really belongs to them. Panchayati Raj, or local self-government, is an exercise in decentralisation of administrative authority. The system is based on the following principles.

There should be a three-tier structure of local self-governing bodies from village to district level, with an organic link from the lower to the higher ones.;

- i) Adequate financial resources should be transferred to these bodies to enable them to discharge their responsibilities;
- ii) There should be a genuine transfer of power and responsibility to these bodies;
- iii) All development programmes at these levels should be evolved should be channeled through these bodies;
- iv) The system evolved should be such as to facilitate further decentralization in the matter of power and responsibility on future (Padmakar, 1998).

The Indian National Congress took interest in the organization of Panchayats to make them people’s institutions. Mahatma Gandhi had pointed out that independence must begin at the bottom. Every village should be a republic or a Panchayats having full powers. The greater the power of Panchayats, the better it is for the people. Mahatma Gandhi once said, “the soul of India lives in the villages...”. Rajiv Gandhi had the vision to realise true empowerment of the people through Panchayati Raj (India Today, 2006).

The higher Panchayat shall tender sound advice, give expert guidance and information, supervise and co-ordinate the activities of the village Panchayats with a view to increasing

the efficiency of the administration and public services. Jayprakash Narayan, having his own concept of Panchayati Raj had no place for political parties. He opined that the success of PRIs depended upon the extent to which political parties refrained from interfering with it and trying to convert it into their handmaiden, and using it as a jumping ground to climb power. "Self-government through faction –fighting will not be self-government, but self ruination." (Mishra, S. N, 1996)

Three types of models emerge with regard of powers and functions of the PRIs (Bajpai, 1997) Firstly, States that have drawn the list of functions and activities for different levels of Panchayats in a routine manner on the lines of subject mentioned in the Eleventh Schedule. These states have also added some other functions like preparation of manual plans consolidation of the plans prepared by the lower level of Panchayats, preparation of annual budget, providing relief in natural calamities. States, which come under this category, are Assam, Karnataka, Haryana, Punjab, Rajasthan and Uttar Pradesh. The second model is prevalent in the states like Orissa, Kerala, Gujarat, Tamil Nadu and West Bengal. In these states the functions have been categorized under two heads. (a) Obligatory or mandatory functions; (b) discretionary functions. In the third category the states are Andhra Pradesh, Madhya Pradesh, Maharashtra, and Himachal Pradesh.

12.5 WEAKNESS OF NEW PANCHAYATI RAJ SYSTEM

Co-ordination of three-tier

One of the weaknesses of new Panchayati Raj system which has come to our notice is the problem of coordination among the three levels of PRIs on the one hand and bureaucracy, NGOs on the other. If we look into the problem of coordination, there is (i) lack of clarity in regard to distribution of powers and functions amongst the three tiers of PRIs mentioned in the Eleventh Schedule;(ii) the PR Acts of various states are quite vague as to whether PRIs are the implementing agencies of development programme or they are both planning and implementing agencies; (iii) the Acts also lack clarity in regard to relationship between the PRIs, and local level bureaucracy and (iv) the problem of open participation between PRIs and NGOs.

Under the old system of PR system, bureaucracy used to play the dominant role and as such the local level bureaucracy under the new dispensation is not prepared to change its behavior so easily. There is no point in getting disappointed as changing the old and existing mentality of bureaucracy will take some time. Among the three units of PRIs a clear-cut demarcation of responsibilities is highly required. Thus, what is required is to develop a new and responsible participative culture at the local level to sort out the problem of coordination. Apart from that there should be necessary Amendment in the PR acts of various states, which can be possible through real political and administrative will. PRIs should be made responsible both for Planning and implementation of development Programmes for the local community. If the New Panchayati Raj system is not working properly it is because of the independent existence of DRDA. Amongst all the programmes except for JRY sponsored and financed by central and state Govt. are implemented through DRDA. This is the reason in 1996 the central Govt. recommended the merger of DRDA with PRIs or to put DRDA under the control of PRIs. But except for MP, Kerala, UP, none of the other states have implemented the recommendation. This may be because of collusion between the bureaucracy and state level political leadership. So, PRIs have to succeed, DRDA has to be placed under the control of these Institutions (Misra, 2002).

Transferring of MPs and MLAs Area Development Funds to PRIs

On the one hand, we are trying to make grassroots democratic institutions viable and effective, on the other, we are creating another centre of power at the local level in the name of MPs and MLAs area development fund. The political leadership of the state is apprehensive of the fact that if PRIs are given a free hand, the dominance of state leadership will be over. The cases of fraud have been detected in six states: Bihar, Himachal Pradesh, Karnataka, Manipur, Nagaland and West Bengal. (*Panchayati Raj Update, June 1998*) The frauds range from fake entries in record books to diversion of funds for non-development purpose and misuse by the MPs (*Panchayati Raj Update, July, 1998*) If we really committed towards PRIs, why not MLAs and MPs transfer their funds to PRIs for the executive of development programme in their respective areas?. This may serve the double purpose of improving the financial health of PRIs and removing the sense of competition among the state politicians and PR representatives.

The Constitutional 73rd and 74th Amendment Acts, 1992 have triggered off new attempts towards decentralised planning. It is hoped that now decentralized planning will get a material shape as the main function of the Panchayats will be the planning and implementation of economic development programmes. The main role in planning has to be performed by the Panchayats at the recommendations of high-level committees, that the district is the most suitable unit for systematic planning below the state level. Article 243Z (D) of the 74th Constitutional Amendment Act provides for a District Planning Committee (DPC). In every state at the district level, a District Planning Committee shall be constituted to consolidate the plans prepared a draft development plan for the district as a whole.

The 73rd Constitutional Amendment which came into force in April 1993 sought to integrate the democratic process at all levels by formalizing a mechanism wherein people at all levels were to have an opportunity to participate openly in matters which concern their welfare and development. No doubt, a wide variety of functions have been assigned to the institutions of Gram Sabha but there is no uniformity in assigning the functions among the states and in most of the cases they are non-functional. The rural people are not fully involved in the decision –making process and financial management. They are kept aloof in the development process from planning to execution of rural development schemes and Programmes. The devolution of powers and functional strengthening of the different tiers of the PR system is progressing at snails pace in most of the states. Bureaucratic control over PRIs continues to be very strong. The financial devolution from centre to the states and the PRIs has not yet taken place. There is lack of proper maintenance of records and registers by the Panchayats. The elected representatives fail due to illiteracy and lack of awareness as compared to their better off counter parts. The bureaucrats are unwilling to empower the Panchyats. Politicisation has been the main in the smooth functioning of Panchayats (Singh, 2005).

The analysis of the 73rd Constitutional Amendment reveals that PRIs had to be vested with such authority and power as would have enabled them to function as effective institutions of self-government. It implies that by vesting of such authority and power by the State Legislatures, the PRIs could have turned democratic in nature (through mandatory and regular elections) with allocated values, priorities and policies and should have been able to provide its members with an opportunity to participate in the process of self-governance through Gram Sabha. The analysis further reveals that PRIs should act as a welfare government, which implies that they have to initiate, plan and execute the development activities and bring about social justice. India is a federal state. Recognising

the existence and wisdom of the State Legislatures, Article 243-A states that a Gram Sabha may exercise such powers and perform such functions at the village level as the legislature of a state may by law provide. It was expected that the spirit behind the 73rd Amendment would be carried forward through State Acts.

In practice it did not happen. It appears that the necessary amount of thought could not be given between the enactment of the 73rd Constitutional Amendment and subsequent State Legislations. It turned out to be a race for catching the deadline rather than realistic thinking. In most cases, some amendments were incorporated into the already existing State Acts to make them look ostensibly in conformity with the 73rd Amendment. One only wishes that Article 234-A were made mandatory and explanatory. If one takes a realistic look of what has happened in the past couple of years, one might even question the as mentioned in Article 243-A and 243- G. Was this the result of lack of clarity about the concept of self-government or a manifestation of internal resistance by the governing elite not to share power with people? Perhaps both are correct (Aslam).

While preparing the district plan, the DPC shall keep in mind the locational aspect of any projects; look at the integrated development of the infrastructure and environmental conservation, sharing of natural resources and financial resources. The composition of the DPC has been left to the discretion of the state, but it has been stipulated that 80 per cent of the members shall be those elected to the Panchayats and the Municipalities (Mishra, S.N, Op.cit, 2002). Also the DPC is still not an effective planning body as most projects are given case-by-case approval by concerned central ministries. There is not enough money to plan for or enough leeway with subjects. District planning will not become a reality unless untied block grants are given at the district level and district plans are integrated into state plans before the planning commission passes the latter. District Budgeting as has been attempted in Kerela and Madhya Pradesh needs to be attempted elsewhere across states.

Mid term appraisal of the tenth plan (2005) document points out that devolution of functions to the PRI (listed in the eleventh schedule) has not accompanied transfer of funds and functionaries in most states. Even where funds and functionaries have been transferred to the panchayats, state governments officials continue to exercise control on financial resources, and the personnel transferred to the panchayats. The sources of revenue earmarked for the panchayats are far from adequate. The power of taxation is vested only with the lowest tier-the gram panchayat. The higher tiers, that is the panchayat samiti and the zilla parishad do not have any power of taxation, and the extent of devolution for the state governments is most inadequate. The situation also differs widely across states in this regard. The issue of fiscal discipline at the local level has not been urgently taken up. Very few states have framed specific rules for dealing with financial irregularities and misdemeanors of elected functionaries at this level. The guidelines issue by the Comptroller and Auditor General in this regard need to be strictly followed by states.

12.6 EVOLUTION OF URBAN LOCAL GOVERNMENT IN INDIA

History of planned municipal administration in India dates back to the Mauryas in the third century B.C. in Ancient India. According to Magasthenes, committees that looked after specific subject matters related to municipal administration governed urban areas. During the Mughal Period, administration of the town was vested in an officer known as Kotwal

who supervised multifarious municipal functions besides exercising supreme authority in all magisterial, police and financial matters. The British initially continued with the overtly centralist stance in local governance but later altered it to a pro decentralist stance. The first municipal corporation was set up in Madras, in 1687 by the East India Company on the model of local bodies in Britain. Municipalities at Bombay and Calcutta followed this initiative, however it started happening on a more regular basis, only in the nineteenth century. In 1880, Lord Mayo officially recognised the need for Indians to get training in local self-government. The developments however were confined to urban areas only. Lord Rippon, who also introduced the elected element in local bodies, extended the system to rural areas. A Decentralisation Commission, as also afore mentioned, in 1907 which made certain recommendations. Those recommendations were embodied in a resolution of 1915. As a result, certain reforms were introduced in the system. The number of elected members was increased; the District Board was empowered to have elected President. The subject of local self-government became one of the transferred subjects under the government of India Act of 1919. This meant that the portfolio of local government came in the hands of Indian ministers. Thereafter, efforts were made to decentralize powers and ensure accountability of local functionaries to the electorate. Municipal administration was kept in charge of an elected chairman who enjoyed both legislative and executive functions. Later, by various acts, executive functions were separated from legislative functions. These acts were further amended after independence by the Indian government. They were made more democratic by the abolition of nominated and official members. Today, municipal governments are official bodies and are performing many more functions than they were earlier.

12.7 ISSUES IN URBAN GOVERNANCE

Municipal reform has not kept pace with development of urban areas. Urbanisation and industrialisation are intertwined processes. With economic growth centered around urban areas, numerous problems have come up; namely, growth in urban population, mainly due to –migration from surrounding rural areas and fringe towns (see chart below):

Year	Per cent
1961	17.97
1971	19.91
1981	23.34
1991	25.71
2001	27.78

This has put onerous demands on urban space and urban utilities, which have been unable to keep up with the mounting pressure. Resources with urban bodies were always insufficient, now the pressure is still more to provide for the extra bulk of populations. Direct result of above developments has been, degradation of the urban environment, proliferation of slums, increase in diseases as a result of worsening sanitation condition, and the worsening law and order situation.

Notable attempts to get round the problem include increased emphasis on public private partnership in urban infrastructure development and public utility service provision, such as water, electricity etc. As read in the mid term appraisal of the tenth plan; private

participation has been elicited in Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra and Gujarat for conservancy, sanitation, garbage collection and disposal, compost plant, street lighting, water supply, collection of local taxes, development and maintenance of gardens and parks, bus terminus, and development and market development etc. Most PP projects are in water supply, sanitation and solid waste management. To fully utilise the potential a regulatory framework has to be put in place for this specific purpose. Commercial revenue is sought to be increased by 'rationally' charging public utilities, which, it is believed, have been undercharged until now as also the administrative process of collection of commercial revenue has been inefficient, resulting in below par collections. The regime is set to get stricter in the coming years as part of the reform package for augmentation of revenue of local bodies. Over the years, restrictive duties in property transactions, and tardy processes, land ceiling, zoning, restriction of FDI and the private sector slowed down urban infrastructure development due to slow growth of the property market, which had the effect of pushing up the prices unnaturally and also slowing down urban infrastructure growth. The impact as aforesaid has been shortfall in the supply as against demand for habitation. These restrictions would be cleared paving the way for a more robust market in property transactions, wherein the prices set through the market are expected to be more 'rational'. Foreign Direct Investment in the property market would be encouraged, as also the private sector would have greater participation in urban infrastructure development. This would also prevent illegal land transactions and growth of unauthorised colonies. Rents are so abysmally low, that there is little incentive for landlords to renovate dilapidated structures. Rent control is also therefore set for liberalisation. Besides institutional capacity would be augmented in that local government would be developed for bottom-up decentralised planning by devolution of functions matched by the authority and the resources to perform them. E- governance is expected to speed up processes, facilitate data analysis and also ensure better connectivity across agencies and municipalities engaged in services provision (GOI Tenth Plan, 2002-07).

Success in local self-governance post the 74th amendment would depend in the earnestness with which state governments implement article 243 (W). The Twelfth schedule lists 18 subjects to be transferred to the urban local bodies. As reported in the mid term appraisal of the tenth five year plan document, efforts have lacked urgency in this regard. Only six States-Bihar, Chattisgarh, Himachal Pradesh, Madhya Pradesh, Punjab and Tripura, have devolved all these functions. Only 21 states have set up District Planning Committees and only West Bengal and Maharashtra have established Metropolitan Planning Committees. "Functional and financial autonomy of ULBs remains a distant dream(Mid term appraisal of the tenth five year plan, 2002-07)."

12.8 CONCLUSION

In a nutshell, we can say local governance enables a better perception of the needs of local people, gives them a greater voice in better decision-making process concerning their development and welfare, achieve better coordination and integration among programmes, ensures an effective people's participation which serves to build up a measure of self-reliance by mobilising resources for the felt needs of the people. Every effort being made to see that it is not imputed needs, which get super imposed and form the real basis of our plans and projects. There is an effective participation of local people who gives motivational support to the implementation of plans and also leads to self-sustained development. Above all a spirit of initiative and self-reliance build up among the people. The PRIs could not achieve the objectives due to lack of adequate knowledge and skills.

Accountability and transparency have also not been assured. Besides, there are several complains about wrongful utilisation of public money by the PRIs. The weakness mentioned here requires thoughts and action. There is an urgent need for strengthening PRIs by devolving requisite powers, functions, finances and functionaries. Special attention should be paid towards capacity building of PRIs functionaries. The strengthened PRIs would be able to deliver goods and services to the rural masses in a better way.

All the shortcomings notwithstanding, grassroots democracy unleashed by the seventy-third and seventy-fourth amendments has come to stay and as time passes, its financial and functional domains will get power really comes to belong to the people and the Gandhian dream of building from below, of the bottom up rather than the top down approach can be fulfilled. An essential step has been taken to strengthening the local self-government through a Constitutional 73rd Amendment (1993), which envisages the establishment of Panchayati Raj Institutions as units of local self-government in different states, which can be understood in the next Unit in detail.

Likewise, an integrated rural –urban development perspective has been taken for the newly introduced urban local governance institutions, following the 74th constitutional amendment. There are myriad needs like urban congestion and sprawl to be considered

12.9 KEY CONCEPTS

- Local Self-government** : Self-government implies ‘*rule unto themselves by people themselves or through their own representatives.*’ As explained in the European Charter of Local self-government, “this entails the existence of local authorities endowed with democratically constituted decision-making bodies and possessing a wide degree of autonomy with regard to their responsibilities, the ways and means by which those responsibilities are exercised and the resources required for their fulfilment” (Strasbourg, 1985).
- Nation State** : Nation state is a political science terminology, which explains a state of political unity attained by a country and characterized by modern institutions of governance, namely a representative parliament, impartial judiciary, rule of law and universal adult franchise. Nation states are said to have been established (arguably) post the Peace of Westphalia, which refers to the pair of treaties signed in October 1648, which ended the Thirty Years’ War. The treaties were signed on October 24, 1648 and involved the Holy Roman Emperor Ferdinand III, the other German princes, France, and Sweden. years of anarchy and bloodshed. Before that kingdoms and religion ruled the secular and religious spheres respectively. Though revisionists have challenged the claim, it largely marks the advent of ‘modernity’ as we know it(The Wikipedia Encyclopedia).
- Panchayati Raj** : The word ‘Panchayat’ refers to a collective body of

people set up for the deliberation of public issues. Panchayati Raj, means governance by a collective body of people. The word 'panch' in panchayat specifies the number of members in a collectivity set up for governance, that is, 'paanch', or five. Panchayat is a native term for village peers or wise men, who deliberate on human, particularly social affairs. "Traditional" and "charismatic" authority, hitherto enjoyed by the 'panchas' has been converted to "legal rational authority" by grant of constitutional status to the panchayat as an institution of local self-governance.

12.10 REFERENCES AND FURTHER READING

Bhargava, B.S., 1979, " *Panchayati Raj Institutions: An Analysis of Issues, Problems and Recommendations*" of Ashoka Committee, Ashish Publication, New Delhi.

Cheema, G, Shabbir and Rondinelli, Dennis, A,(1983), (eds) " *Decentralisation and Development: Policy Implementation in Developing Countries,*" Sage Publications, New Delhi.

Darshankar, A.Y,1979, " *Leadership in Panchayati Raj,*" Panchsheel, Jaipur.

European Charter of Local Self-government, Explanatory Report, Council of Europe,1985, Strasbourg, at <http://www.conventions.coe.int>

Government. of India, 1988, *Reports of the Working Group on District Planning, Planning Commissions*, New Delhi.

Government of India, 1985, *Report of the Committee to Review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Programmes* (CAARD) Department of Rural Development, New Delhi.

Government of India, 1988, *Occasional Paper*, Department of Rural Development, Ministry of Agriculture, New Delhi.

Government of India, 1988, *Report of the Commission on Center-State Relations*, Chairman Justice (Sarkaria) Vol. 2, Controller of publications, New Delhi.

Government of India, Tenth Plan, (2002-07), Chapter 6.1, *Urban Development*, Planning Commission.

Government of India, Planning Commission, 2002-07, June, 2005, Mid term appraisal of the tenth five year plan (2002-07), Chapter 17-"Governance and Development" and Chapter 11, "Urban Infrastructure."

Hanumantha Rao, C.H., 1989, " Decentralised Planning: An Overview of Experience and Prospects", *Economic and Political Weekly*, 25 February.

India Today, March 13, 2006.

Jain, G.P, 1967, " Panchayati Raj be Damned" *Kurukshetra*, Oct 2.

Kashyap, Subhash, 2003, " Institutionalisation of Grassroots Governance" *Grassroots*

Governance, Vol. I, No.1.

Khanna, B.S., 1994, “*Panchayati Raj in India*,” Deep and Deep Publications, New Delhi.

Mandal, Debaki Nandan, 1992, “Decentralisation holds the Key to Progress”, *Business Standard*, 24 June.

Mathur, M.V, and Iqbal Narayan, (eds), 1969, “ *Panchayati Raj, Planning and Democracy*”, Asia Publishing Company, Bombay.

Mishra Sweta, 1994, “ *Democratic Decentralisation in India*”,’ Mittal Publications, New Delhi,

Mishra, S.N, Kumar Lokesh and Pal, Chaitali, 1996 “*New Panchayati Raj in Action*”, Mittal Publications, New Delhi.

Mishra, S.N. 1981, “*Rural Development and Panchayati Raj*,” Concept Publishing Company, New Delhi.

Mishra, S.N. and Sweta Mishra, 2002, “*Decentralised Governance*,” Shipra Publications, New Delhi.

Report of the Committee on Democratic Decentralization, 1969, Cooperation and Rural Development Administration, Government of Maharashtra.

Sharma, M.P., 1967, “ *Local Self-government of India*”, Kitab Mahal, New Delhi.

Singh, Hoshiar, 1996-97, “Decentralisation Models and Responsive Administration: Need of 21st Century Administration “ *Kurukshetra*, Vol. XXX—XXXI.

Subramanayam, M.V.S., 1967, “Making Village Democracy Work”, *Kurukshetra*, Oct,2.

The Constitution (73rd Amendment) Act, 1992, the Gazette of India, Ministry of Law, Justice and Company Affairs, New Delhi.

Yugandhar, B.N, and Amitabh Mukherjee, 1991, (eds), “ *Readings in Decentralised Planning*,” Concept Publishing, New Delhi.

12.11 ACTIVITIES

- 1) Visit a nearby local authority and talk to the women and backward classes representatives who have found a place in local governance post 73rd and 74th amendment. Have they been granted effective voice in the new scheme of things? Write a report based on your observations.
- 2) Discuss the promise and prospects of the newly emergent local self-government institutions. Are they an embellishment or effective articulators of local interests/concerns? Give your own assessment.