
UNIT 9 PANCHAYATI RAJ AND GRASS ROOT DEMOCRACY

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9.0 INTRODUCTION

Local government in India falls mainly under two categories: rural self government and urban self government. Local government in rural areas is enabled by the Panchayat system of governance involving Panchayati Raj Institutions (PRIs). There are about 3 million elected representatives in Panchayati Raj Institutions (PRIs), about one third of them women, and there are more than 640,000 village panchayats, about 6000 intermediate bodies and 500 district level bodies. Panchayats cover about 99.6% of India's rural population. The powers and functions of PRIs vary from state to state. The Panchayat system exists in all states except Nagaland, Meghalaya and Mizoram. Panchayat system is provided for all states having a population more than 2 million. Function of the panchayat include, planning and implementation of schemes for economic development and social justice relating to the 29 subjects in the indicative list.

Decentralisation has been major instrument for the extension of the democratic process at the grass root level and to involve the local communities in decision making in matters concerning their basic civic and other needs. Right from the beginning in 19th century, the local-self government institutions (panchayats and municipalities) in rural and urban areas have remained the main instruments of democratic decentralisation in India. The panchayat in rural India and municipalities in urban India are defined in the constitution as institutions of local-self government. The popular saying of ‘panch-pardhan’ from the ancient times connotes that the panchayat had deep roots in the Indian culture. After the 73rd Amendment to the Indian Constitution, Panchayate Raj system has come to occupy a pivotal place in the Indian democratic system. With this landmark amendment, the local governments have become the third-tier in federal system after the union and the states. However even after more than a decade of passing of the historic constitutional amendment, of 1992, the local governments have not been made effective in many states. Their function varies from state to state and in many states, devolution of functions, functionaries and funds to the local government has not taken place as envisaged in Part-IX and IXA of the Constitution. On the other hand, considerable progress has been made in the member states of European Union in effective decentralization of powers and functions to the communities at the local level. In fact, unlike in India there are no separate local level institutions are regional and area based, covering both urban and rural communities.

9.1 LEARNING OUTCOMES

After reading this unit you will be able to:

- Explain the historical background of local self government in India;
- Describe the evolution of Panchayati Raj in India;
- Explain the three tier Panchayat Raj Institutions and Urban Local Bodies; and
- Describe the essence of landmark 73rd and 74th Constitutional Amendment.

9.2 HISTORICAL BACKGROUND

9.2.1 Panchayats in Ancient Times

The panchayats in India have a long history, before earning a covered place in the Indian Constitution. The significance of the system had been chronicled during different periods of Indian history. It is not a flight of fancy, but the truth is that, ancient Indian history has provided evidence of the existence of village panchayats comprising five informally elected elderly members to settle dispute in the village. A reference to an organised system of rural local self-government (panchayat) has been found in ancient Vedic literature. Rig Veda has mentioned about ‘Gramini’, the village head employed by the king for civil and military purposes; while Atharva Veda envisaged the institution of ‘sabha’, ‘samiti’ babhapati and ‘sabkasad’ primarily performing judicial functions. A mention of village institutions had been made in the great epics, the Ramyana and the Mahabharat, where the gramini was responsible for collecting statue dues, keeping village records, settling disputes and controlling crime. Kautaliya’s Artha Shastra gives a comprehensive account of the system of village administration prevailing in ancient India. Besides, evidence of the village panchayats is also discerned in the Maurya and Chola dynasties and during the golden era of the Gupta period.

9.2.2 Panchayati Raj System during Medieval Period

With the coming of the Muslim rule in India, local institutions received a setback, as they did not enjoy the same autonomy and prestige, as under the Hindu kings. Mughal government was highly centralised, and the crown was the decision maker for the entire administrative machinery. Where ever the government is absolute, the supreme authority concentrated in one man's hand, the means of communications between the districts becomes slow and difficult, transfer of local officers becomes frequent and no political life or local initiative is left to the people. The muslim rulers recognised local chiefs and zamindars as the repositories of local authority, to the exclusion of the people. "The villages and towns of the Mughal Empire enjoyed parochial self-government rather than local autonomy. The office of Kotwal was developed as the keystone of the municipal.

While the Mughlas did not initiate any positive measures of encouragement to local institutions, wherever such institutions existed, they worked in co-operation with that: official machinery of the rules and in certain respects became a part of it. Between the breakdown of the Mughal Empire and the coming of the British, there was complete anarchy and military despotism in most parts of the country. During this intervening period the tier of social framework were loosened, and in many places, local institutions had been perverted or sapped, before the British officials had an opportunity to assess their value. The medieval period was comparatively an uneventful period in the history of panchayat system in India. The system was largely ineffective during Mughal rule, except during Akbar's reign, it appears that no other Mughal ruler assigned importance to the panchayats.

9.2.3 Panchayati Raj System during British Period

In the same vein, during the initial years of British rule, the autonomy of the panchayats gradually got diluted with the establishment of local civil courts, criminal courts, revenue and police administration. However the British rulers were well cognizant of the role played by self governing communities at the village level. Sir Charles Metcalfe, a British Governor in India during 1852 called panchayat as 'the little republic, but with some reservation because a caste ridden feudal system with power concentrated in the hands of a few landlords would be inconsistent with the sole mission of decentralisation. This is amply reflected in the East Indian Company Resolution of 1865 which said:"The people of this country are perfectly capable of administering their local affairs. The municipal feeling is deeply mooted in them. The village communities are the most abiding of Indian institutions. They maintained the framework of society while successive swarms of invaders swept over the country."

The initiative taken by the Viceroy, Lord Mayo, in 1870 although it was a resolution for decentralisation of power was aimed at improving administrative efficiency. In 1882 Lord Ripon resolved in favour of imparting political education to the people in general and rural people in particular. The Royal Commission on Decentralisation in 1907 recognised the importance of the panchayats at the village level, and recommended association of the people with the task of local administration. A few subsequent initiatives focused on decentralisation during British Raj are Montague Chelmsford Act, 1919; the Simon Commission report 1925 and Government of India Act, 1935. With these initiatives, by 1925 eight provinces had passed panchayat Acts and by 1926 six Indian princely states also

passed panchayat laws. By 1948, 20 other native states had village panchayat Acts.

When India was colonised, there occurred a sharp break from the tradition. The state system, after the advent of the British emerged as a highly centralised set up. Local institutions during the British period were more a creation of the government from whom they derived their autonomy rather than a process of spontaneous growth. No attempts were made to build up the system on indigenous foundations, although a good deal of indigenous taxation was retained in local finance. “The *chungi* of the muslim rulers, the *Sikh dharat*, and the *rnuhtarafa* of Maratha towns have a descendant in today’s systems. But from the structure and procedure of earlier local institutions, almost nothing has been incorporated into modern local government “The form adopted during the British rule was an admixture of the British and continental patterns. The history of local self-government in India under the British rule can be conveniently divided into four phases.” Local finance being a counterpart of local administration and its mainstay, has of course, been an expression of the purpose implicit in different phases of local government.” The first phase may be assumed to have ended in 1882, when Lord Ripon issued his well-known resolution on local self government.

The second phase covers developments from 1882 to 1919, when more powers were transferred from the centre to the provinces, and the recommendations of the Decentralisation Commission of 1907, besides discussing other matters, suggested some changes in local self-government. The third phase extended up to 1935, during which the Indian Taxation Enquiry Committee (1925) considered the problems of local taxation, along with central and provincial finances. The Simon Commission of 1930 reversed the process of decentralisation, by recommending strict control of the state over local bodies. The fourth phase covers developments up to 1947. During this phase, the struggle for independence was intensified and with the introduction of provincial autonomy in 1937, and coming into power of congress ministries in many provinces, local bodies, particularly village panchayats, received a great stimulus and there was democratisation of local bodies. But “local self-government became a mere annexe to the national political stadium, where the struggle for independence was moving towards its climax.” A rapid survey of local self-government and finances in India under the British rule reveals certain “well marked characteristics.” Independence opened a new chapter in socio-economic reforms, as embodied in the Directive Principles of State Policy, enunciated in the Constitution which established a federal system of public administration, provided universal adult franchise and the objective of welfare state. Article 40 of the Constitution lays down that the state would take steps to establish autonomous bodies in the form of village panchayats.

After reading this section, you will have gained an idea about the background of local self government in India. Now you should be able to answer the questions given in Check Your Progress I.

Check Your Progress 1

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this Unit.

1. Describe the existence of panchayat during ancient period.

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2. Discuss the contribution of British rule to the panchayati system.

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9.3 PANCHAYATI RAJ SYSTEM AFTER INDEPENDENCE

After independence, the process of empowering panchayats gathered momentum. Mahatma Gandhi, the father of the nation, while emphasising on ‘Gram Swaraj (village autonomy) strongly advocated that; ‘Independence must begin at the bottom. Thus every village was expected to be a republic of panchayat having full power.’ The spirit and importance of panchayati raj system found place in Article 40 of the Directive Principles of State Policy of the Constitution of India, which says: “The state shall take steps to organise village panchayats and endow them with such powers and authority as may necessary to enable them to function as units of self-government”.

The first Prime Minister of India, Jawaharlal Nehru, considered panchayats as an important socio-economic and political institution at the village level. While inaugurating the panchayati raj in Rajasthan in 1959, he underlined the importance of people taking responsibilities: “To uplift millions of villages is not an ordinary task; the reason for the slow progress is our dependence on official machinery. An officer is probably necessary because he is an expert. But this can be done only if the people take up the responsibility in their own hands. The people are not merely to be consulted, but effective power has to be entrusted to them”.

The then Rural Development Minister Shri S. K. Dey, had stated, that “In Panchayati Raj System, the people of India would govern themselves through their representative institutions, from the Parliament and thus democracy would travel from Gram Sabha (village parliament) to Lok Sabha (Lower House of the National Parliament)”. Former Prime Minister Rajiv Gandhi, while emphasising on the significance of panchayats had remarked.”We must put an end to planning from above. We must put an end to priorities being conceived and decided at ethereal heights, far from ground realities”. While delineating a few functions of the local self-government, Jawaharlal Nehru, advocated that “The panchayati raj bodies should assume the responsibilities of looking after the needs of everyone in the village and thus become an insurance against illness, unemployment, illiteracy and other disabilities”.

The First Five Year Plan also recognised the need for disaggregated planning through a process of democratic decentralisation in incorporating the idea of a village plan and a district development council. The Government of India constituted several committees at different points of time to strengthen the local self-government institutions. The first one was the Balwantray Mehta Committee constituted in 1957, which recommended the urgency of democratic and elected institution at the lowest level and suggested a three-tier system. After this, Ashok Mehta Committee (1977) recommended a two-tier set-up at district and village level. The Sarkaria Commission on Centre-State relations appointed in 1983 recommended in its report that the objective of decentralised planning cannot be achieved unless panchayats play a major role of development and administration at village level. Instead of playing their role, ironically, these institutions have been allowed to stagnate. Elections to these bodies had not been held regularly and often they remain superseded for a long period. The Sarkaria Commission recommended that it was necessary to hold elections regularly and adequate funds devolved to these institutions. The G.V.K. Rao committee, in 1985, emphasised the need for regular elections to panchayati raj institutions (PRIs). A committee headed by P.K. Thungon, in 1986 recommended that panchayati raj bodies should be constitutionally recognized, and should have provision for timely and regular elections and their term should be for a period of five years. While the L.M. Singhvi Committee of 1987 recommended that the PRIs should get constitutional safeguards and financial resources should be devolved to them.

Since the beginning of the VI five year plan, a number of special programmes for poverty alleviation, employment generation and area development were launched in the country. At this stage, block level was considered important to implement rural development programmes through fuller utilization of local resources. In November 1977, a Working Group under the Chairmanship of M.L. Dantwala was appointed by the Government of India, to draw up guidelines for block level planning. At the same time, in December, 1977, a Committee on Panchayati Raj, headed by Ashok Mehta was also appointed. The Committee considered inadequacy of resources, mainly responsible for failure of PRIs and, therefore, recommended, inter alia, measures for strengthening the financial resources of PRIs. In the light of recommendations of the Committee, gradually PRIs were set up in almost all the states and were contemplated to be developed as instruments of development. Where as in Maharashtra and Gujrat, power was vested in district panchayats, in Madhya Pradesh and some other states, the responsibility for development was entrusted to the blocks. Another committee headed by Prof. C.H. Hanumantha Rao (1984) went into the questions of evolving methodology for district level planning and recommended that planning process at the district level should be sufficiently decentralised, having a good deal of autonomy, administrative and technical capability and financial adequacy.

The above discussion shows that there has been no dearth of ideas and expert opinion but what lacked was consistency in thinking and political will to implement the concept of decentralised planning and development in a multi-level framework, and create PRIs in that framework which are democratic, autonomous, financially strong, capable of formulating and implementing plans for their respective areas and provide decentralised administration to the people. Elections were not held regularly in a large number of states. Even after three decades since the Balwant Rai Mehta Committee had recommended 3-tier panchayati raj system as a form of rural self-government and as a mechanism for

democratic decentralisation, in most of the states, the position regarding PRIs remained unsatisfactory and no tangible action was taken to strengthen the local self-government system. Financially these bodies were weak and dependent largely on state governments which did not follow any consistent policies, with the result that most of the PRIs remained defunct or superseded.

The Constitutional Amendment Act, 1992, marked a water-shed in the history of local self-government in the country since it gave a constitutional mandate to the state governments to restructure and revamp rural local bodies in accordance with constitutional obligations. The Act provided for (i) the creation of three tier system of PRIs-gram panchayat at the village level, Janapud Panchayat at the block level and Zila Panchayat at the district level, with sufficient powers and functions contained in schedule XI of the Act; (ii) the creation of State Election Commission to ensure free, fair and timely elections after the expiry of every 5 years, and (iii) the creation of State Finance Commission after every 5 years to recommend devolution of financial resources from the state government to local bodies and also suggest measures for strengthening their financial position.

After reading this section, you will have gained an idea about the term, rural development. Now you should be able to answer the questions given in Check Your Progress 2.

Check Your Progress 2

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this Unit.

1. Describe the first five commission constituted by Government of India for strengthening of Panchayati Raj Institutions.

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9.4 PANCHATI RAJ SYSTEM AFTER 73rd AMENDMENT

The 73rd amendment of the Constitution is an epoch making event in the history of democratic decentralisation in India. While introducing the constitutional amendment bill in Parliament on December 1, 1992, the then Cabinet Minister of Rural Development had thus observed “This casts a duty on the centre as well as the states to establish and nourish the village panchayats so as to make them effective self-governing institutions and by introducing this Act, the government was fulfilling Mahatma Gandhi’s dream of Gram Swaraj.” As a result, 2, 32, 278 panchayats at village level; 6,022 panchayats at intermediate level and 535 panchayats at district level were constituted in the country. These panchayats are being manned by about 29.2 lakh elected representatives of panchayats at all levels. This is the broadest representative base that exists in any country of the world developed or underdeveloped. The main features of the Act are (i) a 3-tier system of Panchayati Raj for all States having population of over 20 lakh; (ii)

panchayat elections regularly every 5 years;(iii) reservation of seats for Scheduled Castes, Scheduled Tribes and women (not less than one-third of seats); (iv) appointment of State Finance Commission to make recommendations as regards the financial powers of the panchayats and (v) constitution of District Planning Committees to prepare development plans for the district as a whole. As per the Constitution (73rd Amendment) Act, the Panchayati Raj Institutions have been endowed with such powers and authority as may be necessary to function as institutions of self government and contains provisions of devolution of powers and responsibilities upon panchayats at the appropriate level with reference to:

- a. the preparation of plans for economic development and social justice; and
- b. the implementation of such schemes for economic development and social justice as may be entrusted to them.

India today has the world's largest functioning democracy at the grassroots, with 496 panchayats at the district level, known as district panchayats (DP)/ zilla parishad (ZP); 5905 at the intermediate level, known as block samitis/intermediate panchayat (IP); and 230762, at the village level known as gram panchayat (GP). These elected democratic institutions are manned by 3.4 million Scheduled Castes and 0.26 million Scheduled Tribes (Kurukshetra, 2002). In conformity with the Constitutional amendment, all the states have amended their state Acts by repealing the then existing ones. Today, the PRIs constitute the potential instruments for effective implementation of India's rural development and poverty alleviation programme. It is true that, if effectively empowered, the PRIs have the potential to build a progressive India (which veritably lives in its villages) in harmony with the felt needs and aspirations of the people.

The structure of the PRIs of a few Indian states is given in Table 1. It is interesting to note that in Kerala on an average one panchayat caters to the needs of 23,785 rural populations, whereas in Punjab one panchayat deals with 1289 rural population. Each panchayat in Kerala and in Karnataka consists of wards, which are looked after by ward members of the panchayat. The division of panchayat into wards thrusts responsibilities on the ward members to look after the needs of their ward population. This results in effective functioning of panchayat in Kerala and Karnataka.

Table 9.1: Structure of Panchayati Raj Institutions in a Few Indian States

| State | Average rural population per gram panchayat | Average number of village per gram panchayat | Average number of gram panchayat per panchayat samities | Average number of panchayat samities per zila parishad |
|----------------|---|--|---|--|
| Gujarat | 2294 | 1.3 | 73.1 | - |
| Karnataka | 6152 | 5.2 | 4.7 | 9.0 |
| Kerala | 23,785 | 1.4 | - | - |
| Madhya Pradesh | 2010 | 2.5 | 41.0 | 10.2 |
| Maharashtra | 1952 | 1.5 | 82.8 | 10.3 |
| Punjab | 1289 | 1.0 | 92.8 | 9.8 |

Sow- *As per census 2001.

** Panchayati Raj Institutions in India, Ministry of Rural Development, 1991

9.5 KEY FEATURES OF 73rd CONSTITUTIONAL AMENDMENT

The main feature of the 73rd Constitutional Amendment are: (i) Establishment of a three-tier structure: village panchayat (gram panchayat); intermediate panchayat (panchayat samiti) and district panchayat (zilla parishad); (ii) Regular elections every five years; (iii) Reservation of seats for the Scheduled Castes and Scheduled Tribes in proportion to their population; (iv) Not less than one-third reservation of seats for women at the three different levels of PRIs; (v) Establishment of State Finance Commissions to recommend measures to improve the finances of panchayats; (vi) Establishment of State Election Commissions to conduct election to the PRIs; (vii) Establishment of District Planning Committees to prepare development plans for the districts; (viii) Preparation of plans of economic development and social justice and implement 29 subject listed in the 11th Schedule of the Constitution; (ix) Establishment of grama sabhas (village assemblies) and their empowerment as a decision making body at the village level; and (x) Rotation in accordance with the reservation of seats for women and the Scheduled Castes in the PRIs. Their key features as envisaged in the 73rd constitutional amendment are given in Table 9.2.

| S.No. | Key Features | Provision in the Act |
|-------|--|--|
| 1. | Three Tier Structure at the District Level | Article 243-B envisages, Gram Panchayat at village level, Intermediate Panchayat at the Block Level and Zilla Parishad at the district level. |
| 2. | Elections at every five years | Article 243-E tells, Every Panchayat shall continue for five years from the date of its appointment. |
| 3. | Reservation of seats for Scheduled Castes and Scheduled Tribes | Article 243-D envisages, reservation of seats for the Scheduled Caste and Scheduled Tribes in proportion to their population for membership of panchayat. |
| 4. | Reservation of seats for women | Article 243-D (3), provides that not less than one for women third (including the number of seats reserved for women belonging to Scheduled Castes and Scheduled Tribe) of the total number of seats to be filled up by direct election in every panchayat shall be allotted by rotation to different constituencies in a panchayat. |
| 5. | Establishment of State Finance Commissions | Article 243-I provides for constitution of States Finance Commission to review financial position of the PRIs and to make recommendations to the Governor and distribution between the state and the PRIs of the net proceeds of the taxes, duties, tolls and fees leviable by state. |

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| 6. | Establishment of State Election Commissions | Article 243-K provides for the establishment of State Election Commission. The Superintendence, direction and control of the preparation of electoral rolls for and the conduct of all elections to the panchayats shall be vested in the State Election Commission. |
| 7. | Establishment of District Planning Committee (DPCs) | Article 243 ZD provides for the constitution of DPCs to consolidate the development plans prepared by the gram panchayat. |
| 8. | 29 Duties and responsibilities | Article 243(G) made addition of Eleventh Schedule and assigning duties and responsibilities on 29 subjects. |
| 9. | Establishment of Gram Sabha | Article 243 provides for Gram Sabha to exercise such power and perform such function at the village level as the legislature of a State may be law provides. |

With the enactment of 73rd constitutional amendment and formulation of Panchayati Raj Acts by different state governments, the State Election Commissions have been established, helping the state governments in holding periodic elections to PRIs. Almost all states have constituted State Finance Commission; despite the fact that their recommendations are being poorly implemented by many state governments. A large number of women, Scheduled Caste and Scheduled 'Tribe have been elected to these bodies and a tradition of justice and gender equality in political representation has been widely established (Table 9.3). Recently, Bihar Government has declared 50 per cent of seats reserved for women in PRIs.

Table 9.3: Representation of Women, SCs, and STs in PRI and on 1.4.2004

| PRIs | Scheduled Castes | Scheduled Tribes | Women |
|------------------------|------------------|------------------|--------|
| Gram Panchayati | 346002 | 233765 | 838227 |
| Intermediate Panchayat | 22333 | 8210 | 47455 |
| District Panchayat | 2201 | 1322 | 4923 |
| Total | 370536 | 243297 | 890605 |

Source: website of Ministry of Panchayati Raj, Government of India

Thus, village-level democracy became a real prospect for India in 1992 with the 73rd amendment to the Constitution, which mandated that resources, responsibility and decision-making be devolved from central government to the lowest unit of the governance, the Gram Sabha or the village assembly. A three-tier structure of local self-government was envisaged under this amendment. The nationwide euphoria that greeted this about-turn in bureaucracy was seen again with the extension of the 73rd amendment to the Scheduled Areas, through Provisions of Panchayats Extension to Scheduled Areas Act, 1996 (here in after PESA or Central PESA or the Tribal Self Rule Law as it is variously called). Scheduled Areas are those, which are under the Fifth Schedule of the Constitution

of India where the tribal populations are predominant. It is also imperative to understand here that the founding fathers of the Constitution of India had envisaged a special scheme of administration in the scheduled areas where general laws would not be applicable unless the Governor deemed it fit to enforce such laws. It was thought that these areas are inhabited with people who have resided on the basis of their own customary practices and traditional beliefs and culture and thus general laws of the land would be inappropriate with their customary laws and ethos.

9.6 PANCHAYATI RAJ INSTITUTIONS: TYPES AND FUNCTIONS

Panchayati Raj Institutions comprise of three institutions namely gram panchayats, panchayat at samitis and zilla parishads, the constitution and functions of these three organisations are given below:

9.6.1 Gram Panchayat

A gram panchayat consists of a sarpanch and five to 13 elected panches depending upon the population, and are elected for a period of 5 years, and is elected by the Gram Sabha. The members of village panchayats are elected by the same Electoral College, which elects members of the Legislative Assembly of the state and the Lok Sabha (the lower house of Parliament). The State Election Commission prepares the election roll for PRIs elections. The Sarpanch or Chairperson is the head of the Gram Panchayat, and the Sarpanch and Deputy Sarpanch are usually elected directly by the people. The annual budget and development schemes for the village are placed before the Gram Sabha for consideration and approval. Gram Panchayats can be established in villages with a minimum population of 300, if individual villages have small populations, they can be grouped together to form a group-gram panchayat.

Functions of the Panchayat: Important functions of the gram panchayat include preparation of annual development plans, its budget; construction, repair and maintenance of community assets; khadi and village industries; rural housing; rural electrification; non-conventional sources of energy; poverty alleviation; education; public health and family welfare; adult and non-formal education; cultural activities, fairs and festivals; promoting agriculture, including animal husbandry; dairying and poultry; fisheries; social and farm forestry; women and child development; social welfare and public distribution system. The main source of income for panchayats is property tax, other sources include profession tax, taxes on pilgrimage (if applicable), animal trade etc. Besides this, the panchayats receive grants from the state government as well as Zilla Parishads.

9.6.2 Panchayat Samiti

The panchayat at the intermediate level is known as Panchayat Samiti. It works at the Tehsil or Taluka level, also known as Development Block. The Panchayat Samiti acts as the link between the gram panchayat and the district administration. The Panchayat Samiti is also known as Mandal Parishad, Taluka Panchayat, Mandal Panchayat. The main source of income of the Samiti is grants and loans from the state government. There is a panchayat samiti in each development block, a compact development area. Its membership comprises: 15 to 25 directly

elected members from territorial constituencies. The Panchayat Samiti is composed four types of members, the Ex-officio members: all sarpanch has of the Development Block, the MPs and MLAs of the area and Sub-Divisional Officer (SDO), Co opted members: representatives of SC/STs and women, associate members: one farmer, one representative of cooperative societies and one representative of marketing services, and elected members. The samiti is elected for a period of 5 years, there is a Chairman and a Deputy Chairman, and there is an officer in charge for every department of the Samiti including administration, finance, public works, agriculture etc.

Functions of the Panchayat Samiti: The important functions are agricultural improvement, land improvement, establishment of primary health centres and primary schools, supply of drinking water, sanitation, and construction/repair of roads, establishment of cooperative societies, and establishment of youth organisations, irrigation and water management and promotion of animal husbandry and dairying and poultry, fisheries, social services, social welfare, technical training, poverty alleviation and rural electrification, and development of cottage and small scale industries.

9.6.3 Zilla Parishad

Every district has a zilla parishad, having jurisdiction over the entire district excluding the areas included in a municipality or a cantonment board. Sources of income of Zilla Parishad are from the taxes on water, pilgrimage, markets etc, money from the state government for works and schemes assigned to the Parishad, and fixed grant from the state government in proportion to the land revenue. The Additional Deputy Commissioner (Development) of the district is the ex-officio Chief Executive Officer of the zilla parishad. The other members of the zilla parishad are:

- Directly elected from demarcated constituencies;
- All chairpersons of panchayat samities;
- Members of Parliament/Member of Legislative Assemblies whose constituencies fall in the jurisdiction and geographical area of the zilla parishad;
- The members of the Zilla Parishad are Chairmen of the Panchayat Samitis fallings under the area, they serve for a period of 5 years;
- Zilla Parishads have min 50 and maximum 75 members;
- Seats are reserved for SC/STs, backward classes and women.

Function of the Zilla Parishad: The functions include planning and execution of development projects for the district, provide essential services and facilities to the rural population, agriculture projects such as supply of seeds, irrigation, new techniques of farming etc, ground water resources and watershed development; horticulture; Statstics; rural electrification; distribution of essential commodities; soil conservation; animal husbandry and dairying; fisheries; small-scale industries including food processing industries; rural roads; health and hygiene; rural housing; education projects such as setting up and running of schools, adult literacy, running libraries, establish primary health centres, hospitals, mobile health centres, carry out vaccination drives and family welfare campaigns, construct/repair bridges and roads, development plans for SC/STs,

hostels for SC students, ashramshalas for adivasis, encourage entrepreneurship in small scale industries such as handicrafts, dairy farms etc.

9.6.4 Twenty Nine (29) Functions of the PRIs as per Eleventh Schedule of the Constitution

The 29 functions and responsibilities given to the PRIs, under the 11th Schedule of the Constitution of India are listed below:

1. Agriculture, including Agricultural Extension Agriculture,
2. Land Improvement, Implementation of Land Reforms, Land Consolidation and Soil Conservation
3. Minor Irrigation, Water Management and Watershed Development
4. Animal Husbandry, Dairying and Poultry
5. Fisheries
6. Social Forestry and Farm Forestry
7. Minor Forest Produce
8. Small Scale Industries, including Food Processing Industries
9. Khadi, Village and Cottage Industries
10. Rural Housing
11. Drinking Water Water Supply and Sanitation
12. Fuel and Fodder
13. Roads, Culverts Bridges, Ferries, Waterways and Other Means of Communication
14. Rural Electrification, including Distribution of Electricity
15. Non-conventional Energy Sources
16. Poverty Alleviation Programme
17. Education, including Primary and Secondary Schools
18. Technical Training and Vocational Education
19. Adult and Non-formal Education
20. Libraries
21. Cultural Activities
22. Markets and Fairs
23. Health and Sanitation
24. Family Welfare
25. Women and Child Development
26. Social Welfare, including Welfare of the Handicapped and Mentally Retarded
27. Welfare of the Weaker Sections, Scheduled Castes and the Scheduled Tribes
28. Public Distribution System
29. Maintenance of Community Assets

In order to ensure that Panchayati Raj Institutions function as instruments of local government, it is important that their functional and financial autonomy is guaranteed and transparency in their functioning is ensured, and this has to be accomplished in most of the states. The role of the Gram Sabha is, perhaps, the most important in ensuring the success of Panchayati Raj Institutions at the village level. The role of local people in conducting social audit and fixing responsibility on panchayat functionaries will be effectively ensured with Gram Sabha becoming active. It is essential that the village community perceives meetings of the Gram Sabha as useful. The most important factor for that is the empowerment of the Gram Sabha. Another important factor for the success of the Panchayati Raj system is the need for transparency in the functioning of these bodies. Panchayats being closer to the people, their right to information and accessibility to the panchayats must be ensured.

9.7 THE 74TH CONSTITUTIONAL AMENDMENT ACT AND ULBs

The 1992 Act provided for the Twelfth Schedule which listed the functions of urban local bodies, along with their planning, regulation and development powers. It made provision for ward committees in areas exceeding 300,000 and the specification of the powers and responsibilities of municipal units and the ward committees. There is a requirement made therein for the holding of timely periodical elections and for the reconstitution of a municipal government within six months. Sources of municipal finance and their periodic review by a statutorily constituted State Finance Commission were also provided by the Act, which also made it obligatory for the Central Finance Commission to recommend steps to support state resources for the assistance of municipal governments. The Act also provided for reservation of one-third of the seats for women and scheduled castes in municipal bodies. State Governments were to adopt the 74th Constitutional Amendment Act with reference to their respective municipal bodies to affect its purpose within their jurisdictions.

9.7.1 Role of PRIs and ULBs in 73rd and 74th Amendment Act

In order to impart certainty, continuity and strength to the Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs), the 73rd and 74th Amendments have come into force in 1993. These amendments of the Constitution of India, provided for empowerment of Panchayats and Nagarapalikas by way of reserving 33% seats for women; and for the citizens belonging to the Scheduled Castes and the Scheduled Tribes in proportion to their population. Articles 243G & 243W and 11th & 12th Schedules of the Constitution indicate the subjects to be devolved to the Panchayats and Nagarapalikas respectively. While the Eleventh Schedule of Constitution deals with evolution of functions to different tiers of Panchayats in respect to twenty nine subjects including education-primary and secondary schools, Article 243W of the Constitution of India, specifies the powers, authority and responsibilities with respect to Municipalities. The 18 major functions to be performed by Municipalities are mentioned in Article 243W of the Constitution of India.

9.7.2 Salient Features of the Constitutional (74th Amendment) Act, 1992

Salient Features of the Constitutional (74th Amendment) Act, 1992 with regard to ULBs are summarised as:

Continuity: CAA has ensured continuity of the municipalities with five years duration for an elected municipality and re-election of municipalities before the expiry of the five-year term or within six months of their dissolution.

Three-tier system: A uniform structure of three tiers municipal corporations for large urban areas, municipal councils for small urban areas and nagar panchayats for transitional areas has been provided. The constitution and composition of the municipalities has been left to the wisdom of the state, subject to all seats being filled by elected persons from the respective municipal constituencies.

Reservation of seats: In every municipality, reservation of seats for the Scheduled Castes/Scheduled Tribes (SCs/Sts) has been provided in the CAA on the basis of proportional representation. Such seats may be allotted by rotation to different constituencies in a municipality and not less than one-third of the seats so reserved are further reserved for woman belonging to the SCs/STs. And also, not less than one-third of the total number of seats in a municipality are reserved for women and such seats may be allotted by rotation by different constituencies in a municipality.

Power, authority and functions: The CAA has provided for states to endow municipal powers and authority to enable them to function as institutions of self-governance. The municipal functions envisaged under Article 243W are of development nature. The performance of functions and implementation of schemes including those in relation to matters delegated through the Twelfth Schedule may be entrusted to the ULBs.

Constitution of Ward Committees: The CAA makes it mandatory to constitute ward committees in municipalities with a population of over 3 lakh with representation of women, SCs/STs and citizens' groups. The major objective of constituting the ward committees is to bring governance closer to the people and enhance their participation in local affairs including those listed in the Twelfth Schedule.

Constitution of District Planning Committees: The CAA provides for the constitution of the DPCs with representation of elected local representatives to effect spatial and economic development by integrating rural and urban plans at the district level.

State Finance Commission: The CAA mandates the constitution of a State Finance Commission (SFC) every five years to strengthen the financial domain of the ULBs. The Commission reviews the financial position of the urban bodies, their revenue and capital account requirements, recommends devolution of taxes, charges, fees, toll, duties, shared revenues, inter-government transfer and grants from the state to the municipalities and suggests measures for the mobilisation of municipal resources.

State Election Commission: The CAA provides for the constitution of a state election commission (SEC) every five-year to regulate municipal elections. It is

a progressive step towards ensuring democratic process at the local level. The SEC has a mandate to oversee, direct and control the preparation of electoral rolls and conduct elections of municipalities. The SEC will also ensure that elections to municipalities dissolved by the state government are held within six months.

9.8 URBAN LOCAL BODIES

The urban population of India has increased in recent years at rapid rates. In 1961 about 79 million persons lived in urban areas of the country; by 1991, their number had increased to over 217 million, registering an increase of over 250 per cent in the last three decades. Almost all population projections indicate that India will enter the 21st century with an urban population of about 300 million, which will further increase to over 400 million in the year 2011 and 553 million in the year 2021. The trends of urbanisation in India are presented in Table 9.4. The municipal governance in India was first introduced in Madras in 1688. The Madras Municipal Corporation was the first municipal body in the Commonwealth outside the UK. The Bombay and Calcutta Corporations were established in 1726.

Table 9.4: Trends of Urbanization in India, 1951-2021

| Census Year | Total population (in million) | Urban Population (million) | Parentage of Urban Population to total population | Decadal Urban Growth Rate(%) | Annual Compound Growth Rate | |
|-------------|-------------------------------|----------------------------|---|------------------------------|-----------------------------|-------|
| | | | | | Total | Urban |
| 1951 | 361.08 | 62.44 | 12.29 | - | - | - |
| 1961 | 439.23 | 78.93 | 17.97 | 26.41 | 1.98 | 2.37 |
| 1971 | 548.15 | 109.11 | 19.91 | 38.24 | 2.24 | 3.29 |
| 1981 | 683.32 | 159.46 | 23.34 | 46.15 | 2.23 | 3.87 |
| 1991 | 846.30 | 217.61 | 25.71 | 36.47 | 2.16 | 3.16 |
| 2001 | 1048.15 | 296.97 | 28.33 | 36.47 | 2.16 | 3.16 |
| 2011 | 1298.15 | 405.26 | 31.22 | 36.47 | 2.16 | 3.16 |
| 2021 | 1607.77 | 553.04 | 34.40 | 36.47 | 2.16 | 3.16 |

- Projected figures.

Source: NIUA Urban Statistics- Handbook 2000, National Institute of Urban Affairs, New Delhi, January

The urban local bodies look after the affairs of the development of urban areas. According to Census of India, 1991, there were 3255 Urban Local Bodies (ULBs) in the country; classified into four major categories of municipal corporations, municipalities (municipal council, municipal board, municipal committee), town area committee and notified area committees. The municipal corporations and municipalities were fully representative bodies, while the notified area committees and town area committees were either fully or partially nominated bodies.

- Excluding Cantonment Board (57) under the Ministry of Defence, Established by a separate Act of Parliament.

Based on the 74th Constitution Amendment Act, there are now only three types of ULBs: (i) Municipal Corporation (Nagar Nigam) (ii) Municipality (Nagar Palika) (iii) City Council (Nagar Panchayat). According to the Act, there needs to be a City Council for areas in transition from rural to urban, a Municipality for small urban areas and a Municipal Corporation for large urban areas. The functions and powers of ULBs vary from state to state. Now, there are three kinds of Urban Local Bodies in India (i) Municipal Corporation (ii) Municipal Councils and (iii) Nagar Panchayats, demarcated on the basis of population, revenue generation, area and economic importance as follows:

- i. Municipal Corporation:** for a larger urban area with a population exceeding 50,000 and generating annual revenue exceeding Rs. 2 crores for the local administration and which has been declared to be a municipal area.
- ii. Municipal Council:** for a smaller urban area (urban) with population exceeding 5000 and generating annual revenue exceeding Rs. 20 lakh for local administration.
- iii. Nagar Panchayat:** for a Transitional Area with a population exceeding 2,000 and generating the revenue of Rs. 5, 00, 000 for local administration.

Most states have amended their municipal laws in conformity with the Constitution Amendment Act (CAA). However, variations are found in the definition of small and large urban areas, as well as in transitional areas. States like Tamil Nadu has used the income criteria, some using only population, and others sing additional criteria such as density and percentage of non-agricultural employment. The amended Municipal Act of Andhra Pradesh provide for all three types of municipal bodies, viz; Nagar Panchayats; Municipalities and Municipal Corporations. In addition to population criteria, the Andhra Act also follows density of population, percentage of employment in non-agricultural activities, etc.

9.9 URBAN LOCAL BODIES – TYPES AND FUNCTIONS

The first municipal mechanism created during British rule was the Municipal Corporation introduced in Madras (Chennai today) in 1688, which was followed by municipal corporations in Bombay (Mumbai today) and Calcutta (Kolkata today) by 1762. Subsequently, Lord Mayo's Resolution of 1870 called for the introduction of an elected President in the municipalities. The current form and structure of municipal bodies is based on Lord Ripon's Resolution on local self-government adopted in 1882. Since then the structure of municipal bodies has essentially remained the same, even though the urban areas multiplied along with their increasingly complex problems.

Statutory provision for creating a municipal unit was available in two forms.. First, by statute that provides for the establishment of a municipal authority, as for instance in the form taken in the case of the Bombay Municipal Corporation Act in 1888, the City of Nagpur Corporation Act of 1948 and the Delhi Municipal Corporation Act of 1957. The other route was through statutory provision empowering State Government creation. The Bombay Provincial Municipal

Corporations Act of 1949 and the Gujarat Municipalities Act of 1964 are both examples of the latter. Generally, these statutes confer significant control and supervisory powers on the state government. In this context, it can be said they were creation of state government.

Municipal election provisions in different states were not uniform. In some, arrangements for election are made by the state government; while in others Municipal Commissioners (executive officers) make the arrangements. Prior to the passage of the 1992 Act, urban local government was defined generally by the Municipal Corporations, Municipal Councils, Town Area Committees and Notified Area Committees. In this context, the Structure and composition of municipalities varied considerably, with wide differences in definition and structure between states. Hence, the 1992 Act attempted to instill some uniformity in the constitution of the municipal bodies by classifying them as Municipal Corporations for large urban areas, Municipal Councils for smaller urban areas and what are termed Nagar Panchayats, suburban government bodies.

Municipal governments in India have been in existence for many years. The first municipal corporation was created by a Royal Charter in Madras in 1688. In the present form and structure, the municipal bodies owe their existence to what is known as the Lord Ripon's Resolution adopted on May 18, 1882. According to Census of India, 1991, there are 3255 urban local bodies (ULBs) in the country, classified into four major categories of municipal corporations, municipalities (municipal council, municipal board, municipal committee), town area committee and notified area committees. The municipal corporations and municipalities are fully representative bodies, while the notified area committees and town area committees are either fully or partially nominated bodies. As per the Constitution (74th) Amendment Act of 1992 (CAA), the latter two categories of towns are to be designated as municipalities or Nagar Panchayat with elected bodies. Until the amendments in state municipal legislations, which were mostly made in 1994, municipal authorities were organised on the basis of the 'ultravirus' principle and the state governments were free to extend or control the functional sphere through executive decisions without an amendment to the legislative provisions.

9.9.1 The Municipal Corporation (Nagar Nigam)

This model is also known as the Commissioner system, taking its name from the role of the city administrator who is generally a state-appointed officer. In such a system the Mayor in the Municipal Corporation is usually chosen through indirect election by the councillors from among themselves for a term of one which is renewable. The Mayor generally lacks executive authority. This is due to the British roots of the system that remain from the time when the administrator was the representative of the colonial power, not to the fact that it operates under a council-manager system (the subject of another article by this author on this website) whereby the executive would be accountable to the elected representatives. In this context, the indirect election of the Mayor combined with his short one-year tenure renders the role little more than that of a figure head. Councillors act by committee, the most powerful being the Standing Committee with its role of the steering committee exercising executive, supervisory, financial and personnel powers. It is composed of elected members varying in number between seven and sixteen through a system of proportional representation of councillors.

The executive arm of the corporation is the Municipal Commissioner, who is the chief Executive Officer and head of the executive arm of the Municipal Corporation. All executive powers are vested in the Municipal Commissioner.

Although the Municipal Corporation is the legislative body that lays down policies for the governance of the city, it is the Commissioner who is responsible for the execution of the policies. The Commissioner is appointed for a fixed term as defined by state statute. The Commissioner's term in office can be extended or reduced. The powers of the Commissioner are those provided by statute and those delegated by the Corporation or the Standing Committee. This is the closest that India has come to the council-manager system, with the critical difference of accountability of the manager to the elected arm of government; and the fact that the power of the unelected executive arm of government is thus weighted in its favour.

Municipal Corporations are established in cities with population greater than 1 million. The Municipal Corporations function under the provisions of the Corporation Act 1835, the Corporations are elected directly by the people. Elected members serve a term of 5 years. Municipal Corporations provide necessary community services such as health care, educational centres etc. It also interact directly with the state governments, the head of the Corporation is the Mayor. The principal executive officer is the Municipal Commissioner (an IAS Officer). The sources of income of Municipal Corporation are from (i) taxes on property, water, markets, entertainment, (ii) taxes on vehicles, and (iii) grants from the state government.

Functions of the Municipal Corporation: The important functions of the municipal corporations are urban planning and management, providing health services, establishment of primary health centres and primary schools, supply of drinking water, sanitation, and construction/repair of roads, street lighting, establishment of cooperative societies, and establishment of youth organizations, water management and waste disposal, social services, social welfare, technical training, poverty alleviation and electrification, providing fire records of birth and death.

9.9.2 Municipality (Nagar Palika)

Some of the important features of Municipality are as follows:

- A municipality administers an urban area of population 200,000 or less
- Municipalities interact with the state government through the Directorate of Municipalities or the District Collector
- Members of Municipalities are elected for a period of five years
- The head of the Municipality is the President, elected by and from the members
- The state government also appoints a Chief Officer and other officers such as Health Inspector, Sanitation Inspector, etc to assist the President
- Their sources of income and functions are similar to that of Municipal Corporations

9.9.3 City Council (Nagar Panchayat)

Some of the features of City Council are as follows:

- City Council administer urban areas having population greater than 30,000 and less than 100,000
- However, as an exception, all previous Town Area Committees (more than 5000 less than 20,000) have been reclassified as City Councils
- City Councils have a Chairman and ward members
- Ward members included elected members (min. 10) and nominated members (min. 3)

9.9.4 Functions of Urban Local Bodies

18 functions and responsibilities ensured to the ULBs under the 12th Schedule of the Constitution are as follows:

- Urban Planning including town planning Urban Development Authority
- Regulation of land use and construction of Buildings
- Planning for economic and social development
- Roads and Bridges
- Water supply for domestic, industrial and commercial purposes
- Public health, sanitation conservancy and solid waste management
- Fire Services
- Urban forestry, protection of the environment and promotion of ecological aspects.
- Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded
- Slum improvement and up gradation
- Urban poverty alleviation
- Provision of urban amenities and facilities such as parks, gardens and playgrounds
- Promotion of cultural, educational and aesthetic aspects.
- Burials and burial grounds, cremations, cremation grounds and electric crematoriums.
- Cattle ponds and preventions of cruelty to animals
- Vital statistics including registration of births and deaths
- Public amenities including street lighting, parking lots, bus-stops and public convenience
- Regulation of slaughterhouses and tanneries.

After reading this section, you will have gained an idea about the background of urban Local Bodies in India. Now you should be able to answer the questions given in Check Your Progress 3.

Check Your Progress 3

Note: 1) Use the space below for your answers.

2) Compare your answers with those given at the end of this Unit.

1. Describe the types of urban local bodies in India after 74th Constitutional Amendment.

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2. Discuss the functions of Municipal Corporations (Nagar Nigam).

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9.10 LET US SUM UP

The panchayat in rural India and municipalities in urban India are defined in the constitution as institutions of local-self government. The popular saying of ‘panch-pardhan’ from the ancient times connotes that the panchayat had deep roots in the Indian culture. After the 73rd Amendment to the Indian Constitution, Panchayate Raj System has come to occupy a pivotal place in the Indian democratic system. With this land mark amendment, the local governments have become the third-tier in federal system after the union and the states. Village level democracy became a real prospect for India in 1992 with the 73rd amendment to the Constitution, which mandated that resources, responsibility and decision-making be devolved from central government to the lowest unit of the governance, the Gram Sabha or the Village Assembly. A three-tier structure of local self-government was envisaged under this amendment. Based on the 74th Constitution Amendment Act, there are now only three types of ULBs: (i) Municipal Corporation (Nagar Nigam) (ii) Municipality (Nagar Palika) (iii) City Council (Nagar Panchayat). The functions and powers of ULBs vary from state to state.

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9.12 CHECK YOUR PROGRESS: POSSIBLE ANSWERS

Check Your Progress 1

1. Describe the existence of panchayat during ancient period.

Answer: Ancient Indian history has provided evidence of the existence of village *panchayats* comprising five informally elected elderly members to settle dispute in the village. A reference to an organized system of rural local self-government (*panchayat*) has been found in ancient Vedic literature. Rig Veda has mentioned about '*Gramini*', the village head employed by the king for civil and military purposes; while Atharva Veda envisaged the institution of '*sabha*', '*samiti*', '*sabhapati*' and '*sabhasad*' primarily performing judicial functions. A mention of village institutions had been made in the great epics, the Ramyana and the Mahabharat, where the *gramini* was responsible for collecting statue dues, keeping village records, settling disputes and controlling crime. Kautaliya's *Artha Shastra* gives a comprehensive account of the system of village administration prevailing in ancient India.

2. Discuss the contribution of British rule to the panchayati system.

Answer:. The history of local self-government in India under the British rule can be conveniently divided into four phases. "Local finance being a counterpart of local administration and its mainstay, has of course, been an expression of the purpose implicit in different phases of local government."

The first phase may be assumed to have ended in 1882, when Lord Ripon issued his well-known resolution on local self government. The second phase covers developments from 1882 to 1919, when more powers were transferred from the centre to the provinces, and the recommendations of the Decentralisation Commission of 1907, besides discussing other matters, suggested some changes in local self-government. The third phase extended up to 1935, during which the Indian Taxation Enquiry Committee (1925) considered the problems of local taxation, along with central and provincial finances. The fourth phase covers developments up to 1947. During this phase, the struggle for independence was intensified and with the introduction of provincial autonomy in 1937, and coming into power of congress ministries in many provinces, local bodies, particularly village panchayats, received a great stimulus and there was democratisation of local bodies.

Check Your Progress 2

1. Describe the first five commissions constituted by Government of India for strengthening of Panchayati Raj Institutions?

Answer: The first five commissions constituted by Government of India for strengthening of Panchayati Raj Institutions are i) Balwantray Mehta Committee constituted in 1957 ii) Ashok Mehta Committee (1977) iii) The Sarkaria Commission on Centre-State relations appointed in (1983) iv) GVK. Rao committee (1985) v) P.K. Thungon (1986) and vi) L. M. Singhvi Committee (1987).

Check Your Progress 3

1. Describe the types of urban local bodies in India after 74th Constitutional Amendment.

Answer: Based on the 74th Constitution Amendment Act, there are now only three types of ULBs: (i) Municipal Corporation (Nagar Nigam) (ii) Municipality (Nagar Palika) (iii) City Council (Nagar Panchayat). According to the Act, there needs to be a City Council for areas in transition from rural to urban, a Municipality for small urban areas and a Municipal Corporation for large urban areas. The functions and powers of ULBs vary from state to state. Now, there are three kinds of Urban Local Bodies in India (i) **Municipal Corporation** (ii) Municipal Councils and (iii) Nagar Panchayats, demarcated on the basis of population, revenue generation, area and economic importance.

2. Discuss the functions of Municipal Corporation (Nagar Nigam)

Answer: The important functions of the municipal corporations are urban planning and management, providing health services, establishment of primary health centres and primary schools, supply of drinking water, sanitation, and construction/repair of roads, street lighting, establishment of cooperative societies, and establishment of youth organisations, water management and waste disposal, social services, social welfare, technical training, poverty alleviation and electrification, providing fire records of birth and death.