

Panchayati Raj Institution (PRI)

UPSC-PRELIMS & MAINS

- GS Paper - 2
- Local Self Governance
- Government Policies & Interventions
- Constitutional Amendments

"When the panchayat raj is established, public opinion will do what violence can never do". – Mahatma Gandhi

Table of Contents

- What is Local self-government?
- History of local administration
- How did the concept of local self-government evolve in India?
- 1. Balwant Rai Mehta Committee (1957)
- 2. Ashok Mehta Committee (1977-1978)
- 3. G V K Rao Committee (1985)
- 4. L M Singhvi Committee (1986)
- Panchayati Raj System under 73rd and 74th Constitutional Amendment acts, 1992
- What are Panchayats and Municipalities?
- Types of Urban Local Government
- How the elections are held in the local government bodies?
- What are the Qualifications needed to be a member of the Panchayat or Municipality?
- What is the duration of the Local Government bodies?
- What are the Powers invested on these Local Government bodies?
- We know there is a government in India at the Center and State levels. But there is another important system for local governance. The foundation of the present local self-government in India was laid by the Panchayati Raj System (1992).
- But the history of Panchayati Raj starts from the self-sufficient and self-governing village communities. In the time of the Rig-Veda (1700 BC), evidence suggests that self-governing village bodies called 'sabhas' existed. With the passage of time, these bodies became panchayats (council of five persons).
- Panchayats were functional institutions of grassroots governance in almost every village. They endured the rise and fall of empires in the past, to the current highly structured system.

What is Local self-government?

- Local self-government implies the transference of the power to rule to the lowest rungs of the political order. It is a form of democratic decentralization where the participation of even the grass root level of the society is ensured in the process of administration.

- The village panchayat, as a system of administration, began in the British days, as their offer to satisfy the demands for local autonomy.
- They opened up the governance of the lowest levels to the citizens.
- The Gol act, 1935 also authorizes the provinces to enact legislations.

Context

- Panchayati Raj Institution (PRI) is a system of **rural local self-government** in India.
- Local Self Government is the management of local affairs by such local bodies who have been **elected by the local people**.
- PRI was constitutionalized through the **73rd Constitutional Amendment Act, 1992** to build democracy at the grass roots level and was entrusted with the task of rural development in the country.
- In its present form and structure **PRI has completed 26 years of existence**. However, a lot remains to be done in order to further decentralization and strengthen democracy at the grass root level.

Evolution of Panchayati Raj in India

The history of Panchayat Raj in India can be divided into the following periods from the analytical point of view:

- **Vedic Era**: In the old Sanskrit scriptures, word 'Panchayatan' has been mentioned which means a group of five persons, including a spiritual man.
- Gradually the concept of the inclusion of a spiritual man in such groups vanished.
- In the Rigveda, there is a mention of **Sabha, Samiti and Vidatha as local self-units**.
- These were the democratic bodies at the local level. The king used to get the approval of these bodies regarding certain functions and decisions.
- **Epic Era** indicates the two great epic periods of India, that is, the Ramayana and the Mahabharata.
- The study of Ramayana indicates that the administration was divided into two parts - Pur and Janpad or city and village.
 - ❖ In the whole of the state, there was also a Caste Panchayat and one person elected by the Caste Panchayat was a member of the king's Council of Ministers.
- Self-government of a village finds ample expression in the 'Shanti Parva' of the Mahabharata; in the Manu Smriti as well as in Kautilya's Arthashastra.
- As per the Mahabharata, over and above the village, there were units of 10, 20, 100, and 1,000 village groups.
 - ❖ **'Gramik'** was the chief official of the village, **'Dashap'** was the chief of ten villages, **Vinshya Adhipati, Shat Gram Adhyaksha** and **Shat Gram Pati** were the chiefs of 20, 100, and 1,000 villages, respectively.

- ❖ They collected the local taxes and were responsible for the defense of their villages.
- **Ancient Period:** There is a mention of village panchayats in Kautilya's Arthashastra.
 - The town was referred to as Pur and its chief was the Nagarik.
 - Local bodies were free from any royal interference.
 - **During the Mauryan and Post-Mauryan periods too, the headman, assisted by a council of elders, continued to play a prominent role in the village life.**
 - The system **continued through the Gupta period**, though there were certain changes in the nomenclature, as the **district official was known as the vishya pati** and the **village headman was referred to as the grampati**.
 - Thus, in ancient India, there existed a well-established system of local government which was run on a set pattern of traditions and customs.
 - However, it is significant to note that there is **no reference of women heading the panchayat** or even participating as a member in the panchayat.
- **Medieval Period:** During the Sultanate period, the Sultans of Delhi divided their kingdom into **provinces called 'Vilayat'**.
 - For the governance of a village, there were three important officials - **Mukkaddam for administration, Patwari for collection of revenues, and Choudhrie for settling disputes with the help of the Panch.**
 - The villages had sufficient powers as regards self-governance in their territory.
 - Casteism and feudalistic system of governance under the Mughal rule in the medieval period slowly eroded the self-government in villages.
 - It is again noteworthy to note that even in the medieval period there is no mention of women participation in the local village administration.
- **British Period:** Under the British regime, **village panchayats lost their autonomy** and became weak.
- It is only from the year 1870 that India saw the dawn of representative local institutions.
 - **The famous Mayo's resolution of 1870 gave impetus to the development of local institutions by enlarging their powers and responsibilities.**
 - **The year 1870, introduced the concept of elected representatives, in urban municipalities.**
- The revolt of 1857 had put the imperial finances under considerable strain and it was found necessary to finance local service out of local taxation. Therefore it was out of fiscal compulsion that Lord Mayo's resolution on decentralization came to be adopted.

- Following the footsteps of Mayo, **Lord Rippon in 1882 provided the much needed democratic framework to these institutions.**
 - All boards (then existing) were mandated to have a two-thirds majority of non-officials who had to be elected and the chairman of these bodies had to be from among the elected non-officials.
 - This is considered to be the **Magna Carta of local democracy in India.**
- Local self-government institutions received a boost with the appointment of the **Royal Commission on centralisation in 1907 under the Chairmanship of C.E.H. Hobhouse.**
 - The commission recognized the importance of panchayats at the village level.
- It is in this backdrop that the **Montagu Chelmsford reforms of 1919** transferred the subject of local government to the domain of the provinces.
 - The reform also recommended that as far as possible there should be a complete control in local bodies and complete possible independence for them from external control.
 - These panchayats covered only a limited number of villages with limited functions and due to **organisational and fiscal constraints** they did not become democratic and vibrant institutions of local self-government at the village level.
- However, by 1925, eight provinces had passed the Panchayat Acts and by 1926, six native States had also passed panchayat laws. Local bodies were given more powers and functions to impose taxes were reduced. But, the position of the local self-government institutions remained unaffected.
- **Post-Independence Period:** After the Constitution came into force, **Article 40** made a mention of panchayats and **Article 246** empowers the state legislature to legislate with respect to any subject relating to local self-government.
- However, this inclusion of panchayats into the Constitution was not unanimously agreed upon by the then decision-makers, with the major opposition having come from the framer of the Constitution himself i.e. B.R.Ambedkar.
 - It was after much discussion among the supporters and opponents of the village panchayat that the panchayats finally got a place for themselves in the Constitution as **Article 40 of the Directive Principles of State Policy.**
- Since the Directive Principles are not binding principles, the result was the absence of a uniform structure of these bodies throughout the country.
- After independence, as a development initiative, India had implemented the Community Development Programmes (CDP) on the eve of Gandhi Jayanti, the 2nd October, 1952 under the major influence of the **Etawah Project** undertaken by the American expert, Albert Mayer.

- It encompassed almost all activities of rural development which were to be implemented with the help of village panchayats along with the participation of people.
- In 1953, the **National Extension Service** was also introduced as a prologue to CDP. But the programme did not yield much result.
- There were various reasons for the failure of CDP like bureaucracy and **excessive politics, lack of people participation, lack of trained and qualified staff, and lack of local bodies interest in implementing the CDP** especially the village panchayats.
- **In 1957, the National Development Council constituted a committee headed by Balwant Rai Mehta to look into the working of community development programme.**
- The team observed that the major reason for the failure of the CDP was the **lack of people's participation**.
- The committee suggested a three-tier PRIs, namely, Grama Panchayats (GPs) at the village level, Panchayat Samiti (PSs) at the block level, and Zilla Parishad (ZPs) at the district level.
- **As a result of this scheme of democratic decentralization was launched in Rajasthan on October 2, 1959.**
- In Andhra Pradesh, the scheme was introduced on 1st November, 1959. The necessary legislation had also been passed and implemented in Assam, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Orissa, and Punjab etc.
- The appointment of the **Ashok Mehta Committee in 1977** did bring new thinking in the concepts and practice of the Panchayat Raj.
- The committee **recommended a two-tier Panchayat Raj institutional** structure consisting of **Zilla Parishad and Mandal Panchayat.**
- In order to use planning expertise and to secure administrative support, the district was suggested as the first point of decentralization below the state level.
- Based on its recommendation, some of the states like Karnataka incorporated them effectively.
- In subsequent years in order to revive and give a new lease of life to the panchayats, the Government of India had appointed various committees.
- **SEE PAGE NO: 6 The most important among them are the Hanumantha Rao Committee (1983), G.V.K. Rao Committee (1985), L.M.Singhvi Committee (1986) and the Sarkaria Commission on Centre-State relations (1988), P.K. Thungan Committee (1989) and Harlal Singh Kharra Committee (1990).**
- **The G.V.K. Rao Committee (1985) recommended making the "district" as the basic unit of planning and also holding regular elections while the L.M.Singhvi committee recommended providing more financial resources and constitutional status to the panchayats to strengthen them.**

- The Amendment phase began with the 64th Amendment Bill (1989) which was introduced by Rajiv Gandhi seeking to strengthen the PRIs but the Bill was not passed in the Rajya Sabha.
- The Constitution (74th Amendment) Bill (a combined bill for the PRIs and municipalities) was introduced in 1990, but was never taken up for discussion.
- It was during the Prime Ministership of P.V.Narasimha Rao that a comprehensive amendment was introduced in the form of the Constitution 72nd Amendment Bill in September 1991.
- **73rd and 74th Constitutional Amendments were passed by Parliament in December, 1992. Through these amendments local self-governance was introduced in rural and urban India.**
- The Acts came into force as the Constitution (73rd Amendment) Act, 1992 on April 24, 1993 and the Constitution (74th Amendment) Act, 1992 on June 1, 1993.

Salient Features of the Constitution 73rd and 74th Amendments

- These amendments **added two new parts to the Constitution**, namely, added **Part IX titled "The Panchayats"** (added by 73rd Amendment) and **Part IXA titled "The Municipalities"** (added by 74th Amendment).
- Basic units of democratic system-**Gram Sabhas (villages) and Ward Committees (Municipalities)** comprising all the adult members registered as voters.
- **Three-tier system** of panchayats at village, intermediate block/taluk/mandal and district levels except in States with population is below 20 lakhs (Article 243B).
- Seats at all levels to be filled by direct elections **Article 243C (2)**.
- Seats reserved for Scheduled Castes (SCs) and Scheduled Tribes (STs) and the chairpersons of the Panchayats at all levels also shall be reserved for SCs and STs in proportion to their population.
- One-third of the total number of seats to be reserved for women.
- One third of the seats reserved for SCs and STs also reserved for women.
- One-third offices of chairpersons at all levels reserved for women (**Article 243D**).
- **Uniform five year term** and elections to constitute new bodies to be completed before the expiry of the term.
- In the event of dissolution, elections compulsorily within six months (Article 243E).
- **Independent Election Commission in each State** for superintendence, direction and control of the electoral rolls (Article 243K).
- **Panchayats to prepare plans for economic development** and social justice in respect of subjects as devolved by law to the various levels of Panchayats including the subjects as illustrated in Eleventh Schedule (Article 243G).
- 74th Amendment provides for a **District Planning Committee** to consolidate the plans prepared by Panchayats and Municipalities (Article 243ZD).
- Budgetary allocation from State Governments, share of revenue of certain taxes, collection and retention of the revenue it raises, Central Government programmes and grants, Union Finance Commission grants (Article 243H).

- Establish a **Finance Commission in each State** to determine the principles on the basis of which adequate financial resources would be ensured for panchayats and municipalities (Article 243I).
- The Eleventh Schedule of the Constitution places as many as 29 functions within the purview of the Panchayati Raj bodies.
- The following areas have been exempted from the operation of the Act because of the socio-cultural and administrative considerations:
 1. Scheduled **areas listed under the V Schedule** in the states of Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa and Rajasthan.
 2. The states of **Nagaland, Meghalaya and Mizoram**.
 3. The hill areas of district of **Darjeeling in the state of West Bengal** for which Darjeeling Gorkha Hill Council exists.
- In conformity with provisions in the Constitution Amendment Act, an Act called the **Provisions of Panchayats (Extension to the Scheduled Areas) Act, 1996** passed by the Government of India.

1. Balwant Rai Mehta Committee (1957)

Originally appointed by the Government of India to examine the working of two of its earlier programs, the committee submitted its report in November 1957, in which the term '**democratic decentralization**' first appears.

The important recommendations are:

- Establishment of a three-tier Panchayati Raj system – gram panchayat at village level (direct election), panchayat Samiti at the block level and Zila Parishad at the district level (indirect election).
- District Collector to be the chairman of Zila Parishad.
- Transfer of resources and power to these bodies to be ensured.

The existent National Development Council accepted the recommendations. However, it did not insist on a single, definite pattern to be followed in the establishment of these institutions. Rather, it allowed the states to devise their own patterns, while the broad fundamentals were to be the same throughout the country.

Rajasthan (1959) adopted the system first, followed by Andhra Pradesh in the same year. Some states even went ahead to create four-tier systems and **Nyaya panchayats**, which served as judicial **bodies**.

2. Ashok Mehta Committee (1977-1978)

The committee was constituted by the Janata government of the time to study Panchayati Raj institutions. Out of a total of 132 recommendations made by it, the most important ones are:

- Three-tier system to be replaced by a two-tier system.
- Political parties should participate at all levels in the elections.
- Compulsory powers of taxation to be given to these institutions.
- Zila Parishad to be made responsible for planning at the state level.
- A minister for Panchayati Raj to be appointed by the state council of ministers.
- **Constitutional recognition to be given to Panchayati Raj institutions.**

Unfortunately, the Janata government collapsed before action could be taken on these recommendations.

3. G V K Rao Committee (1985)

Appointed by the Planning Commission, the committee concluded that the developmental procedures were gradually being taken away from the local self-government institutions, resulting in a system comparable to '**grass without roots**'.

- Zila Parishad to be given prime importance and all developmental programs at that level to be handed to it.
- Post of DDC (District Development Commissioner) to be created acting as the chief executive officer of the Zila Parishad.
- Regular elections to be held

4. L M Singhvi Committee (1986)

Constituted by the Rajiv Gandhi government on 'Revitalisation of Panchayati Raj institutions for Democracy and Development', its important recommendations are:

- Constitutional recognition for PRI institutions.
- Nyaya Panchayats to be established for clusters of villages

Though the 64th Constitutional Amendment bill was introduced in the Lok Sabha in 1989 itself, Rajya Sabha opposed it. It was only during the Narasimha Rao government's term that the idea finally became a reality in the form of the **73rd and 74th Constitutional Amendment acts, 1992.**

5. Panchayati Raj System under 73rd and 74th Constitutional Amendment acts, 1992

The acts of 1992 added two new parts IX and IX-A to the constitution. It also added two new schedules – 11 and 12 which contains the lists of functional items of **Panchayats and Municipalities**. It provides for a three-tier system of **Panchayati Raj** in every state – at the village, intermediate and district levels.

What are Panchayats and Municipalities?

1. Panchayat and Municipality are the generic terms for the governing body at the local level. Both exist as three tier systems – at the lower, intermediate and upper levels.
2. The 73rd Constitutional Amendment act provides for a **Gram Sabha** as the foundation of the Panchayati Raj system. It is essentially a village assembly consisting of all the registered voters in the area of the panchayat. The state has the power to determine what kind of powers it can exercise, and what functions it has to perform at the village level.
3. The 74th Constitutional Amendment act provides for three types of Municipalities:
 1. **Nagar Panchayat** for a transitional area between a rural and urban area.
 2. **Municipal Council** for a small urban area.
 3. **Municipal Corporation** for a large urban area.
1. Municipalities represent **urban local self-government**.
2. Most of the provisions of the two acts are parallel, differing only in the fact that they are being applied to either a Panchayat or a Municipality respectively.
3. Each Gram sabha is the meeting of a particular constituency called *ward*.
4. Each ward has a representative chosen from among the people themselves by *direct election*.
5. The chairperson of the Panchayat or Municipality at the intermediate and district level are elected from among these representatives at the immediately lower level by *indirect election*.

Types of Urban Local Government

There are eight types of urban local governments currently existing in India:

1. Municipal Corporations.
2. Municipality.
3. Notified area committee.
4. Town area committee.
5. Cantonment board.
6. Township.
7. Port trust.
8. Special purpose agency.

How are the elections held in the local government bodies?

1. All seats of representatives of local bodies are filled by people chosen through *direct elections*.
2. The conduct of elections is vested in the hands of the State election commission.
3. The chairpersons at the intermediate and district levels shall be elected *indirectly from among the elected representatives at the immediately lower level*.
4. At the lowest level, the chairperson shall be elected in a mode defined by the state legislature.
5. Seats are reserved for SC and ST proportional to their population.
6. Out of these reserved seats, not less than one-third shall be further reserved for women.
7. There should be a blanket reservation of one-third seats for women in all the constituencies taken together too (which can include the already reserved seats for SC and ST).
8. The acts bar the interference of courts in any issue relating to the election to local bodies.

What are the Qualifications needed to be a member of the Panchayat or Municipality?

- Any person who is qualified to be a member of the state legislature is eligible to be a member of the Panchayat or Municipality.
- ***“But he shall not be disqualified on the ground that he is less than 25 years of age if he has attained the age of 21 years”***
- This means that unlike the state legislature, a person needs to attain only 21 years of age to be a member of panchayat/municipality.

What is the duration of the Local Government bodies?

- I. The local governing bodies are elected for a term of five years.
- II. Fresh elections should be conducted before the expiry of the five-year term.
- III. If the panchayat/municipality is dissolved before the expiry of its term, elections shall be conducted within six months and the new panchayat/municipality will hold office for the remainder of the term if the term has more than six months duration.
- IV. And for another five years if the remaining term is less than six months.

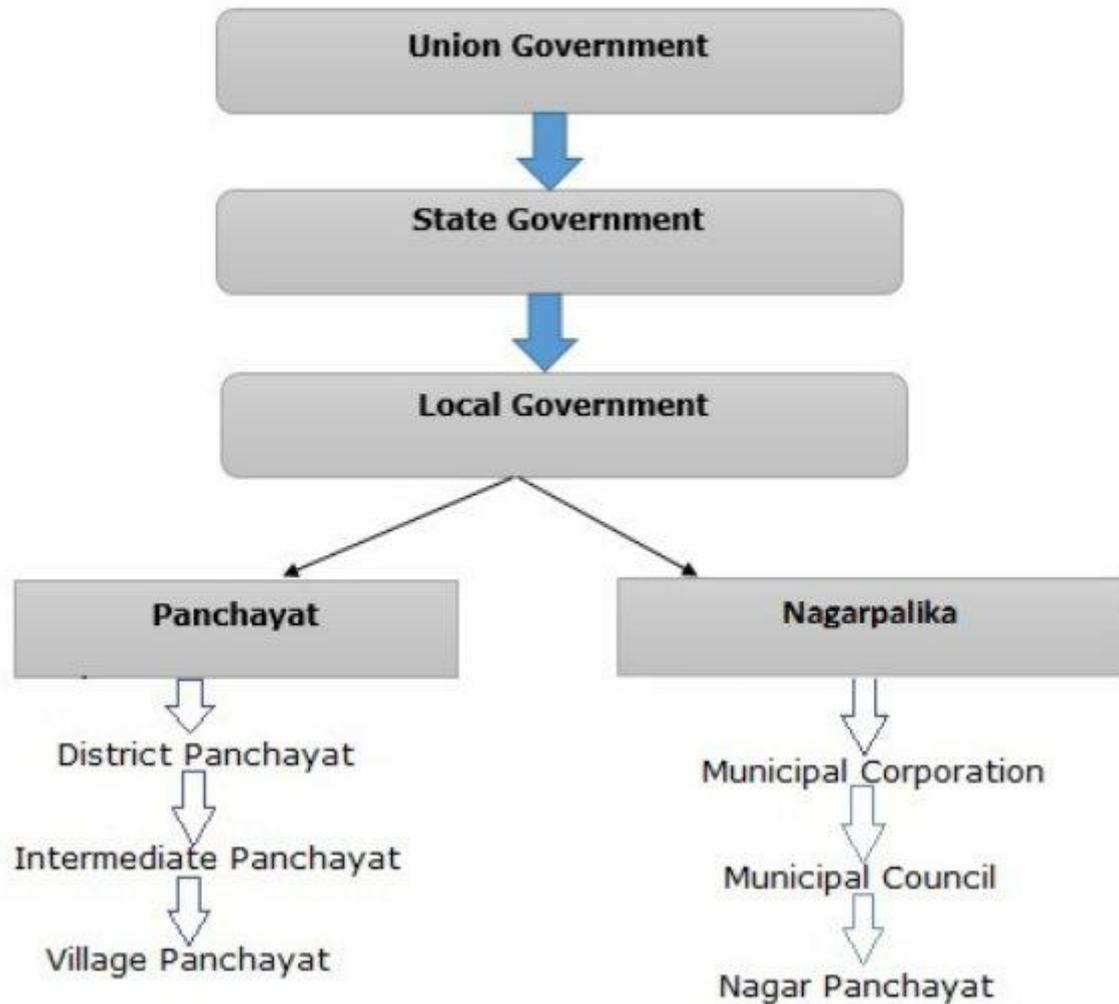
What are the Powers invested on these Local Government bodies?

- 1) The powers of local bodies are not exclusively defined.
- 2) They can be tailor-fitted by the state governments according to the environment of the states.
- 3) In general, the State governments can assign powers to Panchayats and Municipalities that may enable them to prepare plans for economic development and social justice.
- 4) They may also be authorized to levy, collect, or appropriate taxes.

FOR PRELIMS:

Local Government

- Local government is the government of the village and district level. It is the government closest to the common people that involves in day-to-day life and attempt to resolve problems of ordinary citizens.
- Democracy is in fact about meaningful participation and also about accountability. Hence, strong and vibrant local governments ensure both active participation and purposeful accountability.
- The hierarchy of different levels of Governments (of India) is shown in the following image –



Evolution of Local Government

- In 1882, Lord Rippon, the-then Viceroy of India, took the initiative to form elected local government body.
- Following the Government of India Act 1919, village Panchayats were established in many provinces and the trend continued after the Government of India Act of 1935.
- When the Constitution was prepared, the subject of local government was assigned to the States and it was one of the provisions of the Directive Principles of State Policy.
- After the independence, a three-tier Panchayati Raj system of local government was recommended for the rural areas; resultantly, some of the states including Gujarat and Maharashtra adopted the system of elected local bodies (1960).
- After 1987, a thorough review of the functioning of local government institutions was initiated and in 1989, the P. K. Thungon Committee recommended constitutional recognition to the local government bodies.
- Finally, in 1992, the 73rd and 74th Constitutional Amendments were passed by the Parliament.
- The 73rd Amendment is about the rural local governments, which are also known as Panchayati Raj Institutions (PRIs).

- The 74th Amendment made the provisions relating to the urban local government (also known as Nagarpalikas).

Panchayati Raj

- Following the 73rd Amendment, all states now have a uniform three tier Panchayati Raj structure as –
 - **Gram Panchayat** – At the bottom level;
 - **Mandal** (also known as Block or Taluka) – Intermediary level; and
 - **Zilla Panchayat** – At the top level.
- 1) A Gram Panchayat covers a village or group of villages.
 - 2) The intermediary level is the Mandal covers Block (i.e. a group of gram panchayat).
 - 3) The Zilla Panchayat covers the entire rural area of the District.
 - 4) All the three levels of Panchayati Raj Institutions are elected directly by the people for five years term.
 - 5) One-third of the positions in all panchayat institutions are reserved for the women.
 - 6) Twenty-nine subjects (of 11th Schedule of the Constitution), which were earlier in the State list, are transferred to the Panchayati Raj Institutions.
 - 7) The 73rd Amendment was not made applicable to the areas inhabited by the Adivasi populations in many states of India; however, a separate provision was passed in 1996 for these areas.
 - 8) The State government is required to appoint a State Election Commissioner (independent of Election Commission of India) who would be responsible for conducting elections in the Panchayati Raj Institutions.
 - 9) The state government is required to appoint a State Finance Commission once in five years.

Nagarpalika

- The 74th Amendment dealt with urban local bodies (Nagarpalikas or Municipality).
- The Census of India defines an urban area as –
 - A minimum population of 5,000;
 - At least 75% of male working population engaged in non-agricultural occupations, and
 - A density of population is at least 400 persons per sq. km.
- As per the 2011 census (provisional data), about 31 percent of India's population lives in urban areas.
- Many provisions of 74th Amendment are similar to 73rd Amendment.
- The functions of Nagarpalika have been listed in the Twelfth Schedule of the Constitution.

- The Indian population has 16.2 percent Scheduled Castes (SC) and 8.2 per cent Scheduled Tribes (ST) and accordingly, the seats for both SC and ST are reserved in local government.

NOTE:

Rural development is one of the main objectives of Panchayati Raj and this has been established in all states of India except Nagaland, Meghalaya and Mizoram, in all Union Territories except Delhi. and certain other areas. These areas include,

- a. The scheduled areas and the tribal areas in the states
- b. The hill area of Manipur for which a district council exists and
- c. Darjeeling district of West Bengal for which Darjeeling Gorkha Hill Council exists

Evaluating the Panchayati Raj Institutions at 26

- PRIs has witnessed simultaneously a remarkable success and a staggering failure in the journey of 26 years depending on the goalposts against which they are evaluated.
- While the PRI has **succeeded in creating another layer of government and political representation** at the grass-roots level, it has **failed to provide better governance**.
- There are about 250,000 PRIs and urban local bodies, and over three million elected local government representatives.
- The 73rd and 74th Amendments required that no less than one-third of the total seats in local bodies should be reserved for women. At 1.4 million, India has the most women in elected positions. Seats and sarpanch/pradhan positions were also reserved for SC/ST candidates.
- Research using PRIs has shown that having **female political representation in local governments** makes women more likely to come forward and report crimes.
 - In districts with female sarpanchs, significantly greater investments are made in drinking water, public goods.
- Moreover, the states have also provided the **statutory safeguards for many devolution provisions**, which have considerably empowered local governments.
- Successive (central) Finance Commissions have, so substantially, **increased fund allocations for local bodies** and also the grants have been increased.
- 15th Finance Commission is also considering to further increase the allocations for local governments to match the international standards.

Issues

- The grey area is the **lack of adequate funds**. There is a need to enlarge the domain of panchayats to be able to raise their own funds.

- The **interference of area MPs and MLAs in the functioning of panchayats** also adversely affected their performance.
- The 73rd amendment only mandated the creation of local self-governing bodies, and left the decision to delegate powers, functions, and finances to the state legislatures, therein lies the failure of PRIs.
- The transfer of various governance functions—like the provision of education, health, sanitation, and water was not mandated. Instead the amendment listed the functions that could be transferred, and left it to the state legislature to actually devolve functions.
 - There has been very little devolution of authority and functions in the last 26 years.
- Because these functions were never devolved, state executive authorities have proliferated to carry out these functions. The most common example is the terrible state water boards.
- The major failure of the Amendment is the **lack of finances for PRIs**. Local governments can either raise their own revenue through local taxes or receive intergovernmental transfers.
- **The power to tax, even for subjects falling within the purview of PRIs, has to be specifically authorized by the state legislature.** The 73rd Amendment let this be a choice open to the state legislatures—a choice that most states have not exercised.
- A second avenue of revenue generation is **intergovernmental transfers**, where state governments devolve a certain percentage of their revenue to PRIs. The constitutional amendment created provisions for State Finance Commissions to recommend the revenue share between state and local governments. However, these are merely recommendations and the state governments are not bound by them.
- Though finance commissions, at every level, have advocated for greater devolution of funds, there has been **little action by states to devolve funds**.
- PRIs are reluctant to take on projects that require any meaningful financial outlay, and are often unable to solve even the most basic local governance needs.
- PRIs also **suffer from structural deficiencies** i.e. no secretarial support and lower levels of technical knowledge which restricted the aggregation of bottom up planning .
- There is a **presence of adhocism** i.e. lack of clear setting of agenda in gram sabha, gram samiti meetings and no proper structure.
- Though women and SC/STs has got representation in PRIs through reservation mandated by 73rd amendment but there is a **presence of Panch-Pati and Proxy representation in case of women and SC/STs representatives respectively**.
- **Accountability arrangements remain very weak** even after 26 years of PRIs constitutional arrangement.

- The issue of **ambiguity in the division of functions and funds has allowed concentration of powers with the states** and thereby restraining the elective representatives who are more aware and sensitive to the ground level issues to take control.

Suggestions

- **Genuine fiscal federalism** i.e. fiscal autonomy accompanied by fiscal responsibility can provide a long term solution without this PRIs will only be an expensive failure.
- **6th report of 2nd ARC, 'Local Governance- An inspiring journey into the future'', had recommended that there should be a clear-cut demarcation of functions of each tier of the government.**
- States should **adopt the concept of 'activity mapping'**, wherein each state clearly delineates the responsibilities and roles for the different tiers of the government in respect to the subjects listed in the Schedule XI.
- The subjects should be divided and assigned to the different tiers on the basis of accountability to the public.
- States like Karnataka and Kerala have taken some steps in this direction but overall progress has been highly uneven.
- There is **need for bottom up planning** especially at the district level, based on grassroots inputs received from Gram Sabha.
- **Karnataka has created a separate bureaucratic cadre for Panchayats** to get away from the practice of deputation of officials who often overpowered the elected representatives.
 - Such practices need to be replicated in other states for strengthening the true character of local self governance.
- The center also needs to **financially incentivize states** to encourage effective devolution to the panchayats in functions, finances, and functionaries.
- **Training should be provided to local representatives** to develop expertise so that they contribute more in planning and implementation of policies and programmes.
- To solve the problem of proxy representation **social empowerment must precede the political empowerment.**
- Recently states like Rajasthan and Haryana have set certain minimum qualification standards for Panchayat elections. Such necessary eligibility can help in improving effectiveness of governance mechanism.
- These standards should apply for MLAs and MPs also and in this direction government should speeden up efforts for universal education.
- There should be clear mechanisms to ensure that States comply with the constitutional provisions, particularly in the appointment and implementation of the recommendations of the State Finance Commissions (SFCs).

Way Forward

- The need of the hour is to bring about a holistic change in the lives of beneficiaries among the villagers by uplifting their socioeconomic and health status through effective linkages through community, governmental and other developmental agencies.
- Government should take remedial action in the interest of democracy, social inclusion and cooperative federalism.
- People's demands for the sustainable decentralisation and advocacy should focus on a decentralisation agenda. The framework needs to be evolved to accommodate the demand for decentralisation.
- It is important to have **clarity in the assignment of functions** and the local governments should have **clear and independent sources of finance**.

MAINS PRACTICE QUESTIONS:

1. Local democracy in disarray. COMMENT 150 Words, 10 Marks

2. In the recent Government Initiative to Enhance Tax Revenues of Local Self Governments, Briefly discuss the issue? What is the financing mechanism at local self-governments? What is the actual level of tax collection at panchayat level? What measures can be taken? 150 Words 10 Marks

If we would see our dream of Panchayat Raj, i.e., true democracy realized, we would regard the humblest and lowest Indian as being equally the ruler of India with the tallest in the land.

— Mahatma Gandhi