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## **LOCAL SELF GOVERNMENT ADMINISTRATION IN INDIA**

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## Local Self Government Administration In India

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## INTRODUCTION

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### NOTES

Local governance refers collectively to administrative authorities over areas that are smaller than a state. Local administration generally acts within powers delegated to it by legislation or directives of the higher level of government and each country has some kind of local government which will differ from those of other countries. In primitive societies the lowest level of local government is the village headman or tribal chief. In modern nations, local administration usually has some of the same kind of powers as national governments do. They usually have some power to raise taxes, though these may be limited by central legislation. The question of Municipal Autonomy—which powers the local government has, or should have, and why—is a key question of public administration and governance. The institutions of local government vary greatly between countries, and even where similar arrangements exist, the terminology often varies.

In India, the local government is the third level of government apart from the State and Central governments. There are two types of Local Government in operation: Panchayats in rural areas and Municipalities in urban areas.

This book, *Local Self Government Administration in India*, has been designed keeping in mind the self-instruction mode (SIM) format and follows a simple pattern, wherein each unit of the book begins with the Introduction followed by the Objectives for the topic. The content is then presented in a simple and easy-to-understand manner and is interspersed with Check Your Progress questions to reinforce the student's understanding of the topic. A list of Self-Assessment Questions and Exercises is also provided at the end of each unit. The Summary and Key Words further act as useful tools for students and are meant for effective recapitulation of the text.



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**BLOCK - I**  
**MEANING, SCOPE AND EVOLUTION OF LOCAL**  
**SELF GOVERNMENT**

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*Introduction to Local Self  
Government in India*

**NOTES**

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**UNIT 1 INTRODUCTION TO**  
**LOCAL SELF**  
**GOVERNMENT IN INDIA**

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**Structure**

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**1.0 INTRODUCTION**

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Local administration is the lower-most level of self-government in India. The term 'local administration' is not new in India; it has been well known in India for many centuries.

In India, a village is considered as the basic unit of social life in the local-government system or the local administration. More than three-fourth of Indian population still lives in villages. Great thinkers and leaders like Mahatma Gandhi, Nehru and Narayan articulated that the major task of the Independent India would be to take democracy to the grass-roots levels and to involve the rural masses in the objective of national integration and reconstruction.

The nature, scope, importance and evolution of local administration in India have been discussed in this unit.

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**1.1 OBJECTIVES**

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After going through this unit, you will be able to:

- Explain the meaning, scope and importance
- Discuss the evolution of local self-government in India

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## 1.2 MEANING, SCOPE AND IMPORTANCE OF LOCAL SELF GOVERNMENT IN INDIA

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### NOTES

Local administration deals with the powers of the administration to provide remedies to the problems at the grass-roots level. The local administration also protects the people when those powers are abused by these authorities.

In a welfare state, many progressive schemes and programmes are launched by government. Their execution and implementation are the responsibilities of the local administration.

Local administration is based upon making decisions regarding the demands of the local people of an area and their implementation at the grass-roots level. Its functions also include sending the advisories to the people at the grass-roots level. S. K. Dey, in his book *Panchayati Raj*, says, 'Modern science calls for an advanced stage of organization and wider coordination of the thinking action than is feasible in a single village. Whether or not we like it, there will be no room in the wide world of tomorrow for pockets of poverty, ignorance or disease.

'Infuse in minds of the rural people a spirit of self-help, self-dependency and self-reliance and to obtain their goals.

'Planners viewed the Panchayat Raj as units of administration and planning and the government sought support from these units to help improve the implementation of national plans for development.<sup>1</sup>'

Local participation was seen as an instrument for better implementation of government policies. The five-year plans gave Panchayat Raj a role in performing functions for development and the view that Panchayats were units of folded democracy.

This is fact the Panchayat Raj Institutions (PRI) is considered as the grass-roots level bodies serving various civic and developmental activities for the rural people. They are basically grass-roots political institutions involved in the upliftment of rural masses in various dimensions. Most of the rural populations are under the grip of poverty, malnutrition, illiteracy and degradation. The enlistment of such destitute rural masses is the main goal of these local bodies.

Numbers of factors are influencing India's grass-roots politics. These factors are follows:

- Democratic consciousness welfare of the masses
- Participation in elections
- Affect of education
- Linkages between panchayat members and police and bureaucrats
- Caste domination
- Land holding

- Loan property
- Wealth
- Groupism, regionalism, nepotism, favouritism and factionalism
- Affiliation of political leaders with different parties
- Socialization and politicization of rural masses

## **NOTES**

### **Features of Local Governance at Rural Level in India**

The concept of Panchayati Raj (PR) is unquestionably Indian in origin. PR bodies, which are genuine and effective democratic decentralized institutions, provide simple opportunities for a large number of rural people to take genuine and effective participation in the development and democratic decision-making process and to infuse, in the minds of the rural people, a spirit of self-help, self-dependence and self-reliance in order to obtain their goals. The concept a PR, since its inception, faced various interpretations both from its protagonists and antagonists. On the one hand, the emphasis was on maximum local autonomy and minimization of supervision and control by the higher authorities, especially the state government. On the other hand, some consider it to be ruination for the country. Another controversy relates to the role of political parties in the PRI. The term PR came into usage after the acceptance of recommendations on democratic decentralization of the Balwant Rai Mehta study team. Previously, the terms used were Village Panchayat, which was the self-governing body at the village level. PR implies the creation of local government institution at the village, block and district levels. These bodies play a vital role in rural administration, in the present age, when more and more governments are working for the making of a welfare state. In fact, the powers entrusted to these bodies really make a state democratic. India comprises states and union territories. These states are divided into districts and, in turn, sub-divided into tehsils for administrative convenience. The units of local self-government in rural areas are village panchayat, Panchayat samities and Zila Panchayat (ZP). The V.P. has been linked to the panchayat samiti at the block and to the Z.P. at the district level.

Present panchayat system is a channel for popular participation. Panchayat system is a political administrative arrangement. The system at PR is expected to usher in a democratic setup when once it is established on the lines expected by its promoters. It is PR that has brought about some degree of the social change. Its increasing interest lies in activities such as agriculture, production, education, cooperation and social and economical justice.

### **Importance**

Local administration is important to understand the nature of leadership and communication among the grass-roots level people. The behaviour of the masses, the power addressee, is the cornerstone upon which the socio-political system in India depends. Who do people vote for? The answer points towards the social

## NOTES

elites' behaviour towards masses, in the field of political institution building at grass-roots level in a developing nation. According to NES community projects team, instituted for such study in 1957, 'So long as we do not discuss as create a repress democratic institution which will supply the money upon local objects conforms with the needs and wishes of the locality invest it with adequate power and assign to it appropriate finances, we will never be able to evoke local interest and excite local initiative in the field of development.'

Some relevant works also say that 'It is not theory or dogma which is impelling us to make these recommendations, but practical considerations. Democracy has to function through certain executive, but democratic government influences large areas though executive machinery cannot completely appreciate local needs and circumstances. It is, therefore, necessary that there should be a delegation of power and decentralization of machinery and that such power is exercised, and such machinery is controlled by popular representatives of the local area.'

### Check Your Progress

1. What is the main task of local government?
2. Where did the concept of Panchayati Raj originate?

## 1.3 EVOLUTION OF LOCAL SELF GOVERNMENT IN INDIA

Mahatma Gandhi advocated that 'India lives in her villages. Indian independence must begin at the bottom, thus making every village a republic or panchayat, enjoying full powers. His remarks say that true democracy cannot be worked by twenty men sitting at the centre and has to be worked from below by the people of every village'. These very dreams were responsible for the inclusion of Article 40 in the Directive Principles of State Policy of the Constitution of India.

There has been socio-economic transformation in rural India. The grass-root units of local self-government that have made this transformation possible are the Panchayati Raj institutions. Local governments are able to respond better to local needs not only because of their proximity to the people but also because they are in a better position to make the best use of resources. As mentioned in the previous section, in India, Panchayati Raj is seen as an institutional expression of democratic decentralization. Power is decentralized to the panchayats to empower people and involve them in decision-making processes at the ground level. Panchayati Raj is another name for the system of decentralizing democratically. Panchayati Raj is the tool that helps ensure democracy. It is also the tool that is capable of transforming the socio-economic condition of a village/region. Democracy can be ensured in a country only through mass participation in the country's governance.

The Government of India took a revolutionary step in 1993. It made Panchayati Raj Institutions a part of the Constitution. Panchayati Raj has been able to withstand several political changes and upheavals in the ancient and medieval periods till the British Raj. Following colonial administration, the manner of functioning of these local bodies changed drastically.

### History of the Panchayati Raj System: Pre British Rule

In the Rig Veda and other scriptures, there is mention of the term 'Panchayat' which were composed over 1000 years before Christ. The word is derived from *Panch*, which means five, referring to the five members of the Panchayat. These five members of the village Panchayat were called *Pancha Parameswar*, or the five Gods. The word is also said to be a derivative of *pancha panchasvanusthitah*. The Panchayat was responsible for distributing land, collecting revenue and settling disputes.

It would not be wrong to say that Panchayati Raj, as an institution, existed since the time the Indian civilization has existed. Since ancient times, it has not only been present but has been controlling and managing affairs, both judicial as well as civil, in Indian villages. In addition to the Rig Veda, the Manusamhita, Dharmashastras, Upanishads and Jatakas mention local administration extensively, for instance, the panchayat system of administration is mentioned in the Manusmriti while the Shantiparva is mentioned in the Mahabharata. Grama Sanghas or village councils are also mentioned in the ancient scriptures.

These village councils are described in detail in Kautilya's *Arthashastra* of 400 B.C. This work gives a detailed discussion of the village administration that prevailed during that period under the supervision of the *Adyaksha* or headman who controlled everything. He was of course supported by other officials, such as *Samkhyaka* (accountant), *Anikitsaka*, (veterinary doctor), *Jamghkarmika* (village couriers) and *Chikitsaka* (physician).

It was the responsibility of the headman of the village to collect the state dues and also control the actions of criminals and offenders. In Valmiki's *Ramayana*, the village federation or *Ganapada* is mentioned, which was probably a type of federation of village republics.

In India, there were self-governing village communities, which were primarily agrarian economies, that were in existence since time immemorial. Even the Rig Veda from approximately 200 BC mentions that the basic unit of administration was the village during the Vedic era. The *Sabha* and the *Samiti* were the most important features of the early Vedic polity. These were the popular assemblies of the time.

- *Samiti* - This was the folk assembly of the Vedic period, and at times enjoyed the right to elect a king.
- *Sabha* - This assembly also performed certain judicial functions.

### NOTES

## NOTES

Both the *Samiti* and the *Sabha* had the power and right to debate, unlike other popular assemblies of those times. The village headman held the office of *Gramani*, indicating that the village emerged as a unit of administration. In the later Vedic era, the *Samiti* slowly lost popularity and vanished while the *Sabha* shrank to a narrow group or body corresponding to the king's Privy Council only.

In due course of time, village bodies formed into panchayats that managed village affairs. They had the powers to enforce law and order. They were also put on a pedestal by various customs and religious norms that bestowed on them a sacred position of authority. In addition, there also existed caste panchayats. This was the pattern in the Indo-Gangetic plains. However, in the south, the village panchayats generally had a village assembly where the executive body comprised representatives of various groups and castes. These village bodies in northern and southern India, had not only been the focus of administration but also the center of the social life of the people and pivot of social solidarity.

During the reign of the Mauryas, the village was the basic unit of administration wherein the disputes were settled by villagers; they also did work that was useful for the public and organized recreational activities. They played the part of trustees for property owned by minors. Regular councils had not come into being. The village council appeared to have evolved into regular bodies in the Gupta period where they were known as *Panchamandalas* in Central India, and *Gramajanapadas* in Bihar. These bodies negotiated with the government for concessions and settlement of disputes between the people. The inscription of the Chola dynasty reflects the construction and functions of the village assembly and their executive committees. The village administrations were performed by the elected representatives that formed the village council.

**Medieval Period:** Village bodies formed the central point of administration during the medieval and Mughal eras. During the Mughal era, particularly during the reign of Sher Shah, the villages were governed by their own panchayats. Every panchayat consisted of the elders of the village who ensured that the interest of the people was protected and there was justice for all. They ensured that the defaulters were punished. The village head was considered a semi government official who coordinated between the village panchayat and the administrative authority. Akbar not only favoured this system purely but also accepted it as an integral part of civil administration. During this age, each village had its own panchayat consisting of the elders. The Mughals came up with elaborate administrative hierarchies of officials, particularly in the revenue department. They had autonomy in local taxation, administrative control, justice and punishment of the local administrative system of the Mughals for several centuries. Following the fall of the Mughal empire, the British established their foothold in India. The panchayat concept weakened later under the feudal and Mughal rulers. There was a whole new class of feudal chiefs or zamindars, who were the link between the king and the commoners.

## **Panchayati Raj under the British Rule**

*Introduction to Local Self  
Government in India*

Under the British rule, the Panchayats started losing their self-governing character gradually and the authority of the state had direct control of the British rulers. In the new judicial system, disputes arising in the village were carried to the courts that were outside the village. Special programmes like construction, relief works, maintenance of irrigation work and payment of grants-in-aid to schools were implemented by the state under them. Hence, the age-old functions of the Panchayat were carried by the external agencies.

The British arrived on Indian soil with the main objective of trading. They did not have much to do with governance and development. Their first priority was never the local government were not at all their first priority and before the advent of the British rule in India, the local and rural republic had grown and thrived. With the emergence of the British Raj in India, the panchayati raj institution ceased to play the role that it had earlier. The truth remains that local self-government as a representative institution came about during British rule.

In the beginning, the British were only interested in creating local bodies comprising nominated members. These bodies were built around trading centres. In 1687, a municipal corporation was formed in Chennai (Madras), based on the British model of town council. This body possessed the power to levy taxes for building guild halls and schools. With the passage of time, similar bodies came up in other major towns and a model became prevalent to help the British to widen their taxation power. This model continued to comprise nominated members without any elected elements at all.

After the First War of Independence in 1857, local-self-government received some more attention from the British Government and District Funds were set up in several states with some power to levy a tax on land, education, revenue and roads. With them, the District and Taluka local fund committees were set up, the fate was such that the funds were small and the village was hardly touched by the district committee.

### **Mayo Resolution of 1870**

Lord Mayo, the then viceroy of India from 1869 to 1872, felt it was necessary to decentralize powers to bring efficiency in administration. In 1870, he launched the system of elected representatives in urban municipalities. Lord Mayo's Resolution of 1870 under the British Rule, is considered as a huge step in the history of evolution of local self-government. It aimed at enlarging and increasing the powers and responsibilities of the governments, ruling in the Provinces and the Presidencies. Local public works, sanitation, health services and education had a chance to receive more attention from them as well as the local-self-governments also.

The revolt of 1857 had put the finances of the Britishers under a lot of pressure and it was necessary to finance local service by the way of local taxation.

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Hence, Lord Mayo's resolution on decentralization was adopted because of financial reasons.

### **The Bengal Chowkidar Act of 1870**

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The Bengal Chowkidar Act of 1870 was an initiative to re-introduce the age-old tradition of village panchayati system in Bengal. The Chowkidar Act gave the power to district magistrates for setting up panchayats. It comprised nominated members, who were the residents of the villages, and their work included collecting taxes for the purpose of paying the chowkidars (watchmen) hired doing this work.

### **Ripon Resolution (1882)**

Lord Ripon is regarded as the father of local self-government in India because of the resolution he made and passed in 1882. He turned into action the intention of Lord Mayo. He gave importance to both administrative efficiency as well as political education at the ground level of locals. The Ripon Resolution focused on towns that provided for a majority of elected non-official members and a non-official chairperson for the local board. It was resisted by the colonial administrators.

The contribution of Lord Ripon in the development of local Government is great. The local boards were split into smaller units under his local self-government plan so as to ensure higher levels of efficiency. He launched a system of election aimed at ensuring popular participation, that was applicable to the local boards as well. The government resolution of 18 May, 1882 is of great significance in the structural evolution of local governments. It contained provisions for the local boards comprising a large majority of elected non-official members presided over by a non-official chairperson. Lord Ripon's Resolution was said to be The Magna Carta of local democracy in the country. This resolution proposed to establish rural local boards with two third members being elected representatives. He introduced the concept of self-government in urban municipalities as well. Hence, he is also regarded as the founding father of urban local government.

After Ripon's resolution, there was a series of Committees, Commissions and Acts. The Royal Commission on Decentralization, set up in 1909, elaborated some more principles of Ripon resolution but this was not implemented. Ripon's scheme could not be of great help in the development of local self-government institutions.

### **Montague-Chelmsford Reforms of 1919**

The Montague-Chelmsford Reforms were passed in 1919. This reform transferred the subject of local government to the domain of provinces. The reform also recommended that as far as possible there should be a complete control in local bodies. By 1925, there were eight provinces which had panchayats but they only had a few villages which were functioning well. It led to a lot of organizational and fiscal constraints and because of this, the reform was unable to give great results as far as democratization of panchayats was concerned.



The Royal Commission on decentralization, which was chaired by C. E. H. Hobhouse tried to bring back the old culture of panchayats by starting local-self-government at the rural village level instead of the district level. The Commission recommended granting some powers to the Panchayats to help them perform their duties without depending on others. They were given some roles, such as the control over the village ponds, sanitation in villages and management of schools. It also provided for some finance for this. The village panchayats were introduced in many provinces after the Montague-Chelmsford reforms. By 1925, about eight provinces had already passed Panchayat Acts. By 1926, there were six native states that also passed panchayat laws.

With the introduction of diarchy, ministers contributed a little to the development of local government. In 1927, the Simon Commission was given the work of looking into the working of local-self-government. It also suggested some improvement in the system. Many drawbacks, such as the huge size of an average district, lack of good spirit among voters, lack of funds and absence of control by the provincial government were pointed out.

### **Government of India Act (1935)**

The Government of India Act is said to have played a significant role in the evolution of panchayats in British India. All the provinces had elected governments. Therefore, it was natural for them to feel bound to enforce legislations promoting democratization of local self-government institutions, including village panchayats. Although the popular government in the provinces governed by the Congress let go their office following the declaration of the World War II, 1939, the local government institutions continued to remain powerful until August 1947, when India finally became independent.

The British government was not at all interested in the village autonomy. Yet, they were forced to bring it about because they wished to continue ruling the country. In addition, it had to fulfil its financial necessities. The rural republic of India thrived till the British arrived, but lost popularity during the British reign. The panchayats of the 'self-contained' villages came to a stop, and soon gave way to formally constituted institutions of village administration. In the highly centralized system of British rule, village autonomy took a back seat.

In 1937, some popular ministries were formed that undertook legislation to make the local bodies which were truly the representatives of the people. Unfortunately, they decided to resign with the outbreak of the World War II in 1939. From 1939 to 1946, the provinces were ruled by one man — the Governor. India finally got independence in 1947.

### **Panchayati Raj after Independence**

The aim of the British rulers was not to decentralize democracy, but to facilitate colonial administration. The Freedom Movement was concerned more with swaraj

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for the country than with *Gram Swaraj*. Mahatma Gandhi, greatly advocated *Gram Swaraj*, but not all the leaders had the same viewpoint. For instance, Dr Ambedkar, who made a significant contribution in drafting the Indian constitution observed that ‘the village (was) a sink of localism, a den of ignorance, narrow-mindedness and communalism.’ He also said that: ‘I am glad the Draft Constitution has discarded the village and adopted the individual as its unit.’

Therefore, when the Constitution was adopted on 26 January 1950, the Panchayati Raj institutions were placed under the Directive Principles of State Policy under Article 40. The Article says: ‘The state shall take steps to organize village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of local self-government.’

As is well-known, the Directive Principles cannot be enforced in a court of law. Thus, it was only expected of the state that it would foster the development of Panchayati Raj. This constitutional weakness of the Panchayati Raj institutions subsisted there for over four decades. The 73rd Amendment to the Constitution had to be removed because of this. During these four decades, many committees were set up at different times for making recommendations for strengthening panchayats. Some of these committees are briefly discussed below.

### **The Balwant Rai Mehta Committee (1957)**

The Balwant Rai Mehta Committee was set up to study the Community Development projects and the National Extension Service and make recommendations. The Committee strongly recommended the involvement of the community in the decision-making, planning and implementation processes for the success of the community development project. Some important recommendations of the Committee were that there should be an early establishment of elected local bodies and devolution to them of necessary resources, power and authority; the basic unit of decentralization was the block/samiti; the body was to be constituted for five years by indirect elections from the village Panchayats; the higher-level body, zilla parishad was to be an advisory body only.

The Panchayati Raj system in India could not achieve the expected results because there was resistance from politicians and administrators to share power and resource with local-level bodies and domination of local politics by the local strong people.

### **The Santhanam Committee (1963)**

The Santhanam Committee was set up to see the financing of the Panchayati Raj institutions. Some of the recommendations of the Committee were that the panchayats should have powers to levy taxes like land revenue and home taxes; all grants at the state level should be mobilized and sent in a consolidated form to the Panchayati Raj institutions; a Panchayati Raj Finance Corporation should be set up to take care of the financial needs of Panchayati Raj institutions. Some of

the recommendations of the Committee are being taken up by the State Finance Commissions now.

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### **The Ashok Mehta Committee (1978)**

The Ashok Mehta Committee was set up when the Janata Party government came to power in 1977. It was set up to suggest measures that will help strengthen the Panchayati Raj institutions. The committee made some of the important recommendations. The district is a viable administrative unit for planning, coordination, resource allocation with the available technical expertise. Therefore, a two-tier system is desirable with Mandal Panchayat at the bottom and Zilla Parishad at the top. There should be a four-year term for the PRIs and political parties should participate in elections. There should also be both functional and financial devolution. The committee recommended to the Panchayati Raj constitutional protection and further decentralization of power at all levels.

### **The G. V. K. Rao Committee (1985)**

The G. V. K. Rao Committee was set up to look into the various aspects of panchayats. Its recommendations were that the Panchayati Raj Institutions were to be activated and provided with all necessary support; Panchayati Raj Institutions at the district level and below should be given the task of planning, implementation and monitoring of rural development programmes; and the block should be the key level in the rural development process.

### **The L. M. Singhvi Committee (1986)**

The two most important recommendations of the L. M. Singhvi Committee were that the local-self-government should be constitutionally recognized, protected and preserved by the inclusion of a new chapter in the Constitution; political parties should not be involved in panchayat elections. Although there was a huge resistance against these recommendations from various directions, finally the Constitution was amended to make Panchayati Raj Institutions constitutional institutions.

It fell upon the post-Independence Indian government to strengthen the Panchayati Raj System. It was important for the government to ensure that the village panchayats were empowered so that the democracy could be strong. Mahatma Gandhi who supported *Grama Swaraj* was all in favour of putting power in the hands of the rural folk. He felt that the villages need to be self-sufficient so that they can govern themselves via elected panchayats. However, surprisingly, the draft Constitution created in 1948 had no provision for Panchayati Raj Institutions, which drew a lot of criticism from Gandhiji. He demanded prompt rectification and soon, panchayat was also added in the Directive Principles of the State Policy.

According to Article 40 of the Directive Principles of State Policy, the states shall take steps to organize village panchayats and provide them such powers and

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authority as may be necessary to make them function as units of self-government. The most important aspect was the empowerment of democracy at the grass-root level. However, this aspect did not receive as much attention as it should have from the members of the drafting committee of the Constitution of India. They did not make Directive Principle of State Policy legally binding on the governments. In 1952, efforts were made to tackle the problems, in the rural areas of India, by the Community Development Programme. Similar efforts were made in 1953, by the National Extension Service. The programme was founded on an integrated approach to the various faces of rural development. The objectives the promotion of self-help and self-reliance among rural folk, to be able to generate a process of integrated social, economic and cultural change with the aim of transforming the social and political life of the villagers. The Community Development Programme was launched in fifty-five selected blocks. The basis of the programme was an integrated approach to the various aspects of rural development. This programme, aimed at bringing about socio-economic development of the rural masses in a democratic way, introduced provisions to appoint Block Development Officers (BDO) and Village Level Workers (VLW). However, the programme was not successful and did not shape up the way it was expected to because of the absence of an effective instrument for people's participation.

A new chapter should be inserted in the Constitution defining their powers and functions, and there should be free and fair election to be conducted via the election commission. The Committee suggested appointing finance commission and entrusting all the rural development programmes to the Panchayati Raj Institutions through the amendment of Schedule VII of the Constitution.

### **73rd Amendment Act, 1992**

Rajiv Gandhi, the then Prime Minister of India was responsible for introducing the 64th Amendment bill on local government on 15 May 1989. However, it did not receive the expected support. He attempted again, in September 1990 to have the bill passed. However, in this second try, the bill was not even considered. In September 1991, once again a bill on Panchayati Raj was introduced by the Congress government under the Prime Minister P. V. Narasimha Rao. It was passed in 1992 as the 73rd Amendment Act with slight modifications and enforced on 24 April 1993.

### **The salient features of the Act**

The 73rd Amendment Act had provisions for establishing Gram Sabha in every village. It will be a body consisting of all the members registered as voters in the panchayat area. It gave a three-tier shape to the Panchayati Raj system at the village, intermediate and district levels. Smaller states with population less than 20 lakh will have no option but to have intermediate level panchayat.

Seats in the panchayats, at all three level, shall be filled via direct election. In addition, the chairperson of the village panchayat can be made member of the

panchayat at the intermediate level. MPs, MLAs and MLCs could also be member of panchayat at the intermediate and the district level.

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### **The 73rd Amendment towards decentralization**

The 73rd Amendment created positive conditions for decentralization in India. Although there is some disagreement about whether and to what extent the reforms have been implemented, the general consensus within this school is that the 73rd Amendment was a positive step for Indian decentralization and that the only factor preventing successful devolution is the failure to implement fully the terms and conditions of the 73rd Amendment. A second school is even more critical of decentralization in general and the 73rd Amendment in particular. A central assertion that underlies this second school is that the reforms put in place in 1993 are largely cosmetic, and that the ultimate distribution of power and resources in rural areas is dependent on the pre-existing pattern of social inequalities created by caste, religion, class, gender and other forms of rural domination.

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#### **Check Your Progress**

3. In which year were the Panchayati Raj Institutions made part of the Constitution?
4. From which word is the term 'panchayat' derived?
5. 'The most important feature of the early Vedic polity was the institution of two popular assemblies.' Name them.

## **1.4 EVOLUTION OF URBAN LOCAL BODIES**

As mentioned in the previous section the introduction of local government was motivated by interests of the British. They first saw it as an instrument to ease central and provincial finances and thus to sub serve imperial needs. A municipal corporation was first set up in 1687 in Madras. It was based on the model of British local institutions prevalent at that time. Its main purpose was to levy different taxes. According to Maheshwari, 'the municipal corporation was set up because the East India Company believed that the people would willingly pay five shillings for the public good, being taxed by themselves, than six pence raised by their despotic power' (Ibid: 14). In 1726, owing the opposition from the local population for excessive taxation the municipal corporation in Madras was replaced by mayor's court. This reduced its administrative role and increased its judicial powers.

The persistence of Sir Josiah Child, who was the governor of Madras during that time, resulted in the establishment of a municipal government, based on the English pattern of governance. This was directed at resolving the difficult problems pertaining to the conservancy of that town. The consequences of this were that in 1687, the East India Company was granted the authority to establish a corporation

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and mayor's court in Madras, through a charter. This authority was given to the East India Company by James II, King of England. The establishment of this new civil government took place with complete support from the mayor, Aldermen and Burgesses, who had the power to impose taxes for constructing a building to be used for meeting and performances, a prison and a school with houses for its staff. These taxes were also utilized for the development of other works of public utility and civic services and for paying the salaries to members of the municipal staff, including the teachers. The mayor and aldermen introduced a court of record for running trials of civil and criminal cases. The attractive characteristics of municipal operations were very similar to those in London and on significant occasions, the mayor would carry with him, two staffs of silver, a layer of gold, for decoration, which was not more than three and a half feet long. The robes worn by him and the aldermen comprised of scarlet serge gowns. They travelled on expensively decorated horses that were decked with different types of ornamental trinkets. However, despite all the flamboyance related to the situation and occasion, there was a firm opposition from the people against the direct taxes that were levied. Hence, it was not possible to carry out the work related to the new corporation till the mayor granted the permission to impose taxes for building up funds to carry out the related development work. Subsequent to this, in the year 1796, a mayor's court with alderman and without burgesses was introduced by a Royal Charter. Similar courts were established in each of the three presidency cities of Calcutta, Madras and Bombay. However, the target of these courts was to put into effect judicial, rather than administrative operations. Long after this, the Charter Act of 1793 made the first statutory enactment of real municipal administration. The British parliament approved and agreed to pass this Act as soon as the East India Company took charge of the political responsibilities in India. Through this Act, a governor-general of India was appointed and was given the power to appoint justices to keep up peace in the presidency cities. Along with their judicial responsibilities, they had the authority to raise funds by gaining access of lands and houses in the towns for scavenging, watching and maintaining the streets. Approximately fifty years later (in the period of 1850-53), the municipal constitutions of the three presidency cities were created and a restricted edition of the elective principle was set up. However, soon after this, in the year 1856, a policy that looked like a reaction to this, was introduced and operations of the municipality were limited to a body corporate of three nominated and salaried members. It is an amusing fact that since the year 1793, the practice of raising money for municipal related development work has been done through lotteries. In Calcutta, the money thus raised was used to reconstruct the Town Improvement Committee, which was appointed by Lord Wellesley, in the year 1803.

The income earned from these lotteries was commendable. It was used to carry out various public related works and services. The popularity of this method was endorsed by the creation of a lottery almost committee in the year 1817. For, 20 years, this committee was involved in work related to utility and development

till, the public opinion in England went strongly against this method of provision of funds for municipal purposes. This resulted in the end of the committee in the year 1836. One of the most prominent evidence of the use of these funds was The Town Hall of Calcutta.

This was one of the great works of public service, built during those years with the help of the funds collected through lotteries. The system of municipal administration was restructured after the Council's Act was legislated in the year 1861. This restructuring took place through provincial legislatures which were then put into function and since then, there were augmented differences in the history of the growth and development of municipal affairs in each of the three presidency cities.

Through locally legislative procedures, in the years 1872, 1876 and 1878, Bombay, Calcutta and Madras, respectively adopted the system of electing representatives by the ratepayers for the first time. However, one cannot suppose that any system, even remotely resembling a complete local self-government was granted to them through those Acts. Almost fifty years later, the government framed policies that were oriented to exercise a stringent and unreasonable control over these municipalities through official chairmen and other different set-ups that were calculated to deprive them of real popular control. With the help of different methods, some even positively retrograde in character, those three municipalities have finally obtained more or less developed real self-government. Practical autonomy was achieved by the Corporation of Calcutta (III of 1993) and also by those of Bombay (III of 1888) and Madras, (IV of 1919), although the extent of acceptance was not that much.

Beyond presidency towns, there were no efforts directed to establish municipalities, prior to the year 1842. The first province to experience the attempt made by this act was Bengal. This was far in advance of the times. Due to these factors, it was not successful in impressing the public mind. Just one town introduced this and when it was time to realize the tax, the entire town not only refused to pay, but it actually prosecuted the collector for trespassing, when he tried to levy it. In 1850, one more attempt was made by an Act for the whole of British India. This was a more lenient Act, but its success was higher, as this Act levied taxes indirectly. The application of this Act was widely carried out in the then North West Province and in Bombay. It was feebly applied in Bengal and Madras, which were the areas that had been subjected to other municipal efforts.

Subsequently, the report of the Royal Army Sanitary Commission was published in 1863 and prime focus was given to the requirements of municipal measures in the county territories, (*Mofassils*). Between the years, 1864 and 1868, Acts for Bengal, Madras, Punjab and North-West Provinces were passed. After incorporating changes, the Act of 1850, was adopted in Bombay and the central provinces and the Punjab Act was adopted by *Oudh*. In the following series of acts a very large number of municipalities were created. There have been a number

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of cases where zeal overcame caution and unimportant rural geographies were loaded with municipalities that were later withdrawn. The Acts for Bengal, Northwest Provinces and Punjab made the elective principle permissible, but in almost all places the commissioners were nominated. Though from the point of view of local self-government these acts did not achieve much success, still they were definitely of great help in improving the conditions of sanitation in many countries and cities.

Two important steps that were adopted by the great viceroys, i.e., Lord Mayo and Lord Ripon, in the years that followed. These steps were highly motivating to local self government in India. The system of provincial finance was introduced by the resolution of Lord Mayo's government. This resolution clearly aimed at giving opportunities for the development of self government and also for the association of Indians and Europeans in taking a large share in the administration of local affairs. To carry out this advantageous policy, new acts were passed for almost every province and they also got extended to Burma. The Acts gave a broader spectrum to the sphere of municipal usefulness and also enhanced the principle of election. The elective principle, however, could not be successfully introduced in any province with the exception of the central provinces. This was due to the objections raised by the people themselves. Approximately ten years later, in 1881-82, the government of Lord Ripon issued orders which resulted in further encouraging the development of local self government. Like a true statesman, he showed a keen interest in the matter, as it was his belief that local self government was a means of popular and political education.

The success of this would have been many times more if the bureaucracy that was handling the actual organization had not been short sighted and had been more like that of a statesman. However, Acts that were implemented in 1883-84, greatly changed the constitution of the municipal bodies and also gave them more power and responsibilities. It was decided for a wide extension to be given to the elective system and some towns to be provided with elected chairmen instead of executive officials. Lord Rippon made another major alteration, which was freeing the municipalities from the burden of paying the costs of the town police on which they had no control. To replace such costs, the support of the municipalities was sought for education, medical aid and local public works and at the same time, some parts of the provincial revenues were allocated to local self government, with proportionate liability. It is not easy to thoroughly examine the growth of municipal constitution in the different provinces of India.

The municipal government was vested in a body corporate and it comprised of members, some of whom were elected by the ratepayers and others were nominated by the government. Within the Acts, there was a chairman of the municipality and in advanced provinces he was usually an elected member of the body. The municipal funds and properties were vested in these bodies. A sizeable part of the work was carried out in the form of committees. It was common to have elections every three years and the rules for elections were framed by the



respective provincial governments. It was mandatory for voters to have a certain property or status qualification. The elections in larger bodies were held in general by wards or classes of the community, or both. The enfranchisement of women was rather an exception than a rule, but the popularity of it was being gradually accepted. The history of government control over the municipalities was not a pleasing scene.

Although, it was the policy of Lord Ripon to replace external control with internal interference in municipal issues, still the desire of the bureaucracy to exercise perpetual control on these local bodies was very prominent. This adverse situation upset the growth of genuine local self government for about a third of a century after Lord Ripon's time. Nevertheless, this control was widely brought into effect by the district magistrate and the divisional commissioner. Ever since the reforms were introduced, the final control now came to the minister who was in charge of local self government in different provinces. He was selected from the elected members of the provincial legislative councils. Special control was exercised over finance and important appointments and the government had to sanction the annual budget. The area of operation of the municipalities was gradually widening and it became either mandatory or discretionary to divide their duties, which were now very elaborate. Every municipality was called upon to fulfil their duties as according to their means. The Acts and by-laws framed by them provided them with various powers to enforce demands related to sanitation or prevention of adulteration in food, etc. by imposing fines and penalizing the offenders. Although, the municipalities in British India were not that strong in terms of numbers, their improvement in terms of effectiveness and constitutional progress was commendable, till 1920s.

The 1793 Charter Act made local government in India a statutory body for the first time. It established municipal administration in three presidency towns of Madras, Calcutta and Bombay. The highest authority in these municipal administrations was called Justices of the Peace which was entitled to levy taxes in exchange to the provisions of basic sanitation, security and transport facilities in the towns. This act was further extended to other smaller towns in Bengal in 1842. According to the 1842 Bengal Act, town committees could be formed on the request of two-third householder of a town for the services quoted above. It has been noted that none of the towns in India opted for this provision. In 1863, when Royal Army Sanitary Commission expressed its concern about the filthy condition of Indian towns different acts were passed to create municipal corporations in different parts of India. In these acts provincial administrations were empowered to create these corporations in order to provide basic sanitation, lighting and water facilities in all the towns of the country (Maheshwari 1971).

In 1870, Lord Mayo, the then viceroy of India, proposed a resolution calling for decentralization of authority in Indian administration and establishing a local self government system in India with the active cooperation of natives. According to the resolution, its operation in its full meaning and integrity 'will afford opportunities for the development of self government, for strengthening municipal

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institutions and for the association of natives and Europeans to a greater extent than *heretofore* in the administration of affairs' (as quoted in Maheshwari 1971: 15). Therefore, we can conclude that till 1870s most of the initiatives taken in the field of local government in India were motivated by the objective of increasing the revenue from towns or providing basic minimum facilities to the growing urban population in India. Most of these local governments were dominated by the British and almost all of them were nominated bodies. These features of the local government in India establish the fact that till 1870s, it was unrepresentative. Role of Indians was very limited and they were totally dependent on the British officers and administrators.

The rise of the national consciousness among the people in the late 1870s was very obvious for the British rulers in India. The successor of Lord Mayo Lord Rippon was a liberal. He was more willing to accommodate the Indian views in the administration and therefore he tried to pacify the rising Indian aspirations through various administrative and political reforms. One of his most important contributions in Indian political development was the introduction of the idea of local self government in 1882. His idea of local self government for India was to make it as an instrument of popular and political education (Maheshwari 1971: 16). According to Rippon's proposals, most of the local bodies should have elected non-government members, they should not control these bodies directly, these local bodies should be given adequate financial autonomy, the officials concerned with local issues should be controlled by these local bodies and it should be left for provincial government to decide what should be the exact nature and context of the working of these local bodies.

These proposals were very strong and far-reaching. However, most of these proposals could not be implemented due to the strong objections by the bureaucracy at that time. Nevertheless, in some provinces some of the provisions of Rippon's resolution were implemented. For example, it laid the foundation for the local self government Acts in Bombay of 1901, Bengal of 1884, Madras of 1920, Punjab of 1911, United Provinces of 1916, Central Provinces of 1922 and Burma of 1898. Despite the fact that most of these provincial regulations for local self government were modified according to the time and context, they were all based on the broader principles laid down by Lord Rippon. Government of India established a Royal Commission on decentralization in 1906. This commission submitted a report in 1909 in which the idea of local self government for both rural and urban areas was accepted and it accepted most of the provisions of the Rippon's resolution. According to the recommendations of the Royal Commission, there should be majority of elected members in the local bodies, every municipality should elect its own president, the district magistrate should however remain the head of the district local board and municipalities should be given enough financial rights in order to make them financially independent. Government should also provide certain grants to these local bodies for certain important projects. The bodies should have control over local officers. They should be autonomous to a

possible extent. However, these local bodies should take prior permission for any selling and buying for their land. These local municipalities should be given the primary responsibility to provide primary education. They should also provide secondary education. In 1918, the government of India issued a resolution re-affirming the objective of local self government in India. According to the resolution the main purpose of the local self government in India was to train the people in the management of their own local affairs and the political education. It further warned that the political education must take precedence on consideration of departmental efficiency. This resolution largely reiterated the principles prescribed by the Royal Commission upon decentralization.

Till now, local self government in India presents three forms: that of municipalities dealing with the affairs of towns; that of rural boards concerned with the improvement of non-urban tracts; and that of villages in which authorities of various kinds in varying degrees regulate the business of the smallest administrative unit. As might be expected, the needs of the presidency towns of Madras, Bombay and Calcutta first obtruded themselves upon the notice of the East India Company and attempts were made to adapt to them the machinery of corporations, mayors, aldermen and Justices of the Peace. But outside these towns municipal legislation of a general character was not attempted till 1850, or on any extensive scale till the 'sixties. In rural areas local administration was of later and slower growth. For practical purposes it was not until 1870 that the delegation of definite financial resources and responsibilities by the Imperial to the provincial governments rendered possible and encouraged the development of local taxation to be devoted to local needs under the management of those immediately interested, but even then it was not until the orders of Lord Ripon's Government in 1881-82 that Acts of 1883-34, in the case of municipalities and of 1883-35 in that of rural boards, established the systems which, in their main outlines, have continued to the present day.

Since 1880s, there has been much legislation of an amending character, but the framework on the whole has remained unchanged. In judging of results, therefore, it is essential to remember that local self government in India is not an indigenous nor even a long tried institution. In the first decade of Twentieth century, municipalities in India were very small. Only around 5 per cent of the population of India was living in some kinds of town, compared with 78 per cent in England and Wales at that time. More than half of this urban population of India was found in towns containing upwards of twenty thousand inhabitants; about one-fifth in towns with from ten to twenty thousand and the same proportion in those from five to ten thousand; the remainder, about one-fifth, lived in towns with less than five thousand (Wheeler 1917: 155).

At the outset, with the laudable intention of extending local management, municipalities were erected in localities which were not truly urban. The supervision of the business of these towns was entrusted to 9,753 councilors (the significance of the figure lies in its comparison with the total population), of whom 51 per cent were elected. Out of these 10,000 odd councilors 81 per cent were non-officials

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and 88 per cent were Indians by 1910. On the other hand, it is only in Madras, Bengal, the united provinces, Bihar and Orissa and the Central Provinces that elected members were in a majority, while the two backward provinces of the North-West Frontier and Baluchistan had no elective system and in Burma it was rudimentary. The electoral franchise was very limited and the percentage of electors to the aggregate municipal population was low. In all the municipalities, the performance depended upon the personality of their chairman. Most of these chairmen were elected (67%).

The functions of Indian municipalities after the recommendations of the Royal Commission comprised the usual services essential for the health and convenience of town dwellers. They covered the construction and upkeep of roads and public buildings, the lighting and watering of roads, medical relief, vaccination, sanitation, drainage, water supply, measures against epidemics and education. To meet these responsibilities their resources were by no means as extensive as might be desired. It may be said that British India was divided for administrative purposes into revenue districts, sub-divisions and within them the smaller units of *Talukas* and *Tehsils*. The efforts towards the establishment of local self government had by the 1910s resulted in the creation of an appreciable number of local bodies—the total, however, being still small in comparison with the population of the country. In the personnel of these bodies the Indian non-official element predominates and while, judged by the Western test of popular election, it was only partially representative, yet it included a fair selection from the educated land holding and professional classes.

According to Wheeler, this condition was due to the fact that in the ranks of only these sections of the Indian society, at that stage of Indian development, administrative ability was most likely to be found (1917: 158). The functions entrusted to these bodies covered as wide a field as was desirable and expedient at that time and afforded ample scope for useful and important work, but the funds at their disposal, especially in the case of municipalities and even in that of rural boards, looking to the area to be covered, did not suffice for the general initiation of expensive improvements. Due to the lack of funds administration had to be conducted on simple and economical lines keeping it compatible with the income available. Whereas in the West, the practice was rather to estimate the cost of the necessary municipal services and then to fix the rates on a scale adequate to meet the expenditure involved, the Indian method was, taking the total sum likely to be produced by the prevailing modes of taxation, to arrange expenditure to the extent only of which the anticipated revenue will permit. In the smaller municipalities the biggest problem had always been the dearth of local revenues, their inflexibility and the difficulty of formulating other forms of taxation. The tentative reason for this was the weak economic state of the country, since the per capita income was extremely low. This weak economy was endorsed by the fact that a sizeable population were not even able to have a one full meal a day. Another significant reason for this that is still existent throughout the country is the lack of feelings and concern towards every form of public life. Beyond doubt, this came

into effect because of apparent ignorance and illiteracy. Just 12 per cent of the males and 2 per cent of the females were educated. Extreme poverty and deplorable ignorance, emergence of strong and nasty associations, etc., were strong enough to reinstate the appalling lack of sympathy for a long time to come. The third prominent problem that existed, consisted in the fact that even literate Indians belonging to the upper-class were usually not willing to help address the problem, related to the trouble, expense and inconveniences of election. In this connection the biggest problem arose from the fact that the superior classes of Indians, on the whole, harboured a strong ill-feeling for door-to-door canvassing, simply because it was regarded as disparaging to one's self-respect to go about to solicit for votes, especially to the lower classes.

Another important class of difficulty arose from the fact that the sense of responsibility in public affairs was not allowed to develop because of the policy of the government to grow adequately. Unwarranted meddling with the executive of the public bodies and inappropriate leniency in the issues related to evaluation and realization of taxes were the deplorable highlights of this class. In addition to this, there are other problems that may emerge as a result of ignorance of the laws of public health and absence of the power to make intelligent anticipations of public requirements. This list of problems, nevertheless, cannot be closed without the mention of the most prominent problem that very often arises from extreme levels of communal feelings and even most unjustifiable and protracted litigation over elections (Mallik 1929). Various scholars at that time suggested ways to improve the working of local self government in India.

According to Mallik, the remedy was to carry out programmes of large-scale education. So far, it was quite evident, considering the figures that only 5 per cent of the revenues of the government were spent on education. The basic components of such educational programmes should be directed at resolving of problems related to sanitation, public health cooperation and civic sense. Children and the youth should be taught about important ideas and conceptions and a few of the principles of election and public life. It was unfortunate that there was absolutely no consideration for public property and there was gross misuse of public funds. Private agencies and organizations had a very strong influence on matters that affected the public. This was coupled with the effects of personal likes and dislikes. To resolve these problems, it was important to consider a stringent system of public audit and supervision of these local self government bodies. It was also necessary to base the direction of education towards the basics of civic life. This would work as a certain and only effective remedy, more importantly against the mindset of forming groups and communal hatred. To counter such problems, it is important to reconstruct the whole organization must be rebuilt from village unions towards with larger electorates, with gradually lessening inner control and interference. The local bodies should be empowered with more authority and power to manage their expenses and exercise the function of reorganizing funds.

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A higher level of authority should be given to municipalities and boards so that they can impose taxes for sufficing their requirements. The rise of taxes is always faced by a strong public opposition. However, this can be reduced by gaining the confidence of the general public before levying such taxes. One can be absolutely sure that the extreme poverty of the people as a whole was the main cause of this problem and it was very difficult to suggest any remedy in that direction. One more critical measure in this direction was the establishing of provincial training institutions for those who have been newly employed in various departments of the local self government. Such trainings should include practical sessions and the creation of a distinct provincial service for them, with attractive prospects of promotion to executive offices. Although such problems exist, the present system of local self government was increasing in terms of popularity day by day. The institutions were regularly attracting the intellectual people of the country and the higher class of citizens.

Based on these and other suggestions the government of India in 1919 accepted the Montesquieu Chelmsford reforms. The pressure created by the rising aspirations of the people of India for their independence also played a very crucial role. The acceptance of the principle of dyarchy gave greater responsibilities to the local governments with more autonomy. The Government of India Act 1919 abolished the need of having a civil servant as the head of the municipal bodies. It also provided the scope of appointing elected heads for the local district boards. This and the reforms of 1935 Government of India Act led to the more and more democratization of the local bodies. People from urban areas had more and more powers to elect their representatives in the local bodies. Nevertheless, most of these bodies had very limited franchise based on education and wealth. The government of India after independence had the responsibility to improve this condition.

### **Urban Local Government in India after Independence**

After independence first major reforms in the local self government were initiated in 1948. The then local self government minister D.P. Mishra initiated a reform in provinces where he abolished the dual structure of local self government one district administration and another local government with its rural and urban local governments. This initiative extended the sphere of activity of the district board to the whole of the district administration and making the district collector the chief executive officer of the district board and the district staff as its own. This reform divided the powers into four classes of I, II, III and IV which ranged from full powers to the district boards to the advisory powers. In all the cases, district board were to be taken into confidence. This scheme though had advantages of district boards having full sovereignty on certain matters and having full control over the staff mate with severe criticism at the central levels. It was called as Central Provinces and Berar Local Government Act 1948.

This scheme took *Tehsil* as the basic unit of government and therefore considered to be the closest scheme till time which took it to the people. It was also known as *Janpada* scheme. After the adoption of the new constitution, the reforms in the rural local self government got tremendous attention unlike the urban local self government. Since local government was a subject of state list, the Central government did not took much notice to it till the Third Five Year Plan. In the Third Five Year Plan (1961-66) it was accepted that 'in the next phase of planning, as many towns and cities as possible, at any rate those with a population of one lakh or more, should come into the scheme of planning in an organic way; each state mobilizing its own resources and helping to create conditions for a better life for its citizens' (Planning Commission, as quoted in Maheshwari 1971: 26). Till 1968, the central government had appointed several committees in order to bring reforms in the urban local government. Some of these committees were, Local Finance Enquiry Committee 1951, Committee on the Training of Municipal Employees 1963, Committee of Ministers on Augmentation of Financial Resources of Urban Local Bodies 1963, Rural-Urban Relationship Committee 1966 and Committee on the Services Conditions of Municipal Employees 1968. As we can see most of these committees were formed only after the 1960s, showing very clearly that it was only then the central government realized the need to improve the condition of local self government in India.

Since local government falls under the purview of state governments, there are some variations in their nomenclature and structure. Every state has separate departments for urban and rural local self government as has the centre. Most of the urban local self governments in all the states however have similar structure which we shall discuss further in the unit. Prior to the 1992 Amendment, the structure and power of the urban local self government was very different from what we perceive it to be today. After the 1992 Amendment many significant changes took place which contributed to its present structure.

Till very recently, urban local government constituted the charge of the Ministry of Works and Housing. Historically, local government in India had its beginning in an urge to improve local sanitation and hence has continued as the responsibility of the Ministry of Health. The Ministry of Health was looking after both urban and rural local government until 1958, when the latter was separated from it and came under the charge of the Ministry of Community Development. In January 1966, apart of local government, namely urban development, was renamed the Ministry of Works and Housing, which was again renamed in 1967 as the Ministry of Works, Housing and Urban Development. Again, in the same year the subject of urban development was transferred back to the Ministry of Health which carried a rather longish name, the Ministry of Health, Family Planning and Works, Housing and Urban Development.

In 1973, the subject of urban local government was retransferred to the Ministry of Works and Housing. The Ministry deals with the following subjects

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and organizations in the sphere of local government: Collection and collation of information with regard to the urban local government in the states, Central Council of Local Self government, Town and Country Planning Organization, Urban Community Development, Improvement Trusts, Training of Municipal Government Personnel, All-India Mayors' Conference and Advising the Ministry of Home Affairs on matters relating to local governments in the union territories. The name of the Ministry was changed to Ministry of Urban Development in September, 1985 in recognition of the importance of urban issues. With the creation of a separate Department of Urban Employment & Poverty Alleviation on 8 March 1995, the Ministry came to be known as the Ministry of Urban Affairs & Employment. The Ministry had two Departments: Department of Urban Development & Department of Urban Employment & Poverty Alleviation. The two Departments were again merged on 9 April 1999 and in consequence thereto, the name has also been restored to 'The Ministry of Urban Development'. This Ministry was bifurcated into two Ministries viz. (i) 'Ministry of Urban Development' and (ii) 'Ministry of Urban Employment and Poverty Alleviation' with effect from 16 October, 1999. These two Ministries were again merged into one Ministry on 27 May 2000 and named as 'Ministry of Urban Development and Poverty Alleviation' with two Departments. They are (i) Department of Urban Development and (ii) Department of Urban Employment and Poverty Alleviation. From 27 May 2004, the Ministry has again been bifurcated into two ministries viz.: (i) Ministry of Urban Development and (ii) Ministry of Urban Employment and Poverty Alleviation (Now Known as Ministry of Housing and Urban Poverty Alleviation).

The Central Council of Local Self Government, which was created in 1954, was a co-ordination body between the different state ministries of local government and central Ministry of Health. Till 1958, it was concerned with both rural and urban local governments. After that it was only concerned with the urban local self government. This Council used to organize annual meetings of Mayors, State Ministers of Town and Country planning, Housing Minister's Conferences, etc. These meetings were organized to evolve a greater uniformity and coordination of urban local government institutions and bodies.

Urban local government till 1992 was the responsibility of the Department of Local Self Government in the states. At the state level a number of departments deal with subjects which are the direct concern of the urban government. In addition to the Department of Local Self Government, the functional departments in the secretariat administer the various components of urban development. Thus, water supply, drainage and sewerage, road construction, land acquisition and development, housing and slum clearance, etc. are being dealt with by respective functional departments. As is to be expected under such a fragmentary arrangement, the urban affairs do not get viewed as one integrated function. Consequently, there is a haphazard and piecemeal development bearing an imprint of lack of coordination. It is, therefore, not unusual to find the dwelling houses in a town fully completed yet remaining unoccupied for, say, want of electricity or water supply.



or even both. This is an avoidable waste. Urban local self government needs greater coordination between its different bodies. The structure of the urban local self government is very complex.

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### **Check Your Progress**

6. Who introduced the system of provincial finance?
7. Which Act made local government in India a statutory body for the first time?
8. How was British India divided, for administrative purposes?
9. When did the Government of India accept the Montesquieu Chelmsford reforms?

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## **1.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS**

1. In a welfare state, many progressive schemes and programmes are launched by government. The task of the local government is to implement them.
2. The concept of Panchayati Raj is unquestionably Indian in origin.
3. In 1993, the Government of India made the Panchayati Raj Institutions a part of the Constitution.
4. The word 'panchayat' is derived from 'pancha panchasvanusthitah'.
5. The two popular assemblies were the Samiti and the Sabha.
6. The system of provincial finance was introduced by the resolution of Lord Mayo's Government.
7. The 1793 Charter Act made local government in India a statutory body for the first time.
8. For administrative purposes, British India was divided into revenue districts, sub-divisions and within them the smaller units of Talukas and Tehsils.
9. The Government of India accepted the Montesquieu Chelmsford reforms in 1919.

## **1.6 SUMMARY**

- Local administration is based upon rule-making and decision-making for the welfare of the people and their implementation at the grass-roots level (village level) in the country.
- The Panchayati Raj institution has originated in India. During its long span of time, its format and practices have changed many a times.

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- The institution of Panchayati Raj is as old as Indian civilization itself. It has been controlling civil as well as judicial matters of several Indian villages since ancient times.
- Self-governing village communities which are characterized by agrarian economies existed in India since the earliest times.
- The political units — the Samiti and Sabha had the right to debate. It is a privilege that was unknown to the popular assemblies of other people of that era.
- Under the British rule, the Panchayats started slowly losing their self-governing character and the authority of the state had direct control over the British rulers.
- Lord Mayo, the Viceroy of India from 1869 to 1872, felt the need to decentralize powers to bring efficiency in administration. In 1870, he launched the system of elected representatives in urban municipalities.
- Lord Mayo's Resolution of 1870 under the British Rule is considered as a huge step in the history of evolution of local self-government.
- The Bengal Chowkidar Act of 1870 was an initiative to re-introduce the age-old tradition of village panchayati system in Bengal.
- The Government of India Act (1935) is considered as an important stage in the evolution of panchayats in British India.
- The aim of the British rulers was not to decentralize democracy but to facilitate colonial administration. The Freedom Movement was concerned more with swaraj for the country than with *Gram Swaraj*.
- The burden of strengthening the Panchayati Raj system was on the Indian government formed after Independence. India, which is a country of villages, had to strengthen village panchayats to strengthen democracy.
- Rajiv Gandhi, the then Prime Minister of India, introduced the 64th Amendment bill on local government on 15 May 1989, but it failed to get the required support.
- In September 1991, a bill on Panchayati Raj was again introduced by the Congress government under the Prime Minister, P. V. Narasimha Rao. It was passed in 1992 as the 73rd Amendment Act with minor modifications and came into force on 24 April 1993.
- The 73rd Amendment Act provided for the establishment of Gram Sabha in each village.
- The modern advent of the idea of local self government in India was due to the needs of the British Government.

- Personalities like Lord Rippon played a very important role in the establishment of the elected urban local government in India.
- The Acts of 1919 and 1935 were important milestones in the history of the urban local self government in India.
- After independence we have seen the rise in the urban population in India which has necessitated the reforms in the urban local government.

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### 1.7 KEY WORDS

- **Panchayat:** It is a village council in India which consists of five members.
- **Five Year Plans:** It is a policy adopted by some countries for the development of the country economically and industrially, which specifies the goals to be reached in five years.
- **Municipal corporation:** The legal term for a local governing body, including (but not necessarily limited to) cities, counties, towns, townships, charter townships, villages, and boroughs.
- **Presidency towns:** Provinces of British India, that were the administrative units of the territories of India under the tenancy or the sovereignty of either the English East India Company or the British Crown.
- **Viceroy:** A ruler exercising authority in a colony on behalf of a sovereign.

### 1.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

#### Short-Answer Questions

1. List the factors which affect local governance in India.
2. Write a short note on the importance of local governance in India.
3. What do you know about the Mayo Resolution of 1870?
4. Why is Lord Ripon regarded as the father of local self-government in India?
5. Where and when was the first urban local government established in India?
6. When was the first election for urban local government held in India?

#### Long-Answer Questions

1. Give a history of the Panchayati Raj System in the pre-British rule.
2. Trace the evolution of urban government in India.
3. Give an account of the urban local government in India after independence.

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## 1.9 FURTHER READINGS

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### NOTES

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### Footnote

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# UNIT 2 COMMUNITY DEVELOPMENT PROGRAMMES AND COMMITTEE REPORTS

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*Community Development  
Programmes and  
Committee Reports*

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- 2.0 Introduction
- 2.1 Objectives
- 2.2 Community Development Programmes
  - 2.2.1 National Extension Service
- 2.3 Committee Reports on Local Bodies
  - 2.3.1 The Balwant Mehta Report
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- 2.4 Answers to Check Your Progress Questions
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## 2.0 INTRODUCTION

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For many decades, rural development work had been undertaken by different branches of the administration in the states. Earlier, the expenditure on development was meagre and rural development work was thought of largely in terms of particular items of improvement in village life and in agricultural practice, and special attention was given, for instance, to the number of wells sunk or repaired, for the supply of irrigation or drinking water, the supply of seeds or fertilisers, or the number of manure pits dug and starting of rural credit societies. These are essential items in any rural programme, but there was no coordinated approach to village life as a whole. To overcome these problems, the Community Development Programme and the National Extension Service was launched in 1952-53. In this unit, you will learn about the concepts of the Community Development Programmes and the National Extension Service. These were crucial to also promote local governance and participation. Further in the unit, you will study the major recommendations by the Balwant Rai Mehta Committee and the Ashok Mehta Committee.

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## 2.1 OBJECTIVES

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After going through this unit, you will be able to:

- Examine the Community Development Programmes
- Describe the implementation of the National Extension Service

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- Discuss the Balwant Rai Mehta Committee and Ashok Mehta Committee Reports

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### 2.2 COMMUNITY DEVELOPMENT PROGRAMMES

Community Development was the method and Rural Extension the agency through which the Five-Year Plan sought to initiate a process of transformation of the social and economic life of the villages. The Plan provided <sup>1</sup> 90 crores for community projects and proposed the establishment over a period of about ten years of a network of extension workers throughout the country.

If one goes back to the study of the efforts made before World War II in individual provinces and states and considers the experience gained in later years in Sevagram in Madhya Pradesh, in the Firka Development scheme in Madras, in the Sarvodaya centres in Mumbai, in Etawah and Gorakhpur in Uttar Pradesh and other centres which are perhaps less well known, certain broad conclusions emerge. These are:

- When different departments of the government approach the villagers, each from the aspect of its own work, the effect on the villagers is apt to be confusing and no permanent impression is created. The peasant's life is not cut into segments in the way the Government's activities are apt to be; the approach to the villager has, therefore, to be a coordinated one and has to comprehend his whole life. Such an approach has to be made, not through a multiplicity of departmental officials, but through an agent common at least to the principal departments engaged in rural work, whom it is now customary to describe as the village level worker.
- Programmes which have been built on the cooperation of the people have more chances of abiding success than those which are forced down on them.
- While the official machinery has to guide and assist, the principal responsibility for improving their own condition must rest with the people themselves. Unless they feel that a programme is theirs and value it as a practical contribution to their own welfare, no substantial results will be gained.
- Programmes largely dependent on expenditure by the government, in which the elements of self-help and mutual cooperation on the part of villagers are present only in a nominal degree are short lived. The essential idea should be the reduction of chronic unemployment which is a feature of rural life—through the practice of scientific agriculture and cottage and small-scale industries.
- Advice and precept are of no avail unless they are backed by practical aids—supplies of seed and fertiliser, finance and technical guidance for solving the farmer's immediate problems.

- Whatever the measures of the effort which the government wishes to make, the best results will be gained if the programmes are pursued intensively, and practically every agriculturist family has its own contribution to make through a village organization.
- The approach to the villagers would be in terms of his own experience and problems, conceived on the pattern of simplicity, avoiding elaborate techniques and equipment until he is ready for them.
- There has to be a dominant purpose round which the enthusiasm of the people can be aroused and sustained, a purpose which can draw forth from the people and those who assist them on behalf of the government, the will to work as well as a sense of urgency. The aim should be to create in the rural population a burning desire for a higher standard of living—a will to live better.

These lessons from the experience of the past were brought together in the conception and concrete formulation of the Community Development Programme, which was launched during the year 1952. While the concept was not a new one, progress has in the past been hampered by insufficiency of available funds.

### **Size of the Unit**

For each community project, as planned, there was to be approximately 300 villages with a total area of about 450 to 500 square miles, a cultivated area of about 1,50,000 acres and a population of about 2,00,000. The project area was conceived as being divided into 3 Development Blocks, each consisting of about 100 villages and a population of about 60,000 to 70,000. The development block was, in turn, divided into groups of 5 villages each, each group being the field of operation for a village level worker.

### **Location of Units**

The initial programme had been started with approximately 55 projects of rural development located in selected areas in the several states of India. A certain degree of flexibility was allowed in the actual allotment of projects. Thus, while many were complete projects of about 300 villages each, some were also independent development blocks of about 100 villages each, depending upon the needs and conditions of the particular areas chosen for development.

As increased agricultural production was the most urgent objective, one of the basic criteria in the selection of this first set of project areas had been the existence of irrigation facilities or assured rainfall. In assessing irrigation facilities and the possibilities of development, irrigation from river valley projects, from tube wells, as well as from minor irrigation works, had been taken into account. In States like West Bengal and Punjab, with a large population of displaced persons, the selection of project areas aimed also at helping the resettlement of these persons. Seven areas were selected on the ground of their being inhabited predominantly

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by Scheduled Tribes. In every field of activity, whether social or economic, urban and rural development are complementary, for neither towns nor villages can advance alone. Where the existing urban facilities were inadequate or where large numbers of displaced persons had to be rehabilitated, the intention was that the urban development should take the form of new townships. Six such projects had been proposed to be taken up under the programme.

Under such rural-CMW-urban development, new towns were to come into existence to serve as centres which would draw sustenance from the surrounding countryside and, in return, carry to it new amenities and the spirit of a developing and changing economy. The creation of new centres of small-scale industrial production, closely coordinated with rural development, is fundamental to national development, for in no other way could the then occupational imbalance between agriculture and industry, between village and town, be corrected. With the development of power resources and of communications and the growth of basic industries, the scope for establishing such centres was aimed to steadily increase and, as the economy develops, this programme would gain in importance. During the first few years, however, it was inevitable that by far the greatest stress in community development, as indeed in national planning, would have been on rural areas. The intensive development of agriculture, the extension of irrigation, rural electrification and the revival of village industries, wherever possible, with the help of improved techniques, accompanied by land reform and a revitalized cooperative movement, were programmes closely related to one another, and together calculated to change the face of the rural economy.

### **Main Lines of Activity**

The main lines of activity which were to be undertaken in a community project, could be briefly divided into the following:

- (a) Agriculture and related matters
- (b) Irrigation
- (c) Communications
- (d) Education
- (e) Health
- (f) Supplementary employment
- (g) Housing
- (h) Training
- (i) Social welfare

### **(a) Agriculture and Related Matters**

The programme included reclamation of available virgin and waste land; provision of commercial fertilizers and improved seeds; the promotion of fruit and vegetable



cultivation, of improved agricultural technique and land utilization; supply of technical information, improved agricultural implements, improved marketing and credit facilities, provision of soil surveys and prevention of soil erosion, encouragement of the use of natural and compost manures and improvement of livestock, the principal emphasis here being on the establishment of key villages for breeding pedigree stock and the provision of veterinary aid, as well as artificial insemination centres. For attaining this objective, agricultural extension service was to be provided at the rate of one agricultural extension worker for every 5 villages.

One of the important functions of the agricultural extension worker was to encourage the growth of a healthy cooperative movement. The aim was to see that there is at least one multi-purpose society in every village or group of villages on which practically every agriculturist family is represented.

It was expected 'that the cooperative principle, in its infinitely varying forms, will be capable of adaptation for finding a solution to all problems of rural life.' Multi-purpose societies would therefore have to be used for practically every development activity in the community project area, including the encouragement of rural arts and crafts.

### **(b) Irrigation**

The programme visualised provision of water for agriculture through minor irrigation works, e.g., tanks, canals, surface wells and tube wells, the intention being that at least half of the agricultural land, if possible, be served with irrigation facilities.

### **(c) Communication**

The road system on the countryside was to be so developed as to link every village within the project area up to a maximum distance of half a mile from the village, the latter distance being connected by feeder roads through voluntary labour of the villagers themselves, only the main roads being provided for and maintained by the state or other public agencies.

### **(d) Education**

It had been realized that the full development of a community would not be achieved without a strong educational base, similar for men and women. The community projects were being planned to provide for social education, expansion and improvement of primary and secondary education and its gradual conversion to basic type, provision of educational facilities for working children and promotion of youth welfare. Vocational and technical training were to be emphasised in all the stages of the educational programme. Training facilities were to be provided for imparting improved techniques to existing artisans and technicians, both in urban and rural areas. Training centres which already existed in any area, were to be strengthened and developed, and new ones established to meet the requirements of the project area.

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### **(e) Health**

The Health Organization of the project area was to consist of 3 primary health units in the development blocks and a secondary health unit equipped with a hospital and a mobile dispensary at the headquarters of the project area and serving the area as a whole. It was aimed at the improvement of environmental hygiene, including provision and protection of water supply; proper disposal of human and animal wastes; control of epidemic diseases such as malaria, cholera, small-pox, tuberculosis. Provision of medical aid along with appropriate preventive measures, and education of the population in hygienic living and in improved nutrition.

### **(f) Supplementary Employment**

The unemployed and the under-employed persons in the village community were to be provided with gainful employment to such extent as is possible, by the development of cottage and small-scale industries, construction of brick kilns and saw mills and encouragement of employment through participation in the tertiary sector of the economy.

### **(g) Housing**

Apart from the provision of housing for community projects personnel, steps were taken, wherever possible, to provide demonstration and training in improved techniques and designs for rural housing. In congested villages, action in the direction of development of new sites, opening of village parks and playgrounds and assistance in the supply of building materials, were also deemed to be necessary.

### **(h) Training**

The training of village level workers, project supervisors and other personnel for the Community Development Programme was aimed to be carried out in 30 training centres which were set up with the assistance of the Ford Foundation of America. Each training centre was to have facilities for about 70 trainees. Each centre was aimed to have double training staff so that the trainees could be divided into two groups. One group was to get practical and supervisory work experience, while the other group was to be utilizing the centres' facilities for lectures, demonstrations and discussions. In view of the great demand on the training centres to turn out people quickly for the opening of new projects, the training period was, in the first instance, to be limited to six months. In addition to the training of village level workers and supervisors, the agricultural extension service workers in the project areas was to take steps for the training of the agriculturists, panchs and village leaders.

### **(i) Social Welfare**

There was to be provision for audio-visual aid for instruction and recreation, for organizations of community entertainment, sports activities and Melas.

## Organization

- **Centre:** For the implementation of the Community Development Programme as indicated above, the Central Organization consisted of a Central Committee (the Planning Commission has been designated as the Central Committee) to lay down the broad policies and provide general supervision, and an administrator of Community Projects under the Central Committee. The administrator was responsible for planning, directing and co-ordinating the Community Projects throughout India under the general supervision of the Central Committee and in consultation with appropriate authorities in the various states. He was to be assisted by a highly qualified executive staff to advise him on administration, finance, personnel, community planning and other matters.
- **State:** At the state level, there was a State Development Committee or a similar body consisting of the chief minister and such other ministers as he may consider necessary. There was also a State Development Commissioner or a similar official who was to act as the secretary to the State Development Committee and responsible for directing community projects in the state. Where the work justified it, there was, in addition, a Deputy Development Commissioner specifically in charge of community projects.
- **District:** At the district level, there were, wherever necessary, a District Development Officer responsible for the Community Development Programme in the district. This officer had the status of an additional collector and operated under the directions of the development commissioner. He was to be advised by a District Development Board consisting of the officers of the various departments concerned with community development, with the collector as chairman and the District Development Officer as executive secretary
- **Project:** At the project level, each individual project unit (consisting of a full project or one or more development blocks where there is not a full project) was in charge of a Project Executive Officer. In the selection of Project Executive Officers, special regard was paid to experience, general outlook, understanding of the needs and methods of community development, capacity for leadership and ability to secure both official and non-official co-operation. Each Project Executive Officer in charge of a full project, had on his staff approximately 125 supervisors and village level workers, who were to be responsible for the successful operation of all activities at the project level.

It was also recommended that the organizational pattern will have be adapted to suit local conditions and needs as may be deemed necessary by the administrator and the respective state governments.

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### People's Participation—The Crux of the Programme

While on the subject of organization, it is necessary to stress the importance of ensuring, right from the start, the people's participation, not merely in the execution of the Community Development Project but also in its planning. This in fact was the very essence of the programme.

The Community Development Programme aimed at the establishment of a suitable organ to ensure participation of the villagers at the planning stage. It contained provisions for the setting up of a Project Advisory Committee. It intended that the Project Advisory Committee should be as representative as possible of all the non-official elements within the project area. In securing participation of the villagers in the execution of the programme, the Community Projects Organization was to avail of all non-official local voluntary organizations and especially the Bharat Sevak Samaj, which was likely to be set up in the project area on the lines indicated in the pamphlet recently circulated by the Planning Commission.

### Villager's Contribution to the Programme

The pattern of the project, as drawn up, included major items of works normally implemented through government agencies. This was bound to involve higher expenditure through elaborate administrative staff, middlemen's fees and possibly in certain cases, questionable practices. If the people are to be trained to be the builders of the future, the works had to be entrusted, even at certain risks, to the people themselves through their representative agencies, the governmental organization furnishing the technical assistance and the essential finance. It was intended that a qualifying scale of voluntary contribution, either in the form of money or of labour, should be laid down and this contribution would be a condition precedent to development schemes being undertaken under the Community Development Programme.

In all these cases, contributions were to be in the form, either of voluntary labour or of cash. In respect of backward areas and areas predominantly populated by Scheduled Castes and Scheduled Tribes it was not always possible for the villagers to make any financial contribution. In these areas, the villagers were to be asked to contribute by way of labour effort required for executing the works programme under various heads. The agency of the Bharat Sevak Samaj was hoped to become a major avenue for the organization of the voluntary effort on the part of the villagers.

### Finance

The estimated expenditure on a basic type of a rural community project, i.e., a project without the provision for an urban unit, was ₹ 65 lakh over a period of 3 years. Of this amount, about ₹ 5.8-47 lakhs was estimated to be the expenditure, and ₹ 6-53 lakhs was the dollar expenditure.

In order to enable expansion of the programme in future years, the Central Committee felt that some reduction in the estimated cost of a rural community project, basic type, should be made and, after examination of the question, and it was decided that oil community projects were operated on the basis of a reduced total of ₹ 45 lakh per project.

The Community Development Programme imposed financial obligations on the centre as well as on the state governments. Broadly, the proportions which were fixed were 75 per cent for the centre and 25 per cent for the state in respect of non-recurring expenditure, and 50 per cent each for centre and states in respect of recurring expenditure. This applied to 'grants-in-aid'. Loan amount was totally funded by the centre. After the three-year period, the Community Project areas were intended to become development blocks on the lines recommended for adoption in Chapter VI of the Grow More Food Enquiry Committee's Report. It was expected that in so far as the Community Project areas are concerned, the expenses of such development blocks would be borne entirely by state governments after the third year. The expenditure, mostly recurring, was likely to be about ₹ 3 lakh per project.

### **Supporting Projects**

The Community Development Programme was related to and supported in part by most of the other projects under the Indo-American Technical Cooperation Programme. The fertiliser required by the Community Development Programmes were to be acquired and distributed in accordance with the Operational Agreement No. I which dealt with the 'Project for Acquisition and Distribution of Fertilizer'. Similarly, the iron and steel needed for farm implements and tools were acquired and distributed in accordance with the 'Project for the Acquisition and Distribution of Iron and Steel for Agricultural purposes'. The tube-wells to be constructed in the project areas were to be allocated from the 'Project for Ground Water Irrigation'. Information and services with respect to soils and fertilizer application were to be made available from the 'Project for distribution of soil fertility and fertiliser use'. Assistance in Malaria control in the project areas was to be forthcoming from the 'Project for malaria control planned under the Technical Cooperation Programme'. The training, of Village Level Workers and Project Supervisors was to be carried out under the 'Village Workers Training Programme'.

### **Evaluation**

A systematic evaluation of the methods and results of the Community Development Programme no doubt, made a significant contribution by pointing out those methods which were proving effective, and those which were not; and furnishing an insight into the impact of the Community Development Programme upon the economy and culture of India. In order that it may be useful to those administering the Community Development Projects and serve as a basis for informed public opinion regarding the programme, the evaluation work was also arranged to be conducted

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by the Planning Commission in close cooperation with the Ford Foundation and the Technical Cooperation Administration.

Many committee reports like that of the Balwant Rai Committee suggested the reorientation of such programmes and these were accepted later on.

### 2.2.1 National Extension Service

With the aim to expand the community development practices in the entire country, the National Extension Service was launched in 1953. It ran concurrently with the Community Development Programmes. It was launched to cover areas which were not yet covered under the CDP. It was constituted within the same central agency as in case of Community Development Programmes and had the divisions on similar lines as well, but all the community projects were not a focus of development together, only those blocks were focused on which showed better progress and development. Post 1958, it was merged with the CDP and all the development blocks under the NES became community development blocks under the CDP.

The Grow More Food Enquiry Committee proposed the establishment of a National Extension Organization for intensive rural work which could reach every farmer and assist in the coordinated development of rural life as a whole. The programme envisaged by the Committee, for which the necessary provision had been made in the plan, was that the central government should assist state governments in establishing extension organizations so as to bring their entire area under extensive development within a period of about ten years. During the period of the plan, about 1,20,000 villages were to be brought within the operations of the extension, that is, nearly one-fourth of the rural population. The central and the various state governments were expected to frame detailed programmes for reorganizing the existing extension services, arranging for further recruitment and preparing training programmes.

In drawing up these programmes, the central and state governments were tasked to examine the necessity for providing the basic training in agriculture and animal husbandry to the village level workers and the various supervisory subject matter specialists. Where existing facilities were inadequate, steps were to be taken to augment them with a view to ensuring an adequate supply of extension workers for each major linguistic region. The proposals were aimed to give a new and powerful momentum to all rural work and, in particular, to the programme for increased agricultural production.

The organization of extension services with the object of securing increased production and raising the standard of village life was a new undertaking. Extension was a continuous process designed to make the rural people aware of their problems and indicating to them ways and means by which they can solve them. It thus involved not only education of the rural people in determining their problems and the methods of solving them, but also inspiring them towards positive action in

doing so. It was, therefore, of the highest importance that for this task, personnel of the right type were obtained who would take to their work with zeal and enthusiasm. The qualities required were not only the ability to acquire knowledge but also dedication to the task of serving the rural people and the development of a will to find solutions for their problems. People from village surroundings with experience of practical farming were likely to prove of special value as extension workers.

The training of extension workers required the closest attention to be paid to the services that they will have to perform. They were expected to understand rural problems, the psychology of the farmer, and owner's solutions to his various difficulties. They were to try and find out the felt needs of the people, and the solutions that they offer were expected to be demonstrated by acting in close cooperation with the farmers. They were expected to discover leadership and stimulate it to action. Their success would depend on the extent to which they gain the confidence of the farmers. Their duties were thus to be educative and demonstrative. Their training was to have many facets.. If the period of extension training is to be shortened, so as to be able to cover a larger area than may be otherwise possible, care was to be taken to see that it was preceded by adequate opportunities for basic training in all aspects of rural development. Their conditions of service were also to be such as are calculated to keep up their zeal and enthusiasm and ensure the continuous maintenance of high standards of performance. There was to be considerable scope for promotion for men who start at the bottom. In order to develop the true extension approach much might be gained if all extension workers, whether graduates or field level workers, were to start at the field level and only those who proved their worth, would receive promotions to higher positions. A fair proportion of these positions were also be open to village workers who display the necessary qualities of leadership and ability. For this purpose, courses should be provided at different levels to enable the promising extension workers who start at the field level to reach positions of greater responsibility

It was important to secure that the extension service retains its character of continued utility to the rural areas which they serve. This factor should, therefore, be particularly borne in mind in judging the work of officials who mans this service. Local opinion on the extent to which an extension worker has made himself useful should be an important criterion in assessing his ability.

The confidence of the villager is to be gained with difficulty and lost easily. It was, therefore, of the essence of extension that the initial start was made with items whose usefulness to the cultivator in increasing agricultural production had been well established. It was only after sufficient confidence was gained that comparatively untried measures could be put forward, and even these could be held out as experiments until the people have found the answer for themselves.

The immediate effect of the first impact of an extension organization was to increase the demands of the cultivator for credit, supplies and implements. The

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satisfaction of these demands was a necessary consequence of extension activities and they would succeed to the extent this responsibility was handled efficiently. Extension activities were adversely affected if arrangements could not be made for supplying the needs which they generate.

Finally, it may be pointed out that extension workers had to be supported effectively by research workers to whom they could bring their problems and whose results they could to the people. Special arrangements were, therefore, needed to ensure the closest cooperation between extension and research.

Both these projects were succeeded by the Intensive Agriculture District Programme post 1960.

### Check Your Progress

1. How did the Five-Year Plan sought to initiate a process of transformation of the social and economic life of the villages?
2. What was the size and division of community project under the Community Development programme?
3. What was the organization of Community Development programme at the state level?
4. When was the National Extension Service launched?

## 2.3 COMMITTEE REPORTS ON LOCAL BODIES

In this section, you will learn about two most important early committees set up after independence on the evaluation of local bodies.

### 2.3.1 The Balwant Mehta Report

Balwant Rai Mehta Committee was appointed by the India Government in January 1957 to look into the working of the Community Development Programme (1952) and the National Extension Service (1953) and to propose measures for their better working. The Chairman of this committee was Balwant Rai G. Mehta. The committee submitted its report in November 1957 and recommended the institution of the scheme of 'democratic decentralization' which finally came to be known as Panchayati Raj.

The specific recommendations of the committee are as follows:

- Establishment of a 3-tier Panchayati Raj system-Gram Panchayat at the village level, Panchayat Samiti at the block level and Zila Parishad at the district level. These tiers should be organically linked through a tool of indirect elections.
- The village Panchayat should be constituted with directly elected representatives, whereas the Panchayat Samiti and Zila Parishad should be constituted with indirectly elected members.



- All planning and developmental activities should be entrusted to these units.
- The Panchayat Samiti should be the decision-making body while the Zila Parishad should be the advisory, coordinating and supervisory body.
- The District Collector should be the Chairman of the Zila Parishad.
- There should be an authentic transfer of power and responsibility to these democratic bodies.
- Enough resources should be transferred to these bodies to enable them to discharge their functions and fulfil their responsibilities.
- A system should be developed to affect more devolution of authority in future.

These recommendations were accepted by the National Development Council in January 1958.

### **2.3.2 Ashok Mehta Committee Report**

In December 1977, the Janata Government established a committee on Panchayati Raj institutions under the leadership of Ashok Mehta. The committee submitted its report in August 1978 and made 132 recommendations to revitalize and strengthen the declining Panchayati Raj system. Due to this report, the Indian states of Karnataka, Andhra Pradesh and West Bengal passed new legislation. However, the state-level politics did not allow the institutions to develop their own political dynamics.

The main recommendations of the committee are as follows:

- The three-tier system of Panchayati Raj should be changed by the two-tier system: Zila Parishad at the district level, and below it, the Mandal Panchayat consisting of a group of villages covering a population of 15000 to 20000.
- A district should be the first point for decentralization under accepted supervision below the state level.
- Zila Parishad should be the decision-making body and made responsible for planning at the district level.
- There should be an official involvement of political parties at all levels of Panchayat elections.
- The Panchayat Raj institutions should have obligatory powers of taxation to mobilize their own financial resources.
- There should be a customary social audit by a district level agency and by a committee of legislators to check whether the funds allotted for the vulnerable social and economic groups are in fact spent on them.
- The state government should not succeed the Panchayat Raj institutions. In case of an imperative supersession, election should be held within 6 months from the date of supersession.

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- The Nyaya Panchayats should be kept as separate bodies from that of development Panchayats. They should be presided over by a qualified judge.
- The Chief Electoral Officer of the state in consultation with the Chief Election Commissioner should organize and conduct the Panchayati Raj elections.
- Development functions should be transferred to the Zila Parishad and all development staff should work under its control and direction.
- The voluntary agencies should play an important role in mobilizing the support of the people for Panchayati Raj.
- A minister for Panchayati Raj should be appointed in the state council of ministers to take care of the affairs of the Panchayati Raj institutions.
- Seats for SCs and STs should be reserved on the basis of their population

### Check Your Progress

5. Who was the Chairman of the Balwant Rai Committee?
6. Name the scheme whose institution was recommended by the Balwant Rai Committee.
7. What change did the Ashok Mehta Committee suggest to the three-tier panchayati raj system?

## 2.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Community Development was the method and Rural Extension the agency through which the Five-Year Plan sought to initiate a process of transformation of the social and economic life of the villages.
2. For each community project, as planned, there was to be approximately 300 villages with a total area of about 450 to 500 square miles, a cultivated area of about 1,50,000 acres and a population of about 2,00,000. The project area was conceived as being divided into 3 Development Blocks, each consisting of about 100 villages and a population of about 60,000 to 70,000. The development block was, in turn, divided into groups of 5 villages each, each group being the field of operation for a village level worker
3. At the state level, there was a State Development Committee or a similar body consisting of the chief minister and such other ministers as he may consider necessary. There was also a State Development Commissioner or a similar official who was to act as the secretary to the State Development Committee and responsible for directing community projects in the state. Where the work justified it, there was, in addition, a Deputy Development Commissioner specifically in charge of community projects.

4. With the aim to expand the community development practices in the entire country, the National Extension Service was launched in 1953.
5. The Chairman of the Balwant Rai Committee was Balwant Rai G. Mehta.
6. The Balwant Rai committee submitted its report in November 1957 and recommended the institution of the scheme of 'democratic decentralization' which finally came to be known as Panchayati Raj.
7. The Ashok Mehta Committee recommended that the three-tier system of Panchayati Raj should be changed by the two-tier system: Zila Parishad at the district level, and below it, the Mandal Panchayat consisting of a group of villages covering a population of 15000 to 20000.

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### 2.5 SUMMARY

- Community Development was the method and Rural Extension the agency through which the Five-Year Plan sought to initiate a process of transformation of the social and economic life of the villages.
- The Plan provided ₹ 90 crores for community projects and proposed the establishment over a period of about ten years of a network of extension workers throughout the country.
- If one goes back to the study of the efforts made before World War II in individual provinces and states and considers the experience gained in later years in Sevagram in Madhya Pradesh, in the Firka Development scheme in Madras, in the Sarvodaya centres in Mumbai, in Etawah and Gorakhpur in Uttar Pradesh and other centres which are perhaps less well known, certain broad conclusions emerge.
- These lessons from the experience of the past were brought together in the conception and concrete formulation of the Community Development Programme, which was launched during the year 1952.
- For each community project, as planned, there was to be approximately 300 villages with a total area of about 450 to 500 square miles, a cultivated area of about 1,50,000 acres and a population of about 2,00,000. The project area was conceived as being divided into 3 Development Blocks, each consisting of about 100 villages and a population of about 60,000 to 70,000. The development block was, in turn, divided into groups of 5 villages each, each group being the field of operation for a village level worker.
- The initial programme had been started with approximately 55 projects of rural development located in selected areas in the several states of India.
- The main lines of activity which were to be undertaken in a community project, could be briefly divided into the following: (a) Agriculture and related matters, (b) Irrigation, (c) Communications, (d) Education,

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(e) Health, (f) Supplementary employment, (g) Housing, (h) Training and (i) Social welfare.

- For the implementation of the Community Development Programme as indicated above, the Central Organization consisted of a Central Committee (the Planning Commission has been designated as the Central Committee) to lay down the broad policies and provide general supervision, and an administrator of Community Projects under the Central Committee. Further structures were made at the State, District and Project level.
- The Community Development Programme aimed at the establishment of a suitable organ to ensure participation of the villagers at the planning stage. It contained provisions for the setting up of a Project Advisory Committee.
- The estimated expenditure on a basic type of a rural community project, i.e., a project without the provision for an urban unit, was ₹ 65 lakh over a period of 3 years. Of this amount, about ₹ 5.8-47 lakhs was estimated to be the expenditure, and ₹ 6-53 lakhs was the dollar expenditure.
- The Grow More Food Enquiry Committee proposed the establishment of a National Extension Organization for intensive rural work which could reach every farmer and assist in the coordinated development of rural life as a whole.
- In drawing up these programmes, the central and state governments were tasked to examine the necessity for providing the basic training in agriculture and animal husbandry to the village level workers and the various supervisory subject matter specialists.
- The immediate effect of the first impact of an extension organization was to increase the demands of the cultivator for credit, supplies and implements. The satisfaction of these demands was a necessary consequence of extension activities and they would succeed to the extent this responsibility was handled efficiently.
- Balwant Rai Mehta Committee was appointed by the India Government in January 1957 to look into the working of the Community Development Programme (1952) and the National Extension Service (1953) and to propose measures for their better working. The Chairman of this committee was Balwant Rai G. Mehta. The committee submitted its report in November 1957 and recommended the institution of the scheme of 'democratic decentralization' which finally came to be known as Panchayati Raj.
- In December 1977, the Janata Government established a committee on Panchayati Raj institutions under the leadership of Ashok Mehta. The committee submitted its report in August 1978 and made 132 recommendations to revitalize and strengthen the declining Panchayati Raj system. Due to this report, the Indian states of Karnataka, Andhra Pradesh

and West Bengal passed new legislation. However, the state-level politics did not allow the institutions to develop their own political dynamics.

*Community Development  
Programmes and  
Committee Reports*

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## 2.6 KEY WORDS

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- **Community Development Programme:** It was multi-faceted programme launched in 1952 for the development of rural areas.
- **National Extension Service:** It was launched in the year 1953 as the supporting agency working for the extension of education and community development programmes.
- **Ford Foundation:** It is a private American foundation founded by Henry Ford and his son which is devoted to the human welfare, and in India, it worked closely with the government to provide technical and financial support for developmental projects in the newly independent India.

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## 2.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

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### Short-Answer Questions

1. Write a short note on the location of units under the Community Development Programme.
2. Briefly explain people's participation as being the crux of Community Development projects.
3. How was the finance arranged and planned for Community Development Programmes?
4. What were the main recommendations of the Balwant Rai Mehta Committee?
5. List the major recommendations of the Ashok Mehta Committee Report.

### Long-Answer Questions

1. What were the lessons learnt from the experience of the past which led to the conception and concrete formulation of the Community Development Programme?
2. Describe the main lines of activity which were to be undertaken in a community project.
3. Examine the organization of powers and structures for the implementation of the Community Development Programme.
4. Explain the qualities that were expected of and to be instilled in the training of extension workers under the National Extension Programme.

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## 2.8 FURTHER READINGS

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## BLOCK - II

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### ORGANISATION STRUCTURE AND ITS FUNCTIONS

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*Organization and  
Functions of Three Tier  
Structure Panchayat Raj  
Institutions*

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## UNIT 3 ORGANIZATION AND FUNCTIONS OF THREE TIER STRUCTURE PANCHAYAT RAJ INSTITUTIONS

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#### Structure

- 3.0 Introduction
- 3.1 Objectives
- 3.2 Gram Sabha and Panchayat
  - 3.2.1 Constitutional Provisions Related to Panchayats
- 3.3 Panchayat Samiti and Zilla Parishad
- 3.4 Answers to Check Your Progress Questions
- 3.5 Summary
- 3.6 Key Words
- 3.7 Self Assessment Questions and Exercises
- 3.8 Further Readings

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### 3.0 INTRODUCTION

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As you have learnt in Unit 1, local government refers to the administrative authorities over areas that are smaller than a state. At the rural local governance level, the Panchayati Raj System is functioning in India. Panchayati Raj system of India is a three-tier system, which has elected bodies at the village, Taluk and district levels. The system ensures greater participation of people and an effective implementation of rural development programmes. It helps in making self-sufficient and self-governing village communities. In this unit, you will learn about the organisation and functions of the three-tier structure of the Panchayati Raj Institution.

Panchayati Raj institutions (PRIS) in India comprise the following:

- Gram Sabha and Panchayat
- Panchayat Samiti
- Zilla Parishad

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### 3.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the organization and functions of gram sabhas and panchayats
- Explain the composition of a panchayat samiti
- Describe the organization of Zilla parishads and its functions

### 3.2 GRAM SABHA AND PANCHAYAT

The base of the *Panchayati Raj* structure lies in the *Gram Sabha* or village assembly consisting of all the adult citizens who are eligible to cast vote. Most of the state legislations provide that *Gram Sabha* should be called at least twice a year, usually after Rabi and Kharif crops are harvested. In Orissa and Jammu and Kashmir it meets only once a year. Some State legislation requires that a meeting of *Gram Sabha* should be called if it is requisitioned by a certain proportion at the votes constituting it say one-fifth.

The *Gram Sabha* is expected to play the role of a present body to which the village Panchayat should owe responsibility. In Bengal, Punjab, Gujrat and Assam village Panchayat is elected by *Gram Sabha*. In Bihar *Gram Sabha* elects 50 members as its executive council and a *mukhia*.

The *Gram Sabha* has rather been a strong body. There are proposals for strengthening the working of *Gram Sabha* so that it can function as an effective organ for the control of Panchayat leadership.

The Diwakar Committee (1963) recommended a consultative and deliberative role for these institutions. The danger apprehended from well-funded observation was that a large majority of adult citizens did not attend the meetings of *Gram Sabha* and that if decisions of the *Gram Sabha* were made a binding a small minority could ransom Panchayat programme. The committee wanted only broad framework and plans and policies to be approved of by the *Gram Sabha* leaving full discretion to the Panchayat in day to day matters.

The relationship between *Gram Sabha*, Panchayat and *Samiti* is a delicate matter. Panchayat must heed to the advice of the *Gram Sabha* because any other causes would be suicidal, but the Panchayat as a body of representatives cannot be relegated to the role of a mere executive body.

#### Composition of the Gram Panchayat

The Panchayat is the primary tier of rural local govt. Its structure and composition vary from state to state. It is set up in villages with minimum population of 300. Sometimes two or more villages are clubbed together to form group-*Gram Panchayat* when the population of the individual villages is less than 300.



Its membership ranges from 5 to 31 the average being 15. U.P. and Orissa, belong to high membership group. In U.P. the Panchayat membership ranges from 16 to 31. The rest of the states prescribe a membership range of the 5 to 15; depending upon the size of the Panchayat. The state statutes also provide for the reservation of seats for S.C., S.T. and female citizens.

### **Sarpanch**

The *Sarpanch* or Chairperson is the head of the Gram Panchayat. The elected members of the *Gram Panchayat* elect from amongst themselves a *Sarpanch* and a Deputy *Sarpanch* for a term of five years. In some places, the Panchayat president is directly elected by village people. The *Sarpanch* presides over the meetings of the *Gram Panchayat* and supervises its working. He implements the development schemes of the village. The Deputy *Sarpanch*, who has the power to make his own decisions, assists the *Sarpanch* in his work.

There are two methods of electing a *Sarpanch*, namely, the direct method and the indirect method. In Bihar, Assam and U.P., the *Sarpanch* is directly elected either by the *Gram Sabha* through the show of hands or by the elaborate secret ballot. In other states the panchayat themselves elect the President from amongst themselves. The decisions must be taken by a majority, the *Panchs* can succeed in immobilizing the action which can only be remedied either through the election of the *Sarpanch* in whom the majority of Panchayat have confidence or, dissolution and fresh election of the Panchayat so that persons of more homogeneous persuasion are elected.

The office of a *Sarpanch* combines the function of a chairman representative, executive and chief judge. He presides over the Panchayat meeting and acts as a spokesman of the Panchayat. He takes decision on behalf of the Panchayat and is responsible for the safeguard of Panchayat and has to take care of all the accounts and receipts and payments of the controls. He supervises the work of Panchayat servant and does any other work that the State Government may authorize him to do. He is usually selected as the head of the Panchayat by virtue.

A *Sarpanch* has the following responsibilities:

- Looking after street lights, construction and repair work of the roads in the villages and also the village markets, fairs, festivals and celebrations
- Keeping a record of births, deaths and marriages in the village
- Looking after public health and hygiene by providing facilities for sanitation and drinking water
- Providing for education

The major functions of the Panchayat are as follows:

- Municipal functions:
  - o Public health
  - o Safety

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- o Construction
- o Educations
- Physical planning of village
  - o Control the common land
  - o Site land of others
- Development and production planning
  - o Construction of amenities
  - o Preparing village plans
  - o Development of agriculture
  - o Animal husbandry
  - o Cottage industry
  - o Social culture
  - o Civil defence
- House keeping
  - o Electing *Sarpanch*
  - o Collecting reverences
  - o Budgeting, records

The income resources of the Panchayat come from the following sources:

- Taxes
  - o House tax
  - o Land cess
  - o Sanitary cess
  - o Electricity
  - o Vehicle tax
  - o Pilgrim tax
  - o Grazing tax
  - o Octopi tax
  - o Labour tax
  - o Water tax
  - o Marriage tax
  - o Commercial crops.
- Fees and fines
  - o Registration of animals
  - o Registration of cattle pond

- Other revenues
  - o Management of common land
  - o Disposal of Panchayat property
  - o Fruits
  - o Fisheries
  - o Panchayat tanks
- Grant received from the State Government in proportion of land revenue
- Grants received from the *Zilla Parishad*

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### Nyaya Panchayat

*Nyaya* Panchayat in ancient India is truly a body of local government. It is created to deal with urgent issues. It is as a method of settling local disputers in a fair way. The *Nyaya* Panchayat brings justice within the access at the economic means of the rural citizens. It bears upon the decisions with the intimate knowledge of local circumstances without which justice is reduced to a gambling exercise. Decentralization of judicial functions and judicial processes become a central issue in the process of carrying *Panchayati Raj* to the countryside. The Panchayat in fact can also be defined as small courts in the rural areas. The judicial character of the Panchayat is its new role which has been assigned top priority.

The *Nyaya Panchayat* constitutes a jurisdiction of five to seven *Panchayati* circles. The collector has the authority of acting as the officer in charge. He is usually assisted by the *Tehsildars* and *Vikas adhikaries* in discharging his duties. Each Panchayat within the jurisdiction of the *Nyaya Panchayat* elects a member to the *Nyaya Panchayat*. It is not necessary for a member so elected to be a member of the *Vikas* Panchayat as well but he must be a registered voter in the Panchayat jurisdiction. The member must not be below 30 years of age and he should be able to read and write the state language fluently, freely and legibly and must not suffer from any disqualification.

A disqualified *Panch* cannot hold an office of *Sarpanch* or that of a member in *Samiti*, *Parishad* State legislature or Union parliament. The election of *Nyaya Panchayat* and appeals are regulated by the same rules as those of the elections of *Vikas Panchayat*. The members take on other to be faithful to the constitution of India as by law established. They elect from amongst themselves a chairman of the *Nyaya Panchayat*.

The chairman elected proceeds to constitute benches of three members; each for dealing with the civil and criminal cases that come before the Panchayat.

### ***Powers: Criminal and civil jurisdiction***

The criminal jurisdiction of *Nyaya Panchayat* extends only till minor offences under the IPC. It acts under the orders of a public servant. The amount of fine a *Nyaya Panchayat* can impose varies between ₹ 25 and ₹ 100. In civil cases jurisdiction fees range between ₹ 100 to 500.

## NOTES

Dr S B Sen committee, a committee appointed by the Government of Kerala in 1996, had suggested the following principles, which were later adopted by the Second Administrative Reforms Commission, for local governance:

- Subsidiary democratic decentralization
- Delineation of functions
- Devolution of functions in real terms
- Convergence
- Citizen centricity

### 3.2.1 Constitutional Provisions Related to Panchayats

Let's have a look at some of the important constitutional provisions with regards to the organization and functioning of the Panchayats.

#### 243-D Reservation of seats

Seats shall be reserved for the following:

- The scheduled castes.
- The Scheduled tribes

In every Panchayat the number of seats is reserved in proportion to the total number of seats. These seats are to be filled by direct election in that Panchayat as the population of the S.C. and S.T. in that Panchayat area.

Following points can lead to disqualifications:

- A person shall be disqualified from being chosen as and for being, a member of a Panchayat:
  - o If he is disqualified by or under any law for the time being in force for the purposes of elections to the legislature of the state concerned
  - o If he is less than 25 years of age
  - o If he is disqualified by or under any law made by the legislature of the state.
- Not less than 1/3rd of the total number of seats reserved under clause (i) shall be reserved for women belonging to the S.C. or S.T and these seats may be allotted by rotation to different constituencies in a Panchayat.

#### 243-E Duration of Panchayats

Panchayat one elected will work for five year continually.

#### 243-G Power's authority and reparability in Panchayats

- The preparation of plans for economic development and social justice.
- The implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh schedule
- Subject to the provision of any law made by the legislature of a state

### 243-H powers to impose taxes and funds of the Panchayats

- Authorize Panchayat to collect and appropriate taxes, duties, tolls and fees in accordance with such procedure and subject to such limit
- Assign Panchayat taxes, duties, tolls and fees levied and collected by the *Gram Sabha*
- Provide for making grant-in aid to the Panchayat from the consolidated fund of the state

### NOTES

### 243-K Elections to the Panchayats

The Governor of a state, when so requested by the state election commission, make available the state election commission; such staff as may be necessary for the discharge of the functions conferred on the SEC by clause (1).

Subject to the provisions of this constitution, the legislature of a state may by law, make provision with respect to all matters relating to, or in connection with elections to the Panchayats.

### 243-L Application to Union territories: (U.T)

The provision of this part shall apply to the U.T. and shall, in their application to a U.T. have effect as if the references to the Governor of a state were references to the administrator of vol. appointed under article 239 and references to the legislature or legislative assembly of a state were references, in relation to a U.T. having a legislative Assembly, to that legislative assembly.

Provided that the president may, by public notification, direct that the provision of this part shall apply to any U.T. or part thereof subject to such exceptions and modifications as he may specify in the notification.

### 243M Part does not apply to certain cases

- Nothing in this part shall apply to the scheduled areas referred to in clause (1) and the tribal areas referred to in clause (2) of article 244.
- Nothing in this part shall apply to:
  - o The states of Nagaland, Meghalaya and Mizoram.
  - o The hill areas in the state of Manipur for which District councils exist under any law for the time being in force.
- Nothing in this part:
  - o Relates to Panchayats at the district level shall apply to the hill areas of the district of Darjeeling in the state of West Bengal for which Darjeeling Gorkha Hill Council exists under any law for the time being in force.
  - o Shall be constructed to affect the functions and powers of the Darjeeling Gorkha Hill Council constituted under such law.

## NOTES

- (3A) Nothing in article 243D relating to reservation of seats for the SC.
- Notwithstanding anything in this constitution:
  - o The legislature of a state passes a resolution to that effect by a majority of the total membership of that house and by a majority of not less than 2/3rd of the members of that house present and voting.
  - o Parliament may by law, extend the provisions of this part to the scheduled areas and the tribal areas referred to in clause (I) subject to such exception and modification as may be specified in such law, and no such law shall be deemed to be an amendment of this constitution for the purpose of article 368.

### **243-N Continuance of existing laws and Panchayats**

Notwithstanding anything in this part, any provision of any law relating to Panchayats in force in a state immediately before the commencement of the constitution (73rd Amendment) Act 1992, which is inconsistent with the provisions of this part, shall continue to be in force until amended or repealed by a competent legislature or other competent authority or until the expiration of one year from such commencement, which is earlier.

Provided that all the Panchayats exist immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the legislature assembly of that state or, in the case of a state having a legislative council, by each house of the legislature of that state

### **243-O: Bar to interference by courts in electoral matters**

Notwithstanding anything in this constitution:

- The validity of any law relating to the delimitation of constituencies or the allotment of seats to such constitute made, or purporting to be made under 243-K shall not be called in question in any court.
- No election to any Panchayat shall be called in question except by an election petition presented to such authority and in such manner as is provided for or under any law made by the legislature of a state.

### **Functions of local administration 243-G (Eleventh Schedule)**

- Agriculture, including agricultural extension
- Land improvement, implementation of land reforms, land consolidation and soil conservation.
- Minor irrigation, water management and watershed development
- Animal husbandry, dairying and poultry

- Fisheries
- Social forestry and farm forest
- Minor forest produce
- Small scale industries, including food processing industries
- Khadi village and cottage industries
- Rural housing
- Drinking water
- Fuel and fodder
- Roads, culverts, bridges, ferries waterways and other means of communication
- Rural electrification, including distribution of electricity
- Non-conventional energy sources
- Poverty alleviation programme
- Education, including primary and secondary schools
- Technical training and vocational education
- Adult and non-formal education
- Libraries
- Cultural activities
- Markets and fairs
- Health and sanitation, including hospitals, primary health centres and dispensaries
- Family welfare
- Women and child development
- Social welfare, including welfare of the handicapped and mentally retarded
- Welfare of the weaker sections, and in particular, of the SC.
- Maintenance of community assets

## NOTES

### Check Your Progress

1. What is the relationship between the Gram Sabha, Panchayat and Samiti?
2. How often should a Gram Sabha be called in most states as per legislations?
3. Mention the methods of electing a Sarpanch.
4. What is the jurisdiction of a *Nyaya Panchayat*? Who is the officer in-charge?
5. State the duration of panchayats as per Section 243E.

## NOTES

### 3.3 PANCHAYAT SAMITI AND ZILLA PARISHAD

In this section, you will learn about the second and first tiers of the Panchayat raj system in India. Let's begin with Panchayat samiti.

#### **Panchayat Samiti**

It is the second tier of the rural local self government under the Panchayati Raj system. According to the ministry of the Panchayati Raj, there are 6312 Panchayat Samitis in India today. It works at the block level. In a Panchayat Samiti, all the heads of the Gram Panchayats in the area are ex-officio members. All state council members who reside in the block and are not in the ministry, all the elected representatives from the region provided they are not ministers and three members, elected by each Gram Sabha in the region, are also parts of the Panchayat Samiti. The block development officer, appointed by the government, is the ex-officio executive head of the Panchayat Samiti. Members of the Samiti elect their head, called the chairman, from among themselves. The chairman presides over the meetings. The term of the Samiti is five years. The Samiti is generally divided into various sub-committees or departments that are headed by members of the Samiti. Some of the most important departments are finance and general administration.

The main function of the Panchayat Samiti is to execute the plans made by the Zila Parishad. It is the real implementation agency in all matters. It generally runs schools, water supply, sanitation, communication and other facilities and it also executes special programs for the development of scheduled castes, scheduled tribes and other deprived sections of the society in the area. It runs special hostels for the children from these sections. It grants permissions or has the right to revoke the permissions for a particular trade. The Panchayat Samiti regulates the common market places in the region and provides grants to schools and other public welfare institutions. It has the right to grant funds for the schemes and programs initiated by the Gram Panchayats and it monitors their functioning. Every development work under the area is coordinated by the Panchayat Samiti.

The main sources of income of the Panchayat Samiti are the annual grants provided by the state governments, Zila Parishads and other local authorities, government or private loans mobilized by the Samiti, levies, taxes and fines collected from the area, fees for different services and from registration of vehicles and licenses and shops and market places, etc.

#### **Zila Parishad**

According to the Ministry of Panchayati Raj there are a total 584 Zila Parishads in India, in both, states and union territories. The highest numbers of Zila Parishads are in the state of Uttar Pradesh (72). Zila Parishad is the highest local government body in the Panchayati Raj system. It is formed at the district level. It mainly looks



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after the administration of all the Panchayats of the district. Its office is located at the district headquarters. Members of the Zila Parishad are elected from the district on the basis of adult franchise, for a term of five years. Zila Parishad has minimum of 50 and maximum of 75 members. There are seats reserved for scheduled castes, scheduled tribes, backward classes and women. The chairmen of all Panchayat Samitis become members of the Zila Parishad. The Parishad is headed by a president and a vice-president, elected from the members of the Zila Parishad. The Chief Executive Officer (CEO), who is an IAS officer, heads the administrative machinery of the Zila Parishad. The CEO supervises the divisions of the Parishad and executes its development schemes.

The main functions of the Zila Parishad are to supervise the working of the Panchayat Samiti and coordinate between rural and urban local self governments in the district. It does provide essential services and facilities to the rural population through Panchayat Samiti. It is the main planning and executive body for all development programs for the district. It has the responsibility to help in the improvement of the agriculture in the district. Therefore, it supplies improved seeds to farmers. It also informs them of new techniques of farming and gives them adequate training. It has the responsibility to undertake construction of small-scale irrigation projects and percolation tanks. Recently, it has taken the responsibility of maintaining common property resources such as pastures and grazing lands. Though Gram Panchayat or Panchayat Samiti has the main responsibility of maintaining primary educational institutions, even Zila Parishad does set up and runs schools in certain villages. It executes programs for adult literacy in the district or supervises these programs undertaken by other bodies. In certain areas it runs libraries too. Zila Parishad runs primary health centres and hospitals in different villages. It has the responsibility to maintain the basic sanitation in the district and therefore, it runs the programs of cleanliness and health awareness. It also runs mobile hospitals for remote hamlets. It carries various vaccination drives against epidemics and family welfare campaigns. Zila Parishad constructs and maintains small bridges and roads connecting villages in the district. It is responsible for the execution of plans for the development of the scheduled castes and tribes in the district and runs shelter homes and hostels for tribal and schedule caste children and students.

The main source of the income for the Zila Parishad is the collection of taxes on various facilities and services that it provides to the local residents, such as, supply of water, sanitation, roads, irrigation projects, etc. It collects taxes from commercial activities happening within its jurisdiction such as common market places, fair, exhibition and so on. According to the Seventy-Third constitutional amendment, it has the right to get fixed annual grant from the state government in proportion with the land revenue and money for works and schemes assigned to it.

## NOTES

### Check Your Progress

6. What is the term of a Panchayat Samiti?
7. Mention the main sources of income of the Panchayat Samiti.
8. Who heads the Zila Parishad?

### 3.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The relationship between a *Gram Sabha*, Panchayat and *Samiti* is a delicate matter. Panchayat must heed to the advice of the *Gram Sabha* because any other causes would be suicidal, but the Panchayat as a body of representatives cannot be relegated to the role of a mere executive body.
2. Most of the state legislations provide that *Gram Sabha* should be called at least twice a year, usually after Rabi and Kharif crops are harvested.
3. There are two methods of electing a *Sarpanch*, namely, the direct method and the indirect method. In Bihar, Assam and U.P., the *Sarpanch* is directly elected either by the *Gram Sabha* through the show of hands or by the elaborate secret ballot. In other states the panchayat themselves elect the President from amongst themselves.
4. The *Nyaya Panchayat* constitutes a jurisdiction of five to seven *Panchayati* circles. The collector has the authority of acting as the officer in charge. He is usually assisted by the *Tehsildars* and *Vikas adhikaries* in discharging his duties.
5. As per Section 243-E-Duration of Panchayats, Panchayat one elected will work for five year continually.
6. The term of the Panchayat Samiti is five years.
7. The main sources of income of the Panchayat Samiti are the annual grants provided by the state governments, Zila Parishads and other local authorities, government or private loans mobilized by the Samiti, levies, taxes and fines collected from the area, fees for different services and from registration of vehicles and licenses and shops and market places, etc.
8. The Zila Parishad is headed by a president and a vice-president, elected from the members of the Zila Parishad. The Chief Executive Officer (CEO), who is an IAS officer, heads the administrative machinery of the Zila Parishad. The CEO supervises the divisions of the Parishad and executes its development schemes.

### 3.5 SUMMARY

- The base of the *Panchayati Raj* structure lies in the *Gram Sabha* or village assembly consisting of all the adult citizens who are eligible to cast vote. Most of the state legislations provide that *Gram Sabha* should be called at least twice a year, usually after Rabi and Kharif crops are harvested.
- The *Gram Sabha* is expected to play the role of a present body to which the village Panchayat should owe responsibility.
- The Panchayat is the primary tier of rural local govt. Its structure and composition vary from state to state. It is set up in villages with minimum population of 300. Sometimes two or more villages are clubbed together to form group-*Gram Panchayat* when the population of the individual villages is less than 300.
- The *Sarpanch* or Chairperson is the head of the Gram Panchayat. The elected members of the *Gram Panchayat* elect from amongst themselves a *Sarpanch* and a Deputy *Sarpanch* for a term of five years.
- There are two methods of electing a *Sarpanch*, namely, the direct method and the indirect method.
- The office of a *Sarpanch* combines the function of a chairman representative, executive and chief judge.
- The income resources of the Panchayat come from the following sources: Taxes, fees and fines, other revenues, grants received from Zilla Parishad and State Governments
- *Nyaya* Panchayat in ancient India is truly a body of local government. It is created to deal with urgent issues. It is as a method of settling local disputers in a fair way. The *Nyaya* Panchayat brings justice within the access at the economic means of the rural citizens.
- The *Nyaya Panchayat* constitutes a jurisdiction of five to seven *Panchayati* circles. The collector has the authority of acting as the officer in charge. He is usually assisted by the *Tehsildars* and *Vikas adhikaries* in discharging his duties. Each Panchayat within the jurisdiction of the *Nyaya Panchayat* elects a member to the *Nyaya Panchayat*.
- Panchayat Samiti is the second tier of the rural local self government under the Panchayati Raj system.
- In a Panchayat Samiti, all the heads of the Gram Panchayats in the area are ex-officio members. All state council members who reside in the block and are not in the ministry, all the elected representatives from the region provided they are not ministers and three members, elected by each Gram Sabha in the region, are also parts of the Panchayat Samiti.
- The main function of the Panchayat Samiti is to execute the plans made by the Zila Parishad.

### NOTES

## NOTES

- The main sources of income of the Panchayat Samiti are the annual grants provided by the state governments, Zila Parishads and other local authorities, government or private loans mobilized by the Samiti, levies, taxes and fines collected from the area, fees for different services and from registration of vehicles and licenses and shops and market places, etc.
- Zila Parishad is the highest local government body in the Panchayati Raj system. It is formed at the district level. It mainly looks after the administration of all the Panchayats of the district.
- Members of the Zila Parishad are elected from the district on the basis of adult franchise, for a term of five years. Zila Parishad has minimum of 50 and maximum of 75 members. There are seats reserved for scheduled castes, scheduled tribes, backward classes and women.
- The main functions of the Zila Parishad are to supervise the working of the Panchayat Samiti and coordinate between rural and urban local self governments in the district.
- The main source of the income for the Zila Parishad is the collection of taxes on various facilities and services that it provides to the local residents, such as, supply of water, sanitation, roads, irrigation projects, etc.

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### 3.6 KEY WORDS

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- **Gram sabha:** It refers to the base of the Panchayati Raj which refers to the village assembly consisting of all the adult citizens who are eligible to cast vote.
- **Sarpanch:** The Sarpanch or Chairperson is the head of the Gram Panchayat.
- **Nyaya Panchayat:** It is a method of settling local disputers in a fair way. The Nyaya Panchayat brings justice within the access at the economic means of the rural citizens.
- **Panchayat samiti:** It constitutes as the second tier of the Panchayati Raj system in India working at the tehsil and development block levels.
- **Zilla Parishad:** It is the topmost tier of the Panchayati raj system working at the district level.

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### 3.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

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#### Short-Answer Questions

1. What is the membership of Gram Sabha?
2. Write a short note on the election and duties of the Sarpanch.
3. Briefly explain the concept and functions of the Nyaya panchayat.

4. Write a short note on the membership of the Panchayat Samiti.
5. What are the main functions of the Panchayat Samiti?
6. Mention the sources of income of Zila Parishad.
7. What are the functions of the Zila Parishad?

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Institutions*

### Long-Answer Questions

1. Describe the major functions of the Panchayat as well as its income sources.
2. Discuss the constitutional provisions related to panchayats.

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## 3.8 FURTHER READINGS

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- Chakrabarty, B and R K Pandey. 2019. *Local Governance in India*. New Delhi: SAGE Publications.
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## NOTES

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## **UNIT 4 ORGANIZATION AND FUNCTIONS OF THREE FORMS OF URBAN INSTITUTIONS**

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### **Structure**

- 4.0 Introduction
- 4.1 Objectives
- 4.2 Municipal Corporations, Municipality and Town Panchayat
  - 4.2.1 Organization
  - 4.2.2 Functions
- 4.3 Types of Administrative Structures for the City Governance
  - 4.3.1 Indian Models of Metropolitan Urban Governance
- 4.4 District Planning Committee
- 4.5 Metropolitan Planning Committee (MPC)
- 4.6 Answers to Check Your Progress Questions
- 4.7 Summary
- 4.8 Key Words
- 4.9 Self Assessment Questions and Exercises
- 4.10 Further Readings

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### **4.0 INTRODUCTION**

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During the period of their domination in developing countries, the colonial governments developed several statutory institutions. The urban local self government is the most significant among them. Ever since the establishment of the Madras (now Chennai) Municipal Corporation in India, there has been an increase in the number of municipal bodies to manage the towns and cities. In this unit, you will learn about the evolution and structure of urban local self government in India, urban local government of India after its independence, the functions, power and authority of municipal corporations and councils, various district planning committees of India, etc.

According to 2011 census, the urban population in India is now above 30 crores. It is around 30 per cent of its total population. This population is growing at the pace of 2.4 per cent every year. This means out of every 3 Indians, 1 is living in urban areas. This creates a great need of a functioning urban planning and administration. The people in urban areas need basic facilities like public transport, roads, water supply, electricity, health facilities and several such services. The role of the urban local government in India is therefore very crucial. Growing urban population is a sign of overall shift in the basic economic structure of the society. It shows that economy is changing from an

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agrarian to industrial or even post-industrial phase. Rising population in urban areas and rise of big and small cities and towns have increased the number of local government bodies in country as well. Today, India has more than twenty-seven million plus cities and more than 4378 different urban areas. There are 109 municipal corporation cities, 1432 municipal councils and 2100 city rural bodies (they are some kind of notified area committees and so on). In this unit, you will learn about the organization and functions of three forms of urban institutions.

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### **4.1 OBJECTIVES**

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After going through this unit, you will be able to:

- Discuss the organization and functions of municipal corporation
- Describe the functions of municipality
- Explain the functions of town panchayats
- Examine the problems and prospects of urban government in India

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### **4.2 MUNICIPAL CORPORATIONS, MUNICIPALITY AND TOWN PANCHAYAT**

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In this section, you will learn about the organization and functions of the urban local governance bodies in India.

#### **4.2.1 Organization**

Municipal Corporation is the topmost of urban local government. Unlike rural government, urban local government in India is not hierarchical. Municipal corporations are usually found in big cities. Large population creates complex civil problems and therefore to solve these problems we need municipal corporations. In different states of India generally municipal corporations are created by special statute in the state legislations and these corporations are directly controlled by the state governments. All the municipal corporations consist of elected representatives of the people and some state elected officials. All the municipal areas are divided into wards which are generally electoral constituencies. These municipal corporations in all the states, except for the state of West Bengal, consist of Corporation Council, the Mayor, the commissioner and a number of Standing Committees.

The post of the mayor is the highest post in a municipal corporation and generally he is elected for one year term from the councillors elected from different wards. The mayor chairs the meetings of the council. Most of the administrative powers are however with the Commissioner who is generally appointed by the state government and is an Indian Administrative Service cadre. Different standing

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committees are made to deal with a particular issue and these standing committees deal with their own issues. Some of the most important standing committees are related to the budget and finance and establishment and personnel etc. The state of West Bengal has a slightly different set up. It has a system of Mayor in Council. Once the mayor is elected he recommends the name of the other members in the council and they form a cabinet like structure. Each of the members of the Mayor's council is responsible for one particular subject and commissioner unlike in other states is under the council and follows the decisions taken by the mayor's council.

### **Municipalities or Municipal Council**

In the smaller towns and cities municipalities or municipal councils manage their civic affairs collectively through the municipal board and committees. In all the municipal bodies sub-committees are created to deal with the subjects like water supply, sanitation and public works. Unlike in the big cities municipalities head is called chairman and he/she is elected for one year term from among the elected members of the municipality. Just like in municipal corporations the chairman's post is there to chair the meetings of the council. Real administrative powers are with executive officer appointed by the state government. In some of the states like Kerala and Tamil Nadu most of the officers appointed for the duties in the municipalities are given separate charges for a particular are like health and sanitation. In most of these local bodies the lower level staff is appointed from the local population.

### **Notified and Town Area Committees**

Another form of governance at the local level exists in the form of Notified Area Committee. This can be described as committees that exist as municipal governments of newly-developing towns or areas which are unable to fulfill the statutory conditions of the constitution of a municipality or in which new industries have been or are being established. The Notified Area Committee is an entirely nominated body and such provisions of the State Municipal Act apply to it as are specified by the state through a 'notification.' Therefore, they are known as Notified Area Committee. According to the 74th Amendment in the Indian Constitution, the notified area committees have been abolished since 1993. Apart from Notified Area Committees, there also exists Town Area Committees which are meant for smaller towns. These committees are governed through special state enactments with membership, i.e., either wholly elected, wholly nominated or a combination of both these elements with restrictive powers.

### **Constitutional Provisions**

Articles 243-Q to W relates to the urban local bodies. In this section, you will only briefly discuss in this section. These will be taken up in detail in Unit 6.



Act 243-Q provides for the establishment of the following three types of municipal corporations in urban areas:

1. A Nagar Panchayat for a transitional area, that is to say, an area undergoing transition from a rural area to an urban area
2. A municipal council for smaller urban area
3. A municipal corporation for a larger urban area

In this article, 'a transitional area', 'a smaller urban area' or 'a larger urban area' refers to such an area as the governor may possess with regard to the population of the area, the density of the population in that area, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic or such other factors as he may consider fit, etc. A municipality means an institution of self government constituted under Act-243a.

### ***Composition of municipalities***

Article 243-R provides that all the seats in a municipality shall be filled by the persons chosen by direct elections from territorial constituencies in the municipal area. For this purpose, each municipal area is divided into territorial constituencies to be known as wards.

### ***Constitution and composition of wards committees***

Article 243-S provides for the constitution of wards committees comprising of one or more wards, within the territorial area of a municipality having a population of three lakhs or more.

### ***Reservation of seats in municipalities***

Article 243-T has made the provision for the reservation of seats for the members of scheduled castes and scheduled tribes in every municipality. The member and seats reserved for them shall be in same proportion to the total numbers of seats to be filled by directed election in that municipality.

### ***Duration of municipalities***

Article 243-U provides that every municipality, unless sooner dissolved under any law for the time being, shall exist for 5 years from the date appointed for its first meeting. No amendment of any law for the time being shall have the effect of causing dissolution of a municipality, at any level, till the expiration of its normal duration of 5 years.

### ***Election***

An election conducted for the municipality shall be completed before the expiration of its duration and before the expiration of a period of 6 months from the date of its dissolution in case it had been dissolved earlier.

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## NOTES

### 4.2.2 Functions

Most of the municipalities or municipal corporations have two basic functions; legislative and executive. All the elected members of the council in all these bodies are considered as the legislators and they collectively debate and deliberate over the policies and planning about the area. They have the right to approve the budget for the body and deciding on the subjects of taxation and provisions of services in the area. The council held different officials and committees accountable. The executive jobs in the municipal corporation and councils are done by the state appointed officers or municipal commissioner and local officers. Most of the works of the municipal corporations and councils are divided into two parts; obligatory and discretionary. Obligatory works are related to the basic sanitation and services in the cities such as supply of water, maintenance of roads etc. Discretionary functions, such as the building of houses for the poor and organizing the events are subject to the availability of funds and other resources.

It is up to state governments to decide the extent and subjects of taxation by the municipal corporations and councils. However, in most of the states it has been generally found that municipal corporations or councils collect housing taxes and several user charges along with the collections from the special services such as organization of an event. In general their source of income is divided into three parts; Taxes, Fees and Fines and earning from its enterprises such as market places and other such resources. Municipal Corporation and Municipal councils put taxes on property and charge for their services. They are also provided with one time grants from the state governments. After the 74th amendment, as we will study them later, there is a provision of the establishment of finance commission after every five years through which state has to allocate funds to these local bodies.

#### Check Your Progress

1. Is the structure of the urban local government in India hierarchical?
2. List the three types of municipal corporations in urban areas as per Article 243.
3. What are the two parts in which most of the works of the municipal corporations and councils is divided into?

### 4.3 TYPES OF ADMINISTRATIVE STRUCTURES FOR THE CITY GOVERNANCE

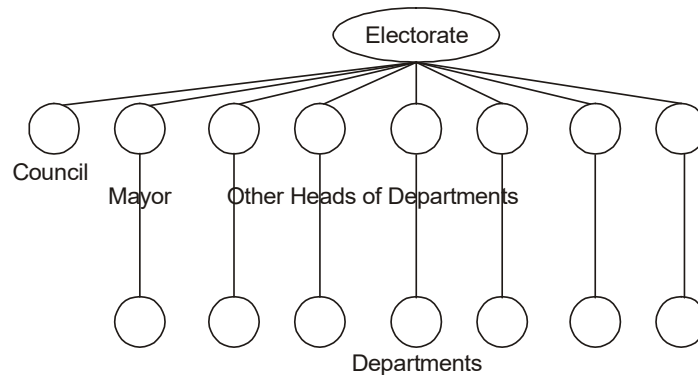
It is held in literature that four major types of administration structures could be found in the context of cities with respect to the division of responsibilities (Pinto 2000) which are discussed briefly as under:

1. Weak Mayor-Council Structure
2. Strong Mayor Council Structure

3. Commission System
4. Council – Manager System

### 1. The Weak Mayor Council Structure

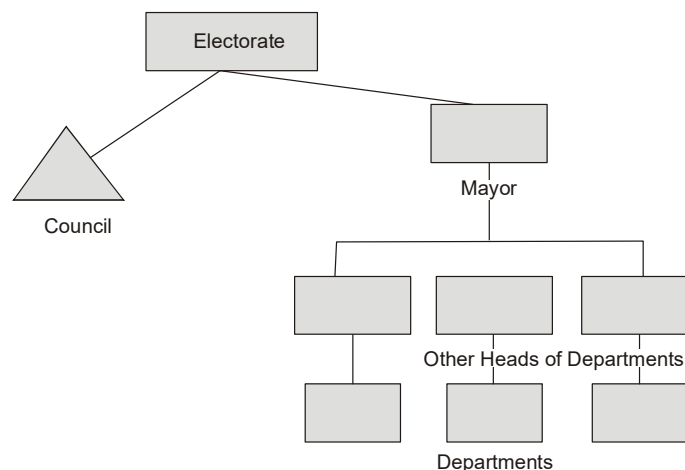
The Weak Mayor Council Structure is one of the first types of administrative structure of modern industrial era as shown in Figure 4.1. In this structure, the Mayor can suggest legislation and is empowered with policy making functions while administrative functions are vested in a Council through an elaborate committee system. Both the Mayor and Council as well as local officials are elected. This brings in both the political legitimacy and the scope for professional performance.



**Fig. 4.1** *The Weak Mayor-Council Structure*

### 2. THE STRONG MAYOR COUNCIL STRUCTURE

This has similarity to the earlier structure but in this case, the Mayor and the Council are directly elected. Here, the Mayor commands supreme control over the administration and goes synonymous with presidential form of political governance. The Mayor is powerful as he combines political as well as administrative leadership and the Council becomes an examining body of his/her actions, policies and programmes.



**Fig. 4.2** *The Strong Mayor Council System*

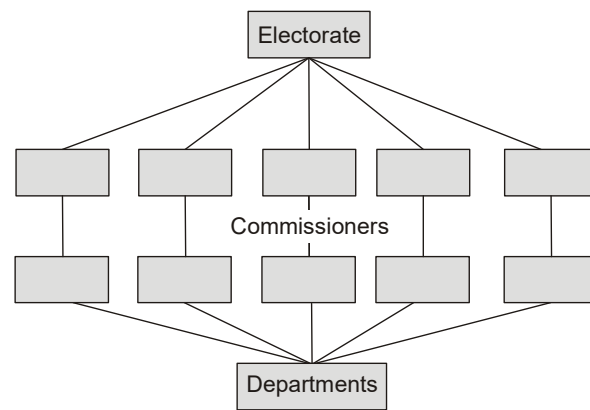
### NOTES

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An alternative of this model is the Mayor-Manager or Mayor-Chief Administrative Officer type, under which the Mayor appoints an officer to assist him in the administration of departments. The Manager/ Chief Administrative Officer is the chief of the department heads.

### 3. The Commission System

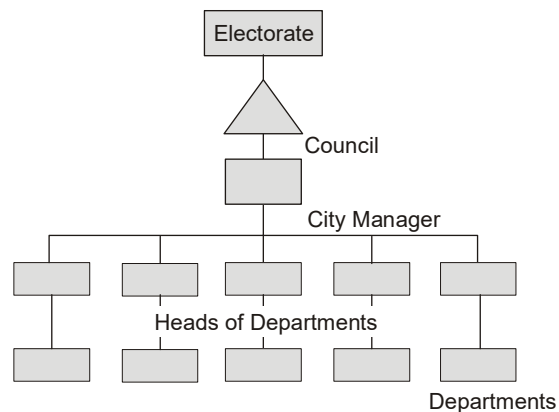
This type of administrative structure as shown in Figure 4.3 was borne out of the experience of city of Galveston, Texas, USA. A commission is given the responsibility of city affairs with the Commissioners acting as full-time paid administrators and legislators. It works competently in a small city, but is not considered appropriate for large cities, given the weaknesses of inability to cope with pressures as well as complexities in development and administration.



*Fig. 4.3 The Commission System*

### 4. The Council-Manager System

The Council-Manager System (Figure 4.4) makes the elected Council responsible for policy making as well as administration, under a professional manager, who is responsible to the council. The Manager is appointed by the Council and serves during his tenure with the elected body being the deliberative, reviewing, annulling and monitoring body.



*Fig. 4.4 The Council Manager System*

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The above models present the different structures for the administration of urban areas, which particularly find support in the case of cities up to a certain size of population and area. The choice of the model is ascertained to a great extent by the historical past of political values and preferences. These structures are guided by some amount of inputs of representatives of citizens, intelligentsia and professionals in shaping the outcomes.

But, much of the outcomes on city space are a result of the interactions of administrative structure, organization, principles, values and efficiency. In practice, there are not many types of administrative structures found in India. Mumbai, Delhi and Chennai are the three major metropolitan cities in India which are following a Commissioner led administrative system with the Council as the political wing. Many other cities in India are also following this system except Kolkata, which has adopted Mayor in Council administration system.

The Commissioner led administrative system started by Mumbai is based on the principle of division of functions into (a) policy and regulation functions delegated to the deliberative wing of elected councilors and (b) administration and executive powers to the Commissioner and the heads of departments. This design led to several conflicts although it appeared to be convincing. The Mayor Council System in Kolkata seems to be working fine but yet it has to face the test of political clashes. Mumbai has had Mayor Council system for a very short period and reverted to the Commissioner led city administration. Delhi and Chennai also have more or less similar administrative structures like that of Mumbai.

With the population accumulating in urban areas outside the limits of the municipality, the physical and functional associations become important at the metropolitan region level and so do the establishment and governance of metropolitan authorities. Metropolitan urban governance has to implement the existing models of urban governance in agreement with the metropolitan spatial structure and also form coordinating institutional mechanisms for both planning and service delivery in place. The Indian models of metropolitan urban governance have been discussed in detail below.

### **4.3.1 Indian Models of Metropolitan Urban Governance**

Let us discuss some important models of metropolitan urban governance in India.

#### **1. Kolkata Metropolitan Development Authority Constitution**

Kolkata Metropolitan Development Authority (KMDA), originally formed under a Presidential Ordinance in 1970, is currently the statutory planning and development authority for the Kolkata Metropolitan Area (KMA) under the provision of the West Bengal Town and Country (Planning & Development) Act, 1979. KMA is the oldest and second largest metropolis in India that now extends over 1,854 sq km area with a population of more than million; it has 41 contiguous urban local bodies and 100 odd rural local bodies. KMA has always demonstrated a multitude

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of developmental challenges and yet has shown some innovations. Kolkata Metropolitan Planning Committee (KMPC) in West Bengal, constituted on 19th October, 2001 under Metropolitan Planning Committee Act 1994, has been the first Metropolitan Planning Committee (MPC) in India following the 74th Constitutional Amendment Act, 1992. KMDA is the Technical Secretariat to KMPC, being the first of its kind in India, composed under West Bengal Metropolitan Planning Committee Act, 1994.

### **Profile**

Kolkata City, with 41 adjoining urban local bodies and 100 or so rural local bodies, has some of the planning interventions and physical infrastructure development cut across the boundaries of local bodies. Such a planning exercise required a metropolitan wide planning body to administer it. The state government passed the West Bengal Metropolitan Planning Committee Act, 1994 for the purpose of decentralized spatial and socio-economic planning in Kolkata. The Act provided for the constitution of Kolkata Metropolitan Planning Committee (KMPC) in order to prepare the draft development plan for the metropolitan area as a whole by combining the development plans of its constituent municipalities and village councils.

In the Kolkata Metropolitan Area (KMA), two-thirds of the committee is elected from among the elected members of the 41 Municipalities and around 100 Chairpersons of the village councils. Another one-third of the committee is comprised of nominated representatives of the Government of India, the state government and the organizations and institutions relating to urban development and infrastructure. After the enactment of the Act, it took seven years for the KMPC to be formed and start operating. The KMPC is made up of 60 members which includes 40 elected and 20 nominated members. KMDA has been confirmed as the Secretariat of KMPC and the Secretary of KMDA has been appointed as the Secretary of the KMPC.

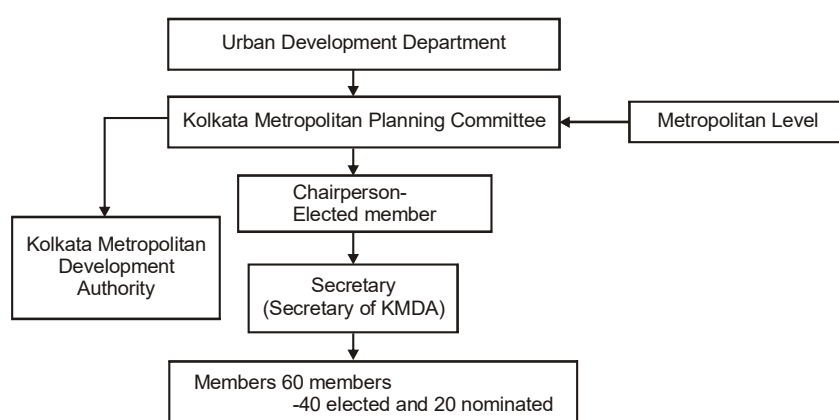
### **Functions**

The KMPC gives a participatory and democratic platform for metropolitan planning which till now was the realm for experts and administrators only. West Bengal's attempt is praiseworthy as it has tried to include representatives of every area in KMPC, which will deal with crucial matters such as formulation of metropolitan vision, capital investment and metropolitan level advocacy. The Kolkata MPC is responsible for preparing: (a) Perspective plan (25 years) (b) Draft Development Plan (Five yearly) (c) Annual Plan for Implementation.

### **Structure**

The structure representing the administration and governance of KMA is outlined in Figure 4.5.

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**Fig.4.5** Structure of Administration of Kolkata Metropolitan Area

## 2. Mumbai Metropolitan Region Development Authority (MMRDA) Constitution

The Mumbai Metropolitan Region Development Authority (MMRDA) was established on 26 January 1975 (earlier known as Bombay Metropolitan Region Development Authority) under the Bombay Metropolitan Region Development Authority Act, 1974 by the Government of Maharashtra. The MMRDA is an apex body responsible for planning and coordinating all development activities (including the provisioning of major physical infrastructure) in Mumbai Metropolitan Region (MMR). It vigorously works in coordination with the local (Bombay) and State governments, and other quasi-government agencies.

### Jurisdiction and mandate

The MMR jurisdiction spreads over 4355 sq km covering the city of Greater Mumbai and its hinterland comprising mostly parts of Thane and Raigadh districts. It contains:

- (i) five municipal corporations
- (ii) fifteen municipal councils
- (iii) several *gaothans*/villages

The MMRDA plays the central role in steering the development of region in the form of:

- preparing perspective development plan for the region encompassing all major aspects
- modulating the development of the region through zoning and development controls
- supporting the development of the region through infrastructure creation, expansion and strengthening
- organizing the development activities of all organizations related with development or management of any aspect or sub-region

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### Organization and governing principles

The organization/structure of MMRDA comprises three bodies:

- The highest policy making body is the Authority consisting of 17 members and is chaired by the Minister for Urban Development, Government of Maharashtra
- The Executive Committee provides technical guidance and supervision. It contains 6 state government members and three expert members, and is chaired by the Chief Secretary of the state government
- The Metropolitan Commissioner is appointed by the state government and heads the office of the MMRDA which includes 6 functional divisions with their own divisional chiefs

MMRDA is regarded as an apex institution responsible for planning and administering the city and its environment. It functions on the following guiding principles:

- It identifies the distinction between policy-making and policy-execution
- It assigns the policy-making function to the council and policy-execution to a single individual, i.e., the commissioner
- It makes the commissioner more or less independent of the Corporation though the two have to work in close cooperation

### Strategy and funding

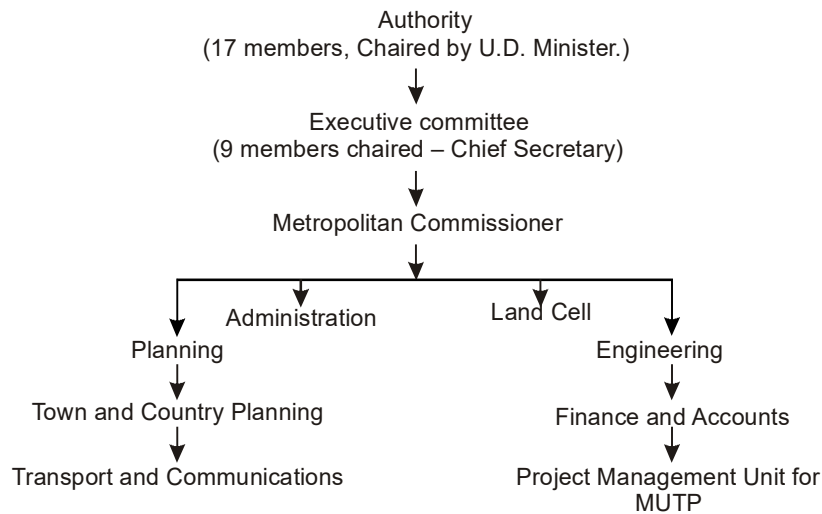
MMRDA aims to attain the goal of a balanced development of the region through the following strategies:

- Preparation of perspective plans
- Promotion of alternative growth centres
- Strengthening of infrastructure facilities
- Provision of development finance

The MMRDA, for the purpose of implementing these strategies, prepares plans, formulates policies and programmes and helps in directing investments in the region. In particular, it envisages, promotes and supervises the key projects for developing new growth centres and boosting improvement in sectors like transport, housing, water supply and environment in the region. It also reproduces information pertaining to socio-economic profile of households, patterns of economic development and transport through surveys and commences projects that give a regional overview in the strategic areas. Additionally, if a project is of specific importance, the MMRDA takes up the responsibility for its implementation. One such project undertaken by it is developing the Bandra-Kurla Complex.



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**Fig.4.6** Structure of MMRDA, Mumbai

The MMRDA has generated a master plan for developments in the region till the year 2011. It has also undertaken some of the major infrastructure creation/expansion projects with the financial assistance of external agencies. A huge chunk of its revenue comes from the disposal of land in the Bandra-Kurla complex. It regulates a reserve fund for financing infrastructure projects and also provides loan facilities for such projects.

MMRDA also decided to prepare a Comprehensive Transport Strategy for the entire metropolitan region in order to emphasize its investments in infrastructure projects and improve the metropolitan transport.

An important aspect of the MMRDA is that it not only functions as a metropolitan planning agency but also embarks on development projects either independently on its own or in association with other concerning organizations. It seeks funding support from state government, multilateral agencies and development agencies. It has been executing the mega projects to develop physical infrastructure, transport and commercial or recreational activities with the support of agencies.

### 3. Bangalore Metropolitan Regional Development Authority

Bangalore Metropolitan Region Development Authority (BMRDA) is a self-governing body formed by the Government of Karnataka under the BMRDA Act 1985 for the purpose of planning, coordinating and supervising the proper and orderly development of the areas within the Bangalore Metropolitan Region (BMR) which consists of Bangalore urban district, Bangalore rural district and *Malur taluk* of Kolar district.

#### Structure

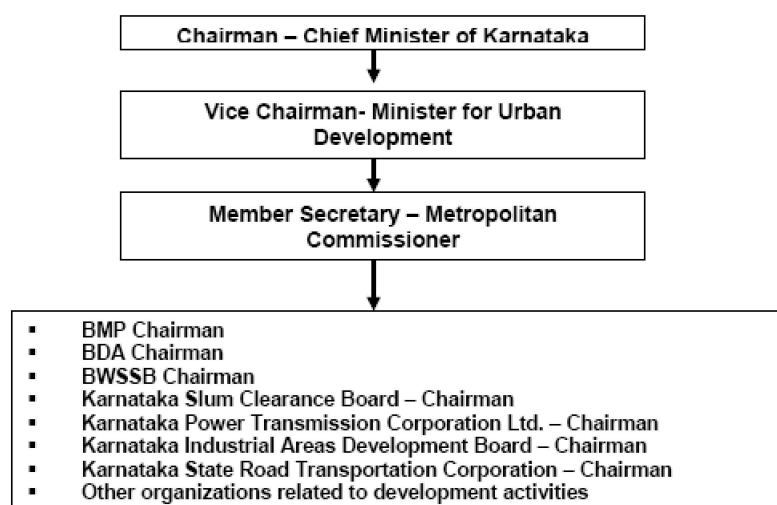
The Chief Minister heads the BMRDA as Chairman and the Minister of Urban Development functions as Vice-Chairman and the other members are the Chairmen

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of various development agencies in Bangalore, senior officers and heads of departments. The member secretary is the Metropolitan Commissioner. BMRDA contributes primarily in the evolution of urban development polices in the Bangalore Metropolitan Region (BMR) and it acts as an umbrella organization for the planning authorities setup in the region (see figure 4.7 for structure).

BMRDA is responsible to coordinate the activities of various concerned bodies such as Bangalore Mahanagar Palika, Bangalore Development Authority, the Bangalore Water Supply and Sewerage Board, the Karnataka Slum Clearance Board, the Karnataka Power Transmission Corporation Ltd., the Karnataka Industrial Areas Development Board, the Karnataka State Road Transportation Corporation and such other bodies as or connected with developmental activities in BMR.

The entire Bangalore Metropolitan Region (BMR), as per the structure plan, is divided into five Area Planning Zones (APZ) and six Interstitial Zones (IZ). The proposed APZs are Bangalore – Bidadi, Bangalore – Nelamangala, Bangalore – Devanahalli, Bangalore – Whitefield, Hoskote, Bangalore – Anekal, Sarjapur – Hosur.



*Fig. 4.7 Structure of BMRDA*

## 4. Chennai Metropolitan Development Authority

### *Constitution and jurisdiction*

The Chennai Metropolitan Development Authority (CMDA) is a statutory body set up under Town & Country Planning Act 1971. In 2001, the population of the city of Chennai had crossed 42 lakhs and it became one of the megacities in India. The city's population is expected to reach the 48 lakh mark in 2011.

The Chennai Metropolitan Area includes the city and its adjoining urbanized area covering 1177 sq km. The Chennai City, 8 Municipalities, 10 Panchayat

Unions come under its purview. These challenges must be overcome through the policy of Metropolitan Development of Chennai and appropriate solutions must be found. The CMDA, in its effort, to transform the policies of Government into reality has recommended a number of measures to improve traffic and transportation, to create infrastructure and to upgrade existing civic services.

### Function and structure

The function of CMDA is to supervise the overall planning and coordination in CMA and it is dedicated to deliver services to the citizens. The structure of CMA (shown in figure 4.8) consists of the Chairman (political head), Vice Chairman, Member Secretary and CEO (all of them being in civil service) and a Board of Directors comprising departments, municipal corporations, parastatals and elected representatives.

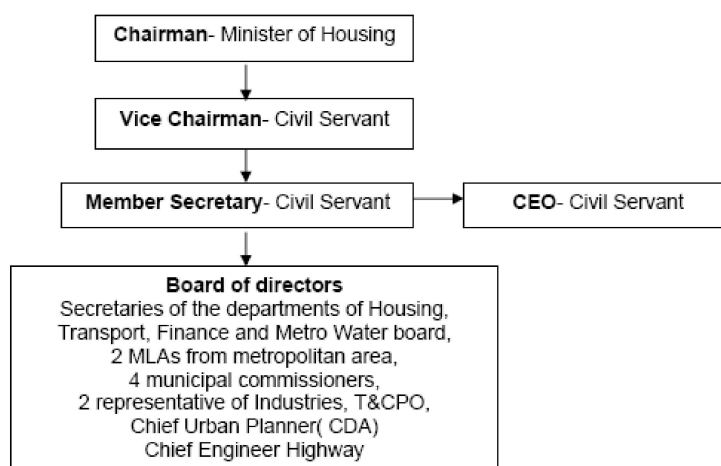


Fig. 4.8 Structure of CMDA, Chennai

### Check Your Progress

4. What is the commission system of administrative structure?
5. Which city in India has adopted the Mayor in council administration system?
6. In the BMRDA, who acts as the Chairman and vice-chairman?
7. When was the CMDA set up?

## 4.4 DISTRICT PLANNING COMMITTEE

The constitution of District Planning Committees (DPCs) is mandatory under article 243ZD of the Constitution and is a common item for both Panchayats and Municipalities. The District Planning Committees are to take up integrated planning for urban and rural areas in the District. As urbanization increases, the need for such an integrated planning will become more important. Town

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and the county have to share the various physical and economic resources of the district such as communications, water resources and marketplaces. Allocation of water for irrigation, drinking or industry is already a contentious issue in many districts. Dealing with each other's wastes is another serious problem. The sugar mill and distillery wastes of numerous small, medium and large units in western Uttar Pradesh, or the textile and dyeing units in Rajasthan, Gujarat or Andhra Pradesh fouling and poisoning water courses are a well-known phenomenon. Municipal solid wastes-be they chemicals, plastics, hospital wastes or other debris-spill over into the countryside and find their way into neighbouring streams. Agricultural lands at the fringe of towns, large or small, are increasingly prone to conversion. These are problems that need understanding and response, not in a distant State headquarter but within the local area. The district needs a platform to umpire and resolve these issues. The Zila Parishad and District Planning are an important process for this purpose. Planning should be an obligatory function of Panchayats and municipalities. Such plans at the local level are the building blocks for a district plan. District planning itself should be an integrating process.

### Composition

While the composition of the DPC and the manner in which the seats are to be filled have been left to the States, article 243ZD stipulates that four-fifths of the total number of members of DPC will be elected by, and from amongst, the elected members of the Panchayat at the district level and of the municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district. The rest are to be nominated.

While most States have made enabling acts to constitute District Planning Committees, very few have actually constituted them. This is because of both political apprehensions and bureaucratic problems. First is the fact that the provisions on District Planning are to be found in the 74th rather than in the 73rd Constitutional Amendment. Rural Development departments in the various State Governments have traditionally regarded district level planning as falling in their domain but since they find that the provisions for the DPC are now a part of the 74th Constitutional Amendment, under the Part IXA relating to Municipalities, their reaction sometimes has been that these Committees are the concern of the Urban Development or Municipal Affairs department in the State. These departments, on the other hand, do not have a clue about the objectives and purposes of the District Planning Committee and expect that some other department like Planning, will take care of it. The result is that the item often became orphaned between disinterested departments. The political apprehension is about the DPC emerging as a dominant body deciding on public investments and thus reducing the influence and patronage of State level political leaders.

## DPC and Zila Parishad

A second unresolved issue has been the relationship between the Zila Parishad and the DPC. The amended Constitution envisages the DPC as a standalone entity. While article 243ZD provides for members of a DPC to be elected by and from amongst the elected members of the Zila Parishad and of the municipalities in the district, it does not specify the relationship between the Zila Parishad and the DPC. It is pertinent to mention here that this aspect was well understood and specifically addressed in the 65th Amendment Bill, 1989. Article 243Y proposed in that Bill stipulated that the DPC should be constituted 'in every Panchayat at the District level'. Proposed clause (3) of the article also laid down that the "Chairperson of the Panchayat at the district level shall be the chairperson of the Committee". The locus and stewardship of the DPC as part of the district Panchayat or Zila Parishad was thus established beyond doubt. Unfortunately, article 243ZD of the Constitution as enacted has allowed serious ambiguities to persist.

The State Governments have, therefore, been left to draw their own interpretations. In Assam, Karnataka, Kerala, Rajasthan and West Bengal the State laws envisage the DPC as a part of the Zila Parishad. The Chairperson of the Parishad is also designated as Chairperson of the DPC. In Madhya Pradesh, a Minister of the State Government is the Chairperson of the DPC and is expected to lead and guide district planning with the help of the district administration. The Chairperson of the Zila Parishad is a Vice-Chairman. Gujarat and Maharashtra have long had District Planning and Development Committees with a minister of the State Government as the Chairperson. The view of these two Governments has been that these district committees are an adequate substitute for the DPCs. The table below indicates the varied arrangements in different States.

The designation of a Minister as the President of the DPC virtually makes it an extension of the State Government and goes against the intent of the Constitution. It also defeats the principle of decentralization. Even before independence District Boards were perceived and set up as important centres of decentralization. In Karnataka, Maharashtra, Gujarat and Rajasthan, the Zila Parishads set up during the first initiatives of decentralization enjoyed considerable autonomy and powers. The District is the first major level where the demand for local autonomy and the desire for State control are likely to come into conflict. Similar fears surfaced during the 1970s when the Zila Parishad became prominent and powerful in Karnataka, Gujarat and Rajasthan. These fears and apprehensions continue to hold sway and if the highly varied arrangements in the different States continue to prevail, the Constitutional intent in establishing district level Panchayats and district planning process will be defeated. To quote 'Panchayati Raj without district planning might be a somewhat hollow shell, even as district planning without Panchayati Raj would be unrepresentative'. This observation of Late Rajiv Gandhi was only a reflection of the consensus held by stalwarts of the Panchayat movement like Ashok Mehta, Abdul Nazir Sab, Ramkrishna Hegde or Nirmal Mukherji.

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In the case of Madhya Pradesh it has been claimed that the District Planning Committee is really a step forward towards the establishment of a district government. The DPC has been given the powers to supervise and monitor district level schemes undertaken by different departments of the Government. Amended in 1999, the DPC Act of 1995 has also given to it the powers of administrative approval and financial sanctions subject to some limits. The DPCs have also been entrusted some other functions previously performed by the State Government in respect of urban areas such as delimitation of municipal wards, land acquisition, etc. However, in keeping a Minister of the Government as the Chairman of the DPC and the District Collector as the Secretary, the DPC has emerged as a body distinct from the Zila Parishad exercising more powers on behalf of the State Government. It is not the intent of the Constitution that the DPC should emerge as a super body at the district level dominating even the Zila Parishad. To that extent the intent and working of the DPC in MP needs careful watching.

### **District planning process**

The extensive arrangements for decentralized planning which have been made in Kerala particularly in the case of Panchayats at different levels have been well documented and discussed in various sources. So far as the DPC is concerned the State Planning Board and the NGOs have also helped to identify and provide district level resource persons with the required professional background. The DPCs guide the intermediate and village level Panchayats in the preparation of their own plans and the approval of the plan is the responsibility of the DPC though it cannot change the priorities determined by the PRIs in the district.

In October 1998, Maharashtra enacted a separate District Planning Committee Act. The Act provides for a Minister of the State Government to be the Chairperson of the DPC with the President of the Zila Parishad, its CEO, the Divisional Commissioner and the Collector of the District as ex-officio members. The Act also stipulates that the Collector shall be the Member Secretary. The Maharashtra Government has thus confirmed its past approach prior to the Constitutional Amendment, of treating Zila Parishads as just one of the local bodies rather than a body which should take the lead in district planning.

In West Bengal, the organizational arrangements are similar to those in Kerala though there has been no supporting programme for identifying resource persons and training PRI and Municipal staff in planning. West Bengal has also revived a previous practice of District Planning and Development Coordination Committee (DPDCC) presided over by a Minister of the State Government. Though the President of the Zila Parishad continues to be the Chairman of the DPC, the DPC is expected to consult the DPDCC. Here again, the arrangement appears to be a dilution of the position of the Zila Parishad.

In Rajasthan, DPCs have been formed in all the districts with the President of the Zila Parishad as the Chairperson and the Chief Planning Officer of the

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district who is a functionary of the Zila Parishad as the Secretary. In UP and Karnataka, the DPCs have been set up but they are not functional. In Tamil Nadu until recently the DPC was perceived and operated as a non-PRI body with the Collector as the Chairman and the Zila Parishad President as the Vice Chairman. Recently, the position has been changed with the President of the District Panchayat designated as the Chairman of the DPC.

The highly varied organizational and operational arrangements for the DPC confirm the fact that the provisions of the Constitution have remained very poorly understood and very badly implemented. Where the DPC has not been located within a Zila Parishad the ownership of the process itself has been left to doubt. The induction of a State Government Minister appears to be a deliberate attempt to dilute the position of the district level Panchayat and forestall possible attempts of that Panchayat to assert its pre-eminence as a distinct body of elected representatives. The operational arrangements for the preparation of a district development plan and merely forwarding it to the State Government also reduces it to a paper exercise. If, on the other hand, district level planning becomes multi sectoral and inter-departmental and also covers project allocation, monitoring and supervision and if that district level planning becomes a part of the Zila Parishad's responsibilities it would undoubtedly enhance the Parishad's power and influence.

As presently worked, the Panchayat at the District level or the Zila Parishad is construed as a Zila Rural Parishad. The reality is that a District is an important administrative entity and its jurisdiction covers both the rural and the urban. Its composition should reflect the character of the district as a whole. Its territorial constituencies should, therefore, comprise all parts of the district. Such a Parishad will truly be a Panchayat representing the district as a whole. District Planning has to be one of its firm and continuing responsibilities.

The Panchayats at the district level, in other words, the Zila Parishad is to be composed principally of representatives elected from territorial constituencies. As suggested above these territorial constituencies should cover the district as a whole. The basic electoral unit will, therefore, be the territorial wards which elect representatives to the village Panchayat. A certain number of these Panchayat wards can then be grouped into wards for intermediate level Panchayats i.e. Panchayat samitis. For urban areas, we have urged earlier, the formation of Wards Committees for each municipal ward or groups of wards to comprise representatives elected from territorial constituencies into which a municipal ward area will be devised. This will be the basic building block. A certain number of these blocks can then be grouped into a municipal ward. If there are no Wards Committees comprise of representatives elected for this purpose, then the municipal ward itself becomes the building block. The territorial constituencies of the Zila Parishad will then be a grouping of Panchayat samiti as well as municipal wards. In delimiting the Panchayat samiti wards the State laws should provide that any given village Panchayat should form part of a Panchayat samiti wholly and not be split.

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Similarly, the constituencies for Wards Committees will be grouped in their entirety within a given municipal ward. By the same principle a Panchayat samiti ward or a municipal ward should form part of a Zila Parishad constituency wholly and not be split.

### MPs/MLAs and DPC

The representation of MPs and MLAs is a related item. Both the 73rd and the 74th Amendments specifically enable State Legislatures to provide for their representation in Municipalities and Panchayats. It makes far more sense and can be of much more value if the participation of MLAs and MPs is secured in District Planning. Two alternatives can be considered in this regard. One is for the MPs and MLAs to be the honoured invitees of the DPC and contribute to its deliberations without having to be its formal members. The alternative is to provide for their representation in the DPC by specifying its composition.

At present under article 243ZD, four-fifths of the total number of members of DPC are to be elected by, and from amongst, the elected members of the Panchayat at the district level (the Zila Parishad in other words) and of the Municipalities in proportion to the ratio of the rural and urban populations. This component can be changed to three fifth of the total number. One fifth can be elected by and from amongst the MLAs and MPs from the district. Out of these the number of MPs can be fixed as two. The participation of the MPs and MLAs should be in person and not through agents as allowed in M.P. The remaining one fifth of the DPC members should be the representatives of such organizations and institutions as the State Government may consider necessary for carrying out the functions assigned to the DPC. This is important because within a district there will be important institutions representing industry, trade and commerce, NGOs, professionals, etc., who will be in a position to make valuable contributions to the process of district planning. At present, article 243ZD does not contain a provision for this purpose. So far as officials of the Government and Government's agencies are concerned, they should be nominated by the State Government, ex-officio, to participate in the DPC but without being formal members.

### ***Legal changes suggested by the National Commission to Review the Working of the Constitution (NCRWC)***

The *NCRWC* has suggested the following legal changes:

- (a) As per the definitions given in Article 243, 'district' means a district in a State while 'Panchayat area' means the territorial area of a Panchayat. The Panchayat at the district level should, therefore, be for the district as a whole instead of the rural areas only. The definitions under Article 243 should be amended accordingly. Clause (1) of Article 243 ZD should be amended to stipulate that the District Planning Committee shall be constituted within the Panchayat at the district level or Zila Parishad.



- (b) Sub-clause (d) of clause (2) of Article 243 ZD should be amended to provide for the Chairperson of the Panchayat at the district level to be the Chairperson of the District Planning Committee. The Chairperson of the largest Municipality in the District should be the Vice-chairman.
- (c) In clause (1) of 243ZD, the words ‘consolidate the plans prepared by the Panchayats and Municipalities in the district’ should be omitted so that the DPC’s main task of preparing a draft development plan for the district is not contingent or dependent on individual plans prepared by the Panchayats and the Municipalities. However, clause (3) of article 243ZD can provide that in preparing the development plan the DPC will have regard to such plans as are prepared by the Panchayats and the Municipalities. Zila Parishad should help Panchayats and municipalities to prepare these plans which will serve as building blocks for preparation of Development Plan for the district.
- (d) Article 243ZD should also contain a provision to enable the State laws and State Governments to entrust additional responsibilities as monitoring of development schemes and programmes in the district, coordination of their implementation including powers to modify sanctions to ongoing schemes subject to limits.
- (e) The Zila Parishad should be the technical and administrative secretariat for the DPC independent of and distinct from the District Collector or the District Magistrate.
- (f) The State laws should provide for association and involvement of government and non-government agencies and professionals in the DPCs. MPs, MLAs and Ministers desiring to participate in the District Planning Committee should be welcome as invitees.
- (g) State agencies, district agencies and district administration should assist the DPC with data and technical know-how in preparation of the development plan for the district. State laws should provide for this.
- (h) Where Metropolitan Planning Committees (MPCs) are required to be set up, State laws and regulations should determine the functional and territorial jurisdiction of the DPCs as distinct from the MPCs. Where Metropolitan Planning Committees exist for predominantly urban districts, they should be deemed as DPCs, as no separate DPC is necessary.

### **Check Your Progress**

8. Under which article is the Constitution of the District planning Committees mandatory for both panchayats and municipalities?
9. Which amendment to the constitution created the district planning committees?
10. What does Article 243 ZD says about the composition of the DPC?

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## 4.5 METROPOLITAN PLANNING COMMITTEE (MPC)

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Metropolitan areas are agglomerations administered by several municipalities. Even Greater Mumbai though it is called by that name does not cover all of the Mumbai Metropolitan area. Thane, Bhiwandi, Ulhas Nagar or Navi Mumbai are all different corporations. These multi-municipal urban agglomerations have reached their present dimension and configuration over a period of time. Growth has overrun traditional boundaries. Initially the boundaries of the central city could be extended two or three times as in the case of Mumbai but after that, such extensions were resisted. Surrounding municipalities were not prepared to give up their jurisdictions. The Calcutta Metropolitan area now comprises three corporations, thirty-four municipalities and numerous non-municipal urban localities. The metropolitan areas of Chennai, Bangalore, Mumbai and Hyderabad cover ten to thirty municipal jurisdictions. In Delhi. Nominally, there are only three—the Cantonment, the NDMC and the Delhi Municipal Corporation (MCD). But the MCD itself is a leviathan covering nearly 1600 sq. km and stretching across vastly different localities such as Shakur Basti, Rohini and Greater Kailash. World experience has shown that devising a system of governance reconciling local autonomy with a metropolitan perspective has not been easy. Their size, the scale and complexity of problems, are formidable. Because the tasks are numerous, multiple organizations for their discharge become inevitable. Besides many of these mega cities are also the seat of Central or State Governments and their presence is conspicuous.

While the municipal corporations or the municipalities comprised in these agglomerations may be zealous of their respective domain, the agglomeration itself needs a metropolitan wide perspective, planning, advocacy and action, Sources of water, disposal of waste, traffic and transport, drainage, abatement of air pollution, etc., are examples of items where one city corporation or the municipality alone cannot achieve much in isolation. The B.E.S.T which is part of the BMC for instance, however, competent it may be, cannot do much about public transport in Mumbai if the Ministry of Railways handling the suburban system does not subscribe to a common plan. The Government of India's Ministry of Environment or Maharashtra's State Pollution Control Board cannot do much to mitigate pollution without BMC's active collaboration. Above all, the maintenance of the infrastructure to keep the mighty economic machine of Mumbai going is a task requiring much interaction and collaboration between the Central, State and local governments, the public and the private sector, industry, commerce and the citizenry. The Metropolitan Planning Committee was envisaged as an inter-institutional platform for similar purposes.

Metropolitan areas are also the main engines of growth and economy in the country—Urban transport, Water-supply, waste management, police, public health, etc., require metropolitan level planning, implementation and coordination. Besides

the scale of services needed in these metropolitan areas is huge and it is not possible for City corporations or Municipalities to address all of them. The suburban railways or metropolitan transport systems as in Calcutta. Mumbai or Chennai are handled by the Ministry of Railways. The ports in these cities have a separate set-up. Metropolitan Development Authorities or Departments of Metropolitan Development in the State Government cannot be an adequate answer for these multi-municipal problems. Since the 74th Constitution Amendment, Mayors and Municipal Chairpersons are moving increasingly to assume executive leadership for managing their respective areas. A bureaucratic set up cannot bring these elected representatives and leaders together at the metropolitan level.

The reasons for this sorry state of affairs are a mixture of bureaucratic confusion about the purpose and role of the MPC, lack of political interest and, most importantly, the fear of the Development Authorities, which exist in most of these twenty-three cities that their domain will be undermined. While the Calcutta Metropolitan Development Authority itself was brought about in special circumstances-more for mobilizing funds and coordinating implementation-most of the development authorities in the other cities were inspired by the Delhi Development Authority model of large scale land acquisition, real estate development and housing construction. Eventually these bodies became conspicuous empires of public works and patronage as in Bangalore, Hyderabad or Jaipur. The creation of these authorities was no doubt facilitated by the fact that most of the city corporations concerned were under super cession as was the case in Chennai and Calcutta. In the case of greater Bombay consistent opposition from the Corporation limited the BMRDA mandate to some broad areas of planning control and coordination and selected real e-State activities. The Calcutta Authority also eventually became a huge amalgam of public works. State Governments have been rather apprehensive about the large staff which these development authorities have acquired over a period of time, which would become surplus in the event separate Metropolitan Planning Committees are established. This is a totally mistaken perception. The Metropolitan Planning Committee is expected to be a high level, democratically set up body, which will bring a constitutional mandate to the whole exercise of metropolitan development planning. The development authorities could serve these Metropolitan Planning Committees as their technical secretariat.

Another misconception is about the possible conflict of jurisdiction between MPCs and DPCs. Since metropolitan areas are predominantly urban, the rural or the Panchayat component in the MPCs would be rather small. Where the urban areas are coterminous with revenue districts, such as Bangalore, Chennai or the Calcutta urban district, the problem does not arise at all. In such cases, a DPC is not necessary. Where a part of a revenue district is included in a metropolitan area, State Governments can suitably redefine the boundaries for the purpose of DPC and MPC work. Alternatively, a functional delineation is also possible. The Tamil Nadu Government attempted to do this by providing that the MPC for the Chennai metropolitan area will be deemed to be a DPC for those portions of the

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revenue districts which are included in the metropolitan area. Under the Constitution it is up to the State Governments to determine the jurisdiction of the DPC and the MPC to avoid conflicts, if any.

In the composition for MPC it is envisaged that one-third of its members are to be elected by and from amongst the elected representatives of urban and rural local bodies in the metropolitan areas. The others are to be nominated, representing Central Government agencies and various State Government agencies, other organizations and institutions responsible for various services in the metropolitan areas. More importantly, the nomination also enables representatives of the private sector and community at large to be mobilized. The manner of choosing the Chairperson of the MPC, and the planning and coordination functions to be entrusted to it is left to the State Legislature. In preparing the draft development plan the MPC should have due regard to the plan prepared by the Municipalities and the Panchayat, matters of common interest to them, objectives and priorities of the Government of India and the State Government, available financial and other resources for integrated development of infrastructure, environmental conservation, etc. The MPC is expected to hold wider consultations with different institutions and organizations. The Metropolitan Planning Committee is envisaged as an inter-governmental and inter-organizational forum for providing a vision, a strategy and a metropolitan wide development plan.

### ***Legal changes suggested by the National Commission to Review the Working of the Constitution (NCRWC)***

The *NCRWC* has suggested the following legal changes:

- (a) Metropolitan Planning Committees should be limited to metropolitan areas with 20 lakh population or more. Clause (c) in article 243P may be amended accordingly.
- (b) State laws should specify the organization which will function as the technical and administrative secretariat of the MPC under its control.
- (c) Where MPCs exist, their functional and territorial jurisdiction should be distinct and separate from the DPC.

### **Check Your Progress**

- 11. What has been envisaged regarding the composition of the MPC?
- 12. List the reasons that states have not set up an MPC.

## **4.6 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS**

- 1. Municipal Corporation is the topmost of urban local government. Unlike rural government, urban local government in India is not hierarchical.

2. Act 243-Q provides for the establishment of the following three types of municipal corporations in urban areas:
  - A Nagar Panchayat for a transitional area, that is to say, an area undergoing transition from a rural area to an urban area
  - A municipal council for smaller urban area
  - A municipal corporation for a larger urban area
3. Most of the works of the municipal corporations and councils are divided into two parts; obligatory and discretionary. Obligatory works are related to the basic sanitation and services in the cities such as supply of water, maintenance of roads etc. Discretionary functions, such as the building of houses for the poor and organizing the events are subject to the availability of funds and other resources.
4. A commission is given the responsibility of city affairs with the Commissioners acting as full-time paid administrators and legislators. It works competently in a small city, but is not considered appropriate for large cities, given the weaknesses of inability to cope with pressures as well as complexities in development and administration.
5. Kolkata has adopted Mayor in Council administration system.
6. The Chief Minister heads the BMRDA as Chairman and the Minister of Urban Development functions as Vice-Chairman and the other members are the Chairmen of various development agencies in Bangalore, senior officers and heads of departments. The member secretary is the Metropolitan Commissioner.
7. The Chennai Metropolitan Development Authority (CMDA) is a statutory body set up under Town & Country Planning Act 1971.
8. The Constitution of District Planning Committees (DPCs) is mandatory under article 243ZD of the Constitution and is a common item for both Panchayats and Municipalities.
9. District planning committees are created after the 74th amendment.
10. While the composition of the DPC and the manner in which the seats are to be filled have been left to the States, Article 243ZD stipulates that four-fifths of the total number of members of DPC will be elected by, and from amongst, the elected members of the Panchayat at the district level and of the municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district. The rest are to be nominated.
11. In the composition for the MPC it is envisaged that one-third of its members are to be elected by and from amongst the elected representatives of urban and rural local bodies in the metropolitan areas. The others are to be nominated, representing Central Government agencies and various State

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Government agencies, other organizations and institutions responsible for various services in the metropolitan areas.

12. Not a single state in India has set up an MPC so far. The reasons for this sorry state of affairs are a mixture of bureaucratic confusion about the purpose and role of the MPC, lack of political interest and most importantly, the fear of the Development Authorities, which exist in most of these twenty-three cities that their domain will be undermined.

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## 4.7 SUMMARY

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- Municipal Corporation is the topmost of urban local government. Unlike rural government, urban local government in India is not hierarchical. Municipal corporations are usually found in big cities.
- All the municipal areas are divided into wards which are generally electoral constituencies. These municipal corporations in all the states, except for the state of West Bengal, consist of Corporation Council, the Mayor, the commissioner and a number of Standing Committees.
- The post of the mayor is the highest post in a municipal corporation and generally he is elected for one year term from the councilors elected from different wards.
- In the smaller towns and cities municipalities or municipal councils manage their civic affairs collectively through the municipal board and committees.
- There also exists Town Area Committees which are meant for smaller towns. These committees are governed through special state enactments with membership, i.e., either wholly elected, wholly nominated or a combination of both these elements with restrictive powers.
- Act 243-Q provides for the establishment of the following three types of municipal corporations in urban areas:
  1. A Nagar Panchayat for a transitional area, that is to say, an area undergoing transition from a rural area to an urban area
  2. A municipal council for smaller urban area
  3. A municipal corporation for a larger urban area
- Article 243-U provides that every municipality, unless sooner dissolved under any law for the time being, shall exist for 5 years from the date appointed for its first meeting.
- Most of the municipalities or municipal corporations have two basic functions; legislative and executive. Most of the works of the municipal corporations and councils are divided into two parts; obligatory and discretionary.

- It is held in literature that four major types of administration structures could be found in the context of cities with respect to the division of responsibilities (Pinto 2000): Weak Mayor-Council Structure, Strong Mayor Council Structure, Commission System and Council – Manager System.
- In practice, there are not many types of administrative structures found in India. Mumbai, Delhi and Chennai are the three major metropolitan cities in India which are following a Commissioner led administrative system with the Council as the political wing. Many other cities in India are also following this system except Kolkata, which has adopted Mayor in Council administration system.
- The constitution of District Planning Committees (DPCs) is mandatory under article 243ZD of the Constitution and is a common item for both Panchayats and Municipalities. The District Planning Committees are to take up integrated planning for urban and rural areas in the District.
- While the composition of the DPC and the manner in which the seats are to be filled have been left to the States, article 243ZD stipulates that four-fifths of the total number of members of DPC will be elected by, and from amongst, the elected members of the Panchayat at the district level and of the municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district. The rest are to be nominated.
- While the municipal corporations or the municipalities comprised in these agglomerations may be zealous of their respective domain, the agglomeration itself needs a metropolitan wide perspective, planning, advocacy and action, Sources of water, disposal of waste, traffic and transport, drainage, abatement of air pollution, etc., are examples of items where one city corporation or the municipality alone cannot achieve much in isolation. The Metropolitan Planning Committee was envisaged as an inter-institutional platform for similar purposes.
- In the composition for MPC it is envisaged that one-third of its members are to be elected by and from amongst the elected representatives of urban and rural local bodies in the metropolitan areas.

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### 4.8 KEY WORDS

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- **Municipal Corporation:** It is the topmost of urban local government for large urban area.
- **Mayor:** It is the highest post in a municipal corporation.
- **Municipal council:** It is the urban local government for smaller urban area.
- **District Planning Committees (DPCs):** It is mandatory under article 243ZD of the Constitution and is a common item for both Panchayats and

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Municipalities to take up integrated planning for urban and rural areas in the District.

- **Metropolitan Planning Committee (MPCs):** It is expected to be a high level, democratically set up body to bring a constitutional mandate to the whole exercise of metropolitan development planning.

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### 4.9 SELF ASSESSMENT QUESTIONS AND EXERCISES

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#### Short-Answer Questions

1. Why do municipal corporations in most states exist in India except for the state of West Bengal?
2. Write a short note on the post of the mayor.
3. What are the functions of municipal corporations in India?
4. Briefly explain the composition of DPC.
5. What has been envisaged with regards to the composition and members of the MPC?
6. What has the National Commission to Review the Working of the Constitution (NCRWC) suggested with regards to MPC?

#### Long-Answer Questions

1. Explain the four major types of administration structures that can be found in the context of cities with respect to the division of responsibilities.
2. Describe the Indian Models of Metropolitan Urban Governance.
3. Examine the relationship between DPC and Zila Parishad.
4. Assess why there has been problems related to the establishment of MPCs.

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### 4.10 FURTHER READINGS

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Chakrabarty, B and R K Pandey. 2019. *Local Governance in India*. New Delhi: SAGE Publications.

Jayal, Niraja Gopal, Amit Prakash, and Pradeep K. Sharma. 2007. *Local Governance in India: Decentralization and Beyond*. New Delhi: Oxford University Press.

Maheswari, Shriram. 2008. *Public Administration in India*. Agra: Laxmi Narayan Agarwal.



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## BLOCK - III

### CONSTITUTIONAL AMENDMENT ACT AND ITS IMPLEMENTATION

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*Salient Features of  
73rd Constitutional  
Amendment Act of 1992*

#### NOTES

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## UNIT 5 SALIENT FEATURES OF 73RD CONSTITUTIONAL AMENDMENT ACT OF 1992

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### Structure

- 5.0 Introduction
- 5.1 Objectives
- 5.2 Key Features
  - 5.2.1 Implementation
- 5.3 Answers to Check Your Progress Questions
- 5.4 Summary
- 5.5 Key Words
- 5.6 Self Assessment Questions and Exercises
- 5.7 Further Readings

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### 5.0 INTRODUCTION

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One of the most important aspects of the development process, whether at micro-level or macro-level, is planning. Planning is of two kinds – centralized and decentralized. While attaining higher growth rate of national income is at the core of centralized planning, people development forms the main focus of decentralized planning. Power, authority and governance are the essential factors that are important in ruling a country. In all the countries, power is created, then structured, maintained and changed from time to time. However, depending on the size, area and geography of a big country, power cannot be vested in one's hands. Hence, it has to be divided to such an extent that the governance of the country can be made efficient. The key to achieving the goal of efficient governance is decentralization. India made a landmark decision by amending the Constitution in 1992 through two amendments related to local governance at the rural and urban levels. In this unit, you will learn about features and implementation of the 73rd constitutional amendment acts.

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### 5.1 OBJECTIVES

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After going through this unit, you will be able to:

- Discuss the key features of the 73rd amendment to the Constitution
- Examine the implementation of the 73rd amendment to the Constitution

*Self-Instructional  
Material*

## NOTES

### 5.2 KEY FEATURES

The Constitution (73rd Amendment) Act, 1992 added a new Part IX consisting of 16 Articles and the Eleventh Schedule to the Constitution. The 73rd Amendment Act envisages the Gram Sabha as the foundation of the Panchayat Raj System (PRS) to perform functions and powers entrusted to it by the state legislatures. The amendment provides for a three-tier PRS at the village, intermediate and district levels. Small States with population below twenty lacs have been given the opinion not to constitute the Panchayats at the intermediate level. The Act provides that the Panchayat bodies will have an assured duration of five years, with elections mandatory after this period. However, one thing is to be noted that under the Amendment Act, the establishment of Panchayats and the devolution of necessary powers and authority on the PRI are vested in the hands of the State Governments. In view of this, it may be said that the success of the PRI as a unit of democracy and thereby ushering an all-round development of rural areas will much depend on the intention of support of the State Governments. These institutions would be misused by rural rich and the poor and illiterate masses will remain mute supporters as it is happening in Parliamentary and State Assembly elections in the country. Criminalization of politics is threatening the very foundation of democracy. The Government should ensure that these evils should not affect the functioning of PRI. Some of these provisions were discussed in Unit 3 as well.

**Gram Sabha:** Article, 243A provides that the Gram Sabha may exercise such powers and perform such functions at the village level as the legislature of a state may by law provide. The 73rd amendment thus envisages the Gram Sabha as the foundation of PRS. 'Gram Sabha' means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level.

**Constitution of Panchayats:** Article 243B visualises a three-tier PRS. It provides that in every State, there shall be constituted Panchayats at the village, intermediate and district levels. Small States having a population not exceeding twenty lacs have been given an option not to constitute the Panchayats at the intermediate level.

**Composition of Panchayats:** Article 243C provides that, subject to the provisions of this part, the legislature of a State may by law make provisions with respect to the composition of Panchayats. However, the ratio between the population of the territorial area of a Panchayat at any level and the number of seats in such Panchayats to be filled by election shall, so far as practicable, be the same throughout the State.

All the seats in a Panchayat shall be filled by the persons chosen by direct election from territorial constituencies in the Panchayat area. For this purpose, each Panchayat's area shall be divided into territorial constituencies in such manner

that the ratio between the population of each constituencies and the number of seats allotted to it, so far as practicable, be the same throughout the Panchayat area.

The legislature of a state may by law provide for representation of following persons in Panchayats:

- (a) The Chairpersons of the Panchayats at the village level, in the Panchayats at the intermediate level or in the case of a State not having Panchayats at the intermediate level and in the Panchayats at the district level.
- (b) The Chairpersons of the Panchayats at the intermediate level and in the Panchayats at the district level;
- (c) The members of the Lok Sabha and the Legislative Assembly of the State representing constituencies which comprise wholly or partly a Panchayat area at the level other than the village level, in such Panchayats;
- (d) The members of the Rajya Sabha and Legislative Council of the State where they are registered as lectors;
- (e) A Panchayat area at the intermediate level, in Panchayat at the intermediate level;
- (f) A Panchayat area at the level, in Panchayat at the district level.

The Chairpersons of a panchayat and other members of a Panchayat whether or not chosen by direct election from territorial constituencies in the Panchayat area shall have the right to vote in the meetings of Panchayat.

The Chairperson of a Panchayat at the village level shall be elected in such a manner as the legislature of a State may by law, provide. The Chairpersons of a Panchayat at the intermediate level or district level shall be elected by, and amongst, elected men.

**Disqualification for membership:** A person shall be disqualified for being a member of Panchayats:

- (a) If he is so disqualified by or under any law for the time being force for the purpose of elections to the legislature of the state concerned.
- (b) If he is so disqualified by or under any law made by the legislature of the State.

If any question arises as to whether a member of a Panchayat has become subject to any of the qualifications mentioned in clause (1) the questions shall be referred for the decision of such authority and in such manner as the legislature of a State may, by law, Provide clause (2).

**Reservation of seats in panchayats:** Article 243D provides that in every Panchayat seats shall be reserved for the SC and STs in that Panchayat area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Panchayat.

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Out of total number of seats reserved under Clause (1), not less than 1/3 seats shall be reserved for women belonging to the SC and ST (2). Out of total number of seats to be filled by direct election in every Panchayat, not less than 1/3 (including the number of seats reserved for SC and ST women) seats shall be served for women.

**Reservation for backward classes:** The legislature of a state is empowered under clause (6) to make provision or reservation of seats in any Panchayat or office of chairperson in the Panchayat at any level in favour of backward classes of citizens.

**Duration of panchayats:** According to Article 243E every Panchayat, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting.

An election to constitute a Panchayat must be completed:

- (i) Before the expiry of duration;
- (ii) Before the expiration of a period of six months from the date of its dissolution.  
(Clause 3)

**Powers, authority and responsibility of panchayat:** Article 243G provides that subject to the provisions of this Constitution, the legislature of a state may, by laws, endow the Panchayats with such powers and authority as may be necessary to enable them to function as an institution of self government. Such conditions as may be specified therein with respect to:

- (a) The preparation of plans for economic development and social justice;
- (b) The implementation of schemes for social development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

The matters listed in the Eleventh schedule are as follows:

(1) Agriculture, including agricultural extension, (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) Khadi, village and cottage industries, (10) Rural housing, (11) Drinking water, (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 including hospitals, primary health centres and dispensaries, (24) Family welfare, (25) Women and child development, (26) Social welfare, including welfare of the handicapped and mentally retarded, (27) Welfare of the

sections, and in particular, of the scheduled Castes and the ST, (28) Public distribution system and (29) Maintenance of community assets.

**Power to improve taxes and funds of Panchayats:** Article 243H empowers a State legislature to make by law provision for imposing taxes etc. by the Panchayats. Such a law:

- (a) Authorize a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;
- (b) Assign to panchayat such taxes, duties, tolls and fees levied and collected by the state Government for such proposed and subject to such conditions and limits;
- (c) Provide for making such grants-in-aid to the panchayats from the consolidated fund for the state; and
- (d) Provide for Constitution of such funds for crediting all moneys received, by or behalf of the panchayats and also for the withdrawal of much money therefrom.

**Finance commission:** Article 243 I provides for the establishment of a finance commission for reviewing financial position of the panchayats. The Governor of a state shall within a one year from the commencement of the Constitution (73rd Amendment) Act, 1992 and thereafter at the expiration of every fifth year, constitute a finance commission. To make recommendations to the Governor as to:

- (a) The principles which should Govern:
  - (i) The distribution between the state and panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the state, which may be divided between them under this part and the allocation between the panchayats at the all levels of their respective shares of such proceeds
  - (ii) The determination of the taxes, duties, tolls and fees may be assigned to, or appropriated by, the panchayats;
  - (iii) The grant-in-aid to the panchayats from the consolidated fund of the state;
- (b) The measures needed to improve the financial position of the panchayats;
- (c) Any other matter referred to the finance commission by the Governor in the interests of sound finance of the Panchayats.

**Audit of accounts of Panchayats:** The legislature of a State may, by law, make provision with respect to the maintenance of accounts by the panchayats and the auditing of such accounts (Article 243J).

**Elections to the Panchayats:** Under Article 243K the superintendence, direction and control of the preparation of electoral rolls and conduct of all elections to the panchayats shall be vested in a state election commission consisting of the state election commissioner to be appointed by the Governor. Subject to the provisions

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of any made by the State legislature, the conditions of service and tenure of office of the state election commissioner shall be such as the Government may be rule determine. The state election commissioner shall not be removed from his office except in like manner and on like grounds as a Judge of a High Court. The conditions of service of the state election commissioner shall not be varied to his disadvantage after his appointment (Clause 2 proviso).

The Governor of State shall when so requested by the state election commissioner, make available to commission such staff as may be necessary for the discharge of its duties.

### 5.2.1 Implementation

The Parliament passed the 73rd Amendment Act in 1992 in order to get rid of the defects of the Panchayati Raj. Its purpose was to strengthen and improve the Panchayati Raj. It made a good attempt to secure a more active, regular and efficient working of Panchayati Raj. On 23 April 1994, all the States of India completed enacting new laws for strengthening the Panchayati Raj System according to the rules laid down by the 73rd Amendment. Thereafter, an amended and reformed Panchayati Raj System came into existence and after the passing of the 73rd Amendment Act, 1992, a reformed Panchayati Raj has come into force in all parts of India.

The enforcement of the 73rd Act marked the beginning of an era. It granted a bigger power to the panchayats and other rural institutions. Thus, an important and strong drive towards the strengthening of its democratic development process in the rural areas of India got initiated. The 73rd Amendment Act made provisions for reservation to SC/STs in proportion to their populations, reservation of the posts of chairpersons for the SCs and STs is in state, and reservation of not less than one third of the elected seats in each panchayat for women and reservation of one third of the posts of chairpersons for rural women. It also directs elections of panchayats and chairpersons of panchayats. This act provides for the representation of MPs and MLAs in the Panchayati Raj institution.

### **Panchayats (Extension to the Scheduled Areas) Act, 1996 (or PESA Act, 1996)**

The PESA Act, 1996 is regarded as a corrective legal measure to the 73rd Amendment (Panchayati Raj Act) in order to extend the provisions of the Panchayati Raj to the Scheduled and Tribal areas that fall under the Schedule Five areas of the nine States, viz., Andhra Pradesh, Chhattisgarh, Jharkhand, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa and Rajasthan. The PESA Act, 1996 came into force on 24 December 1996. It gave many radical governance powers to the tribal community and recognized its traditional community rights over local natural resources.

This Act not only accepts the validity of ‘customary law, religious and social practices, and traditional management practices of community resources’, but also

directs the state governments not to make any law which is inconsistent with these. The PESA Act accepts a clear-cut role of the community as it gives wide ranging powers to Gram Sabhas, which had otherwise been denied by the lawmakers of the country. The State Governments were told to enact their legislation in accordance with the Provisions of the Act before the expiry of one year, i.e., 23 December 1997.

### **Poor Implementation of the PESA Act, 1996**

PESA was implemented to empower tribal people which will further help deepen grass-root democracy. The Act provided the tribal people with certain powers that will make it possible to govern themselves. However, it still has some problems and the following solutions are needed:

- There is little awareness about the Gram Sabha being designated as a self-governing body or having legal jurisdiction over the natural resources and forests. There is no support mechanism for the Gram Sabhas to play any significant role.
- There is a clear indication that sincere implementation of PESA has not been seriously attempted by the state governments.
- There is an urgent need to amend the Indian Forest Act, Land Acquisition Act, and other related Acts so that the ownership on minor forest produce, water bodies and land resources are explicitly handed over to the Gram Sabhas of PESA areas.
- No State Government officer should have the power to over-rule any recommendation of a Gram Sabha, because this legacy of British Raj is anti-democratic and must be abolished immediately.
- In order to sensitize the officers, an immediate extensive training-cum-awareness campaign for all relevant officials of various ministries should be initiated.
- The administrative structure and machinery should be provided for making the Gram Sabha an effective body of district administration.
- Special attention should be paid to the construction of culverts, bridges, check dams and compound walls for schools.
- All community resource-based schemes should involve Gram Sabhas in planning and implementation.

### **Achievements of Panchayati Raj Institutions**

After the implementation of the 73rd Amendment Act, the following numbers of panchayats were constituted:

- Village level (2,32,378 panchayats)
- Intermediate level (6,022 panchayats)
- District level (535 panchayats)

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These Panchayats have 2.92 lakh representatives at all levels. This is the broadest representative base decentralization example that exists in any country of the world – developed or underdeveloped.

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### Issues in implementation of the Panchayati Raj Act

Some problems like setting up of State Election Commission and State Finance Commissions holding regular Panchayat elections and providing reservation for SCs/STs/Women in Panchayats are being faced under the Constitution (73rd Amendment) Act, 1992.

- Although the political decentralization is clearly seen in the regular panchayat elections with a fairly good number of participation of people, the fiscal and administrative decentralization have remained somewhat limited. The State Governments still have failed their control on matters of local administration and finance.
- Panchayats only have limited functional autonomy because they have not been granted enough powers for revenue generation.
- Recommendations of State Finance Commissions (SFCs) are not taken seriously by panchayats.
- Powers dealing with all the matters relating to panchayat elections for example, delimitation of constituencies, finalization of electoral rolls, rotation of reserved seats in panchayats, etc., should be given to the panchayats.
- Gram Sabhas have not been empowered and strengthened to ensure greater people's participation and transparency in functioning of panchayats as mentioned in the Panchayat Act.

#### Check Your Progress

1. What does the success of the PRI as a unit of democracy depends on?
2. What does Article 243I says about the PRI?
3. Why was the PESA Act 1996 passed?
4. What does the PESA Act accepts and validates?

### 5.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The success of the PRI as a unit of democracy and thereby ushering an all-round development of rural areas will much depend on the intention of support of the State Governments.
2. Article 243 I provides for the establishment of a finance commission for reviewing financial position of the panchayats. The Governor of a state shall



within a one year form the commencement of the Constitution (73rd Amendment) Act, 1992 and there after at the expiration of every fifth year, constitute a finance commission.

3. The PESA Act, 1996 is regarded as a corrective legal measure to the 73rd Amendment (Panchayati Raj Act) in order to extend the provisions of the Panchayati Raj to the Scheduled and Tribal areas that fall under the Schedule Five areas of the nine States, viz., Andhra Pradesh, Chhattisgarh, Jharkhand, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa and Rajasthan.
4. The PESA Act not only accepts the validity of ‘customary law, religious and social practices, and traditional management practices of community resources’, but also directs the state governments not to make any law which is inconsistent with these.

## NOTES

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### 5.4 SUMMARY

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- The Constitution (73rd Amendment) Act, 1992 added a new Part IX consisting of 16 Articles and the Eleventh Schedule to the Constitution. The 73rd Amendment Act envisages the Gram Sabha as the foundation of the Panchayat Raj System (PRS) to perform functions and powers entrusted to it by the state legislatures.
- The amendment provides for a three-tier PRS at the village, intermediate and district levels. Small States with population below twenty lacs have been given the opinion not to constitute the Panchayats at the intermediate level
- The Amendment contains Articles dealing with provisions related to the organization, constitution, composition, disqualification, reservation, duration, power, responsibilities, authorities, resources, audit and elections related to the Panchayati raj systems.
- The enforcement of the 73rd Act marked the beginning of an era. It granted a bigger power to the panchayats and other rural institutions.
- The PESA Act, 1996 is regarded as a corrective legal measure to the 73rd Amendment (Panchayati Raj Act) in order to extend the provisions of the Panchayati Raj to the Scheduled and Tribal areas that fall under the Schedule Five areas of the nine States.

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### 5.5 KEY WORDS

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- **Gram Sabha:** It means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level.

## NOTES

- **Eleventh schedule:** It was added with the 73<sup>rd</sup> Constitutional Amendment and contains subjects within the purview of the Panchayats.
- **PESA Act:** It refers to the Panchayats (Extension to the Scheduled Areas) Act, 1996 which was a corrective legal measure to the 73<sup>rd</sup> Amendment (Panchayati Raj Act) in order to extend the provisions of the Panchayati Raj to the Scheduled and Tribal areas that fall under the Schedule Five areas of the nine States.

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## 5.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

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### Short-Answer Questions

1. Who does the 73<sup>rd</sup> amendment to the Constitution give power and authority to in relation to the establishment of Panchayats?
2. What is the condition as per which it has been opined that Panchayats at the intermediate level are not required?
3. Write a short note on the elections to the panchayats.
4. Briefly explain the constitution and role of Finance Commission as per the 73<sup>rd</sup> Constitutional Amendment.

### Long-Answer Questions

1. Explain the provisions related to 73<sup>rd</sup> Amendment to the Constitution in relation to the composition, disqualification and reservation of seats.
2. Describe the various powers to the Panchayats as provided through the 73<sup>rd</sup> Amendment to the Constitution.
3. Discuss the implementation and issues related to the 73<sup>rd</sup> amendment to the Constitution.

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## 5.7 FURTHER READINGS

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## UNIT 6 SALIENT FEATURES OF 74TH CONSTITUTIONAL AMENDMENT ACT OF 1992

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*Salient Features of  
74th Constitutional  
Amendment Act of 1992*

### NOTES

#### Structure

- 6.0 Introduction
- 6.1 Objectives
- 6.2 Key Features
  - 6.2.1 Implementation
- 6.3 Answers to Check Your Progress Questions
- 6.4 Summary
- 6.5 Key Words
- 6.6 Self Assessment Questions and Exercises
- 6.7 Further Readings

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### 6.0 INTRODUCTION

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Decentralization affects governance, particularly political competition. It improves public accountability, and reduces political instability. It imposes incentive-compatible limits on government power but also threatens fiscal sustainability. It has also become easier than before because of technological changes and provides public services relatively more efficiently. Also, the lower levels of government have a much better ability to handle certain risks. Decentralization or devolution is also regarded as a way of diffusing political and social tensions and ensuring political and local cultural autonomy in a world of rampant separatists' movement and ethnic conflicts. In the previous unit it was mentioned that two constitutional amendments related to local governance was made in the year 1992. In this unit, you will learn about the 74th Constitutional Amendment pertaining to the urban local governance.

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### 6.1 OBJECTIVES

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After going through this unit, you will be able to:

- Explain the features of the 74th constitutional amendment
- Discuss the implementation of the 74th constitutional amendment

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### 6.2 KEY FEATURES

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The Constitution 74th amendment Act 1992 added Part IX-A to the constitution. This amendment has included 18 new articles and a new schedule

## **NOTES**

known as the twelfth schedule relating to urban local bodies in the constitution. Just as Panchayati Raj amendment, the 74th amendment approves constitutional sanction to the urban self-governing institutions assuring regular elections and enabling them to play a greater role in the development of urban areas. This provides three types of municipal corporations and reservation of seats in every municipality for SC, ST and women. The Amendment gives authority to the state legislature to assign necessary powers and responsibilities upon the municipalities with regard to the preparation of plan for economic development, allotment of taxes and duties by municipalities. Let's discuss some of the constitutional provisions inserted through the 74th Constitutional Amendment. Bear in mind, you have already learnt some of these provisions in Unit 4.

### **Constitution of Municipalities**

Article 243-Q provides for the establishment of the following three types of municipal corporations in urban areas:

- (a) A Nagar panchayat for a transitional area, that is to say, an area undergoing transition from a rural area to an urban area
- (b) A municipal council for smaller urban area
- (c) A municipal corporation for a larger urban area

In this article, 'a transitional area', 'a smaller urban area' or 'a larger urban area' refers to such an area as the Governor may possess with regard to the population of the area, the density of the population in that area, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic or such other factors as he may consider fit etc. A 'Municipality' means an institution of self government constituted under Act-243a.

### **Composition of Municipalities**

Article 243-R provides that all the seats in a municipality shall be filled by the persons chosen by direct elections from territorial constituencies in the municipal area. For this purpose, each municipal area shall be divided into territorial constituencies to be known as wards.

### **Constitution and Composition of Wards Committees**

Article 243-S provides for the constitution of wards committees comprising of one or more wards, within the territorial area of a municipality having a population of three lakhs or more.

The legislature of the state may make provisions with respect to:

- (a) The composition and the territorial area of a wards committee
- (b) The manner in which the seats in a wards committee shall be filled

A member of a municipality constituting a ward within the territorial area of the wards committee shall be a member of that committee. Where a wards committee consist of one ward, the member representing that ward in the municipality shall be the chairperson of the committee.

Where a wards committee consists of two or more wards, one of members representing such wards in the municipality elected by the members of the wards committee shall be the chairperson of that committee [clause (4)]. Nothing in this Article shall stop the legislature of a state from making provisions for the constitution of committees in addition to the wards committees [(Clause (5))].

### **Reservation of seats in Municipalities**

Article 243-T has made the provision for the reservation of seats for the members of SC and ST in every municipality. The member and seats reserved for them shall be in same proportion to the total numbers of seats to be filled by directed election in that municipality.

Out of the total numbers of seats reserved under clause (1), 113 seats shall be reserved for the women belonging to SC and ST. The office of chairpersons in the municipalities shall be reserved for SC, ST and women in such manner as the legislature of a state may by law provide.

### **Reservation of seats for backward class of citizens**

Under clause (b), the legislature is empowered to make provisions for reservations of seats in any municipality of office chairpersons in the municipalities in favour of backward class of citizens. All kinds of reservation of seats shall cease to have effect on the expiration of the period specified in Act 334 that is (upto 50 years from the commencement of the constitution).

### **Duration of Municipalities**

Article 243-U provides that every municipality, unless sooner dissolved under any law for the time being, shall exist for 5 years from the date appointed for its first meeting. No amendment of any law for the time being shall have the effect of causing dissolution of a municipality, at any level, till the expiration of its normal duration of 5 years.

### **Election**

An election conducted for the municipality shall be completed before the expiration of its duration and before the expiration of a period of 6 months from the date of its dissolution in case it had been dissolved earlier.

## **NOTES**

## NOTES

### Disqualifications for Membership

Article 243-V states that a person shall be disqualified for being chosen as and for being a member at a municipality under the following conditions:

- (a) If he is so disqualified by or under any law for the time being for the purposes of elections to the legislature of the state concerned
- (b) If he is so disqualified by or under any law made by the legislature of the state

However, a person shall not be disqualified on the ground that he is less than 25 years of age or if he has attained the age of 21 years. Thus, a person who is already 21 years old is eligible for being chosen as a member of a municipality.

### The municipal corporation – organizational structures

Under Article 243-W, the legislature of a state, subject to the provisions of this constitution, is directed by law to endow:

- (a) The municipalities with such powers and authority as may be necessary to enable them to function as institution of self government and such law may contain provisions for the devolution of powers and responsibilities upon municipalities, subject to such conditions as may be specified therein, with respect to:
  - (i) The preparation of plans for economic, political social development
  - (ii) The performance of function and implementation of programmes and schemes as per law
- (b) The committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matter listed in the twelfth schedule.

### 6.2.1 Implementation

Before 1992, Indian local governments did not have a constitutional status. They were granted only a statutory status under state law. Hence, the governance of urban areas came directly under the purview of the state government. However, the enactment of the 74th Constitution Amendment Act, 1992 changed the situation. For the first time, urban local bodies (ULBs) were given a constitutional position as the third tier of government. ULBs were provided with a constitutional outline to conduct regular elections, powers and financial devolution. The Amendment assigned local bodies with the responsibility to provide basic services in urban areas.

Based on the population, ULBs are segregated as follows:

1. Nagar panchayats for 'urban' areas
2. Municipal councils for smaller urban areas
3. Municipal corporations for metropolitan areas

According to the Constitution Amendment Act, 1992, 'In many States local bodies have become weak and ineffective on account of a variety of reasons, including the failure to hold regular elections, prolonged supersessions and inadequate devolution of powers and functions. As a result of this, ULBs are not able to perform effectively as vibrant democratic units of self-government.'

Today, there are nearly 4,000 ULBs with over 100 municipal corporations, 1,500 municipal councils and 2,000 Nagar Panchayats, besides 50 plus cantonment boards.

A study by a well-known research institute in Delhi evaluated the effect of the 74th Constitution Amendment Act in twenty-seven states and one Union Territory. It concluded: '...municipalities in India are confronted with a number of problems, such as inefficiency in the conduct of business, ineffective participation by the weaker sections of the population in local governance, weak financial condition, lack of transparency in the planning and implementation of projects, etc., which affect their performance adversely.'

### **Division of powers— elected, nominated and administrative**

The 74th Constitution Amendment Act as you have seen in the previous section provides the details of the elected and nominated councillors. The number of elected councillors is dependent on the population of an area. Nominated councillors are selected by the elected councillors on the basis of their expertise in municipal administration. However, they lack the voting rights.

### **The municipal corporation – organizational structures**

The organizational structure of municipal administration in India differs from state to state. The 74th Constitution Amendment Act does not mention any particular organizational structure for municipal administration in the country. This issue comes under the purview of state legislation.

In 2003, the Ministry of Urban Development drafted a Model Municipal Law, which was distributed to state governments. The justification for the absence of a centrally-administered Municipal Model is that local bodies should be flexible to respond better to local requirements.

*Salient Features of  
74th Constitutional  
Amendment Act of 1992*

## **NOTES**

## NOTES

### **Commissioner system**

Let us discuss the commissioner system in detail.

#### ***The mayor***

The Mayor in the Municipal Corporation is generally elected through indirect elections by the councillors among themselves for a term of one year which is renewable. The Mayor lacks executive authority. Councillors and committee councillors operate as a committee. The standing committee is the most dominant committee which acts as the steering board and exercises executive, supervisory, financial and personnel powers. It constitutes elected members differing in number between seven and sixteen through a system of proportional representation of councillors.

#### ***The Executive***

The Municipal Commissioner acts as the Chief Executive Officer (CEO) and head of the executive wing of the municipal corporation. He/she exercises all executive powers. He derives his powers and authorities by the statute and assigned by the standing committee.

#### ***Mayor in council model***

This type of governance of a city is like a cabinet government. It follows the framework of state and national governments. This model comprises a mayor and a cabinet, with individual portfolios, chosen from among the elected councillors. In this system, the municipal commissioner acts as the principal under the supervision of the Mayor, who is the CEO.

This model structure may seem to be relatively simple. However, in actual practice, urban governance is a perplexing mix of multiple agencies. Some are new, while others are legacies of older regimes; some are accountable to local government, while others to state level or even national government.

### **Local Administration of Metropolitan Towns**

Population and demographic changes have been taking place in India after its Independence. This has been followed by urbanization and urban population growth. In our country, urban population has risen from about 30 million in 1901 to 300 million in 2011. The level of urbanization has also undergone steady rise from less than 11 per cent of total population to about 28 per cent. The country has witnessed an outstanding growing tendency towards 'metropolitanization' of its cities recently. According to Census 2011, the number of metropolitan cities (cities with more than 10 million population, which are also referred to as megacities) is 3, while the number of metros (cities with population more than 1 million) stand at 27.



## NOTES

As various cities join the league of metropolitan cities, the administrative structures with respect to their management and service delivery, especially of basic civic amenities, become an issue. Most of the metropolitan cities in the country are under the regulatory of municipal corporations having their own jurisdiction. However, their urban agglomerations are spreading much beyond the municipal/city limits. The areas within agglomeration may fall under either neighbouring municipality or municipal corporation or transitional area. In such circumstances, a metropolitan agency is required for coordinating the development of jurisdictions and for setting out a larger vision for regional development. Thus, the metropolitan areas should develop appropriate model for their governance by making essential institutional arrangements with respect to:

- Coordination/cooperation
- Conflict resolution
- Power sharing between the jurisdictions (municipal or transitional urban areas) and the agencies

In India, municipalities were developed as local self governments to supervise the city development and the condition of infrastructure services, and municipal corporations were created in large cities for a similar purpose. Since they were established under the legislations of State government, the State government exercises immense control over them and exerts pressure on their operations through several mechanisms such as giving sanction to all major fiscal decisions.

The municipal institutions, over a period of time, lost the authority to deliver services in a productive manner and began to ignore their responsibility to provide service to urban areas beyond their jurisdiction. This led to the establishment of Urban Development Authorities (UDAs) in India that spread rapidly during the 1980s and which eventually led to the confrontation between municipal authority and UDA. The UDAs were created as Special Purpose Vehicle with a different governance structure and mandate that made it possible for them to perform the function efficiently.

The 74th Constitutional Amendment Act (CAA), 1992 has brought several marked changes to urban governance in the country. It sought to bring about an important change by strengthening the existing municipal institutions with respect to:

- Autonomy of municipal/urban local bodies
- Promotion of decentralization of power, finances and political structure
- Formation of appropriate structures, guidelines and functions

One of its prescribed remedial solutions was to establish Metropolitan Planning Committees (MPC) for preparing development plans at metropolitan level. This necessitated the formation of metropolitan authority first through significant

## NOTES

legislative changes so that the plans could be prepared and the MPC could decide upon the same.

However, as you have learnt in Unit 4, many Indian cities have not responded confidently to create, constitute and function the MPCs to the spirit of CAA, 1992. Only some of the cities have been able to create such entities such as Kolkata. Therefore, possibility exists for improving metropolitan urban governance by establishing MPCs and by forming metropolitan authorities (either creating new metropolitan authorities or by expanding the jurisdiction of already existing urban development authorities and making clear of their role).

Because of the strategic relevance and the constitutional provisions, metropolitan cities in India are required to form new governance structure with well-laid institutional arrangements. This demands the assessment of the currently existing operational models in India and internationally.

### Check Your Progress

1. What is the demarcation of areas such as 'transitional area' or 'a smaller urban area' dependent on?
2. What is the condition for the constitution of wards committees?
3. When is an election for the municipality to be completed as per the 74th Constitutional amendment?
4. Who was responsible for the governance of urban areas before 74th constitutional amendment?

## 6.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Under Article 243-Q, 'a transitional area', 'a smaller urban area' or 'a larger urban area' refers to such an area as the Governor may possess with regard to the population of the area, the density of the population in that area, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic or such other factors as he may consider fit etc.
2. Article 243-S provides for the constitution of wards committees comprising of one or more wards, within the territorial area of a municipality having a population of three lakhs or more.
3. An election conducted for the municipality shall be completed before the expiration of its duration and before the expiration of a period of 6 months from the date of its dissolution in case it had been dissolved earlier.

4. Before 1992, Indian local governments did not have a constitutional status. They were granted only a statutory status under state law. Hence, the governance of urban areas came directly under the purview of the state government.

*Salient Features of  
74th Constitutional  
Amendment Act of 1992*

## NOTES

### 6.4 SUMMARY

- The Constitution 74th amendment Act 1992 added Part IX-A to the constitution. This amendment has included 18 new articles and a new schedule known as the twelfth schedule relating to urban local bodies in the constitution.
- The 74th amendment approves constitutional sanction to the urban self-governing institutions assuring regular elections and enabling them to play a greater role in the development of urban areas. This provides three types of municipal corporations and reservation of seats in every municipality for SC, ST and women.
- Act 243-Q provides for the establishment of the following three types of municipal corporations in urban areas:
  - (a) A Nagar panchayat for a transitional area, that is to say, an area undergoing transition from a rural area to an urban area
  - (b) A municipal council for smaller urban area
  - (c) A municipal corporation for a larger urban area
- Article 243-S provides for the constitution of wards committees comprising of one or more wards, within the territorial area of a municipality having a population of three lakhs or more.
- Article 243-U provides that every municipality, unless sooner dissolved under any law for the time being, shall exist for 5 years from the date appointed for its first meeting.
- Under Article 243-W, the legislature of a state, subject to the provisions of this constitution, is directed by law to endow specified powers and duties.
- Before 1992, Indian local governments did not have a constitutional status. They were granted only a statutory status under state law.
- The organizational structure of municipal administration in India differs from state to state. The 74th Constitution Amendment Act does not mention any particular organizational structure for municipal administration in the country. This issue comes under the purview of state legislation.
- The 74th Constitutional Amendment Act (CAA), 1992 has brought several marked changes to urban governance in the country. It sought to bring about

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an important change by strengthening the existing municipal institutions with respect to:

- (i) Autonomy of municipal/urban local bodies
- (ii) Promotion of decentralization of power, finances and political structure
- (iii) Formation of appropriate structures, guidelines and functions
- One of its prescribed remedial solutions was to establish Metropolitan Planning Committees (MPC) for preparing development plans at metropolitan level. This necessitated the formation of metropolitan authority first through significant legislative changes so that the plans could be prepared and the MPC could decide upon the same. However, many Indian cities have not responded confidently to create, constitute and function the MPCs to the spirit of CAA, 1992.

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## 6.5 KEY WORDS

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- **74th amendment:** It was the amendment which was brought in the year 1992 which approves constitutional sanction to the urban self-governing institutions assuring regular elections and enabling them to play a greater role in the development of urban areas.
- **Twelfth schedule:** It is a schedule added by the 73rd amendment to the constitution mentioning the subjects under the purview of urban local bodies in the constitution.
- **Urban local bodies:** These refer to the local bodies with the responsibility to provide basic services in urban areas.

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## 6.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

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### Short-Answer Questions

1. What are the powers, authority and responsibilities of municipalities as per the 74th Constitutional amendment?
2. What was the status of urban local bodies before and after the 74<sup>th</sup> Constitutional amendment?
3. Write a short note on Urban Development Authorities.
4. What are the ways by which the 74th Constitutional Amendment has strengthened the existing municipal institutions?

### Long-Answer Questions

1. Discuss the composition, election, membership and disqualification of municipalities.
2. Explain the basic municipal corporation organizational structures.

*Salient Features of  
74th Constitutional  
Amendment Act of 1992*

### NOTES

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## 6.7 FURTHER READINGS

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## NOTES

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# UNIT 7 ELECTIONS IN LOCAL SELF GOVERNMENT INSTITUTIONS

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### Structure

- 7.0 Introduction
  - 7.1 Objectives
  - 7.2 State Election Commission: Historical Background and Functions
    - 7.2.1 Electoral Process of Local Self Government Institutions
  - 7.3 Answers to Check Your Progress Questions
  - 7.4 Summary
  - 7.5 Key Words
  - 7.6 Self Assessment Questions and Exercises
  - 7.7 Further Readings
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## 7.0 INTRODUCTION

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We feel proud to be part of the largest democracy in the world society in the 21st century. Our election process has witnessed peaceful regime changes at national as well as local level since declaring a republic. Democracy is not limited to just a process of election, but also fulfilling the aspiration of people of our country. Abraham Lincoln stated that ‘democracy is a government of the people, for the people and by the people’ and ‘Elections belong to the people’. Former American President Barack Obama once said that ‘There is no such thing as a vote that does not matter’. He also famously said, ‘The Ballot is stronger than the bullet’. Plato had also said ‘One of the penalties for refusing to participate in politics is that you end up being governed by your inferiors.’ Voting is not only our right, it is our power.

India is an asymmetric federal country in the world, which has three layers of government: National, state and local. The Constitutional provisions has permitted distribution of the power structure through elections from national to local levels. Local governance is part of the authority of state/Union territory. Each state has its own local government legislation for rural and urban governance.

The Election Commission is the most important pillar of strengthening the process of democratization in India. It is also a constitutional institution. It plays a significant role in the political system of our country. The Election Commission is emerging as fourth constitutional pillar after the executive, the legislative and judiciary in the context of separation of powers.

Free and fair elections provide the foundation of a democratic state in the world community in the era of globalisation. Free and autonomous ‘Election Commission’ is necessary to help India into the institutional functioning of

parliamentary democracy in the 21st century. It explores the new identity of the largest democracy in world politics after it gained independence from the British in 1947. India's Election Commission is the most trusted public institution and inspiring electoral regulatory body in the world. The Election Commission provides the platform for asserting political and civil rights as well as ensuring justice and equality in democracy.

The Election Commission of India (ECI) is an autonomous constitutional body. The Election Commission of India is constituted under Article 324 of Indian constitution which contains provisions related to the commission of powers of superintendence, direction and control of the election to both Houses of Parliament as well as the various electoral process of office of President, Vice President, Assemblies election and other local bodies election in India. Detailed provisions are made under the "Representation of the People Act" 1951<sup>1</sup>. Article 324(2) empowered the President of India to appoint the Chief Election Commissioner and the Election Commissioners.

The Preamble of Indian Constitution declares India as a sovereign socialist and democratic republic. The supreme court also remark that democracy is one of the inalienable feature of the constitution. The system of electoral process recognizes the principle of democracy. Recent assembly election in Bihar in November 2020 was one of the serious issues for conducting a successful poll in the time of pandemic "COVID19".

This unit will analyse the importance of the constitutional and autonomous body like Election Commission of India as well the functions of the State Election Commission in the electoral roots of democracy in India in the 21st century.

## NOTES

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### 7.1 OBJECTIVES

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After going through this unit, you will be able to:

- Discuss the historical background of election commissions
- Describe the powers of the State Election Commission
- Explain the electoral process and challenges of conducting local elections for local self government institutions

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### 7.2 STATE ELECTION COMMISSION: HISTORICAL BACKGROUND AND FUNCTIONS

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The spirit of Viceroy Lord Ripon's resolution of 1882 reflected the idea of local self-governing institutions in the context of establishment of liberal democratic system in the British rule in India. Ripon's hopes preceded and contributed to the establishment of electoral representations in Indian society.

## NOTES

The electoral theory of representation has been embedded as inherent features of democratic political system in the country. The makers of modern India ensured free, periodic and secret election to the legislature on basis of adult franchise. The establishment of the constitutional institutions like Election commission was important for the election process.

The first non-official attempt to introduce the “The Constitution of India Bill 1895” clearly discussed citizen rights to take part in public affairs through election. The “Nehru Report of 1928” also affirmed the democratic ethos for public accountability during the phase of freedom struggle. The electoral process was started with the process of provincial government acts of 1919 and 1935. The makers of modern India also adopted the system of universal adult suffrage without any debate in constituent assembly and showed faith in the wisdom of common people of this country to elect their representatives since the first election in 1952. There were various important committee formed for the electoral reform in India including Tarkunde Committee (1974) on the proposal of Jaiprakash Narayan, Dinesh Goswami Committee (1990) on the recommendation of late Prime Minister V P Singh, Vohra Committee (1993) on the recommendation of Government of India for curbing nexus between criminal gang, police, bureaucracy and politician in this country, Indrajit Gupta Committee on state Funding of Election (1998), Election Commission of India and the Proposed Electoral Reforms (2004) etc<sup>2</sup>.

The Election Commission was constituted a day before the first Republic Day of India. India has been celebrating this foundation day as a special day “National Voters Day” since 2011. This day is a symbol of aspiration to strengthen the voice of the people and representation through universal adult suffrage.<sup>3</sup>

### **National Election Commission**

Part XV of the Indian constitution refers to article 324 that specifies that the power and control of elections is vested in the National Election Commission. The Election Commission consists of the Chief Election Commissioner and other Election Commissioners with recommendation of President of India. The Chief Election Commission shall act as Chairman of the Election Commission. The Chief Election Commission shall not be removed from office except such as grounds like that for the judges of the Supreme Court of India. It has complete directional control over any electoral process in India including local elections.

The structure of the present National Election Commission as mentioned above consists of a Chief Election Commission and other two election commissioners, which is appointed by the President of India. There was only a single Chief Election Commissioner until 1989. Then there were appointed two election commissioners, but they were removed again in January 1990. Parliament passed a law for additional appointment of two election commissioners in 1991. This law was amended to decide the new term and conditions of services of chief election commission and other two election commissioners in 1993, which is known



as “Election Commission Amendment Act 1993”. The National Election Commission has its main headquarters at New Delhi.

*Elections in Local Self  
Government Institutions*

### **State Election Commission and its Functions**

Each and every state has an established state election commission as per the constitutional provision under National Election Commission and also “Panchayat Raj Act ‘1993. The 73rd and 74th amendment of the constitution were landmark achievements for democratic decentralisation of administration to ensure free and fair election to the local levels in all states and Union Territory of India since 1993.

A State Election Commission is a body working under direction of National Election Commission of India in different states. The provisions of Article 243K of the constitution, which provides for setting up of SECs are almost identical to the Article 324 for the establishment of the National Election Commission.<sup>4</sup>

Article 243K of the Constitution grants the functions of ‘superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Panchayats shall be vested in a State Election Commission consisting of a State Election Commissioner to be appointed by the Governor’.

Similarly, Article 243 ZA grants the functions of ‘superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Municipalities shall be vested in State Election Commission referred to in Article 243-K’.

As per the Election Commission of India website, ‘The Election Commission prepares, maintains and periodically updates the Electoral Rolls, which show who is entitled to vote, supervises the nomination of candidates, registers political parties, monitors the election campaign, including the funding and expenditure by candidates. It also facilitates the coverage of the election process by the media, organises the polling booths where voting takes place, and looks after the counting of votes and the declaration of results. All this is done to ensure that elections can take place in an orderly and fair manner.’ Similar functions are performed by State Election Commissions at the State Level for the conduct of polls at the Panchayat and Municipal levels. You will learn about this further in this section.

The Representation of People Act 1951 (earlier 1950) was enacted to provide for the allocation of seats and delimitations of constituency, qualifications of voters, election rolls etc. This act is divided into XI parts with 171 sections<sup>5</sup>. This act has been amended many times, with the latest change in 2017. This new amendment to the Act makes it possible to exercise their franchise from abroad subject to certain conditions.

The Constitution of India grants reservations of seats for representation from various sections of Indian society. It is also provision for seats reserved for the Scheduled Caste and Scheduled Tribe in Parliament election as well as in the various assemblies of the state. There are also women reservation seats in the local electoral process especially Panchayat to municipalities elections.

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### 7.2.1 Electoral Process of Local Self Government Institutions

Local electoral process is an important part of the regulatory authorities of the state election commission. The constitutional amendments of 73rd and 74th recognised and protected the rural and urban local government respectively. In other words, as mentioned earlier, we can say that 243K and 243ZA are responsible for conducting elections to municipalities and panchayats. Local government is part of the state function and is under supervision of state election authority in India.

The MoHUA and Ministry of Panchayati Raj are responsible for the local government in India. The 73rd amendment provides the main structure of rural governance. As you have learnt in earlier units, rural governance is known as Panchayati raj institutions (PRIs), which came into effect on 24th April 1993. It has been classified into three categories: a) Zila Parishad at district level, b) Panchayat Samiti at Block level and c) panchayat (gram sabha) at village level.

Panchayat election is conducted by the State Election Commission. It empowers the people of villages to participate in the developmental process of the Panchayat. It is conducted every five years. This act provides the three-tier system of panchayat raj for all states in India. It also facilitates the seat reservation for scheduled caste, scheduled tribe and women<sup>6</sup>. The model of Panchayat Election Rules 2011 was drafted by the Ministry of Panchayati Raj, Government of India. It has details of the local election process and functions of the administrative machinery of the state<sup>7</sup>. Similarly, the conduct of election in municipalities is also under the preview of the State Election of Commission.

State election authority is involved in the following different electoral activities phase wise at time of election:

- 1. Preparing Voter List:** This is the first step for beginning of the upcoming local or national elections in the state. The state poll panel holds a series of meetings with local government officials on the basis of booth. The SEC uses the recent past poll data for updating, adding a list of voters at each booth level in a particular constituency in each district.
- 2. Model of Conduct:** The State Election Commission (SEC) conducts meetings with representatives of regional and national parties for it. The Model of Code of Conduct has been revised from time to time and added new norms in guidelines for upcoming elections. The Election Commission of India introduced a Model of Conduct in 1971. Then it is applicable with revised and updated guidelines for each and every poll in the all states and Union territories. New provisions are announced by the Chief Election Commission or its direction with the local authority in state. The leader of the ruling party in the assembly cannot pass any order to transfer or any appointment after announcement of code of conduct. Chief minister, cabinet minister, council of Prime minister or Prime minister can make promises to

influence voters for poll gains under code of conduct during the election process. State machinery cannot misuse for political gains by any political leaders. In case of violation of code of conduct, it can lead to postponement of polls or cancellation of nomination of candidate in ongoing election process. Government officials cannot use mass media for partisan coverage.

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3. **Nomination and Campaign:** It is an important phase for candidates who are contesting elections. This is an important period for all political parties and their respective candidates forwarded their election manifesto pamphlets, holding meetings for star campaigners in its constituency and hope to persuade people to vote for them.
4. **Ballot Papers & Symbols:** Allocations of Ballot papers and symbols for all valid candidates is a crucial process for voting in election. Candidates of recognised political parties are allotted their party symbol while the rest of the symbols of independent candidates are decided by local poll officials.
5. **Electronic Voting Machine (EVM):** The EVM is a new technological based machine for electoral polls. It brings improvements in the election procedures with advancement of technology. It is also a replacement of ballot box in the all electoral process in India. First time use of EVM was in the general election process in Kerala in 1982. The design and technological application of EVM in the electoral process is one of the landmark achievements in the context of accessing global democracy. It brings more transparency, is less time consuming and has greater acceptability in the electoral process. The use of the machine is to save the cost of paper, printing and time to declare results within two three hours on the day of declaring poll results<sup>8</sup>. The Election Commission also introduced 'Voter Verifiable Paper Audit Trail (VVPAT)' after consultation of the all parties meeting in October 2010. It is an independent system attached with EVM that allows voters to verify that their votes are cast. Recently, recently some technological and digital fraud has put some question marks on the credibility of EVM in electoral democracy in India. The use of EVM may be under a cloud in India. Many opposition parties also raised a finger on the credibility of the Election Commission and its function during the last general elections in 2019. Election Commission refused such allegations against tampering of EVM in the election process in the favour of the ruling party.
6. **Affidavit of Candidates:** The judgment of the Supreme Court of India dated 13 September 2013 stated that Returning Officer must check the information filling in the affidavit disclosing their qualification, criminal antecedents, assets, liabilities etc with the nomination paper.
7. **Security Concerns:** Impartial Security concerns are a compulsory part for the peaceful conduct of the election process in any poll. It is a major consideration for the free and fair election process especially in disturbed/ militancy area of our country. The security management includes the security

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of polling personnel, polling station, polling materials, and also voting without fear in the context of use of money, muscle etc powers in the election.

- 8. Declaring Results of Poll:** When the counting of the each EVM start then returning officers declare the updates of counting of votes in the favour of each candidate before final declaration of the result. This is part of the rules of the procedure of the election process. It stated that section 64 of the Representation People Act 1951<sup>9</sup>, votes are counted under the supervision/ direction of the Returning officers of the constituency.

### The Challenges of Conducting Local Election Process in India

As mentioned earlier, the National Election Commission ensures free and fair elections and also monitors the action and activities of political parties and candidates. The State Election is also an independent constitutional body under monitoring of the National Election Commission. Every state has passed an amendment for the formation of a state election commission in respective legislative assembly after 1993. SEC is responsible for free and fair elections. It regulates parties and registration for contesting elections. It proposes the limit of campaign expenditure of every candidate and monitors their economic and social activities during the election process. It also motivates political parties for greater participation in elections. The conduct of free and fair election is still a major concern for the Election Commission of India. The Credentials of the election commission is still under the scanner of legality and has some fear in the common people of this country. Things have also taken a different turn due to the pandemic. Recent assembly election in Bihar has been one of the major challenges for Election Commission at time of “Corona”. The pandemic makes the situation very challenging for the election commission as well as voters to cast their vote. Public life as we witnessed during the pandemic gets disturbed. It is extremely challenging to hold democratic election in the time of spreading infectious disease like “COVID19”, because election process requires public interaction, mass communication, public gathering etc.

### Check Your Progress

1. Mention the Acts with which the electoral process started in India.
2. When is National Voters Day celebrated?
3. State the Article which mandates the setting up of State Election Commissions.
4. What is the first step for the beginning of upcoming local or national elections?
5. What is VVPAT?

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### 7.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

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1. The electoral process was started with the process of provincial government acts of 1919 and 1935.
2. The Election Commission was constituted a day before the first Republic Day of India. India has been celebrating this foundation day as a special day "National Voters Day" since 2011.
3. The provisions of Article 243K of the constitution provides for setting up of SECs.
4. Preparing the voter list is the first step for beginning of the upcoming local or national elections in the state.
5. A Voter Verifiable Paper Audit Trail (VVPAT) is an independent system attached with EVM that allows voters to verify that their votes are cast.

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### 7.4 SUMMARY

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- The spirit of Viceroy lord Ripon's resolution of 1882 preceded and contributed to the establishment of electoral representations in Indian society.
- The electoral theory of representation has been embedded as inherent features of democratic political system in the country.
- First non-official attempt to introduce the "The Constitution of India Bill 1895" clearly discussed citizen rights to take part in public affairs through election. The "Nehru Report of 1928" also affirmed the democratic ethos for public accountability during the phase of freedom struggle. The electoral process was started with the process of provincial government acts of 1919 and 1935.
- There were various important committee formed for electoral reforms in India.
- The Election Commission was constituted a day before the first Republic Day of India. India has been celebrating this foundation day as a special day "National Voters Day" since 2011. This day is a symbol of aspiration to strengthen the voice of the people and representation through universal adult suffrage.
- Part XV of the Indian constitution refers to article 324 that specifies that the power and control of elections is vested in the National Election Commission. The Election Commission consists of the Chief Election Commissioner and other Election Commissioners with recommendation of President of India.

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- Each and every state has an established state election commission as per the constitutional provision under National Election Commission and also “Panchayat Raj Act ‘ ’ 1993.
- State Election Commission is a body working under direction of National Election Commission of India in different states. The provisions of Article 243K of the constitution, which provides for setting up of SECs are almost identical to the Article 324 for the establishment of the National Election Commission.
- As per the Election Commission of India website, ‘The Election Commission prepares, maintains and periodically updates the Electoral Rolls, which show who is entitled to vote, supervises the nomination of candidates, registers political parties, monitors the election campaign, including the funding and expenditure by candidates. It also facilitates the coverage of the election process by the media, organises the polling booths where voting takes place, and looks after the counting of votes and the declaration of results. All this is done to ensure that elections can take place in an orderly and fair manner.’
- The Representation of People Act 1951 (earlier 1950) was enacted to provide for the allocation of seats and delimitations of constituency, qualifications of voters, election rolls etc.
- State election authority is involved in the following different electoral activities phase wise at time of election: preparing voter list, model of conduct, nomination and campaign, ballot papers & symbols, Electronic Voting Machine (EVM), affidavit of candidates, security concerns, and declaring results of poll.
- SEC is responsible for free and fair elections. It regulates parties and registration for contesting elections. It proposes the limit of campaign expenditure of every candidate and monitors their economic and social activities during the election process.
- The Credentials of the election commission is still under the scanner of legality and has some fear in the common people of this country. Things have also taken a different turn due to the pandemic.

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## 7.5 KEY WORDS

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- **Representative democracy:** It is a type of indirect democracy in which the citizens select their representatives for working in the government.
- **Universal Franchise:** It refers to the universal rights to vote for all adult citizens irrespective of any discrimination.
- **Election Commission:** It is an autonomous constitutional authority responsible for administering election processes in India.

- **Returning Officer:** It is the official in each constituency or electorate who conducts an election and announces the result.

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## 7.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

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#### Short-Answer Questions

1. What did Viceroy Lord Ripon's resolution of 1882 reflect?
2. Mention some of the important committees formed for electoral reforms in India.
3. What did the Election Commission Amendment Act 1993 provide?
4. What does Article 243ZA of the Constitution say?
5. Write a short note on the provisions of the Representation Of People Act 1951.

#### Long-Answer Questions

1. Discuss the constitution and functions of the National and State Election Commissions.
2. Describe the different electoral activities in which the state election authority is involved.

## 7.7 FURTHER READINGS

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**BLOCK - IV**  
**PERSONNEL AND FINANCE IN LOCAL**  
**SELF GOVERNMENT**

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**UNIT 8 PERSONNEL IN**  
**PANCHAYATI RAJ**  
**INSTITUTIONS**

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**Structure**

- 8.0 Introduction
- 8.1 Objectives
- 8.2 Block Development Officer
- 8.3 Role of Collector in the Panchayati Raj
- 8.4 Patwari
- 8.5 Answers to Check Your Progress Questions
- 8.6 Summary
- 8.7 Key Words
- 8.8 Self Assessment Questions and Exercises
- 8.9 Further Readings

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**8.0 INTRODUCTION**

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Up till now you have learnt about the organization and functions of the local self governments in India. You have also studied the important constitutional amendments in this regard. But the functioning of these local self government whether in the rural or urban areas are intimately related and dependent on the personnel who actually implement, supervise and operationalise the plans taken, issues raised and solutions proposed. Without the proper division of work, and suitable allocation of responsibilities, the personnel will not be able to contribute their skills and work as a team for the administration of these local self-government. In this unit, we are going to study the important personnel involved in the functioning of Panchayati raj institutions.

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**8.1 OBJECTIVES**

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After going through this unit, you will be able to:

- Discuss the role of a block development officer
- Examine the role of collectors with respect to PRIs
- Describe a Patwar's role at the village levels

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## 8.2 BLOCK DEVELOPMENT OFFICER

The Block Development Officer (BDO) is the Secretary and officer-in-charge of the Panchayat Samiti. In most of the states, he belongs to the state amenities and is deputed to the Panchayat Samiti. In other states, these are stimulated officers, formerly from the subsidiary services in the state. Moreover, in certain states, a post of BDO is reserved for partisan sufferers and public workers. The BDO's role in the PRIs is characterized by multi-functionality, such as:

### 1. BDO as in-charge of Panchayat Samiti Office (PSO)

The BDO receives as well as attends to the post as the Panchayat Samiti Officer (PSO). He maintains administrative control over the Panchayat Samiti personnel and can appoint class four employees in his office. He sanctions tour programmes and travelling allowances of the staff along with certifying the manuscript of the Panchayat Samiti. He is expected to inspect the PSO at least twice a year. Furthermore, he is in charge of all arrangements like boarding and provision of jeep for higher officials commute within the block. Notably, a BDO helps the Panchayat Samiti acknowledge that revenues are being acquired on time and that the disbursement conforms to the budgetary provisions. Besides, he gives a detailed account of the income and disbursement in front of the Panchayat Samiti. The BDO confirms maintenance of the list of people who have been given loans by the Samiti through the Panchayat, VLW's and the extension officers. Besides, he ensures that the funds are applied for the welfare of the Samiti.

### 2. BDO as the Captain Extension Officers Team

In almost every Panchayat Samiti area, there are about four to eight extension officers, working on deputation from the state government. They are mostly posted to junior positions in various government departments as they are subject specialist in areas such as agriculture, education and health. They provide technical advice and assistance to Panchayat Samitis. They all work under the supervision and control of the BDO who has to coordinate the activities of these officers and act as the link between them and the district administration. It also prepares the confidential reports of the extension officer's sanction or cancels their leave, gives them necessary guidelines and conveys government instructions to the respective district levels officers.

The Control or authority of the BDO over extension officers has resulted in a problem which could cause a deadlock at the Samiti level. The administrative control of these officers is under the supervision of the BDO. However, regarding technical matters, the extension personnel continue to function under the control of their respective district level department. The extension officers have to serve different sets of orders issued by the BDO and by the 'parent' department which might lead to ambiguity and delay. Therefore, it is imperative for the BDO to meet

the extension offices regularly, and as far possible, refrain from giving them orders which are inconsistent with those issued by the technical departments.

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### **3. BDO as Managers of Development Programmes**

At the central, state, district and block levels, the various government departments and agencies formulate plans and programmes for the socio-economic upliftment of the rural population. It is the BDO's responsibility to check that the tasks delegated to the Panchayat Samiti in this regard are completed on time.

Furthermore, he is expected to ensure that the constitution activities undertaken by the Samiti are completed within the stipulated period. Moreover, he keeps an eye on disbursement incurred on these programmes and reports to the Panchayat Samitis, Zilla Parishads, DRDA, Collector and frequent district level officers on the delay in the activities.

### **4. BDO as the secretary of the Panchayat Samiti**

The BDO is also the clerk and chief policy making general of the Samiti. He issues notices for the meeting of the Samiti as well as its committees and prepares their agenda. He participates in these meetings and answers queries. He also maintains a record of the proceedings of the Samiti meetings. Besides, the maintenance of all-important records regarding the salaries and growth of the Samiti to the Pradhan is also his responsibility. He draws and distributes money from the Samiti funds and helps the Panchayat draw up enlargement plans and programmes.

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## **8.3 ROLE OF COLLECTOR IN THE PANCHAYATI RAJ**

Democratic decentralization, with its three-tier pattern of popular administration, was the result of efforts made by the Balwant Rai Mehta Committee (1957). The acceptance of these recommendations and consequent introduction of the system of Panchayati Raj gave a strong foothold to a trend which had started well before 1929 and turned into a recognizable set up in 1952. The varying forms of decentralization efforts in different states resulted in a change in the fundamental character of district administration. The most obvious change was in the approach and style of his office from the position of authority to a people-friendly and development-oriented top official functionary at the district level. Though the Mehta Committee had already advocated retention of the traditional position of the Collector in the Panchayati Raj framework, at least two states decided to have an independent IAS officer to take care of the Panchayat set up at the Zilla Parishad level.

One common pattern that has emerged in all the states is that the executive agencies are eventually controlled by the government, and with increased decentralization and delegation of powers, the need for agency to coordinate the

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work of the agencies has increased. There have been different opinions on the executive agency which can best deal with the programmes of democratic institutions at the base.

Panchayati Raj is the backbone of administration and is a means of decentralization of the authority of implementation of development programmes in the field. As the area of operation of a Collector clashed with the area of the Zilla Parishad, he automatically came into the picture as the informer of the government. What needs to be seen is whether there is a purposeful utilization of the Collector in the administration of the district. One argument is that with the increasing concentration on development in district administration, the Collector cannot find time to look after the ever increasing development activities adequately, and that his association with development in addition to his traditional duties may lead to the neglect of or inadequate attention to both. Therefore, it is argued that district administration would be better served if the Collector was left free to look after regulatory aspects of administration and a separate officer of the same rank is made available to attend to development functions exclusively.

In most of the states, a Chief Executive Officer has been appointed exclusively to deal with developmental functions, while the Collector continues to be in charge of law and order, land revenue, excise, registration, etc. At the same time, the Collector continues to be intimately associated with development programmes through his positions in agencies such as DRDA. In most states, the Collector is ex-officio chairman of DRDA. He is also connected with the Zilla Parishad and District Planning Committee in some form or the other. Recent measures to merge DRDA with the Zilla Parishads in some states have, however, hardly affected his authority. However, there are states such as West Bengal where the District Magistrate stays to practice a larger share of responsibility in facilitating the functioning of Panchayati Raj Institutions, ensuring coordination at the district level between the Zilla Parishad and the technical officers, ensuring close links between the second and the block level as well as controlling from branches at the state level.

A study of the government statutes related to the Panchayati Raj would show that the Collector, in view of his special position status, may curb the efflorescence of the autonomous spirit. There is a line of thought which argues that the Collector is laden with multiplicity of works along with physical margins of time and energy, and thus, would be not be able to do justice to the mammoth tasks of Zilla Parishad. Therefore, it is suggested that he may be kept out of it. In terms of status of the Collector vis-à-vis the Panchayati Raj, some basic arrangements are observed across the states. Some people think that the Zilla Parishad needs practice and guidance from the Collector, who could, as Chairman, give fillip to the intact programme and promote matched efforts of the official and elected agents. In some states, they have employed a full-term officer from the Indian Administrative Service as Chief Executive Officer to entirely deal with anti-

poverty programmes as well as changing schemes of the state. In such states, the Collector is left with merely adjusting with imperious powers.

The pattern of relationship between the Collector and PRIs can be conveniently studied in four heads, namely:

- Control over the staff of PRIs
- Powers to suspend the resolutions of Panchayati Raj bodies
- Powers to remove office bearers
- Powers to suspend and dissolve the PRIs

### **1. Control over the staff of PRIs**

It may be cited that the intermediate tier and Zilla Parishad have two groupings of staff at their disposal. Firstly, they have the Chief Executive Colonel and various extension officers whose services are placed at their approval by the parent department. Secondly, they have the members of the block (intermediate tier) Panchayat and Zilla Panchayat package. The control and movements for enquiry would automatically be different in case of these two categories. The question of control, in the present context, would relate only to the executive officers, as the control over the staff of Panchayati Raj Institutions is mostly implemented by their chief management officers or by the right heads of sectors from which they are on deputation.

The disciplinary controller over the executive officers of the Panchayati Raj bodies might take the form of:

- (a) Writing of personal report
- (b) Authority to inflict various punishments

In Maharashtra (in the case of Zilla Parishads), the Divisional Representative has the power to inflict minor retributions on the executive officers. In Maharashtra, the power to suspend the resolutions of a Panchayat rests with the Commissioner, whereas this power is used by the Director of Panchayats in Kerala and the State government in West Bengal. The powers are also drilled by the Collector in Maharashtra. Thus, it is clear that there is a general disposition in the direction of granting powers of suspending a resolution of Panchayats or Panchayat Samiti to the Collector, whereas the power of the authorities suspending a resolution of the Zilla Parishad largely depends on the State Government.

### **2. Powers to suspend and dissolve the PRIs**

In the case of Panchayats, these powers rest with the state governments in Kerala and Maharashtra. In case of a Panchayat Samiti, the state advisers have the powers to split it up Maharashtra. The powers to thaw a Zilla Parishad rest with the state direction in Maharashtra. One can state that the Collector is freestanding the Zilla Parishad.

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### 3. Power to remove office-bearers of PRIs

In the case of Panchayats, these powers rest with the state governments in Kerala (for Sarpanch and Upa-Sarpanch) and Zilla Parishads in Maharashtra. The powers to remove the Chairman in the Zilla Parishad ideally should be assigned to the state government. Appeals against the orders of authorities below the state level should be given to the next higher authority.

### 4. Power to suspend and dissolve PRIs

A number of State Panchayati Raj Acts have made the Collector the key officer to take decisions with regard to the suspension and conclusion of PRIs. Though the number of such states may not be very high, but the fact that the Collectors have been designated to take such far-reaching judgements on behalf of the government only affirms his position in the overall organizational set up at the district level.

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## 8.4 PATWARI

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The village level revenue officer or Patwari is the most significant functionary of the state at the village level. No proficient revenue administration of a district is feasible if the Patwari staff is not strong or appropriately trained and austere supervised. In simple terms, he is regarded as the village accountant. He is known as Talati in Maharashtra, Lekhpal in Uttar Pradesh and Karnam in Tamil Nadu. He usually has one or two villages under his charge. Patwari is the custodian of the record of ownership of the village's land called "*Shazra Kishtwar*" *Mutation Register, Village Statistics Book (Lal Kitab)* and other records of the village. The patwar system was first initiated during the reign of Sher Shah Suri and was further enhanced by Emperor Akbar. With slight amendments, the British Colonial system retained the system.

A Patwari has the following duties:

- (i) Maintenance of land record and documentation of the crop grown at every harvest.
- (ii) Keeping the record of rights up-to-date by the punctual record of mutations and other changes related to possession or ownership of land including the record relating to land recoveries.
- (iii) Preparation of statistical returns, embodying the information derived from the harvest inspections, register of mutation and record of rights.
- (iv) It is the responsibility of the Patwari to immediately inform about severe natural calamities affecting people, property, land or the crops.
- (v) The Patwaris are responsible for safe custody of all records and maps along with measuring equipments of their respective circles. He assists in carrying out the orders related to spot partitions of land between interested parties.

Patwari is not only the principal revenue official at the village level but is also the government's informant at the village level. It can easily be understood that in a county where land is the principal source of livelihood of nearly 75 per cent the population, the work outlay for management and administration of land records is perhaps the most important government function from the public's point of view.

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### Check Your Progress

1. How often is the BDO expected to inspect the Panchayati Samiti Office?
2. Who does the BDO report to about disbursements and delay in development projects in rural areas?
3. In most states, who has been appointed to exclusively deal with developmental functions in panchayat areas?
4. When was the patwar system first initiated?
5. Mention some examples of documents who custodianship is with the patwar.

## 8.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The BDO is expected to inspect the PSO at least twice a year.
2. The BDO keeps an eye on disbursement incurred on these programmes and reports to the Panchayat Samitis, Zilla Parishads, DRDA, Collector and fretful district level officers on the delay in the activities.
3. In most of the states, a Chief Executive Officer has been appointed exclusively to deal with developmental functions, while the Collector continues to be in charge of law and order, land revenue, excise, registration, etc.
4. The patwar system was first initiated during the reign of Sher Shah Suri and was further enhanced by Emperor Akbar.
5. Patwari is the custodian of the record of ownership of the village's land called "*Shazra Kishtwar*" *Mutation Register, Village Statistics Book (Lal Kitab)* and other records of the village.

## 8.6 SUMMARY

- The Block Development Officer (BDO) is the Secretary and officer-in-charge of the Panchayat Samiti. In most of the states, he belongs to the state amenities and is deputed to the Panchayat Samiti. In other states, these are stimulated officers, formerly from the subsidiary services in the state.

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- The BDO's role in the PRIs is characterized by multi-functionality, such as: in-charge of Panchayat Samiti Office (PSO), as the Captain Extension Officers Team, as Managers of Development Programmes, and as the secretary of the Panchayat Samiti.
- Though the Mehta Committee had already advocated retention of the traditional position of the Collector in the Panchayati Raj framework, at least two states decided to have an independent IAS officer to take care of the Panchayat set up at the Zilla Parishad level.
- Panchayati Raj is the backbone of administration and is a means of decentralization of the authority of implementation of development programmes in the field. As the area of operation of a Collector clashed with the area of the Zilla Parishad, he automatically came into the picture as the informer of the government. What needs to be seen is whether there is a purposeful utilization of the Collector in the administration of the district.
- In most of the states, a Chief Executive Officer has been appointed exclusively to deal with developmental functions, while the Collector continues to be in charge of law and order, land revenue, excise, registration, etc. At the same time, the Collector continues to be intimately associated with development programmes through his positions in agencies such as DRDA.
- A study of the government statutes related to the Panchayati Raj would show that the Collector, in view of his special position status, may curb the efflorescence of the autonomous spirit. There is a line of thought which argues that the Collector is laden with multiplicity of works along with physical margins of time and energy, and thus, would be not be able to do justice to the mammoth tasks of Zilla Parishad. Therefore, it is suggested that he may be kept out of it.
- The pattern of relationship between the Collector and PRIs can be conveniently studied in four heads, namely:
  - (i) Control over the staff of PRIs
  - (ii) Powers to suspend the resolutions of Panchayati Raj bodies
  - (iii) Powers to remove office bearers
  - (iv) Powers to suspend and dissolve the PRIs
- The village level revenue officer or Patwari is the most significant functionary of the state at the village level. No proficient revenue administration of a district is feasible if the Patwari staff is not strong or appropriately trained and austere supervised. In simple terms, he is regarded as the village accountant.



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## 8.7 KEY WORDS

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- **Block Development Officer (BDO):** He or She is the Secretary and officer-in-charge of the Panchayat Samiti.
- **Extension officers:** It refers to the officers on deputation from the state government who provide technical advice and assistance to Panchayat Samitis.
- **District Collector:** It refers to the head of District Administration in India.
- **Patwari:** It refers to a state officer in the revenue department at village level.

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## 8.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

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### Short-Answer Questions

1. What are the patterns of BDO selection in different states in India?
2. Briefly explain the role of BDOs and who they report to.
3. Write a short note on the duties of a Patwari.

### Long-Answer Questions

1. Describe the functionalities which characterizes the role of BDO's with respect to PRIs.
2. Examine the pattern of relationship between the Collector and PRIs.

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## 8.9 FURTHER READINGS

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- Chakrabarty, B and R K Pandey. 2019. *Local Governance in India*. New Delhi: SAGE Publications.
- Jayal, Niraja Gopal, Amit Prakash, and Pradeep K. Sharma. 2007. *Local Governance in India: Decentralization and Beyond*. New Delhi: Oxford University Press.
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## UNIT 9 PERSONNEL ADMINISTRATION IN MUNICIPAL GOVERNMENTS

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### Structure

- 9.0 Introduction
- 9.1 Objectives
- 9.2 Municipal Personnel Administration
  - 9.2.1 Provincialization of Municipal Services
  - 9.2.2 Central Council of Local Government
- 9.3 Answers to Check Your Progress Questions
- 9.4 Summary
- 9.5 Key Words
- 9.6 Self Assessment Questions and Exercises
- 9.7 Further Readings

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### 9.0 INTRODUCTION

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The success of any system depends mainly on the competence of the staff employed for implementing its policies and programmes. It is the skill, capacity and enthusiasm of the workers which matters for the success. This is truer in the case of Municipal system in India, which seeks in one way or the other, to influence people's behaviour. In this unit, you will learn about the personnel involved at the municipal levels in India.

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### 9.1 OBJECTIVES

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After going through this unit, you will be able to:

- Describe Municipal Personnel Administration
- Discuss the recruitment of municipal personnels
- Explain the functions of the Central Council of Local Government

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### 9.2 MUNICIPAL PERSONNEL ADMINISTRATION

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The municipal governments are intimately concerned to and, are responsible for the provision of facilities for healthy living in urban areas. Efficient administrative, professional and technical staff at the municipal level is the sine qua non of forceful and proficient Municipal government. Being a service-oriented organisation with the minimum of mechanization in its operation, municipal bodies are to depend heavily on the competence and devotion of their staff in the performance of their

tasks. Municipal personnel system, thus, needs to be apt. As per the study of the United Nations the municipal personnel system can be classified into three categories: separate, unified and integrated personnel systems. Let's have a brief look at these categories.

### **Separate Personnel System**

Under this system, the local authorities have the power to appoint, administer and dismiss the personal on its own, who may not be transferrable to any other jurisdiction by a central body. Earlier, Municipal bodies in most of the states in India practiced the separate personnel system. This system has been in trend in many countries like UK USA, Japan and New Zealand.

The advantages and disadvantages of this system are as following:

#### **Advantages**

- The municipal body is obliged to ensure the inhabitants for its employee's effective performance.
- The employees recruited locally are acquainted with local conditions and, thus, ensures greater interest in local affairs as compared to the migrated employees.
- The prospects for continuous employment in their own area can attract more talented persons to enter the municipal services.
- The system being confined to local employees, local community and local problems restricts outside interference.

#### **Disadvantages**

- The system is not suitable for small municipalities a to scale minimum standards and to recruit competent persons.
- It suffers from the disadvantages of nepotism, political interference and insecurity.
- The chances of promotion are limited.
- The officials on higher positions may frustrate this due to the lesser number of higher positions to which they can expect promotion.
- The relations between political leaders and the officials can hamper the smooth functioning of the local body.
- Political pressures can penetrate into every aspect of administration involving officials in factional politics.
- The limited financial resources of a local body hinder employment of suitable and competent persons.
- An elected council cannot act impartially for recruitment of its personnel, but it is likely to be influenced by various factors, especially political.

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In short, the system affords such advantages as recruitment of local people who possess better knowledge of local conditions, have keen interest in local affairs and are committed to the achievement of the welfare of their community. But its disadvantages outweigh its advantages.

### **Unified Personnel System**

The unified personnel system was considered to be a remedy for the ailments of the prevailing municipal personnel system. Under a unified personnel system, all or certain categories of local authorities form a single career service for the entire state. It is distinct from the state/national civil service, and it is the State Government which administers and controls the service. The employees are transferrable between local governments within the state. Local governments, thus, get divested of the authority to recruit and administer personnel. The countries which have adopted the system includes Ireland, Thailand, Nigeria and Ghana.

### **Advantages**

- The system proposes the creation of a national or statewide career service based on the principle of merit, which reduces the chances of favoritism in the recruitment of personnel.
- The smaller local bodies can obtain the services of more qualified persons.
- The system helps the personnel to acquire experience in different local bodies and in different circumstances, which give them a much wider approach to the problems of local government and a much greater competence to tackle individual problems.
- It provisions a structure for promotion from one grade to another, which upholds the interest of the personnel in the services.
- Persons transferable from one local body to another can have a feeling of greater freedom of operation without any self-consciousness that their entire career will be at stake if they offend the non-officials of any particular local body.
- The system gives the personnel a prestige in the public eye, self-confidence and compulsive efficiency.

### **Disadvantages**

- This system is not completely conducive to the principle of local autonomy.
- A few small Municipal bodies, due to their limited resources, may find it difficult to bear the cost of statewide cadres, which have to be paid at a higher level.
- The possibility of transfer from one Municipal body to another can restrict an employee to develop a sense of loyalty and belonging to a local body.

- The system reduces the Agency's power over recruitment, promotion and discipline, which ultimately results in making the staff non-responsive to the municipal committee.
- Where the municipal councils have to bear the cost for the training of staff, the situation can further deteriorate due to shortage of funds.
- The system does not provide any solution for promotional opportunities as a few large municipalities only can afford to maintain higher positions.

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### **Integrated Personnel System**

In the integrated personnel system the personnel of the state government and those of local government form part of the same service and in which vertical as well as horizontal transfer ability is possible. In other words, the state government may constitute an integrated service for some or all categories of personnel for the urban government. The integrated personnel system exists in various under-developed countries like Nepal, Taiwan and Morocco.

#### **Advantages**

- This system provides uniformity in regard to salaries and conditions of service and retirement benefits for civil servants.
- The officials, under this system, are free from local politics and pressures.
- Horizontal and vertical transfers make it possible to have the service of more competent staff.
- The system provides wider possible career opportunities in public service.
- Personnel can be acquired in accordance with the technicalities of the problem.

#### **Disadvantages**

- The employees may not be as responsive, loyal and committed as they would be to a local body.
- It is possible that some inefficient persons may get an opportunity to enter Municipal service at the behest of the state government.
- There is a danger of conflict between Municipal councillors and officials belonging to integrated service.
- Under this system, the employees will have to work under dual control, on the one hand, the control of state government with regard to appointment, promotions and disciplinary action, and on the other hand, the control of municipal authorities in regard to day-to-day administration.
- The local bodies will become training centres for the employees. As soon as they will gain some experience in the field of local administration, they will be transferred to the state government departments.

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### **Position in India**

In India, all three systems, namely, separate, unified and integrated, are followed in various states. The integrated system is followed in Tamil Nadu and other Southern States wherein officers serving Municipal government are transferable horizontally between municipalities and also vertically between national, state and Municipal governments. The unified model is in trend in Rajasthan, Uttar Pradesh, Punjab and Haryana where municipal services have been unified upto the supervisory and clerical levels, but the lowest level employees continue to be recruited and controlled at the municipal level. The separate personnel model is obtainable in West Bengal, Maharashtra and Gujarat where the municipal authorities enjoy exclusive competence to recruit and manage their own personnel subject to the rules framed by the concerned state governments to control certain aspects of the management of municipal personnel. Thus, the personnel system of urban local government in our country differs from state to state and even in the same state, as there in the unified personnel system operates where higher echelons of municipal services are concerned, and the separate personnel system works in the case of services at lower levels.

#### **9.2.1 Provincialization of Municipal Services**

Provincialization of municipal services has been stressed and emphasized by various forums and government committees is from time to time. The first conference of local self-government ministers held in August 1948 had adopted the following resolution: 'In view of the fact that provincial cadre would facilitate recruitment of suitable personnel from a wide field and provide a more efficient and contented service, this conference was of the opinion that there should be provincial cadres for the higher executive and technical staff employed by local bodies.'

The second conference of local self-government ministers held in 1954 had reiterated the same suggestion. The Central Council of Local Self Government in conjunction with the Fourth Conference of Ministers of Town and Country planning, held in 1963, had recommended the provincialization of Administrative, health, engineering and town planning services of the municipalities in the interest of better and more efficient administration. The Rural-Urban Relationship Committee, 1966 had observed that it would be more convenient and advantageous to have a combined integrated service for public health, engineers, town planners and medical and health officers, as also of Accounts and Audit Officers, in order to attract and to ensure a steady flow of qualified and competent persons.

In its report the Task Force on Management of Urban Development appointed by the Planning Commission (1983) held that personnel development had been the biggest aspect of urban management in India and suggested the formation of a state cadre for key positions in municipal management like chief officers, engineers, account officers and revenue officers and opined that the

separate personnel system would be of greater advantage with respect to the lower levels.

In pursuance of the recommendations of various commissions/ committees, various state governments have provincialized municipal services by making necessary amendments in their respective Municipal Acts.

### **Recruitment of Municipal Personnel**

Recruitment constitutes the cornerstone of the whole personnel structure for it determines the tone and calibre of public services. On it rests the nature and degree of usefulness of the administrative machinery. Dimock and Dimock rightly observed, 'The fundamental operation in building a strong public service is recruitment. If original selection is carelessly or inadequately performed, weakness is carried with the staff which time and training may never cure.' The municipal administration close as it is to the public, can inspire respect and confidence only if it is manned by efficient civil servants. It is, therefore, essential that Municipal bodies should have a sound policy and system of recruitment in order to get competent staff.

The state government may depending on the laws functional in their states make recruitment to the provincialized municipal services on the recommendation of a selection committee, which may be constituted by it and consist of five members, out-of-whom three are officers of the Government and two non-officials having sufficient experience of urban local bodies. At least one of the members of the selection committee must belong to Scheduled Castes. The Selection Committee keeping in view the nature and duties of the post required to be filled, can associate not more than two members who are experts in the field concerned.

The selection committee is to follow the policy of the government regarding the reservation of seats for Scheduled Castes and other backward classes while recommending appointment to the municipal services. Provision has also been made to make appointments by transfer/deputation from other departments. If suitable candidates are not available by direct recruitment or promotion. The state government also make appointments to the municipal corporation services such as those of Executive officers, secretaries, municipal engineers and municipal health officers on the recommendations of a selection committee. It is evident that a municipal corporation does not enjoy any autonomy worth the name in the recruitment of personnel for the management of senior and middle level positions. For recruitment to lower posts, the corporation and the commissioner have to abide by the rules and regulations which may be framed by the state government.

### **9.2.2 Central Council of Local Government**

The Central Council of Local Self Government though convened in 1948, was constituted by an order of the president in 1954. It consisted of the then minister of local self government in the states. It can invite experts and Technical Advisors to its meetings, but they have no right to vote. Its main functions are to consider

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and recommend broad lines of policy in matters relating to local government in all its aspects, but post 1958, it only covers matters pertaining to the urban local government. In 1980, the word 'self-government' was replaced with the term 'government'. It is a purely advisory body. Among its functions are tasks like:

- Make proposals for legislation on matters relating to local government;
- Draw up a common program of action to make recommendations to the central government regarding the allocation of financial assistance to local bodies
- Review the work accomplished in different areas with such Central assistance.
- Pass resolution at its annual meetings and also reviews implementation of earlier resolution.
- Set up committee also to look into problems of urban local governments.

Generally, the Central Council of Local government consists of the Minister of Urban Affairs, the ministers for local self government of the state. The union minister acts as the chairman of the council.

### Check Your Progress

1. What is the separate personnel system not suitable for?
2. What does the unified personnel system propose the creation of?
3. List examples of countries where the integrated personnel system of municipal corporation is followed.
4. Which type of municipal personnel system is in trend in states like Rajasthan, Uttar Pradesh, Punjab and Haryana?

## 9.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The separate personnel system is not suitable for small municipalities as to scale minimum standards and to recruit competent persons.
2. The unified personnel system proposes the creation of a national or statewide career service based on the principle of merit, which reduces the chances of favoritism in the recruitment of personnel.
3. The integrated personnel system exists in various under-developed countries like Nepal, Taiwan and Morocco.
4. The unified model is in trend in Rajasthan, Uttar Pradesh, Punjab and Haryana where municipal services have been unified upto the supervisory and clerical levels, but the lowest level employees continue to be recruited and controlled at the municipal level.



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## 9.4 SUMMARY

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- The municipal governments are intimately concerned to and, are responsible for the provision of facilities for healthy living in urban areas. Efficient administrative, professional and technical staff at the municipal level is the sine qua non of forceful and proficient Municipal government.
- As per the study of the United Nations the municipal personnel system can be classified into three categories: separate, unified and integrated personnel systems.
- Under the Separate Personnel system, the local authorities have the power to appoint, administer and dismiss the personal on its own, who may not be transferrable to any other jurisdiction by a central body.
- The unified personnel system was considered to be a remedy for the ailments of the prevailing municipal personnel system. Under a unified personnel system, all or certain categories of local authorities form a single career service for the entire state.
- In the integrated personnel system the personnel of the state government and those of local government form part of the same service and in which vertical as well as horizontal transfer ability is possible.
- In India, all three systems, namely, separate, unified and integrated, are followed in various States.
- Provincialization of municipal services has been stressed and emphasized by various forums and government committees is from time to time. The first conference of local self-government ministers held in August 1948 had adopted the following resolution: 'In view of the fact that provincial cadre would facilitate recruitment of suitable personnel from a wide field and provide a more efficient and contented service, this conference was of the opinion that there should be provincial cadres for the higher executive and technical staff employed by local bodies.'
- In pursuance of the recommendations of various commissions/ committees, various state governments have provincialized municipal services by making necessary amendments in their respective Municipal Acts.
- Recruitment constitutes the cornerstone of the whole personnel structure for it determines the tone and calibre of public services. On it rests the nature and degree of usefulness of the administrative machinery.
- The state government makes recruitment to the provincialized municipal services on the Recommendation of a selection committee, which is constituted by it and consists of five members, out-of-whom three are officers of the Government and two non-officials having sufficient experience of urban local bodies.

## NOTES

## NOTES

- The Central Council of Local Self Government though convened in 1948, was constituted by an order of the president in 1954. It consisted of the then minister of local self-government in the states. It can invite experts and Technical Advisors to its meetings, but they have no right to vote. Its main functions are to consider and recommend broad lines of policy in matters relating to local government in all its aspects, but post 1958, it only covers matters pertaining to the urban local government.

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### 9.5 KEY WORDS

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- **Provincialization of municipal services:** It refers to the creation of cadres for municipal employees, state wise.
- **Central Council of Local Self Government:** It is a body created to consider and recommend broad lines of policy in matters relating to the urban local government.

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### 9.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

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#### Short-Answer Questions

1. Write a short note on separate personnel system.
2. What is the type of municipal personnel system followed in India?
3. Briefly explain the origins of the provincialization of municipal services in India.
4. How are municipal personnel recruited in India?
5. What are the functions of the Central Council of Local Self Government?

#### Long-Answer Questions

1. Discuss the advantages and disadvantages of the unified personnel system.
2. Explain the advantages and disadvantages of the integrated personnel system.

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### 9.7 FURTHER READINGS

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Chakrabarty, B and R K Pandey. 2019. *Local Governance in India*. New Delhi: SAGE Publications.

Jayal, Niraja Gopal, Amit Prakash, and Pradeep K. Sharma. 2007. *Local Governance in India: Decentralization and Beyond*. New Delhi: Oxford University Press.

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# UNIT 10 PANCHAYATI RAJ INSTITUTIONS: SOURCES OF INCOME AND STATE CONTROL

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*Panchayati Raj  
Institutions: Sources of  
Income and State  
Control*

## NOTES

### Structure

- 10.0 Introduction
- 10.1 Objectives
- 10.2 Sources of Income for Panchayati Raj Institutions
- 10.3 State Control Over Panchayat Raj Institutions
  - 10.3.1 Social Audits
- 10.4 Answers to Check Your Progress Questions
- 10.5 Summary
- 10.6 Key Words
- 10.7 Self Assessment Questions and Exercises
- 10.8 Further Readings

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## 10.0 INTRODUCTION

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Up till now you have learnt about the basics of panchayati raj institutions including its composition, functions, and the constitutional provisions governing them. You have also studied the electoral process followed in such institutions. In this unit, you will learn about the sources of income for these institutions. It had been mentioned earlier in Unit 3, that the sources for the panchayati raj institutions comes from different sources including taxes, fees, fines as well as grants from the government. These are important since it forms the basis on which the activities will be operationalised. Limited funds for panchayats will become a hindrance in the activities taken by them. However, excess use of funds is also problematic since if it is not translating into development, it is a sign of corruption and misuse. But who keeps a check on the panchayati raj institutions? In this unit, you will also learn the dynamics of state control over the panchayati raj institutions.

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## 10.1 OBJECTIVES

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After going through this unit, you will be able to:

- Discuss the sources of income for panchayati raj institutions
- Explain state control over panchayati raj institutions
- Describe the concept of social audit

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## 10.2 SOURCES OF INCOME FOR PANCHAYATI RAJ INSTITUTIONS

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### NOTES

Panchayats can efficiently perform their duties and activities only when they have adequate resources of finance. For these, the panchayats depend on State government approved grants and disbursements. Additionally, they receive taxes and revenue from owned or rented assets. Further, they may also receive a portion from the taxes, duties, tolls and fees that are levied and collected by the state government.

#### **The sources of income of Gram Panchayat**

In most states, some of the taxes may be levied by the gram panchayats including taxes like house tax, tax on immovable property, commercial crops, cattle tax, fee for water supply, lighting tax, octroi, sanitation fee, drainage tax etc. Panchayats can also levy entertainment tax on temporarily stationed theatres, taxes on animals and non-mechanically propelled vehicles plied for hire, except those which are used for farming.

Income from property owned by Gram Panchayats on assets like common grounds, jungles, cattle ground etc., are also important source of income. Further, gram panchayat also has the power to retained a portion of proceeds from specific activities like sale of cow dung, refuse and carcasses along with any other taxes which are authorised by the Act governing these local bodies. They also receive their share in land revenue from the state.

#### **The sources of income of Panchayat Samiti (Nagar Panchayat)**

Panchayat Samiti (Nagar Panchayat) can impose tax on facilities provided by them as water for drinking or irrigation purposes, lighting arrangements, tolls for bridges maintained by them. Panchayat receive income from the property vested in them. The property of Nagar Panchayat includes public buildings, public roads constructed or maintained out of their funds and all land or other property transferred to them by the government. They also gain their income by levying taxes on businesses and industries, fairs organised in Panchayat Samiti area and Community Development Fund. They also receive grants from the state governments. The Zila Panchayat transfers the funds from the state governments along with schemes to be implemented by the immediate Institutions of Panchayati Raj.

#### **The budget of Panchayat Samiti**

The Block Development Officer (BDO) prepares the budget of Panchayat Samiti and submits it to Panchayat Samiti. Thereafter it goes to District Development officer who submits it to Zila Parishad. Zila Parishad sends it to Panchayat Samiti with its recommendations. Panchayat Samiti evaluates it and gives approval.

### **The sources of income of Zila Parishad (Panchayat)**

Zila Parishad like the panchayats and panchayat samitis are authorised to impose taxes like taxes on individuals carrying on business in rural areas for 6 months, taxes on brokers, commission agents in markets established by them, on sale of good in these markets, water tax, 5% stamp duty for expenditure of property. Fees for granting permission for fairs and tax on land revenue can also be imposed by Zila Parishad. When development schemes are entrusted to them, necessary funds are also provided. They also receive grants from the state grants and donation from the public and from charitable institutions, and may also raise loans.

### **Method of execution of budget of Zila Parishad**

The Chief Executive Officer of the the Zila Parishad is entrusted with the duty of preparing the budget. This is then submitted to the Panchayati Raj and Rural Development Department.

### **Finance Commission**

As mentioned in earlier units, a Finance Commission is constituted every five years on the recommendation of the Governor to comment on issues like the

- The principles which should govern
  - o The distribution between the State and the Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under this Part and the allocation between the Panchayats at all levels of their respective shares of such proceeds;
  - o The determination of the taxes, duties, tolls and fees which may be assigned as, or appropriated by, the Panchayats;
- The grants-in-aid to the Panchayats from the Consolidated Fund of the State;
- The measures needed to improve the financial position of the Panchayats;

Any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Panchayats.

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## **10.3 STATE CONTROL OVER PANCHAYAT RAJ INSTITUTIONS**

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The 73<sup>rd</sup> Amendment Act has provided and has power to the rural local bodies, but it does not mean that they have limitless authority and freedom. Some measures of control over Panchayati Raj Institutions (PRIs) are not only desirable but are also necessary. Therefore, PRIs are kept under the control of state government. State control over these institutions is more necessary because in the rural areas the authority is vested in the local people. Most people among them may not have

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the relevant experience or knowledge so as to make use of the authority. Though, in such a situation there are all the possibilities of committing mistakes while exercising the authority. Hence, the state control is very much needed for proper directions, amalgamation and coordination of the Civic services, and for security, consistency and continuity both in the formulation and implementation of national policies.

### **State Government, Panchayati Raj and their Dynamics**

The revival of PRIs has opened new panorama of relationship between the state government and the PRIs. For the effective functioning of PRIs, sound relationship between the state government and the PRIs has become yet more important and it is expected of both, State Government and the PRIs to recognise each other's position and develop a healthy understanding and mutual cooperation to discharge their respective responsibilities.

### **Types of Control over PRIs**

The following are the major types of control exercised by the state governments over PRIs:

#### **(i) Institutional control**

The provisions of the Constitution and the acts legalized by the State legislature grant the institutional control of panchayats to the State Governments. Some important aspects of these acts include the proper elucidation of the area as well as territorial jurisdiction of the PRIs, the manner of the composition, the procedures which need to be followed in the event of elections, the machinery and protocols for dispute settlement, the functions of the staff and their recruitment, the control over the property and documentations to be maintained for functioning of these PRIs. The state government can also amend following due procedures, the relevant acts by which these PRIs have been established.

#### **(ii) Administrative control**

These controls refer to the power of the State governments to oversee the operations of the PRIs and check the activities undertaken by them. The evaluation of day to day activities also fall under the purview of the State government. Under such a role, the state governments also have the power to check any proposal by the PRIs and either pass, reject or suggest changes to them. Provisions also allow the State government to remove members of the PRIs under specified conditions and also dissolve or supersede such bodies. Additionally, the state government is also authorised to conduct inspections.

#### **(iii) Financial Control**

As mentioned in the previous section, as well as mentioned in the Articles of the Constitution, the panchayati raj institutions have sources of revenues from taxes,

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grants, fees and loans. The budgets and the principles on which they are based are generally under the regulation of the state government. They also govern rules to be followed and accounts to be maintained by the PRIs for its financial expenditures and earnings. The audit of the PRIs are also done through the office of the examiner of local funds and submitted to the government.

### **(iv) Technical Control**

The schemes, projects and plans initiated by the panchayati raj institutions are to be approved by the state government. This is what is called technical control. It is also the responsibility of the state government to provide technical guidance to these bodies. The approach and intent and review of the activities of the panchayati raj institutions are done by the State governments through their officers who attend their meetings.

### **Ministry of Panchayati Raj**

As you have learnt in earlier units, the decentralisation of government and its powers and functions is now done in three tiers. Through the 73<sup>rd</sup> and 74<sup>th</sup> amendments to the constitution, the devolution of power is done at the Union, State and Local self government levels.

The ministry which is responsible for taking policy level decisions regarding local self-government in rural areas is the Ministry of Panchayati Raj created in May 2004. The ministry is headed by a Minister of cabinet rank.

### **State Government's Control**

As discussed in the previous paragraphs, the State government's control over the panchayati raj institutions can be understood not only at the legislative levels but also financial and administrative levels. The State governments are tasked with overseeing and passing resolutions with respect to the organisation and functions of Panchayats in their respective states. The State government is also responsible for providing financial resources to the PRIs. Administratively, the District Collector and District Panchayati Raj officers are tasked to overseeing and supervising the operations of the PRIs. The state government is also responsible for encouraging the PRIs by delegating them the responsibility of planning and implementing schemes for certain matters as mentioned in the Eleventh schedule. Additionally, the election activities of the PRIs are also done in coordination with the State Government and the State Election Commission.

### **10.3.1 Social Audits**

Since we are on the topic of state control over panchayati raj institutions, it is important to mention that social audits of the activities of the Gram Panchayat has been mandated by the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the Fourteenth Finance Commission. This is to say that the grants get affected by the activities undertaken by the Gram Panchayat.

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As mentioned in the ‘Social Audit Units in India Current Status’ (2018) by the National Institute of Rural Development and Panchayati Raj: ‘Section 17 of the MGNREG Act says that the Gram Sabha shall conduct Social Audit of all the projects under the scheme taken up within the Gram Panchayat. Social Audit is the audit of a scheme jointly by the Government and the people, especially by those who are affected by the scheme or its beneficiaries. It is a powerful tool to promote transparency, accountability and people’s participation in the schemes meant for them.’

Further the document ‘Social Audit of Fourteenth Finance Commission (FFC) Grants’ Activities / Works of Gram Panchayats’ by the Ministry of Panchayati Raj also notes that the ‘The mechanism of social audit is essential for the effective functioning of Panchayat Raj Institutions (PRI). It is necessary, not only in assessing the optimal use of resources, but in suggesting the corrective steps as well. Therefore, it is expected that while conducting social audit, quantum of funds utilised, time taken in completing the work and quality of asset created are assessed. Along with this, social audit should also suggest improvement and corrective measures. Many of the GPs are not being able to access the performance grant. The social audit should also assess this aspect and suggest modality for GP to receive the Performance Grants.’

The document further lists the ‘Broad Issues to be taken note of under Social Audit of FFC Grants to Gram Panchayats’. Let’s have a look at these:

- **Utilisation of FFC Grants in the basic services** (water supply, sanitation including septage management, sewerage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths and street-lighting, and burial and cremation grounds, and any other basic service within the functions assigned to them under relevant legislations.)
- The extent to which the FFC Grants individually or in convergence with the funds of other Central / State scheme funds were utilized towards development of assets for the basic services and their proper operation and maintenance are to be studied. It would also be essential to observe that the funds are judiciously utilized for a proper mix of all essential basic services as required by the community instead of pooling the entire grant to just one or two services only.

The Social Audit shall make on the spot visit / study of GPs to ascertain that the funds provided through FFC Grants on the recommendation of MoPR are fruitfully and optimally utilized for creating/providing good quality basic services in GPs/Rural areas as mentioned above.

- **Receipt of FFC Performance Grants by the Gram Panchayats.**

The FFC Performance Grants are provided to the GPs based on their compliance to the requirements of submission of audited accounts, increase



in Own Source Revenues (OSR), Open Defecation Free (ODF) status and Child Immunization Status. Whether the GPs has been able to receive the share of FFC Performance Grant released to the State will need to be checked and if not received, the reasons therefor may be identified for future improvements.

- **Quality of Works/Activities taken up with FFC Grants**

Many capital intensive asset creation activities utilizing the FFC Grants would also need to be evaluated for not only their adherence to time and cost targets but also towards satisfactorily fulfilling the quality specifications/standards. This may be evaluated by physically inspecting the structures as well interaction with the end beneficiaries.

- **Geo-Tagging of the Photos of FFC Assets**

To enable accountability and transparency, it has been mandated to upload the photo images of the FFC Assets at three different phases of their creation through the mActionSoft app in the ActionSoft portal. It may be required to evaluate that the requirement is complied with along with the efficacy of the uploaded images actually matching with the reality existing at the ground level.

- **Use of proper accounting systems through PRIASoft/ State specific software applications and PFMS**

The GPs are required to make digitally all their payments to the vendors/ service providers out of the FFC funds through the online system of PRIASoftPFMS or State Specific Software applications. A Model Accounting System (MAS) has been created towards the purpose towards codifying various categories of expenditure and incorporated in the system. It may be studied by the Social Audit Team as to whether the system of proper accounting has been followed by the GPs and they are able to properly classify the types of expenditures made out of FFC grants by allocating proper expenditure codes while entering the details in the PRIASoft system.

- **Creation of Awareness / Public Display of FFC works/activities**

MoPR has advised to create public awareness and also ensure accountability / transparency through public display boards containing essential and updated information on FFC Activities/Works. The compliance to these at the GPs/ Villages may be physically checked for their adequacy.

- **Effective Convergence of FFC with Other Central / State schemes**

The GPDPs are to be prepared taking into considering availability of funds under various Central / State Schemes and after getting the fuller picture of total resource envelope. Adherence to the effective convergence towards achievement of synergy in basic services for the citizens are to be evaluated at the time of Social Auditing.

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- **Improvement in Own Resource Revenues (OSR) out of FFC assets.**

The creation of assets out of FFC grants would also facilitate the GPs to collect user fees from the consumers which would enhance their Own Source Revenues (OSR) towards self – sufficiency. The extent to which the GPs are progressing towards this objective are also to be studied.

- **Establishment and Effectiveness of Grievance Redressal Systems**

The success of governance systems essentially lies in the speed and effectiveness within which the grievances of the public are redressed. In this regard, the GPs are required to establish Grievance Redressal System/ Mechanism. The adherence to the stipulations / rules towards grievance redressal system/mechanism by the GPs are to be evaluated.

### Remedial Actions for Non-Compliance

The social audit will verify compliance to the requirements of the various issues to comply to prescribed standards/ guidelines and suggest remedial actions in case of observations of non-compliance.

#### Check Your Progress

1. List some of the taxes which may be levied by the gram panchayats.
2. What does the property of Nagar panchayat include?
3. When was the Ministry of Panchayati Raj created?
4. Which Section of the MGNREG Act mandated the social audit of gram sabha?
5. What is the basis on which FFC performance grants are provided to the gram panchayats?

## 10.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. In most states, some of the taxes may be levied by the gram panchayats including taxes like house tax, tax on immovable property, commercial crops, cattle tax, fee for water supply, lighting tax, octroi, sanitation fee, drainage tax etc.
2. The property of Nagar Panchayat includes public buildings, public roads constructed or maintained out of their funds and all land or other property transferred to them by the government.
3. The Ministry of Panchayati Raj was created in May 2004.
4. Section 17 of the MGNREG Act says that the Gram Sabha shall conduct Social Audit of all the projects under the scheme taken up within the Gram Panchayat.

5. The FFC Performance Grants are provided to the GPs based on their compliance to the requirements of submission of audited accounts, increase in Own Source Revenues (OSR), Open Defecation Free (ODF) status and Child Immunization Status.

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### 10.5 SUMMARY

- Panchayats can efficiently perform their duties and activities only when they have adequate resources of finance. For these, the panchayats depend on State government approved grants and disbursements.
- Additionally, they receive taxes and revenue from owned or rented assets. Further, they may also receive a portion from the taxes, duties, tolls and fees that are levied and collected by the state government.
- In most states, some of the taxes may be levied by the gram panchayats.
- Panchayat Samiti (Nagar Panchayat) can impose tax on facilities provided by them. Panchayat also receive income from the property vested in them. They also receive grants from the state governments.
- Zila Parishad like the panchayats and panchayat samitis are authorised to impose taxes. When development schemes are entrusted to them, necessary funds are also provided. They also receive grants from the state grants and donation from the public and from charitable institutions, and may also raise loans.
- A State Finance Commission is constituted every five years on the recommendation of the Governor to provide valuable inputs for improving the financial positions of the Panchayats and provide details regarding the distribution of income between the State and the panchayats.
- 73<sup>rd</sup> Amendment Act has provided and has power to the rural local bodies, but it does not mean that they have limitless authority and freedom. Some measures of control over Panchayati Raj Institutions (PRIs) are not only desirable but are also necessary.
- The state control is very much needed for proper directions, amalgamation and coordination of the Civic services, and for security, consistency and continuity both in the formulation and implementation of national policies.
- The following are the major types of control exercised by the state governments over PRIs: institutional, administrative, technical and financial.
- Social audits of the activities of the Gram Panchayat has been mandated by the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the Fourteenth Finance Commission.
- Social Audit is the audit of a scheme jointly by the Government and the people, especially by those who are affected by the scheme or its

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beneficiaries. It is a powerful tool to promote transparency, accountability and people's participation in the schemes meant for them.

- The mechanism of social audit is essential for the effective functioning of Panchayat Raj Institutions (PRI). It is necessary, not only in assessing the optimal use of resources, but in suggesting the corrective steps as well.

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### 10.6 KEY WORDS

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- **Fourteenth Finance Commission:** It was the finance commission constituted in 2013 which submitted its report in 2015 which were applicable for five years.
- **Social Audit:** It is the audit of a scheme jointly by the Government and the people, especially by those who are affected by the scheme or its beneficiaries

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### 10.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

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#### Short-Answer Questions

1. How is the budget prepared and passed for panchayat samiti and zila parishad?
2. What do the state finance commission provide recommendations on?
3. Write a short note on the sources of income of Panchayat, Panchayat Samitis and Zila Parishads.
4. Why is state control important for rural local bodies?

#### Long-Answer Questions

1. Discuss the various types of state control over PRIs.
2. Explain the issues of importance in social audits for FFC grants.

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### 10.7 FURTHER READINGS

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Chakrabarty, B and R K Pandey. 2019. *Local Governance in India*. New Delhi: SAGE Publications.

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*Panchayati Raj  
Institutions: Sources of  
Income and State  
Control*

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# UNIT 11 URBAN LOCAL SELF GOVERNMENT: SOURCES OF INCOME AND STATE CONTROL

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### Structure

- 11.0 Introduction
- 11.1 Objectives
- 11.2 Sources of Income for Urban Local Self Government
- 11.3 State Control Over Urban Local Self Government Institutions
- 11.4 Answers to Check Your Progress Questions
- 11.5 Summary
- 11.6 Key Words
- 11.7 Self Assessment Questions and Exercises
- 11.8 Further Readings

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## 11.0 INTRODUCTION

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The significance of finance is too obvious to need any elaboration as no organization can exist, much less achieve its objectives, without finances. In fact, finance constitutes the backbone of the life and blood of government; it provides fuel to the administrative machinery. Sound fiscal policy is therefore of crucial importance to the government whether Central, state or local. Imprudent financial management not only is wasteful to the government, but also eliminates its benefits from reaching the people, and may endanger its very existence. The responsibilities of municipal bodies have tremendously increased as a result of the rapid increase in urbanization and adoption of welfare state as the ultimate goal of our polity. In this unit, you will learn about the sources of income of urban local self government along with the dynamics of state control over these governments.

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## 11.1 OBJECTIVES

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After going through this unit, you will be able to:

- Explain the sources of income of urban local self government
- Discuss state control over urban local self government

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## 11.2 SOURCES OF INCOME FOR URBAN LOCAL SELF GOVERNMENT

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*Urban Local Self  
Government: Sources of  
Income and State  
Control*

In any multi-level pattern of government, the effectiveness with which the lower units would operate is determined to a large extent on how their finances are organized in relation to their functional responsibilities. Local government finance is therefore of great importance. In order to be able to discharge their obligations with respect to development and improvement of their respective areas, provision of civic amenities and welfare services, municipal bodies require adequate financial resources commensurate with the task assigned to them. But unfortunately, with rapid urbanization causing continuing and mounting pressure on the civic facilities and amenities, it is regrettable that the importance of these obligations with adequate resources has never been sufficiently recognised. Since independence, this aspect has been inquired into by numerous central and state commissions and committees but their recommendations have not been matched with adequate follow up action towards implementation. Decentralization movement of the post independence period has not radically adhered to financial conditions of local government and they continue to suffer from paucity of resources and the gap between their finances and desired level of services is continuously widening.

### **Powers of taxation of local government**

Local governments in India do not have the inherent power of taxation. The Constitution does not specify any taxes for their exclusive use. It may, however, be mentioned that the Scheduled Tax Rules framed under the Government of India Act 1919, contained an exclusive list of taxes to be utilised by or for the local authorities. These rules were repealed with abolition of the distinction between provincial and local taxation in the new Federal scheme embodied in the Government of India Act 1935, putting every local tax into the basket of the tax resources of the provincial governments. The present constitution of India has inherited and sanctified the same arrangement. As such, local governments are empowered to levy only such taxes as have been approved by the state government. Consequently, they are at the mercy of the state government in respect of their finances.

### **Municipal Budget**

Municipal budget is the annual financial statement of the anticipated income and expenditure of the concerned Municipal body. Budget preparation is usually the occasion for determining the levels of taxation and the ceilings on expenditure. The main objective of the budget is to ensure that funds are raised and money is spent by the executive departments in accordance with rules and regulations and within the limits of sanctions and authorisations by the Municipal Council.

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### Sources of income of municipal bodies

Constitutionally, local bodies in India as discussed earlier have not been provided with a separate list of taxes and they are therefore at the mercy of the state government for their financial resources. Consequently, there is a universal complaint that local bodies, which are responsible for managing city services, do not have adequate resources to justify their existence. The existing source of income of municipal bodies can be classified into four categories: local taxes/tax revenue; non-tax revenue; grants-in-aid and loans/borrowings.

#### Local taxes

Local taxes constituted the major portion of municipal income resources. It is about two thirds of the revenue collected by the municipal bodies. A Municipal committee can impose a number of taxes, such as octroi tax, tax on property, tax on vehicles (other than motor vehicles), tax on property and advertisement tax. The scope of taxation is somewhat larger in the case of a municipal corporation in view of the broader functions it is expected to perform. The taxes, levied by it are: tax on land and buildings, octroi, tax on vehicles and animals, tax on advertisements (other than advertisements published in newspaper) tax on buildings, tax on professions, trades, callings and employments and any other tax which the state legislator has power to impose under the constitution, subject to the prior approval of the government. Though the tax heads of a municipal corporation are not very extensive as compared to those of a Municipal committee, they are exploited more intensively. In the following are listed some of the taxes which a local Body can levy: property tax, registration fees, fair tax, animal tax, market tax, octroi tax, terminal tax, turnover tax, toll on new bridges, vehicles tax (non-motorized), betterment tax, conservancy tax, lighting tax, sanitation tax scavenging tax, water text, advertisement tax, entertainment tax, profession tax, pilgrim tax, special education tax, etc.

Of all the taxes levied by Municipal bodies the most important from the point of view of revenue are discussed as follows:

#### • Octroi

Octroi is the tax on entry of goods into a local area for consumption, use or sale therein. A Municipal body initiates a proposal by adopting a special resolution to levy a tax and the state government may sanction the same or refuse to sanction it or return it for reconsideration. At present, the municipal bodies are free to rationalize their octroi schedules and rates having regard to their requirements which would be lost if octroi is substituted by surcharge.

#### • Property tax

Property tax is levied on building and lands on the basis of their rental value instead of their capital value as the former is easier to determine on the basis of market rent and is not subject to wide fluctuations as the capital values of the properties



are. A Municipal body by a resolution passed at a special meeting and confirmed by the state government can impose, suspend, reduce or abolish the tax or exempt in whole or in part from the payment of any such tax, any person or class of persons or any property or description of property.

- **Profession tax**

Profession tax is levied on trade professionals and callings and may be termed as local Income Tax. It is elastic as it automatically increases with increase in income and population. Moreover, since it is a personal tax, it assures quick and easy payment.

- **Entertainment tax**

Entertainment tax is levied on programs and luxuries including betting and gambling. Generally, entertainments are charitable, religious and educational purposes. The tax is determined, imposed and collected by the state government and after the close of each year it is reimbursed to the municipal body concerned in whole or in part.

- **Advertisement tax**

Municipal corporations are empowered to levy tax on advertisements other than those published in the newspapers with the prior sanction of the state government. Anyone who displays an advertisement on any land, building, post or structure or in any vehicles plying within Municipal area, or by means of cinematograph, has to pay this tax. However, any advertisement relating to public meetings for election to Parliament or state legislature or the corporation is exempted from such tax.

### **Non tax revenue**

Non tax revenue of municipal bodies consists of receipts from fees and fines, incomes from remunerative enterprises and miscellaneous sources. The primary purpose of collecting fees and fines is regulation and control of trade, markets, industrial establishments and eating places, rather than resources mobilization. Revenue from remunerative enterprises comprises incomes derived from leasing out market-places, slaughter-houses, commercial buildings, exhibition grounds, stadia, swimming pools and other Municipal properties.

### **Grants-in-aid**

Grants-in-aid form an important constituent of municipal finance. A payment made from the treasury of the state government to a local authority for the purpose of assisting that authority in carrying out a part or all of its activities is known as grant in aid. The revenues of local bodies are inelastic in relation to their needs and as a result there is a tendency for the gap between the two to go on widening. This gap is narrowed down as far as possible by the provision of more finances by the state government in the form of grants in aid. When the state governments assign more

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and more functions to the local authorities, they are under a moral obligation to assist them to carry out these functions, particularly when the principal sources of revenue have already been tapped by them.

### Loans

Municipal bodies are obliged to borrow from State Government and other Agencies to meet emergencies and for capital expenditure which they cannot afford out of their revenues. Their borrowings are regulated by central law known as the Local Authorities Loan Act, 1914.

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## 11.3 STATE CONTROL OVER URBAN LOCAL SELF GOVERNMENT INSTITUTIONS

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Urban local bodies are controlled by all the organs of government, i.e., legislature, administrative and judiciary. The methods of control are as follows:

### Legislative control

It is one of the most important method of control over urban local bodies because these institutions come in existence by the act of Legislature the state government has the power to make law about urban local government. Following aspects are considered before making laws: (a) Rules of elections; (b) Rules about meetings; (c) Income and expenditure; (d) Developmental plans; (e) Property; (f) Taxation and grants, loans, provident funds, other service conditions of personnel; (g) The recommendations to be given by State officials to municipalities.

### Means of Legislative control

From among the various means of Legislative control such as discussions and debates and different kinds of motions like call attention, adjournment and privilege, questions asked by the members of the Legislature during the question hour constitute the most powerful means of soliciting information about different aspects of municipal administration from the Minister concerned. The questions raised in the Assembly generally relate to issues like Municipal Elections, including preparation of electoral rolls, election petitions, gazette notification of elected members, removal of members, writs filed in the High Court, supersession and abolition of municipal committees, personnel, finance and day-to-day administration of municipal bodies.

Legislative control over Municipal bodies as discussed above is of great significance, but it cannot be exercised in an effective manner going to paucity of time at the disposal of the legislators, technical nature of municipal administration and political considerations, biases and prejudices of the ruling party.

## Administrative control

Administrative control over municipal bodies is the most effective type of control extending to every aspect of municipal administration. The administrative control is also known as executive control. This control plays an important role in local administration. It comprises of determination of criteria for the creation of different kinds of municipal bodies: (a) the state government determines the standard of services which should be maintained in urban local bodies; (b) the state government can terminate any number of municipality if they misuse their power; (c) the state government can define, increase or decrease the territorial limits of any Municipal body; (d) the state government can fix the number of the elected members and the seats to be reserved for the Scheduled Castes and Scheduled Tribes; (e) it can conduct of free and fair elections; (f) it can de-limit the wards; (g) it can appoint associate members and officials Advisors, extend the term of office of members or its reduction due to supersession dispose of election petitions, remove members and office bearers such as President and Vice Presidents, etc.; (h) the laws prepared by the State Government have to be approved by the state government; (i) the state government can inspect various projects and programmes run by urban local bodies through its officers.

## Judicial control

There are so many methods by which Judiciary can control urban local bodies. Judicial control is intended to safeguard the rights of individuals against their encroachment by Municipal authorities and those of municipal bodies against infringement by the state government. Judicial control is not only limited to the right of an aggrieved individual to sue a local authority for damages, there are, in addition, remedies available to secure the performance by local authorities of their statutory duties or to restrain them from being acting outside their jurisdiction. The remedies available are in the form of various kinds of writs such as injunction, *certiorari*, *prohibition*, *mandamus* and *quo warranto*. Injunction is a writ issued by a court requiring a person or a party to refrain from doing a thing. *Certiorari* enables a Superior Court to send for the record of the proceedings and orders of a Lower court to enquire into its legality and to quash the order if found beyond its jurisdiction. Prohibition is issued by a superior court to an inferior court and also to an authority exercising judicial or quasi-judicial functions for the purpose of preventing it from usurping jurisdiction with which it is with vested. The *writ of mandamus* is in the nature of a command issued by a court to any person or public body to do something which is a part of their official duty. The *writ of quo warranto* can be applied for or by any member of the public to challenge the rights of a person to hold a public office and to get him ousted if he has unlawfully usurped or intruded into such office. Judiciary has the power to interpret laws governing the local government, bye laws and rules made there under and declare them ultra-vires, if they contravene the constitution or some provisions of other laws. The courts, however, do not interfere in

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Municipal administration on their own. They intervene only on the initiative of the aggrieved party and when they are satisfied that errors of law, fact-finding, jurisdiction and procedure have been committed. If the local bodies hamper the rights of citizens the Judiciary can provide help to the aided person or institution. The Judiciary examines the functions performed by urban local bodies whether they are in the limits of law or not. Urban local bodies can also take protection of Judiciary if the state government hampers their rights. Judiciary can bind urban local bodies to perform their compulsory functions. The Judiciary can declare any function illegal which is not in their jurisdiction. The Judiciary, thus, plays an important role in providing justice to the aggrieved parties against the arbitrary and unlawful actions of the Municipal bodies and the state government. But judicial control is not very effective because, first, the judiciary never takes the initiative, but intervenes only on being approached by the aggrieved citizen or by someone interested in the case, consequently many cases are never brought to the notice of the courts; second, litigation is a very expensive affair which a private citizen of moderate means can ill afford; third, the judicial process is very lengthy, dilatory and time-consuming and is therefore very discouraging and frustrating for the persons concerned to take recourse to court of law; fourth, Municipal Acts and the Municipal Corporation Acts of some States bar the jurisdiction of the courts in certain cases.

### **Limitations of state control over urban local self government institutions**

The various limitations of control are: (a) the control is more or less negative; (b) the Bureaucracy also controls the urban local bodies; (c) state government keeps so many terms and conditions before giving grants to local bodies; (d) the permission of the state government has to be taken if it exceeds the prescribed limit; (e) the collector is overburdened with work, therefore, he cannot exercise effective control over administration.

### **Arguments concerning State Control over Urban Local Self Government Institutions**

There are two opposite views concerning the supervision and control of state government over Municipal bodies. The advocates of population who are supporters of an inherited Municipal democracy believe that the control and supervision of the Municipal institutions is unwarranted, unnecessary and fraught with mischief; and that self-government would cease to be so if it is made subject to external control and supervision. They further contend that decentralization implies complete autonomy without any outside restrictions and limitations, that centralisation of powers would tend to transform local government into local administration; and that the strength of a central government that tries to keep local government weak, is an illusive strength.

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Supporters of paternalism, to the contrary, hold the view that Municipal bodies have to be regularly controlled, supervised, guided and occasionally punished for their acts of omission and commission. It is argued that since constitutionally Municipal government falls within the provisions of the state government, the latter has the power to determine their structure functions and financial resources. Being sovereign bodies created by the state government, they are amenable to its control and their autonomy is limited, for according to them, the autonomy of municipal bodies implies the degree of self government within the scope of their functions, but it does not mean that they have unlimited authority and freedom. They, therefore, are of the view that some measure of control of state government over the municipal Institutions is not only desirable but also necessary. They hold that ever since the inception of statutory institutions of local government, the state government has reserved the rights to regulate their structural autonomy and has not treated decentralization as something sacrosanct but as a device to aid the achievement of the ends of government. State control over municipal bodies is favoured for other reasons also. It enables the government to put into operation a policy which individual local institutions may find annoying or unduly restrictive of their initiative. The state government can also lay down certain minimum standards of administration below which the services of the local authorities should not be allowed to fall. State control is also needed for proper direction, unification and coordination of the civic services and for securing consistency and continuity both in the formulation and the implementation of the national policies. If the central or state governments are to be held responsible for the financial soundness of local bodies, they must have the power to exercise financial control in a measure sufficient enough to prevent mismanagement.

From the above discussion it is very much clear that the state control over Municipal bodies is justified on the ground that it is conducive to the maintenance of a reasonable degree of efficiency; that it helps in weaning away local bodies from vested interest; that it adds in augmentation of financial resources of the local bodies which are generally reluctant to impose Direct Access; that it makes for minimising regional imbalances and ensure stability and uniformity in administration; that its safeguards national interest in there embryonic stages and that it facilitates more sound socio-economic planning.

### **Check Your Progress**

1. Who are the local governments at the mercy of in respect of their finances?
2. List some of the tax revenues for urban local bodies.
3. What is the nature of revenues of urban local bodies?
4. Mention the judicial remedies available in case of urban local bodies.

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### 11.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

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1. Local governments are empowered to levy only such taxes as have been approved by the state government. Consequently, they are at the mercy of the state government in respect of their finances.
2. An Urban Body can levy: property tax, registration fees, fair tax, animal tax, market tax, octroi tax, terminal tax, turnover tax, toll on new bridges, vehicles tax (non-motorized), betterment tax, conservancy tax, lighting tax, sanitation tax scavenging tax, water text, advertisement tax, entertainment tax, profession tax, pilgrim tax, special education tax, etc.
3. The revenues of local bodies are inelastic in relation to their needs and as a result there is a tendency for the gap between the two to go on widening. This gap is narrowed down as far as possible by the provision of more finances by the state government in the form of grants in aid.
4. The remedies available are in the form of various kinds of writs such as injunction, *certiorari*, *prohibition*, *mandamus* and *quo warranto*.

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### 11.5 SUMMARY

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- The significance of finance is too obvious to need any elaboration as no organisation can exist, much less achieve its objectives, without finances.
- Finance constitutes the backbone of the life and blood of government; it provides fuel to the administrative machinery. Sound fiscal policy is therefore, of crucial importance to the government whether Central, state or local.
- Civic facilities and amenities, it is regrettable that the importance of these obligations with adequate resources has never been sufficiently recognised.
- Local governments are empowered to levy only such taxes as have been approved by the state government.
- Municipal budget is the annual financial statement of the anticipated income and expenditure of the concerned Municipal body. Budget preparation is usually the occasion for determining the levels of taxation and the ceilings on expenditure.
- The existing source of income of municipal bodies can be classified into four categories: local taxes/tax revenue; Non-tax revenue; grants-in-aid; loans/borrowings.
- The urban local bodies are controlled by all the organs of government, i.e., legislature, administrative and Judiciary.
- Legislative control is one of the most important method of control over urban local bodies because these institutions come in existence by the act

of Legislature the state government has the power to make law about urban local government.

- Administrative control over municipal bodies is the most effective type of control extending to every aspect of municipal administration. The administrative control is also known as executive control. This control plays an important role in local administration. It comprises of determination of criteria for the creation of different kinds of municipal bodies.
- Judicial control is intended to safeguard the rights of individuals against their encroachment by Municipal authorities and those of municipal bodies against infringement by the state government.
- There are two opposite views concerning the supervision and control of state government over Municipal bodies.
- The advocates of population who are supporters of an inherited Municipal democracy believe that the control and supervision of the Municipal institutions is unwarranted, unnecessary and fraught with mischief; and that self-government would cease to be so if it is made subject to external control and supervision.
- Supporters of paternalism, to the contrary, hold the view that Municipal bodies have to be regularly controlled, supervised, guided and occasionally punished for their acts of omission and commission.

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### 11.6 KEY WORDS

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- **Municipal budget:** It is the annual financial statement of the anticipated income and expenditure of the concerned Municipal body.
- **Non tax revenue:** It consists of receipts from fees and fines, incomes from remunerative enterprises and miscellaneous sources.
- **Grant in aid:** It refers to a payment made from the treasury of the state government to a local authority for the purpose of assisting that authority in carrying out a part or all of its activities is known as grant in aid.

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### 11.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

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#### Short-Answer Questions

1. Write a short note on the origin of municipal sources of taxes in India.
2. What is the objective of a municipal budget?
3. List the limitations of state control over urban local self government institutions.

4. Briefly explain the arguments concerning state control over urban local self government institutions.

### Long-Answer Questions

1. Describe the sources of income of municipal bodies.
2. Examine the methods of state control over urban local self government.

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## 11.8 FURTHER READINGS

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**BLOCK - V**  
**ISSUES AND CHALLENGES IN LOCAL**  
**SELF GOVERNMENT**

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*Rural Development*

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## **UNIT 12 RURAL DEVELOPMENT**

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### **Structure**

- 12.0 Introduction
- 12.1 Objectives
- 12.2 Rural Development: Meaning and Schemes
- 12.3 Major Central Government Programmes
  - 12.3.1 Swarnjayanti Gram Swarozgar Yojana (SGSY)
  - 12.3.2 Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM)
  - 12.3.3 Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
  - 12.3.4 Pradhan Mantri Gram Sadak Yojana (PMGSY)
  - 12.3.5 Prime Minister's Rozgar Yojana (PMRY)
  - 12.3.6 Prime Minister Employment Generation Programme (PMEGP)
  - 12.3.7 Pradhan Mantri Awaas Yojana - Gramin (PMAY-G)
  - 12.3.8 Shyama Prasad Mukherji Rurban Mission (SPMRM)
  - 12.3.9 National Social Assistance Programme (NSAP)
- 12.4 Challenges
- 12.5 Answers to Check Your Progress Questions
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### **12.0 INTRODUCTION**

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Rural development is considered to be one of the most important area of work for the government solely because even after more than seventy years of independence, the majority of Indian population is engaged in primary activities and resides in the countryside. While this is not a problem simply by its nature, it is a problem when viewed from an economics perspective. This is to say that the income levels, the infrastructure facilities, the human development and the overall livelihood of the rural population is not at par with the urban population. There is a huge gap or inequality in the way resources are being used and incomes redistributed. It is the duty of the government to assist the rural communities reach a sustainable and respectable living standard for the growth and well-being of the entire country. In this unit, you will learn about the current scenario of rural development, some of the major rural development policies by the government and the problems and challenges of rural development in India.

*Self-Instructional  
Material*

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## 12.1 OBJECTIVES

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After going through this unit, you will be able to:

- Describe the meaning of rural development
  - Discuss the central government programmes for rural development
  - Explain the challenges of rural development
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## 12.2 RURAL DEVELOPMENT: MEANING AND SCHEMES

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In its most generic form ‘development’ is any activity or progress which increases the wellbeing of humans and the environment. Too often it is accidentally or deliberately confused with the concept of growth (particularly economic growth including consumerism and commercialism). But growth isn’t always development, which must include things like reduction of poverty and increased quality of life, modernization, equity, health, democracy, freedom, fair trade and conservation.

Traditionally, a developed country is a country that is technologically advanced and that enjoys a relatively high standard of living. In most cases, countries with high per capita GDP are “developed countries”, while a developing nation is the one which progresses towards achieving this growth so as to give the same standard of living to its citizens.

India lives in its villages and is not found in its few cities, but several thousand villages. The share of rural population in 2019 was 65.23 percent according to a recent study. The country’s development landscape is often held synonymous with development of the people living in rural areas. Since independence the five year plans have focussed on the development of the rural communities in various ways. The concept of rural development has been at the forefront and has received significant attention of all the governments. In India, rural development holds special mention for two very important reasons. First, is its large population that still lives in the villages. Second, with such a large population living in rural areas, its backwardness shall impede the overall growth of the nation. Rural economy therefore holds the key for rural development. It constitutes 46 percent of national income and even as we see an upsurge in urbanization, fifty percent of country’s population shall remain rural by 2050. The growth and development of rural economy and rural communities are key drivers of India’s development.

In India, the Ministry of Rural Development (MORD) is responsible for conceptualizing and implementing program for rural development. The ministry is actively involved in implementing a wide range of programmes that focuses on poverty reduction, employment generation, infrastructure development and social security. As of now the ministry is implementing Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Deendayal Antyodaya Yojana –

National Rural Livelihoods Mission (DAY-NRLM), Deen Dayal Upadhyay – Gramin Kaushalya Yojana (DDU-GKY), Pradhan Mantri Awaas Yojana – Gramin (PMAY-G), Pradhan Mantri Gram Sadak Yojana (PMGSY), Shyama Prasad Mukherjee National RuRBAN Mission and National Social Assistance Programme (NSAP) to bring desired development in the rural areas of the entire country.

The section below provides a snapshot of rural development schemes introduced and already running as mentioned in the Union Budget 2020:

- **Housing:** Under the aegis of Ujjwala and Saubhagya Yojana the government has assured to provide electricity and clean cooking facility to all willing rural families by 2022. The Pradhan Mantri Awas Yojana – Gramin (PMAY-G) has also earmarked 1.95 crore houses to eligible beneficiaries. The provisions also exist to provide facilities like toilets, electricity and LPG connections. Also the new guideline proposes to complete a single unit in 114 days as against 314 days.
- **Sanitation:** The much talked about Swachh Bharat Mission gets a new push to undertake sustainable solid waste management in every village.
- **Digitalization:** Digitalization has become very important in the recent years and rural villages cannot be left out. To give boost to connectivity the Bharat-Net, program is set to assure internet connectivity to local bodies in every panchayat.
- **Connectivity:** Connecting the villages is very important for speeding the development discourse. It has been proposed to upgrade 1,25,000 kilometres of the road over the next five years under Pradhan Mantri Gram Sadak Yojana (PMGSY) Phase III.
- **Rural Economy:** India is an agrarian society and a boost to its rural economy is a must. Over the years the contribution of rural villages in national economy has grown steadily. Several schemes have been launched to strengthen the rural economy. For instance, the Scheme of Fund for Upgradation and Regeneration of Traditional Industries' (SFURTI), aims at establishing Common Facility Centres (CFCs) to facilitate cluster-based development during 2019-20 with special focus on Bamboo, Honey and Khadi. Similarly, the Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship' (ASPIRE), Livelihood Business Incubators (LBIs) and Technology Business Incubators (TBIs) are to be established with an objective of developing entrepreneurs in agro-rural industry sectors. Under Pradhan Mantri Matsya Sampada Yojana (PMMSY) it is aimed to create robust fisheries management framework to give boost to fisheries.
- **Water Conservation Schemes:** Water is the mainstay of human life. While the access to water for various kinds of consumption is not as difficult in the urban areas the rural areas score low on the same. Various schemes including Jal Shakti Abhiyan, Atal Bhoojal Yojna, Jal Jeevan Mission and Samagra Shiksha Jal Suraksha are being proposed. Focused on 256 water stressed

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districts and 1592 blocks the Jal Shakti Abhiyan aims at water conservation including the rainwater harvesting; renovation of traditional and other water bodies; water reuse and recharge; watershed development and management and intensive afforestation. Covering 78 districts, 193 blocks and more than 8,300 gram panchayats the Atal Bhujal Yojana will be launched in Gujarat, Maharashtra, Haryana, Karnataka, Rajasthan, Uttar Pradesh and Madhya Pradesh. The main objectives of the scheme include groundwater recharge and storage for agricultural usage and the revival of surface water bodies to increase the groundwater level. With an estimated budget of 3.5 lakh crore the Jal Jeevan Mission aims at providing drinking water connections to all homes by the year ending 2024. The project also aims at providing access to water and toilets to women. Samagra Shiksha Jal Suraksha project focuses on students' participation in creating awareness about water conservation. It aims to connect more than 10 crore students with the program.

- **Sabki Yojna Sabka Vikas:** India is home to the world largest democratic system. At the heart of it lies the Panchayati Raj System which provides power to local self governance structures and processes. The country houses 2 lakh 48 thousand 160 Gram Panchayats, 6284 Block Panchayats and 595 District Panchayats with 31 lakhs elected representatives at all levels of Panchayats. The scheme aims at strengthening the role of 31 lakh elected Panchayat leaders and 2.5 crores SHG Women under DAY-NRLM in effective gram sabha and to connect rural people to the mainstream development.
- **Deen Dayal Upadhyay Grameen Kaushal Yojana:** With an outlay of INR 1500 crores the Deen Dayal Upadhyay Grameen Kaushal Yojana focuses on enhancing employability for the target youth under 15- 35 years of age. The scheme is operational in 21 states and union territories across 568 districts and 6215 blocks. According to recent data a close to 690 projects are being implemented by 300 partners and over 2.7 lakh candidates have been trained till now with 1.34 lakh candidates linked to jobs in their respective trades.
- **Roshni:** Skill Development Scheme for Tribal: The scheme is focused on developing skills of tribal youth in 24 Naxal affected districts and offers them employment. The project is targeted to provide training and employment to an anticipated 50,000 youth in the age group of 10-35 years, for a period of three years. Also half of the beneficiaries of the scheme will be women only.
- **National Rural Livelihoods Mission:** India has a long history of several poverty alleviation programs. National Rural Livelihoods Mission is a poverty alleviation program that was launched in the year 2011 with an objective to promote self-employment and organization of rural poor. The scheme was

renamed Deendayal Antayodaya Yojana (DAY-NRLM). The program's strategy includes mobilization and organization of rural women into self-managed community institutions such as self-help groups, village organisations, cluster level federations, producer groups/companies, in a phased manner.

- **Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS):** Launched in 2006 the Mahatma Gandhi National Rural Employment Guarantee Scheme is Indian labour law and social security measure that aims to provide 'right to work' to the people falling Below Poverty Line. The scheme ensures a minimum 100 days of employment in a year to the local village people with fifty per cent work reserved for women. The scheme is one of the largest scheme and 90% of funding is borne by the central government and 10% by the state government.
- **National Rural Health Mission (NRHM):** Health is a very important sector. It contributes immensely towards development of productive human capital. Healthy people shall always build better and stronger nation by contributing more with their hard work. The National Rural Health Mission (NRHM), which is now initiated under National Health Mission, is a Central government's Mission with an objective of providing accessible, affordable and accountable quality health services even to the poorest households of the rural areas.
- **Sarva Shiksha Abhiyan:** Sarva Shiksha Abhiyan (SSA) is a flagship program of Government of India's that focuses on the achievement of Universalization of Elementary Education (UEE). The program as mandated by 86th amendment to the Constitution of India provides free and compulsory Education to the Children of 6-14 years age group. The program includes opening of the new schools, strengthening existing school infrastructure, provisioning additional teachers, providing training aids, developing teaching learning material etc. The program has special focus on girl child education and children with special needs. It also provides computer education to reduce the digital divide in rural areas.

Several other schemes also are playing an important role in promoting rural development across the nation. Across the nation the satisfactory evaluation of the programs and schemes infuse a new hope especially among the rural communities.

### Check Your Progress

1. Which government department is responsible for conceptualizing and implementing programmes for rural development in India?
2. Mention the poverty alleviation programme launched in the year 2011 with an objective to promote self-employment and organization of rural poor

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## 12.3 MAJOR CENTRAL GOVERNMENT PROGRAMMES

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In this section, you will learn about some of the major central government programmes for rural development.

#### 12.3.1 Swarnjayanti Gram Swarozgar Yojana (SGSY)

The objective of the Swarnjayanti Gram Swarozgar Yojana (SGSY) is to bring the assisted poor families (Swarozgaris) above the poverty line by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by inter alia organizing the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets. The SHG approach helps the poor to build their self-confidence through community action. Interactions in group meetings and collective decision-making enables them in identification and prioritization of their needs and resources. This process would ultimately lead to the strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power. The poverty line varies from state to state.

SGSY lays stress on the cluster approach. What this means is that instead of funding diverse activities, each block should concentrate on a few select activities (key activities) and attend to all aspects of these activities, so that the Swarozgaris can draw sustainable incomes from their investments. These key activities should preferably be taken up in clusters so that the backward and forward linkages can be effectively established. This would facilitate not only monitoring but more importantly provision of various services required by the Swarozgaris.

#### Selection of Key Activities

The success of SGSY will therefore depend, to start with, on the choice of activities. The key element is that the choice of activity should be based on the local resources, the aptitude as well as the skill of the people. It is also necessary that the products have ready market.

The choice of key activities should not be an arbitrary or an ad hoc decision but should be a carefully thought out process. The Block SGSY committee has a very important role to play in it. For identifying the key activities that can be taken up, the committee should ensure that this selection takes place through a participative process. For selection of key activities, a profile of the poor families, as reflected in the BPL census should be analysed. There will be poor families with assets, such as land. Efforts should be made to see that those having a minimum extent of land are enabled to cross the poverty line by making additional investment on their lands, such as wells or other irrigation facilities, pump sets and so on. The experience over the years as well as evaluation studies have shown that investments on land-based activities have resulted in generation of income on a more sustainable basis.

The Block SGSY committee should therefore, analyse the potential for farm activities on priority. Care must be taken to see that they also have access to short term credit and other inputs required in the farm sector to supplement the efforts under the scheme. The next priority may be given to those who have an inherent skill. These would primarily be the rural artisans who form a significant segment of the rural society. Under the SGSY, rural artisans should be covered in a significant manner. Another category would be the unemployed educated youth. A number of them would have been trained under the erstwhile Training Rural Youth for Self-Employment (TRYSEM) Programme. An inventory may be taken of such people to find out which activities are best suited for the area. Generally, the people who are asset-less and skill-less are poorest of poor and are left out under the programme. Such category of people may require small doses of multiple credit over a period of time coupled with emphasis on awareness creation, training and capacity building. The activities which are easier to handle and product is easily marketable could be identified for such category of people to ensure sustainable income, so that, they do not fall into debt trap.

The Block SGSY Committee may also look at the potential link plans prepared by National Bank for Agriculture and Rural Development (NABARD) as well as any other survey carried out by various banks and industrial/technical organizations. The local khadi and village industry officials as well as the district manager of District Industry Centre may also be consulted.

The Block SGSY Committee must interact with as many *sarpanches* as possible and also discuss with groups of the rural poor such as the landless labour, the educated unemployed, those rural poor with lands, the artisan groups and many others. Where self-help groups are in position, they should also be consulted. In their discussions, the Committee should explore various opportunities that are available (provided credit, technology, skill up gradation and marketing are assured) to enable the poor to cross the poverty line. While conducting this dialogue, the Block SGSY committee should be equipped with information relating to the performance of various activities in the village whether such activities are taken up under government programmes or otherwise. The Committee should use that knowledge to supplement the traditional knowledge of the poor households and to facilitate the identification of suitable activities. In this process, the traditional wisdom of the poor families acquires value and the Block Committee builds upon the traditional knowledge of the poor families with its knowledge base. It must be ensured that the consultation process is genuine and not perfunctory in nature.

In so far as on-farm activities are concerned, provision of irrigation facilities continues to be important. These facilities can be provided either in the form of open dug wells or bore/tube wells or through lift irrigation or check dams. In other words, the nature of source is not important for providing irrigation facilities under SGSY. Effort may be made to bring in as much of the land of the rural poor as possible under irrigation so that they can have sustainable incomes. Minor irrigation investment will include cost of well, lifting device and land development—a

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composite investment. Working capital requirement can also be considered but would not be eligible for subsidy.

Minor irrigation projects may be group oriented or individual oriented. It is preferable to adopt as far as possible, a project approach under minor irrigation instead of spreading the investment in a scattered manner. Minor irrigation can also be the basis for activity clusters or formation of SHGs.

As regards the non-farm activities, care must be taken to identify only those activities which result in the production of goods/services that have a ready market.

Based on this consultation process, the committee may identify about 8-10 activities, which they may rank in the order of preference. This list should then be placed before the general body of the Panchayat Samiti (Block Panchayat). The Panchayat Samiti should be asked to give its recommendations. The list of selected key activities, along with the recommendations of the Panchayat Samiti, should then be forwarded by the Block Development Officer (BDO) to the District SGSY Committee for consideration. Before sending the list to the District SGSY Committee, the Block Committee should prepare a brief project report, keeping in view the guidelines.

The District SGSY Committee will receive the block-wise proposals and will vet them. The Committee will select about ten activities per block. However, focus should be on 4-5 Key activities which are identified for training and micro-enterprise development in a cluster approach for larger number of groups. In the process, scope for other potential activities should not be excluded. In doing so, the District SGSY Committee will ensure that the infrastructure already available in the district—in terms of production, service, training facilities as well as market—are utilized and that the choice of activity does not require a new effort in all directions: production as well as marketing. In other words, at least some of the key elements of the economic chain of the selected activity should be present and it is only the missing link that needs to be provided. Second, in choosing the activities, the district level committee will also ensure that *Swarozgaris* taking up the activity can realize appreciable incremental income sustained over a period of time which will help them to effectively cross the poverty line. District Rural Development Agency's (DRDAs) may ensure that the anticipated income as stipulated in the project is realized during the project period in order to enable the *Swarozgaris* to cross the poverty line. Generally, one-time assistance/credit injection might not help the *Swarozgaris* to cross the poverty line. Therefore, multiple doses of credit would be necessary which should be ensured through continuous monitoring and follow up. The Committee will ensure that the views of line departments are taken into consideration so that the line departments have a commitment to the key activity being taken up in the respective blocks and provide required services to the *Swarozgaris*.

The District SGSY Committee should scrutinize the proposals for each key activity separately in consultation with the concerned experts including the line



department officials. In fixing the unit costs for the farm sector, the costs fixed by the regional committees of NABARD should be taken into consideration. With regard to the loans for various purposes falling under ISB sector of SGSY, the responsibility of fixing the unit cost and other techno-economic parameters is of the Committee.

It must be noted that identification of activities is critical for the success of the SGSY. It is therefore necessary that it should be done in a careful manner. Care should however be taken that the market is either readily available or there is a potential for market creation for the products. This may require engaging the services of professionals in the field for market research and survey. A detailed timetable may be drawn up by each DRDA for each Block and the schedule publicized so that everyone is aware of the selection of key activities.

The District SGSY Committee is empowered to add or delete any activity in the list of selected key activities with due justification. Any of the selected activities can be replaced by a new one, if the scope of the former has been exhausted. The procedure for replacement will be the same as it is for making the original list of key activities. However, the number of selected key activities should not ordinarily exceed ten. The DRDAs shall prepare a directory of selected key activities in the district, which will be consolidated at the state level for preparation of directory of selected key activities.

### **Preparation of Project Reports**

For each key activity, there should be a project report indicating various elements such as training, credit, technology, infrastructure and marketing. The project report should indicate how many people could be covered economically in a block under a key activity. The tendency to provide finance to a large number of similar units must be avoided so as to prevent creation of excess capacity.

The project report should also include the balancing infrastructure that needs to be provided and the costs involved. The district level committee should ensure that it is well within the limits of the money that is likely to be available under SGSY infrastructure. Care should be taken to avoid any attempt to create infrastructure for line departments without concomitant benefit to Swarozgaris. The test of SGSY will be in additional incomes accrued to Swarozgaris, the additional infrastructure being only an enabling factor. The project report should specifically include a chapter on the levels of investment required at individual Swarozgari's level or by a group. The economics for group lending should be shown distinctly from that of individual lending. The project report shall be prepared for each activity and for each block separately. The project report should indicate that whether the key activity selected is for an individual or group or both. The economics should also be clearly spelt out for each of these. The economics should indicate the details of investment required, the details of returns, the repayment schedule and the net income accruable to the Swarozgari.

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The Committee should undertake the entire exercise in a careful manner and not as a routine exercise. All expenses relating to this exercise will be borne by the DRDA from its administrative expenses, which are provided for separately under the head 'DRDA Administration'.

The line departments have an important role to play in the entire exercise, for they will be responsible for the implementation and monitoring of respective sectoral activities. SGSY would need a very close collaboration between the implementing agencies and the line departments. Presently, this is lacking or at least is not taking place in the desired extent. This collaboration must start with the identification of key activities and preparation of project reports. The line departments will be responsible for planning and creation of the infrastructure required for making the key activities successful. In addition, once the bank has sanctioned the loan, the line departments must ensure that all facilities including technical guidance are provided to the Swarozgaris. The line departments may also verify whether the Swarozgaris have the necessary skill requirement and take steps to train them. The line departments should also satisfy themselves about the quality of training that is being imparted. They should assist the DRDAs in ensuring that the Swarozgaris are duly trained in appropriate institutions. It shall be their responsibility to monitor the progress and whether Swarozgaris are able to derive the expected levels of income. In other words, the line departments must recognize that promotion of self-employment in their sector is as much their responsibility as that of DRDAs/Panchayati Raj Institution/Banks and it should be an integral part of their day-to-day functioning.

On approval by the District SGSY Committee, the list of selected key activities as well as the project report of each key activity in respect of each block should be placed before the governing body of the DRDA. Where no DRDA exists, it should be placed before the Zila Parishad. On approval, it should be circulated to the BDO and all the banks in the concerned blocks as well as the concerned line departments. All the banks in the district would be expected to follow the model set out in the respective project reports. Under any circumstances, under-financing of the key activity should not be allowed. This should be reviewed in the Block SGSY Committee constantly.

The major share of SGSY assistance will be for the key activities. A minimum of 75 per cent, both by number and funding, will be for the key activities identified in the block both as group assistance and individual assistance. However, assistance is not prohibited for other activities. There may be stray instances where a Swarozgari may like to take up an activity by himself/herself and where the nature of activity is such that its economic return is assured. SGSY allows such activities but subject to a limit of 25 per cent of the total number and funding of Swarozgaris in any given year. It must be noted that this is only an enabling provision for exceptional cases and it is expected that the funding of key activities will be the norm. Therefore, the figure of 25 per cent is only the upper limit and should not be the norm.

The Swarnajayanti Gram Swarozgar Yojana was remodelled in 2011, to launch the National Rural Livelihood Mission. And in 2015, it was again redesigned to form the current running Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM).

### 12.3.2 Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM)

The mission statement of the same as per its official website is: 'To reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor. The mission would aim at providing shelters equipped with essential services to the urban homeless in a phased manner. In addition, the mission would also address livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, social security and skills to the urban street vendors for accessing emerging market opportunities.'

The major components of the DAY-NRLM are:

- Promotion of sustainable institutions of the poor
- Ensuring access to financial services
- Promote diversified livelihoods opportunities for the poor, in farm and non-farm sectors.
- Promotion of skill development and access to jobs
- Promotion of social inclusion, social development and human development

The key achievements made under the Mission as per the 'Year Ender Review of the Ministry of Rural Development 2019' is furnished below:

- (a) **Geographical Coverage:** The Mission has covered 5894 blocks spread over 646 districts across 29 States and 5 UTs under the intensive strategy up to Oct'19.
- (b) **Social Mobilization/Institution Building:** More than 6.47 crore women have been mobilized into 58.7 lakh Self-Help Groups (SHGs) up to Oct' During the year 2019-20, up to October, 19; about 67.9 lakh women have been mobilized in to 6.55 lakh SHGs against the target of mobilizing 93.66 lakh women into 8.10 lakh SHGs.
- (c) **Social Capital:** Community driven approach is central to the Mission's implementation strategy. As on date, more than 2.50 lakh Community Resource Persons have been trained on multiple interventions. This includes more than 38,032 trained Krishi Sakhi and Pashu Sakhi who provide last mile livelihoods extension services.
- (d) **Capitalization Support:** During FY 2019-20, capitalization support of nearly '743.1 crore have been provided to SHGs and its federations upto

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Oct, 19. Cumulatively, about ₹8334.7 crore has been provided as capitalization support under the Mission.

- (e) **SHG-Bank Linkage:** More than ₹2.59 lakh crore of bank credit has been accessed by the SHGs since 2013-14. As on date, outstanding bank loans are to the tune of ₹88,345 crore against the target of ₹100986 crore for FY 2019-20.

### 12.3.3 Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a legal guarantee that people can use to secure their entitlement of wage employment. It holds the government responsible for making this employment available to the people. It is a legal instrument in the hands of the poor based on the demand of the workers.

The rights-based design of (MGNREGA) has a genesis in the preceding wage employment programmes. Almost all the rights related features of MGNREGA are inherited from previous wage employment programme. The rights based framework was inherited from Maharashtra Employment Guarantee Act 1977. Under MGNREGA, apart from guaranteeing 100 days of wage employment, the Panchayati Raj Institutions have been vested with the responsibility of planning, implementation and monitoring of activities taken up under the scheme. MGNREGA made the demand factor a conscious strategy as a right to obtain employment. Financial obligations both of the centre and the state are part of the legal framework. The MGNREGA guidelines also detail operational and administrative modalities of implementation seeking to address the limitations of the earlier wage employment programmes, placing greater emphasis, for example on planning processes, and Management Information System (MIS) for improving data management.

However, since the conditions for implementing the rights-based processes of the Act were not necessarily universally or equally present, the implementation of the schemes under the Act, immediately with its notification, became the testing and training ground.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) with its legal framework and rights-based approach was notified on 5 September 2005. It aims at enhancing livelihood security by providing at least one hundred days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act covered 200 districts in its first phase, on 2 February 2006, and was extended to all the rural districts of the country in phases.

MGNREGA is the first ever law, internationally, that guarantees wage employment at an unprecedented scale. The primary objective of the Act is meeting demand for wage employment in rural areas. The works permitted under

the Act address causes of chronic poverty like drought, deforestation and soil erosion, so that the employment generation is sustainable. The Act is also a significant vehicle for strengthening decentralization and deepening processes of democracy by giving a pivotal role to local governance bodies, that is, the Panchayati Raj Institutions.

### Salient Features of the Act

Salient features of the Act are:

- **Rights based framework:** For adult members of a rural household willing to do unskilled manual work.
- **Time bound guarantee:** 15 days for provision of employment, else unemployment allowance to be paid.
- **Limit of working days:** Upto 100 days in a financial year per household, depending on the actual demand.
- **Labour intensive works:** 60:40 wage and material ratio for permissible works at the Gram Panchayat; no contractors/machinery.
- **Decentralized planning:**
  - (i) Gram Sabha's to recommend works
  - (ii) At least 50 per cent of works by Gram Panchayats for execution
  - (iii) Principal role of PRIs in planning, implementation and monitoring
- **Work site facilities:** Crèche, drinking water, first aid and shade provided at worksites
- **Women empowerment:** At least one-third of beneficiaries should be women
- **Transparency and accountability:** Proactive disclosure through wall writings, citizen information boards and MIS and Social Audits
- **Funding:** 100 per cent cost towards unskilled wages and 75 per cent towards skilled, semi-skilled and material is borne by central government and 25 per cent of skilled, semi-skilled and material costs is contributed by states. In addition, 6 per cent administrative expenses are borne by the centre for effective implementation of the Act.

### Recent Initiatives to Strengthen MGNREGA

Over the last few years, based on reports from the field and research inputs on implementation issues and challenges, the Ministry has taken initiatives to strengthen the programme implementation at grass root level.

The Fourth edition of MGNREGA Operational Guidelines, 2013 was released on 2 February 2013. The revised guidelines have attempted to meet important implementation challenges viz. accurate capturing of demand for the Scheme, delays in wage payment, issues of transparency and accountability.

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Some new initiatives taken under MGNREGA are:

**(a) Ensuring Durable and Quality Assets**

- (i) As a result of various deliberations, focused discussions with experts and based on the recommendations of Dr Mihir Shah Committee, the list of permissible works under MGNREGA was expanded in May 2012 to:
  - Strengthen the synergy between MGNREGA and rural livelihoods, particularly agriculture, and create durable quality assets
  - Respond to the demands of states for greater location-specific flexibility in permissible works
  - Help improve the health and ecological situation in rural India, with particular focus on sanitation
- (ii) The contribution from MGNREGA for construction of individual toilets under Total Sanitation Campaign, now renamed as Nirmal Bharat Abhiyan, has been increased to ₹4500 from ₹1200.

**(b) Measures to Ensure Transparency and Accountability**

- (i) **Appointment of Ombudsman at district level for expeditious redressal of grievances on implementation of MGNREGA:** Transparency and accountability are the cardinal principles underlying the implementation of MGNREGA. In order to realize an effective redressal of the grievances of the people, all the states have been directed to establish office of Ombudsman, which will, as an independent authority, expeditiously redress the grievances in regard to the implementation of the Scheme. Seven States have appointed Ombudsman in all the districts. These are Gujarat, Kerala, Madhya Pradesh, Manipur, Nagaland, Sikkim and West Bengal. Five States have not appointed Ombudsman in any of the districts. States which are yet to appoint Ombudsman are Arunachal Pradesh, Goa, Jammu and Kashmir, Mizoram and Uttar Pradesh. The number of districts in other states where Ombudsman is functional are: (Total number of districts in the State mentioned within brackets) Andhra Pradesh: 20(23), Assam: 22(27), Bihar: 13(38), Chhattisgarh: 13(27), Haryana: 7(21), Himachal Pradesh: 10(12), Jharkhand: 7(24), Karnataka: 26(30), Maharashtra: 29(33), Meghalaya: 1(7), Orissa: 24(30), Punjab: 5(22), Rajasthan: 20(33), Tamil Nadu: 11(31), Tripura: 3(9) and Uttarakhand: 11(13). The data also reflects that in Sikkim one Ombudsman is appointed for all the four districts and in West Bengal six Ombudsmen are appointed for all the 18 districts in the state.
- (ii) **Social audits:** Section 17 of the MGNREG Act requires that Gram Sabha's shall monitor the execution of works within the Gram Panchayat (GP). The Gram Sabha shall conduct regular social audits of all projects taken up under the scheme within the GP. Social Audit is not only a management tool but also a platform for public and primary stakeholders of MGNREGA to scrutinize the resources (both financial and non-financial) used for

development initiatives. The MGNREGA Audit of Schemes Rules 2011 clearly provides that Social Audit Unit shall facilitate conduct of Social Audit of the works taken up under the Act in every GP at least once every six months in the manner prescribed under the rules.

- (iii) **Grievance redressal:** Standard Operating Procedures formulated: To effectively address issues of concern on implementation of MGNREGS and leakages in the Scheme, the Ministry has formulated the Standard Operating Procedure (SOP) under Section 27(2) of MGNREGA for redressing complaints. This was realized during September 2012. The new mechanism delineates procedures for managing various types of complaints that will streamline the redressal procedures.
- (iv) **CAG audit:** Performance audit of Mahatma Gandhi NREGA by the Comptroller and Auditor General (CAG), is in progress and detailed report is expected soon.
- (v) **CA audit at GP level:** The objective is to make certification of MGNREGA accounts at the GP level by chartered accountants compulsory over time, starting with 10 per cent GPs in the identified highest spending district in each State in 2012-13.

### Effective Monitoring of MGNREGA

Recently MGNREGA Sameeksha, the first comprehensive anthology of over 130 major independent evaluation studies on the MGNREGA was published. MGNREGA Sameeksha provides an objective summary of both, the positive impacts of the Scheme as well as its constraints.

- (a) The Ministry is also in the process of setting up a concurrent evaluation office (CEO), a system by which the schemes of the Ministry of Rural Development including MGNREGA will be evaluated in real time during implementation to identify weaknesses in structure and execution, and enable the Government to insert mid-course correctives. Concurrent evaluation would mark a change from the present method of annual studies undertaken to evaluate schemes.
- (b) The Vigilance and Monitoring Committees (V&MCs) are constituted at state as well as district level to function as important instrument for effective monitoring of implementation of the programmes of the Ministry of Rural Development. One of the major objectives of the V&MCs is to provide a crucial role to the Members of Parliament and elected representatives in monitoring of implementation of the Rural Development Programmes so that the schemes are executed in an effective manner and the benefits reach the poor in full measure.

After the constitution of the XV Lok Sabha, the Ministry of Rural Development issued guidelines for reconstituting state and district level V&MCs.

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It is imperative that the meetings of the Vigilance and Monitoring Committees (V&MCs) are held regularly in accordance with the guidelines.

### **MGNREGA, UIDAI and Direct Benefit Transfers**

#### **NOTES**

The Ministry has strongly supported the use of Information Communication Technology (ICT) to improve programme efficiency, streamline processes as well as place information in public domain

- **e-FMS:** An electronic Fund Management System (e-FMS) has been implemented to reduce delay in payment of wages to workers employed under the Mahatma Gandhi National Rural Employment Guarantee Act. e-FMS has been implemented in Karnataka, Odisha, Gujarat, Tripura and Rajasthan, for crediting wages electronically into workers' Banks/P.O. accounts leveraging core banking solution of banks and Sanchay Post Solution of Department of Posts. e-FMS will capture real time transactions, eliminate delays and leakages apart from parking of funds at various levels held by different stakeholders.
- **e-MMS:** Electronic Muster Management System (e-MMS) has been introduced using mobile based application to capture worksite attendance. Mobile based application is piloted in Andhra Pradesh and Chhattisgarh. The e-MMS uses Mobile based technology to capture attendance of labour and measurements of work done thereby enabling information flow directly from worksite to the website.
- **Aadhar:** Ministry is in process of operationalizing Direct Benefit Transfer (DBT) in identified 51 (46 districts under MGNREGA) districts from 1 June 2013 onwards. DBT will be implemented through e-FMS and subsequently through Aadhaar Enabled Bridge (APB) once the MGNREGA beneficiary has an Aadhaar number, which is seeded in the programme database (MGNREGA).

The key achievements made under the Mission as per the 'Year End Review of the Ministry of Rural Development 2019'

Achievements under Mahatma Gandhi NREGA for the Year 2019.

Sl. No.	THEME/ACTIVITY	Achievements (01.01.2019 to 17.12.2019)
1	Person-days Generated	249.65 crore
2	Fund released to States/UTs	Rs. 65,961 crore
3	Women Participation	56%
4	Rate of Completion of Works	74.96 lakh works completed
5	Job card verification	53.18 lakh Job Cards verified
6	SECURE (Software for Estimate Calculation Using Rural Rates for Employment)	SECURE has greatly benefitted in creating a transparent system for according administrative approval and technical sanction. Now, field functionaries can track, remove obstacles and speed up whole process of workflow. SECURE has been implemented 24 States and 3 UTs across 595 districts.



### 12.3.4 Pradhan Mantri Gram Sadak Yojana (PMGSY)

Keeping in view the fact that rural roads are vital to economic growth and measures for poverty alleviation in the village, the government has launched a 100 per cent Centrally Sponsored Scheme called the Pradhan Mantri Gram Sadak Yojana (PMGSY). The Programme seeks to provide connectivity to all unconnected habitations in the rural areas with a population of more than 500 persons through good all-weather roads. In respect to the Hill States (North-East, Sikkim, Himachal Pradesh, Jammu & Kashmir, Uttarakhand) and the Desert Areas, the objective would be to connect habitations with a population of 250 persons and above.

As per the Year-end report of the Ministry of Rural Development:

- Government approved phase-III of PMGSY for consolidation of 1,25,000 Km Through Routes and Major Rural Links connecting habitations, inter-alia, to Gramin Agricultural Markets (GrAMs), Higher Secondary Schools and Hospitals.
- 36,037 Km road length has been constructed and 5,952 habitations have been provided connectivity so far during current year.
- E-marg software for maintenance of roads has been developed and is being rolled out in all States.

### 12.3.5 Prime Minister's Rozgar Yojana (PMRY)

The Prime Minister's Rozgar Yojana (PMRY) was launched on 2 October 1993 to assist less educated and poor unemployed youth in setting up micro level self-employment ventures. Initially, the PMRY was implemented only in the urban areas of the country. Since 1994-95, it is being implemented in both urban and rural areas.

An educated (up to VIII standard) unemployed person living in any part of the country is eligible under the Scheme and can apply for assistance to the general manager, DIC in the district to which he belongs. In cases where the applicant belongs to the cities of Kolkata, Chennai and Mumbai, the application has to be filed directly with the office of the director of industries and in the office of the deputy commissioner of the respective zones in case of Delhi.

The Task Force Committees set up at district level or the Task Force constituted under the Scheme at Sub-divisional level/block level, have been entrusted with the job of scrutinizing the applications and interviewing the applicants. The names of applicants approved by Task Force Committee are sponsored by District Industries Centres (DICs) to the concerned bank branches for sanction of loans.

In addition to sponsoring of applications by Task Force Committees(s), bank branches themselves may also receive applications directly from the eligible persons under the Scheme. However, such applications should be sent to sponsoring agencies with their observations on the viability and bankability of the

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projects. The sponsoring agencies would then formally sponsor such applications back to the bank branches for sanction of loan.

### **Contingency Funds for Scheme Administration**

#### **NOTES**

Funds for contingency at the rate of ₹ 250 per case sanctioned, under the Scheme, are released to the concerned states/UTs from 1996-97 onwards. The contingency funds are meant for utilization towards meeting expenditure in administering and supervising PMRY at the DIC level, which includes, inter-alia, publicity, organization of workshops, motivational and familiarization programmes for eligible youth.

In order to provide greater flexibility to the states/UTs in utilization of contingency funds, the expenditure norms have been modified to include expenditure on training equipment/models, trainer's fees, training course materials, hiring of transport and strengthening the existing infrastructure.

### **Project Profiles**

Project Profiles have been prepared for guidance of entrepreneurs in selecting the viable projects and Training and Trainers Manuals have been developed by the Ministry through Rural Development and Self Employment Training Institute (RUDSETI), Karnataka.

### **Assistance from States/UTs**

State/UT Governments may provide necessary infrastructure support like provision of industrial sites, shops and water supply on preferential basis to the entrepreneurs availing benefit under the Yojana. The provision of sites and sheds at concessional rate to service ventures in urban areas will be essential for their success. Priority in electric connections and general tax concessions/incentives may also be provided to the beneficiaries.

### **Monitoring and Guidance for PMRY**

The district, being a well-established geographical unit for many state/central promotional programmes, is the basic unit for implementation of the Prime Minister's Rozgar Yojana. In all the districts, District Industries Centre (DIC) is the implementing agency except in the metropolitan cities of Kolkata, Mumbai and Chennai where the Directorate of Industries is the implementing agency under the Scheme. In Delhi, the applications are received in the office of the deputy commissioner of the respective zones. The field agencies, in consultation with the banks of the respective areas, are responsible for formulation of self-employment plans, their implementation and monitoring under the overall guidance of the District PMRY Committee. These agencies are required to formulate location specific plans of action based on realistic demand assessment for various activities.

### Monitoring and Guidance at District Level

The Yojana is being monitored and guided at district level by the District PMRY Committee under the chairmanship of district collector/deputy commissioner. The Committee is required to meet at least once in a month and send monthly progress report in the prescribed pro forma to the directorate of industries of the concerned state/UT.

### Monitoring and Guidance at State/UT Level

The monitoring and guidance for the Prime Minister's Rozgar Yojana at state/ UT level is undertaken by the State/UT PMRY Committee under the chairmanship of the chief secretary.

### Monitoring and Guidance at Government of India Level

The Prime Minister's Rozgar Yojana is being monitored at the central government level by the High Powered Committee on PMRY under the chairmanship of the secretary (MSME).

### Initiatives Taken for Strengthening PMRY

Based on the recommendations of the group (June 2006) constituted under the chairmanship of the adviser (VSE), Planning Commission to review the design and implementation of the Yojana, some important components, viz. enhancement in the family income ceiling, project cost, subsidy, training cost reimbursement, have been revised in the guidelines of the PMRY with effect from 2007-08.

In the quarterly schedule fixed for the year 2007-08, applications to the extent of 125 per cent of the target are targeted to be sponsored by the end of the third quarter (100 per cent by the end of the second quarter), so that loans could be sanctioned in 90 per cent of the sponsored cases by the end of the third quarter (100 per cent by the end of 4th quarter). The quarterly schedule further prescribes that loans would be disbursed in 75 per cent cases by the end of the third quarter and the loan disbursement of the entire target of 100 per cent cases would be achieved by the end of 4th quarter. The RBI has also issued instructions to all implementing banks reiterating the above decision of the government.

To improve the success rate of eligible applicants, a new concept of pre-motivational campaign has been introduced w.e.f. 2007-08. Under this programme, state/ UTs are allowed reimbursement of cost of counselling and guiding the applicants at the rate of ₹200 per applicant, for 125 per cent of the allocated target. Besides, a number of operational guidelines have been issued to make this Yojana more effective which inter alia include:

- Seminars to be held at the level of each district for creating awareness of PMRY in the area in the form of pre-selection motivational campaign. A resolution is to be adopted by each and every Gram Panchayat for giving

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wide publicity and spreading awareness about the Scheme in their respective jurisdictions.

- All the members of the Task Force Committee would be collectively responsible for selection of beneficiaries. This would ensure that the bank manager alone is not held responsible for the non-performing assets if any that could arise out of the loans extended under PMRY to the beneficiaries.
- No collateral shall be insisted for PMRY loans upto ₹5 lakh.
- SC/ST and beneficiaries from minority communities should be targeted in such a manner that they are benefited, at least, in proportion to their population in each district/state.
- Of the total target for each state/UT, women beneficiaries should constitute at least 30 per cent.
- Preference may be given to develop clusters specializing in specific products at the time of selection of PMRY beneficiaries.
- According to the findings of the evaluation studies of PMRY, the ratio of applications received to the targets was low owing to inadequate publicity of the scheme. As such aggressive publicity campaigns have been asked to be undertaken through media like radio, television, cinema slides and distribution of pamphlets, in addition to pre-selection motivational campaigns.

In 2008, the PMRY was merged with Rural Employment Generation Programme to form the Prime Minister Employment Generation Programme.

### 12.3.6 Prime Minister Employment Generation Programme (PMEGP)

The scheme is implemented by Khadi and Village Industries Commission (KVIC) functioning as the nodal agency at the national level. At the state level, the scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) and banks. In such cases KVIC routes government subsidy through designated banks for eventual disbursement to the beneficiaries / entrepreneurs directly into their bank accounts.

The maximum cost of the project/unit admissible in manufacturing sector is ₹25 lakhs and in the business/service sector, it is ₹10 lakhs. Categories of Beneficiary's Rate of subsidy under PMEGP (of project cost) Area (location of project/unit) General category 15%(Urban), 25%(Rural), Special 25%(Urban), 35%(Rural) (including SC/ ST/ OBC/ Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas, etc.) The balance amount of the total project cost will be provided by the banks in the form of term loan and working capital.

Any individual, above 18 years of age. At least VIII standard pass for projects costing above ₹10 lakh in the manufacturing sector and above ₹5 lakh in the business / service sector. Only new projects are considered for sanction under PMEGP. Self Help Groups (including those belonging to BPL provided that they

have not availed benefits under any other Scheme), Institutions registered under Societies Registration Act, 1860; Production Co-operative Societies, and Charitable Trusts are also eligible.

Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are NOT eligible.

Since inception in 2008-09 and upto 31.12.2019, a total of about 5.7 lakh micro enterprises have been assisted with a margin money subsidy of ₹13,033.3 crore providing employment to an estimated 47 lakh persons. During the Financial Year 2019-20, a target was fixed for setting up of 73241 new micro-enterprises, by disbursing ₹2247.10 crore of margin money subsidy, generating estimated employment opportunities for 5.8 lakh persons.

### 12.3.7 Pradhan Mantri Awaas Yojana – Gramin (PMAY-G)

In the context of Government's priority for “**Housing for All**” by 2022, the erstwhile rural housing scheme has been restructured into Pradhan Mantri Awaas Yojana – Gramin (PMAY-G), which came into effect from 1st April, 2016.

PMAY-G aims to provide a pucca house with basic amenities to all houseless households and households living in kutcha and dilapidated house by 2022.

#### Main features / initiatives under the scheme

- I. Unit assistance ₹1,20,000 in plain areas and ₹1,30,000 in hilly states/difficult areas/IAP districts.
- II. In addition to the unit assistance, the beneficiaries through convergence with Swachh Bharat Mission and MGNREGA would be provided the following:
  - a. ₹12,000/- as assistance for construction of toilet
  - b. Unskilled wages of 90 /95 person days for construction of house

### 12.3.8 Shyama Prasad Mukherji Rurban Mission (SPMRM)

**Shyama Prasad Mukherji Rurban Mission (SPMRM)** is focused on comprehensive development of 300 clusters spread across 29 States and 6 Union Territories of the country. These clusters are identified in rural regions displaying potential for economic growth through presence of thematic livelihood activities, increasing population and non-farm employment. The Mission is being implemented with an aim to transform these clusters by focusing on developing skills, strengthening economic activities and provision of crucial basic infrastructure amenities in an equitable and time-bound manner. ‘Integrated Cluster Action Plans (ICAPs) comprising all these components are prepared for every cluster.

**Saansad Adarsh Gram Yojana (SAGY)**, a pathbreaking initiative in rural development was launched by the Hon'ble Prime Minister on 11 October 2014

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with the objective of creating ‘Adarsh Grams’ across the country. These ‘Adarsh Grams’ serve as ‘nucleus of health, cleanliness, greenery and cordiality’ within the village community becoming schools of local development and governance, inspiring neighbouring Gram Panchayats.

Towards holistic development, the Gram Panchayats under the guidance of Hon’ble MPs, follow a structured process of environment creation, social mobilisation, resource mapping and participatory development planning. They prepare Village Development Plans (VDP) containing prioritised time-bound projects to achieve holistic progress of the village, through the convergence of resources.

### 12.3.9 National Social Assistance Programme (NSAP)

National social assistance programme (NSAP) is targeted at any such person who has little or no regular means of subsistence from his/her own source of income or financial support from family members or other sources, to be identified by States/UTs. With the objective of providing basic level of financial support, NSAP covers a total of 2.84 crore beneficiaries. Funds amounting to ₹3633.30 Crore (40%) have also been released to the States/UT’s. At present NSAP includes five sub-schemes as its components – IGNOAPS, IGNWPS, IGNDPS, NFBS, Annapurna.

- **Indira Gandhi National Old Age Pension Scheme (IGNOAPS):** The eligible age for IGNOAPS is 60 years. The pension is ₹200 p.m. for persons between 60 years and 80 years. For persons who are 80 years and above the pension is ₹500/- per month.
- **Indira Gandhi National Widow Pension Scheme (IGNWPS):** The eligible age is 40 years and the pension is ₹300 per month. After attaining the age of 80 years, the beneficiary will get ₹500/- per month.
- **Indira Gandhi National Disability Pension Scheme (IGNDPS):** The eligible age for the pensioner is 18 years and the amount is ₹300 per month. After attaining the age of 80 years, the beneficiary will get ₹500/- per month.
- **National Family Benefit Scheme (NFBS):** ₹ 20000/- will be given as one time assistance to the bereaved household in the event of death of the breadwinner. A woman in the family, who is a home maker, is also considered as a „bread-winner for this purpose. The family benefit will be paid to such surviving member of the household of the deceased poor, who after local enquiry, is found to be the head of the household. For the purpose of the scheme, the term “household would include spouse, minor children, unmarried daughters and dependent parents. In case of death of an unmarried adult, the term household would include minor brothers/ sisters and dependent parents. The death of such a bread-winner should

have occurred whilst he/she is more than 18 years of age and less than 60 years of age.

- **Annapurna Scheme:** 10 kg of food grain (wheat or rice) per month per beneficiary. The scheme aims at providing food security to meet the requirement of those eligible old aged persons who have remained uncovered under the IGNOAPS.

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### Check Your Progress

3. Where does the origin of the rights based framework of MGNREGA lie in?
4. Who is eligible under the Prime Minister's Rozgar Yojana?
5. Who implements the PMEGP at the national and state levels?
6. State the aim of PMAY-G.

## 12.4 CHALLENGES

India has a long history of experimenting with rural development initiatives. Since independence the country has launched several programs for the development of the communities that reside in rural locations. It has witnessed programs and schemes in almost every aspect of development including agriculture, rural economy, rural livelihoods, health, education, environment, natural resources, livestock, infrastructure, women, men, youth, children and the elderly. A review of resources earmarked for the rural development interventions shall clearly highlight the gargantuan investment all the governments and administrative machinery has made to bring the difference. However, as we look back the results do not look that great. The rural landscape of the country poses several problems and challenges before those involved in undertaking the challenging interventions for the betterment of rural landscape. The concept of problems and challenges for rural development in India stems from the characteristics of the rural sector itself. These include:

- Excessive dependence on nature
- Prevalence of small and uneconomic land and livestock holdings
- Low capital – labour ratio
- Low Factor Productivity
- Low gestation and low rate of turnover
- High poverty
- Predominantly Illiterate and unskilled workforce
- Lack of Basic Infrastructure

**Excessive Dependence on Nature:** The mainstay of rural economy is agriculture and allied activities. The dependence therefore exists heavily on nature including

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weather and climatic conditions. Natural calamities like draught, flood etc., affect activities in the rural area and not much can be done to mitigate the risks associated with them.

**Prevalence of small and uneconomic land and livestock holdings:** The rural sector is also characterised by small and uneconomic land and livestock holdings. The fragmented holdings of small and marginal farmers in the country are highly unproductive and not financially viable. The high number of small and marginal farmers in the country is a challenge for the policy makers.

**Low capital – labour ratio:** The capital – labour ratio in the country is very low thereby affecting the productivity negatively. A large amount of public and private investment therefore is the key requirement to facilitate development of any kind which at times is highly challenging.

**Low Factor Productivity:** Low factor productivity is yet another challenging issue that affects the rural development programs. Inadequate capital for production inputs, raw materials, machines and equipments etc., adversely affects and does not complement the rural development process at many instances.

**Long Gestation & Low Rate of Turnover:** Most of the activities in the rural sector are characterized by long gestation period and low rate of turnover. The slow output often restricts the return on investment and poses a challenge.

**High Poverty:** Rural poverty has posed serious challenges in realising the dream of better life for rural India. The data from NSSO survey reveals that poverty in the rural areas yet remain the biggest challenge for any government.

**Predominantly Illiterate and Unskilled Workforce:** Rural sector is also plagued by illiterate and unskilled workforce. The higher level of illiteracy and lack of skills are a serious impediment to rural development.

**Lack of Basic Infrastructure:** One of the most serious challenges faced by the rural sector is that absence of basic infrastructure. Over the years several attempts have been made to create basic infrastructure in the rural areas. Schemes like MNREGS, NRHM, SSA, etc., have made it possible to a great extent. However, still lack of basic infrastructure in rural villages cannot be unaccounted for and is a challenge for the rural development landscape.

### Check Your Progress

7. What are the different aspects for which rural development programmes and schemes have been made in India?
8. What has been the challenge for policy makers in terms of rural land holdings in India?



## 12.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. In India, the Ministry of Rural Development (MORD) is responsible for conceptualizing and implementing program for rural development. The ministry is actively involved in implementing a wide range of programmes that focuses on poverty reduction, employment generation, infrastructure development and social security.
2. India has a long history of several poverty alleviation programs. National Rural Livelihoods Mission is a poverty alleviation program that was launched in the year 2011 with an objective to promote self-employment and organization of rural poor. The scheme was renamed Deendayal Antayodaya Yojana (DAY-NRLM).
3. The rights based framework of the MGNREGA was inherited from Maharashtra Employment Guarantee Act 1977.
4. An educated (up to VIII standard) unemployed person living in any part of the country is eligible under the (PMRY) Scheme and can apply for assistance to the general manager, DIC in the district to which he belongs.
5. The (PMEGP) scheme is implemented by Khadi and Village Industries Commission (KVIC) functioning as the nodal agency at the national level. At the state level, the scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) and banks.
6. PMAY-G aims to provide a pucca house with basic amenities to all houseless households and households living in kutcha and dilapidated house by 2022.
7. India has witnessed rural development programs and schemes in almost every aspect of development including agriculture, rural economy, rural livelihoods, health, education, environment, natural resources, livestock, infrastructure, women, men, youth, children and the elderly.
8. The fragmented holdings of small and marginal farmers in the country are highly unproductive and not financially viable. The high number of small and marginal farmers in the country is a challenge for the policy makers.

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## 12.6 SUMMARY

- In its most generic form ‘Development’ is any activity or progress which increases the wellbeing of humans and the environment. Too often it is accidentally or deliberately confused with the concept of growth (particularly economic growth including consumerism and commercialism). But growth isn’t always development, which must include things like reduction of poverty

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- and increased quality of life, modernization, equity, health, democracy, freedom, fair trade and conservation.
- Traditionally, a developed country is a country that is technologically advanced and that enjoys a relatively high standard of living.
  - In India, the Ministry of Rural Development (MORD) is responsible for conceptualizing and implementing program for rural development.
  - The objective of the Swarnajayanti Gram Swarozgar Yojana (SGSY) is to bring the assisted poor families (Swarozgaris) above the poverty line by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by inter alia organizing the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets.
  - The Swarnajayanti Gram Swarozgar Yojana was remodelled in 2011, to launch the National Rural Livelihood Mission. And in 2015, it was again redesigned to form the current running Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM).
  - Deendayal Antyodaya Yojana-National Urban Livelihoods Mission's statement of the same as per its official website is: 'To reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor.
  - The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a legal guarantee that people can use to secure their entitlement of wage employment. It holds the government responsible for making this employment available to the people. It is a legal instrument in the hands of the poor based on the demand of the workers.
  - Keeping in view the fact that rural roads are vital to economic growth and measures for poverty alleviation in the village, the government has launched a 100 per cent Centrally Sponsored Scheme called the Pradhan Mantri Gram Sadak Yojana (PMGSY). The Programme seeks to provide connectivity to all unconnected habitations in the rural areas with a population of more than 500 persons through good all-weather roads.
  - The Prime Minister's Rozgar Yojana (PMRY) was launched on 2 October 1993 to assist less educated and poor unemployed youth in setting up micro level self-employment ventures. Initially, the PMRY was implemented only in the urban areas of the country. Since 1994-95, it is being implemented in both urban and rural areas.
  - In 2008, the PMRY was merged with Rural Employment Generation Programme to form the Prime Minister Employment Generation Programme.

- Shyama Prasad Mukherji Rurban Mission (SPMRM) is focused on comprehensive development of 300 clusters spread across 29 States and 6 Union Territories of the country. These clusters are identified in rural regions displaying potential for economic growth through presence of thematic livelihood activities, increasing population and non-farm employment.
- Saansad Adarsh Gram Yojana (SAGY), a pathbreaking initiative in rural development was launched by the Hon'ble Prime Minister on 11 October 2014 with the objective of creating 'Adarsh Grams' across the country.
- National social assistance programme (NSAP) is targeted at any such person who has little or no regular means of subsistence from his/her own source of income or financial support from family members or other sources, to be identified by States/UTs.
- The concept of problems and challenges for rural development in India stems from the characteristics of the rural sector itself. These include:
  - (i) Excessive dependence on nature
  - (ii) Prevalence of small and uneconomic land and livestock holdings
  - (iii) Low capital – labour ratio
  - (iv) Low Factor Productivity
  - (v) Low gestation and low rate of turnover
  - (vi) High poverty
  - (vii) Predominantly Illiterate and unskilled workforce
  - (viii) Lack of Basic Infrastructure

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### 12.7 KEY WORDS

- **Development:** It is any activity or progress which increases the wellbeing of humans and the environment.
- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** it is a legal guarantee that people can use to secure their entitlement of wage employment.

### 12.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

#### Short-Answer Questions

1. Why has the concept of rural development been at the forefront and received significant attention of all governments in India?

2. What are the major components of DAY-NRLM?
3. Write a short note on the schemes of SPMRM and SAGY.
4. List the challenges of rural development in India.

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### Long-Answer Questions

1. Explain the process of how the Swarnajayanti Gram Swarozgar Yojana is implemented.
2. Examine the salient features and enforcement of the MGNREGA.

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## 12.9 FURTHER READINGS

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## UNIT 13 PANCHAYATI RAJ

### INSTITUTION ISSUES AND CHALLENGES

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*Panchayati Raj  
Institution Issues  
and Challenges*

#### NOTES

#### Structure

- 13.0 Introduction
- 13.1 Objectives
- 13.2 Issues and Challenges
- 13.3 Causes for Failure of Panchayat Institutions
- 13.4 Answers to Check Your Progress Questions
- 13.5 Summary
- 13.6 Key Words
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- 13.8 Further Readings

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#### 13.0 INTRODUCTION

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The main role of the Panchayati Raj has been to provide a better avenue for local participation in democratic development of the country. It has been proved beyond doubt that it is the best way to establish democratic decentralization. Unlike the urban local government, rural local government has been found even in ancient Indian societies. When British first introduced the concept of local self government they did it only for urban areas. It was only in the Twentieth century that any modern institution of rural local government was established. The national leadership, including Mahatma Gandhi and Nehru, were vocal supporters of the idea of Panchayati Raj. Once India got independence in 1947 and our constitution was implemented, Panchayati Raj became a constitutional entity. Article 40 of the Indian Constitution asked the state to implement the values of Panchayati Raj in India as soon as possible.

In addition to the fact that it had the support of the national leadership, it also had a historical presence in India and was also mentioned in the constitution. Panchayati Raj in its true sense could not become reality in India till the Seventy-Third Amendment was made in the Indian Constitution, in 1992. Panchayati Raj institutions constitute the third layer of government in India, linking the people of India directly to the constitution and democracy. After the Seventy-Third Amendment, it has got various powers and responsibilities and therefore its study has become very important. The devolution of power in the constitution, to the rural bodies, has created a great enthusiasm among the people for participating in the working of democracy. Panchayati Raj institutions have not only become a source of greater economic development but they have also become a great source and means of providing social justice in India.

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### 13.1 OBJECTIVES

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After going through this unit, you will be able to:

- Explain the issues and challenges affecting Panchayat Raj Institutions
- Discuss the causes for failures of Panchayat Institutions

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### 13.2 ISSUES AND CHALLENGES

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If a major device for rapid economic development is centralized planning, democratic decentralization could be described as a major device for dispersing power and for stimulating political development. It must be realized that the enthusiastic participation of voters in the general elections is not enough for the growth of a democratic community. The unsatisfactory state of the much-advertised community development programme was another factor which contributed to the rethinking of the leaders. As you have learnt in earlier units, the publication of the Balwant Rai Mehta Committee Report on democratic decentralization in 1957, gave an impetus to the decentralization process, now known as Panchayati Raj. But certain problematic tendencies could be observed even in the initial stages. What followed was a brief account of these tendencies. It is noteworthy that the Panchayati Raj institutions have evoked a certain enthusiasm among the rural masses, who now appear to believe in 'swaraj' (self government) as an experience of their day-to-day life. Elections to the three-tiered institutions have brought forth 'new rural elites'. These non-westernised 'sons of the soil', have more in common with the rural masses than with the westernised elites of urban India, whether bureaucratic or political. It is not to say that 'vernacular-speaking' leaders have replaced the 'English-educated'. In all probability, many of the new rural elites are conversant in English as well. What is significant about them is that they have strong roots in the villages. The understanding of western democracy by the 'English-educated' elites was mainly confined to the above institutional and to some extent mechanistic aspects. Hence, the emphasis in the Indian Constitution on parliamentary democracy, universal franchise, independence of the judiciary and so on. But when these institutional arrangements had to function in a non-western political culture, there were in fact three different political idioms operating together—the western, the traditional, and the saintly. The Indian Constitution envisaged only the first; while the politics of India could be said to be mainly under the influence of the other two political idioms.

It might be said that the rural leaders could successfully use two political idioms—the western and the traditional. The western political idiom had to be used when the Zila Parishad chairman dealt with the secretary of the department of rural development of the State Government. The same was true of the other civil service personnel, both at the district level and at the Panchayat Samiti level. The westernised bureaucrats even after 60 years of independence have scrupulously

adhered to the British tradition of impersonal government. The new recruits to the Indian Administrative Service generally come from the same urban and westernised social classes as before 1947. Thus, the western idiom of politics and administration will continue to operate for obvious reasons. The Panchayati Raj institutions mostly functions in a traditional set up. Largely illiterate peasants are drawn into the politics of development. If leaders of Panchayati Raj institutions use the western idiom to communicate with the rural masses, there would be a breakdown of communication. The use of the traditional idiom is therefore a necessity. Undoubtedly, there is an inherent danger in this practice, however, so far as political development is concerned. The continuous use of traditional idioms might result in the strengthening of traditional bonds of caste and kinship, and thus obstruct the drive towards equality.

Today, the new rural elites perform a significant function in political development. The new elites are bridging this gap to a certain extent. They are mass oriented and verbally committed to the new ideas of economic development, universal education, social equality and democratic politics. This commitment results from their belonging to political parties. Verbalization of values may not have much operational content but it starts the percolation process of party-ideals. Political participation and social mobilisation are regarded as necessary for a modern nation state, whether democratic or authoritarian. India has chosen the more difficult way of a democratic set-up. But political participation cannot be ordered. It has to be voluntary. Such voluntary participation requires stimulus. It could be said that the Panchayati Raj institutions, by and large, are successful in stimulating the rural population. To some extent, this participation might be the result of traditional loyalties. But the emergence of rival parties and elections will gradually change the character of the participation. Social mobilization in different form including the *shramdan* (voluntary labour) for a village school or an approach road is another indication of the impact of these institutions. Adult literacy campaigns, with the target of making the whole village literate are catching, the fancy of the villagers. The response to nationally initiated drives-small-scale savings, use of new techniques of cultivation, fertilisers, use of contraceptives-are other encouraging signs of social mobilisation and political development.

There has been some criticism of 'pollution' of village-level life by the introduction of party-politics. Without indulging in any idealisation of political parties, it could be generally agreed that the party is a modern integrative agency in every developing country. In India, the predominance of one party among a few smaller parties has persisted since independence. This might not exactly accord with the pure theory of parliamentary democracy, but in a certain sense it has given this country a stable non-authoritarian Government. Opposition parties, though weak, still exert a certain restraint on the party in power, and thus, prepare the people for a more intelligent understanding of political issues. Comparisons with other Third World countries could spotlight the democratic character of Indian politics and Government. The 'capacity of a political system' depends primarily on the quality,

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training and socialization of the leaders at various levels. Before Independence, a steady flow of leaders came out of the Nationalist Movement. The struggle with the imperial power naturally demanded a certain amount of sacrifice, and there developed a tradition of sacrifice among those who would be leaders in the field of politics. The drying up of this tradition of sacrifice - a tradition which had provided the generation of leaders like Gandhi, Nehru, Patel and many others was to be expected. At first, the tradition was continued by the dwindling ranks of the Sarvodaya group. Vinoba Bhave could be regarded as the last of those leaders who could inspire a tradition of sacrifice. But the community needs a constant supply of leaders to take up the responsibilities of political direction.

The successful working of Panchayati Raj institutions might create a new catchments area for new political elites. These institutions are capable of inducting new classes of population into politics. The working of these institutions might give people some experience in policy-making and political bargaining. And in time these institutions may prove to be the infrastructure of a mass democracy in local and State politics. It is to be expected, however, that the new leaders would be more power-oriented than sacrifice-oriented. But in a growing democracy, what is expected of a leader is his capacity to get things done, rather than his inclination to sacrifice for society. With a developing economy and centralized planning, leadership at the district and lower levels will have to exercise its ability in the 'politics of bargaining'. It might be impossible, however, to establish a tradition of expertise to substitute the tradition of sacrifice in this country. People will have to be gradually prepared to accept as leaders those men who have proved their ability in different fields of life. With the rising tempo of economic development, the importance of expertise would have to be recognised at all levels of politics.

Democratization of politics may be regarded as one of the indicators of political development. Yet, democracy could be the most difficult form of government. In practice, however, a democratic set-up may not differ very much from a responsive, constitutional oligarchy. It could be argued that the result of costly elections, political parties organized according to oligarchy, clever use of charisma, and absence of vertical and horizontal social mobility, is not very different from a responsive, constitutional oligarchy. In the circumstances democratic decentralization could be regarded as an effort at democratising oligarchic politics. It is too early to assert that this effort has succeeded. But it is certain that there is a great change in what is called the catchments area of leadership groups. This may gradually affect social mobility and the oligarchic structure of the ruling elite. It could thus be argued that democratic decentralization is an insurance against possible political decay. The role of Panchayati Raj institutions in socio-economic change is not any less consequential. Functions performed by Zila Parishads to bring about socio-economic change could indirectly contribute towards political development. The role of local institutions in industrialising rural areas would be crucial to both economic and political development. An agro-industrial society would be in a vantage position to bridge the gap between the rural and the urban



areas. This would correct the imbalance between the urban and the rural sectors, both as regards economic growth and political development.

The role of the bureaucracy in India has a special significance from the point of view of political development. The existence of a well-organised civil service in 1947 contributed to the political stability of Indian democracy and also to its political development afterwards. The bureaucracy is considered a modernising agency in nearly all the developing countries. It could be said that the British legacy of the 'steel frame' and the silent service, came in handy for the new leaders of government, both at the centre and in the states. At the same time, this unbroken tradition of the civil service meant the continuation of its limited role of administering law and order, though in the changed context of a welfare state holding the ideal of a socialistic pattern of society, the civil service was expected to play a more positive role than before. Through the experiment in democratic decentralization an attempt is being made also to orient a law and order bureaucracy towards social welfare and economic development. Civil servants are being groomed to deal with the representatives of the people at the lower levels of administration. This interaction, between the westernised administrative elites and the rural political elites, might help the political development process. If political development demands specificity of functions and specialisation, this could be provided by the administrative elites. The new political elite on the other hand, would learn the procedures and processes of administrative machinery at close quarters. This does not mean that the present situation is in any way an ideal one. There have been many complaints about frictions between the political and administrative elites. To some extent such friction is to be expected as the civil service is not used to taking orders at the district level from the representatives of the people.

The civil servants allotted to Panchayati Raj institutions resent the loss of status-real or imaginary. Clearly, the proper psychological atmosphere for a growing partnership between the representatives of the people and the bureaucracy is yet to evolve. The main difference which democratic decentralization has brought about in the structure of local self government institutions is the preeminence to the representatives of the people. One may expect over a period of years a much better understanding between the two sectors of the political structure. The constant interaction referred to above, would result in democratising the administration and modernising the political elites. These two consequences could be considered the most useful aspects of democratic decentralization operating today. The functional decentralization, envisaged in the present set up, might gradually lead to an effective decentralization of political power and administrative control. This would stimulate democratic growth, in terms of local initiative, autonomous functioning of Panchayati Raj institutions, increase in their functions, and political education of the masses.

We have now experienced a whole decade of economic reforms. But these reforms have hardly touched the lives of the common people. Even if there is no great anger against reforms on the part of the people at large, there is no enthusiasm either. This is because the reformers regard Panchayati Raj as being as irrelevant

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to their purposes as the people regard reforms as being irrelevant to their lives. Reformers have no great objection to Panchayati Raj; the tragedy is they regard Panchayati Raj as a sideshow. Not until economic reforms are integrated with planning and implementation through institutions of self government will grassroots empowerment lead to grassroots development. This, then, is the right moment to ensure that both move together in tandem. Indeed, Panchayati Raj needs to be made the fulcrum of the reform process. Part IX ('The Panchayats') and Part IXA ('the Municipalities') are the longest and most detailed amendments made to the Constitution since its promulgation more than half a century ago. If implemented in letter and spirit, the two parts hold the promise of a silent revolution that would dramatically alter the outlook for grassroots development through grassroots democracy by endowing power to the people, in both rural and urban India. Unfortunately, in the eighteen years that have passed since the Lok Sabha and the Rajya Sabha passed the legislation on December 22 and 23, 1992, respectively, and almost the same period have passed since Part IX was gazetted with the president's consent on April 24, 1993 (and Part IXA the following month) the results on the ground have fallen far short of expectations.

Gandhiji's dream of *Poorna Swarajya* through *Gram Swarajya* still remains a distant dream. The reasons for these are many. Although the overarching aim of Part IX is to 'endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self government' (Article 243G), barring a few exceptions, such as the state of Kerala, almost nowhere in the country has a sincere and serious attempt been made to ensure in practice that Panchayats function as 'institutions of self government'. Panchayats can fulfil their responsibility as institutions of self government only if devolution is patterned on a nexus between their functions, functionaries and finances. Very few states have linked the formal devolution of functions to the means for actualizing such devolution through the devolution of functionaries and finances. A Devolution Index will enable a measure to be taken of the actual degree of devolution achieved, so that the best practice becomes the ideal towards which all states strive, with the encouragement and support of the centre. There is a disturbing lack of clarity about the tasks to be entrusted to different tiers of the Panchayati Raj system. Some states like Karnataka and Kerala have shown the way to how different functions can be entrusted to different tiers and how the work of the different tiers can be synergized to the benefit of the system as a whole.

Each state government must establish an appropriate body to recommend the division of devolved functions (along with functionaries and finances) to different tiers of the Panchayati Raj system. The central government might set the tone with an indicative model prepared by an appropriate central body. In view of the clear direction given by the Constitution to enable the Panchayats to function as institutions of self-governance, it is no longer necessary for the centre to route its financial support to schemes pertaining to the Eleventh Schedule of the Constitution to the Panchayats through the state governments. In a very large number of instances,

funds for rural development and poverty alleviation appear to have been diverted, at least temporarily, to meet the ways and means requirements of state governments, leading to inordinate delays and even the lapsing of funds meant to be spent through the Panchayati Raj institutions. The central government must channel all funds for central and centrally-sponsored schemes falling within the ambit of the Eleventh Schedule direct to the Panchayats at the appropriate level. With the entry into force of Part IX, the pre-Part IX instrument of the District Rural Development Authority (DRDA) has become obsolescent and needs to be ended, especially as the DRDA is inimical to the fundamental objective of Part IX which is the establishment of institutions of self government.

In the interests of effective Panchayati Raj, as envisaged in the Constitution, DRDAs should be disbanded and merged with district Panchayats, with the chairperson of the district Panchayat as chairperson of the merged DRDA. Moreover, with the clarification of which functions, functionaries and finances are to be devolved to which tier of the Panchayati Raj system, intermediate and village-level bodies with duties paralleling those of the existing DRDAs would need to be set up at these levels, so that state and central finances are channelled to the appropriate tier and not necessarily concentrated in the merged DRDA at the district Panchayat level. The devolution of functionaries with functions implies the closing down of line departments and the transfer of staff to the administrative and disciplinary control of the Panchayats. In the absence of such effective devolution of functionaries with functions, there is a kind of dyarchy operating at the ground level which is detrimental to good governance and extinguishes all possibility of effective self government as provided for in the Constitution. There will be a progressively growing need to establish a Panchayat service, for both administrative and technical functions, on the lines of existing state and central services governed by Part XIV of the Constitution.

The central and state governments need to take appropriate steps in this direction with all deliberate speed. The provisions of Part IX are in part mandatory and in part recommendatory. It is the fundamental duty of the centre to ensure strict observance of the mandatory provisions of Part IX, and to use its powers of persuasion to prevail upon state governments to conform to the letter and spirit of the recommendatory provisions. There has been persistent flouting of even the mandatory provisions of Part IX, leave alone the recommendatory provisions. The ultimate recourse of the centre of wilful flouting of the Constitution is dismissal of the state government under Article 356. This, however, is an extreme step. It would be preferable for the centre to secure directions from the Supreme Court. Such directions may be obtained through litigation, initiated either by the union government or through public interest litigation. As the union government might be somewhat reluctant to drag state governments to court, CAPART might be encouraged to appropriately support NGOs engaged in promoting through litigation compliance with the letter and spirit of Part IX. There is need for harmonizing and clarifying the body of jurisprudence arising out of the relatively recent introduction of Part IX, since some court judgments appear *prima facie* to be not consistent

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with other judgments. It is urged that such a process of harmonization and clarification be undertaken by the authority or authorities concerned.

Many central and state Acts need amendment in view of the powers conferred constitutionally on the elected local bodies. The central government and the state governments must establish appropriate review bodies to carefully examine the compatibility of pre-Part IX legislation with the new constitutional provisions. This exercise needs to be undertaken urgently within a time-bound framework. Possibly, the Law Commission might be entrusted with the initial responsibility of identifying the categories of central and state legislation which need to be so examined and acted upon. There has been a mushrooming of parallel bodies which is seriously undermining the functions entrusted to the Panchayats by virtue of Article 243G and the Eleventh Schedule. Such parallel bodies must be wound up and their duties entrusted to the Panchayats at the appropriate level. Parts IX and IXA were designed as mutually reinforcing parts of the Constitution designed to integrate economic and social development in the urban areas with their rural hinterland, not to artificially divide rural from urban India. Yet, that is what is happening in consequence of Parts IX and IXA being administered by different ministries both at the centre and the states. A single ministry of Panchayats and *nagarpalikas*, at both the centre and the states, will promote the synergies required for rural and urban development to mutually reinforce each other rather than be pursued separately in a compartmentalized manner.

Arrangements for the training of elected members of the Panchayats at different levels, and of the administrative and technical staff attached to the Panchayats, fall at present far short of requirements. An exponential increase in the quantum of funds made available for such training is required as well as deep consideration to the overall training requirements of both elected members and Panchayat staff. Moreover, there is special need to concentrate on training for the weaker sections and women. The question of definitions in Part IX needs looking into. To avoid problems arising out of the territorial constituency of an elected person at one level being coterminous with the territorial constituency of another person elected to another level, the intermediate level should be defined at an appropriately high level to clearly distinguish it from the village and district level. To facilitate the effective democratic functioning of the Gram Sabha, which is the fulcrum of the system, the size of a village Panchayat needs be fixed at a level that would facilitate democratic participation by all adult voters, and that where for any reason the size of the Gram Sabha appears too large for effective democratic participation, subsidiary Sabhas be established at, say, the ward level. In regard to the Gram Sabha, the Panchayats (Extension to Scheduled Areas) Act, 1996, passed by parliament in pursuance of section 4(b) of Article 243M, sets out the functions of the Gram Sabha in an exemplary manner.

State legislatures should take these provisions as a model to effectively empower Gram Sabhas in non-scheduled areas as well and so define the role that the Gram Sabhas are expected to play. In view of the crucial importance of adequate

women's participation in meetings of the Gram Sabha, a sub-quorum of female attendance should be built into the required quorum. Moreover, provision may be made that meetings of the Gram Sabha be preceded by meetings of the Mahila Sabha, comprising all adult women voters of the village Panchayat, to ensure that gender concerns and preferences get fully reflected in the proceedings of the Gram Sabha. Regarding the composition of Panchayats, in some states there appear to be wide variations in the ratio of population to territorial area of Panchayats at different levels. Existing ratios need to be reviewed to ensure that the constitutional injunction for the ratio 'as far as practicable, to be the same throughout the Panchayat area' (proviso to Article 243C (1)) is observed. While there may be scope to reconsider the manner of election to different tiers of the Panchayati Raj system at some future date, the important thing now is to ensure that the Panchayats are enabled to function as institutions of self government within the meaning of Article 243G. Failure to ensure effective and meaningful devolution is the root cause of widespread dissatisfaction with the manner of implementation of Part IX. It is only after devolution in letter and after the spirit has been achieved that there might arise a case for reviewing the provisions of this Article.

Reservations for scheduled castes and scheduled tribes are generally working well. But, in the light of the experience gained, each state may wish to consider afresh the period for which reservations are made - that is, for one term or more than one term (Part IX leaves this to the discretion of state legislatures). Reservations for the backward classes have been left to the discretion of the state legislatures. In some instances, this has led to intensive litigation and delays in holding elections to the Panchayats. The centre should bring the experience of different states in this regard to the attention of state governments with a view to the states evolving reservation systems for the backward classes which enjoy a wide measure of consensus in society in general and without coming in the way of the effective and timely implementation of Part IX. Reservation for women has opened the door to revolutionary changes of a political, social and cultural nature. India can truly be proud of being the first and only country in the world to have empowered through free and fair elections more than one million women who are participating in the Panchayats. There is, however, still some way to go in changing the apparent empowerment of women into a real and genuine empowerment.

Regarding the duration of Panchayats, it is categorical and clear that the maximum tenure of the Panchayats is five years and that, in terms of Article 243E (3) (a), elections have to be held before the expiry of the five-year period, so that the new Panchayats are constituted immediately thereafter without any extension beyond five years of the previously elected Panchayats. Yet, many states have flouted the five-year rule and introduced an interregnum between the expiry of one tenure and commencement of the next. Recourse has been had to sub-section (b) of clause (3) of Article 243E to justify this, as that sub-section states that a Panchayat, if dissolved, shall be reconstituted by elections within six months. This subsection was expressly designed for the dissolution of any single Panchayat on

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grounds of malfeasance, not for a situation in which all Panchayats stand dissolved owing to the expiry of their tenure. In fact, unlike the constitutional provisions for elections to parliament or the state legislatures, which envisage and provide for situations in which elections can be postponed, Article 243E nowhere provides for postponing elections in any circumstances, although the Supreme Court, in a 1997 judgment, has ruled that in 'genuine supervening circumstances', such as natural calamities, elections to Panchayats may be postponed. The intention of Article 243E is clear, elections to Panchayats must be held within five years of their being constituted so that there is no hiatus between the expiry of one tenure and the commencement of the next. Since regular periodic elections, within the letter and spirit of the constitutional provision, lies at the very heart of the democratic process, the central government must secure a clear ruling from the Supreme Court about the meaning and scope of Article 243E so that elections are held within five years and jurisprudence clearly indicates the highly exceptional situations, if any, in which there might be a short postponement.

The three tiers of the Panchayati Raj system are integrated and mutually reinforcing; indeed, Article 243ZD clearly shows that even the municipal bodies constituted under Part IXA are expected to work in tandem with the institutions of self government of Part IX. As such, it is imperative that simultaneous elections be held to all three tiers of the Panchayat system and the municipalities. Yet, the growing practice in most states has been to disaggregate these elections. Elections to the Panchayats at all tiers and to the municipalities must take place simultaneously to ensure the maximum synergy in their functioning. Owing to allegations of serious and widespread malpractices and excessive expenditure by candidates, resulting in the growth of money-power and muscle-power which vitiates people's power, the Election Commission should be requested to convene the state election authorities for a detailed exchange of experience and the drawing up of a code for the conduct for elections to the rural and urban institutions of self government that would contribute to free, fair, transparent and economical elections. Notwithstanding the disqualifications prescribed by law, a large number of undesirable people manage to get themselves elected to the local bodies by threatening and cajoling voters and then proceed to dominate and terrorize the local community. Each state should, therefore, has the present disqualifications reviewed by the state election authority or any other suitable body with a view to the state legislature passing additional legislation designed to insulate the elected local bodies from such malign influences.

Article 243G relating to the powers, authority and responsibilities of Panchayat, is the heart of Part IX, the kernel of Panchayati Raj. Tragically, very few states have even attempted to approximate the goals of Article 243G. Not till this Article is fully implemented in letter and spirit can it be said that we have progressed towards fulfilling the dreams of Mahatma Gandhi and the framers of Part IX. The union government is doing little to monitor progress towards the achievement of these goals, with a view to bringing to the attention of all concerned the best practice in different states in this regard, and convening state ministers for

rural development on an annual basis or even oftener to lay down milestones and measure the progress made towards the time-bound achievement of these goals. This is an urgent requirement and should constitute the central task of the union ministry. Article 243G provides that Panchayats should be enabled by law to function as institutions of self government. Yet in most states, devolution and decentralization is by executive orders under the law rather than by law per se. It must be ensured that all states undertake devolution by law, as called for in the Constitution, so that no retrogression in devolution is possible without the explicit concurrence of the state legislature. It is essential that state governments establish expert bodies to clearly designate which functions will be exercised at which tier of the three-tier system so that there is no confusion and no overlapping between different tiers and development work is synergized at all three levels. Such demarcation of responsibilities at different levels of the system will also facilitate the devolution of functionaries and finances to the appropriate level of the Panchayati Raj system. Effective devolution requires the devolution of functions with functionaries and finances. The *sine quo non* of effective Panchayati Raj is the demarcation of responsibilities between the three tiers for each devolved function go hand-in-hand with the devolution of functionaries and finances to that level. The two key functions of the Panchayats at each level are defined in Article 243G as: (a) the preparation of plans for economic development and social justice; (b) the implementation of schemes for economic development and social justice.

Unless planning and implementation is undertaken by the Panchayats they will not be serving their purpose. Of course, the Article provides that such planning and implementation will be 'subject to such conditions' as may by law be stipulated. But the central function of the Panchayats is planning and implementation. Yet, in most states, there is no planning by Panchayats and implementation has been reduced to a nexus between the contractor, the chairperson of the Panchayat and the bureaucrats and technocrats of the line departments. In consequence, instead of evolving as 'institutions of self government', the Panchayats have been reduced to functional impotence and the corruption which arises out of chairpersons exercising their authority without the involvement and sanction of the members of the Panchayat at all levels and of the Gram Sabha at the village level. Corruption in the Panchayats at all levels has become rampant in most states because chairpersons are not responsible to the committees of the Panchayats or to the general body of the Panchayats. In association with the bureaucracy chairpersons have tended to usurp the functions which properly belong to the Panchayat as a whole. It is, therefore, of crucial importance to establish standing and ad hoc committees of the Panchayats at each level so that proposals are processed by such committees and then brought before the general body of the Panchayat for approval before, during and after the execution of works.

Planning is required to be undertaken at every tier of the Panchayati Raj system, and not at the level of the District Planning Committee alone. Indeed, the very wording of Article 243ZD dealing with the District Planning Committees says

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the DPC is to ‘consolidate the plans prepared by the Panchayats’. It is not till the Planning Commission fulfils its constitutional obligation of making district planning through elected DPCs the basis of all planning that the objectives of clause (a) of Article 243G can be fulfilled. Implementation is a key responsibility of the Panchayats. But this has to be by Panchayats functioning as ‘institutions of self government’, not as handmaidens of the line departments. In respect of all devolved subjects, implementation should be the responsibility of the Panchayats at the appropriate level, with the bureaucracy and technocracy assisting the elected authority in implementation and answerable to the Panchayat concerned, not the line department of the state government. The Gram Sabha must be deeply involved in implementation at all levels because it is the best form of social audit, both pre-implementation and post-implementation. This is also the most effective way of cutting down corruption and nepotism and ensuring transparency and accountability, as well as functioning democracy.

Few legislatures have made adequate provision in their laws for the fiscal duties and rights of the Panchayats at different levels. There also appears to have been no endeavours made to demarcate fiscal duties and rights as between each of the three tiers of the Panchayati Raj system. State Finance Commissions also do not appear to have applied their mind to this issue. The union government should identify a suitable expert body, to prepare model recommendations in this regard for the consideration of state Finance Commissions and state legislatures/governments. Although Article 243H (a) provides for Panchayats to ‘appropriate’ into their own funds the proceeds of taxes, etc., collected by them, few states appear to have encouraged this useful mechanism for Panchayats to raise their own resources. Therefore, state legislatures should consider which of the taxes, etc., assigned to the Panchayats might be left to be appropriated by the Panchayats and request state governments to prepare appropriate legislation in this regard. Such appropriation should be encouraged to the maximum extent possible. The union government should credit all funds for central and centrally-sponsored schemes directly to the fund of the Panchayat concerned in accordance with the demarcation of responsibilities as between the three tiers of the Panchayati Raj system. State governments may be directed to similarly credit direct to the funds of the Panchayats, in accordance with the demarcation of functional responsibilities and the share of the contribution they are required to make to central rural development schemes.

### Check Your Progress

1. What does the capacity of a political system primarily depends on?
2. What was the main reason of the dysfunctions of the local self government in India?
3. What is the common negative trend found in most of the local bodies?
4. State one method through which women’s participation in meetings of Gram Sabha can be improved.



### **13.3 CAUSES FOR FAILURE OF PANCHAYAT INSTITUTIONS**

The concept of grassroot democracy at both rural and urban levels has not flourished in the country. On the basis of the literature available on the operational aspects of Panchayati Raj, the reasons for its decline are many. One of the major reasons behind this failure are the political repercussions of electoral competition between state and Panchayati Raj representatives. Entry of criminal elements in the elected bodies, rampant corruption, caste and group division, priority to self interest over public welfare and electoral malpractices, the state level leaders begin to see their rivals in these institutions and out of here they started withdrawing important functions from these bodies making them only dumping ground for discarded state cadre administrative officers.

Most of the extension and development functions, such as, development of land, water, forests grazing lands, animal husbandry, rural help, etc., were taken away by making regular amendments in the relevant Acts. Such functions should be in the hands of Panchayati Raj bodies but are being controlled by State Level departments. Moreover, Panchayati Raj elections were repeatedly postponed on one or the other ground which resulted in lack of people's faith in such institutions because of their functional inability. Political considerations played a major role in patronage distribution in these institutions and Panchayati Raj Bureaucracy and BDO were not allowed to take free and objective decisions in running and distributing annual grants to various panchayats. The state controls ruined these institutions by creating parallel alternative structures for rural development functions, i.e., District Rural Development Agency (DRDA) made responsible for the IRDP, TRYSEM, NREP, RLEGP and other programs. Number of overlapping committees at district level comprising of MPs and MLAs are functioning and various lead banks provide finance for different schemes (outside the Panchayati Raj structure) and a municipality of departmental organisations also exist side-by-side. In practice, the plethora of rural development programmes and schemes implemented under the control of Central state governments has minimised the scope for the functioning of Panchayati Raj bodies.

The capacity of Panchayati Raj Institutions was further hampered due to inadequate finances. Most of the finances come from the state government. Even the central government is keen to spend its own resources through its own organisations, which have been created at every level. To add to the miseries of Panchayati Raj bodies, people have developed apathy and lost faith in their capacity to fulfil their needs. The problem of Panchayati Raj has further been compounded by the State Authority who use stringent controls like dissolution and suppression of Panchayati Raj Institutions. Even sarpanches were suspended and removed by government on insubstantial grounds. The bureaucracy serving in these institutions do not want to be subordinated by Panchayati Raj leaders and create obstacles in smooth working of

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these bodies. The worst part of the whole politicization is that Panchayati Raj has become the dumping ground for discarded state cadre officials those who are inefficient or non-functional were transferred to manage these units at no expert staff which is required for planning implementation and monitoring of various schemes and programmes was given to the institutions to manage them efficiently.

The 73<sup>rd</sup> amendment seeks to radically alter the power relations in the villages by reserving seats for scheduled caste Scheduled Tribes and backward classes and women. Overall, in the absence of proper education training and economic independence, these groups are unable to assert themselves. Illiteracy poverty and unemployment are the major handicaps. Urgent measures are required to be taken to effectively deal with these problems in order to facilitate participatory development. Though the provision for reservation for women has been manipulated by their male counterparts, mostly their husbands, it has surely empowered them to some extent. They are increasingly becoming aware of their rights and responsibilities and are asserting themselves in certain cases. This is definitely a very positive development.

The latest constitutional amendments have certainly increased financial resources of the local self-governing institutions, but they still remain in need of funds. Taxation powers have been given to them, but they are unable to collect enough taxes. So due to scarcity of resources, panchayats are not able to fulfil their role as self-governing Institutions or carriers of economic development in the countryside. Panchayats are subject to various controls by the state governments. The state governments are authorised to cancel their resolutions and even dissolve them. However, the 73<sup>rd</sup> constitutional amendment has made it compulsory for the states to hold election of Panchayati Raj bodies within 6 months of their dissolution.

It is necessary that the people participate actively in in democratically elected Panchayat. This can be ensured through Gram Sabhas. Through Gram Sabhas, the people can question and demand explanation for Panchayats. Gram Sabha can harmonize needs and priorities of people and also plan direction of Village Development. The Gram Sabhas can successfully play the role of securing democracy at the grass root level if they are endowed with sufficient authority.

The overall social economic and cultural development of rural areas depends on strong panchayats. Panchayats, as the foundation of democracy at the grassroots level, can be strengthened only by reposing faith in them, endowing them with adequate administrative and financial powers and encouraging vigilance and active participation of people.

### Check Your Progress

5. Name the alternative structure whose creation has led to the minimizing of Panchayati raj institutions for rural development.
6. What have been major handicaps in the facilitation of participatory development in panchayati raj institutions?

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## 13.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

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1. The 'capacity of a political system' depends primarily on the quality, training and socialization of the leaders at various levels.
2. Reluctance among the higher bureaucracy and political elite in devolving their powers had been the main reason of the dysfunctions of the local self government in India.
3. It has been found that most of the local bodies have become a centre of corruption and petty politics.
4. In view of the crucial importance of adequate women's participation in meetings of the Gram Sabha, a sub-quorum of female attendance should be built into the required quorum. Moreover, provision may be made that meetings of the Gram Sabha be preceded by meetings of the Mahila Sabha, comprising all adult women voters of the village Panchayat, to ensure that gender concerns and preferences get fully reflected in the proceedings of the Gram Sabha.
5. The state controls have ruined the Panchayati raj institutions by creating parallel alternative structures for rural development functions, i.e., District Rural Development Agency (DRDA) made responsible for the IRDP, TRYSEM, NREP, RLEGP and other programs.
6. Illiteracy, poverty and unemployment are the major handicaps in the facilitation of participatory development in panchayati raj institutions.

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## 13.5 SUMMARY

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- If a major device for rapid economic development is centralized planning, democratic decentralization could be described as a major device for dispersing power and for stimulating political development.
- The publication of the Balwant Rai Mehta Committee Report on democratic decentralization in 1957, gave an impetus to the decentralization process, now known as Panchayati Raj. But certain problematic tendencies could be observed even in the initial stages. What followed was a brief account of these tendencies.
- If leaders of Panchayati Raj institutions use the western idiom to communicate with the rural masses, there would be a breakdown of communication. The use of the traditional idiom is therefore a necessity.
- Today, the new rural elites perform a significant function in political development. The new elites are bridging this gap to a certain extent.

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- It could be said that the Panchayati Raj institutions, by and large, are successful in stimulating the rural population. To some extent, this participation might be the result of traditional loyalties. But the emergence of rival parties and elections will gradually change the character of the participation.
- There has been some criticism of ‘pollution’ of village-level life by the introduction of party-politics. Without indulging in any idealisation of political parties, it could be generally agreed that the party is a modern integrative agency in every developing country.
- The successful working of Panchayati Raj institutions might create a new catchments area for new political elites. These institutions are capable of inducting new classes of population into politics. The working of these institutions might give people some experience in policy-making and political bargaining.
- Panchayats can fulfil their responsibility as institutions of self government only if devolution is patterned on a nexus between their functions, functionaries and finances. Very few states have linked the formal devolution of functions to the means for actualizing such devolution through the devolution of functionaries and finances.
- The central government must channel all funds for central and centrally-sponsored schemes falling within the ambit of the Eleventh Schedule direct to the Panchayats at the appropriate level. With the entry into force of Part IX, the pre-Part IX instrument of the District Rural Development Authority (DRDA) has become obsolescent and needs to be ended, especially as the DRDA is inimical to the fundamental objective of Part IX which is the establishment of institutions of self government.
- Arrangements for the training of elected members of the Panchayats at different levels, and of the administrative and technical staff attached to the Panchayats, fall at present far short of requirements.
- The concept of grassroot democracy at both rural and urban levels has not flourished in the country. On the basis of the literature available on the operational aspects of Panchayati Raj, the reasons for its decline are many. One of the major reasons behind this failure are the political repercussions of electoral competition between state and Panchayati Raj representatives.
- Most of the extension and development functions, such as, development of land, water, forests grazing lands, animal husbandry, rural help, etc., were taken away by making regular amendments in the relevant Acts. Such functions should be in the hands of Panchayati Raj bodies but are being controlled by State Level departments.
- The capacity of Panchayati Raj Institutions was further hampered due to inadequate finances.

- The worst part of the whole politicization is that Panchayati Raj has become the dumping ground for discarded state cadre officials those who are inefficient or non-functional were transferred to manage these units at no expert staff which is required for planning implementation and monitoring of various schemes and programmes was given to the institutions to manage them efficiently.
- Due to scarcity of resources, panchayats are not able to fulfill their role as self-governing Institutions or carriers of economic development in the countryside.
- It is necessary that the people participate actively in in democratically elected Panchayat. This can be ensured through Gram Sabhas. Through Gram Sabhas, the people can question and demand explanation for Panchayats.

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### 13.6 KEY WORDS

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- **Decentralization:** It is a social process in which population and industry moves from urban centres to outlying districts.
- **Bureaucracy:** It is a system of government in which most of the important decisions are made by state officials rather than by elected representatives.

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### 13.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

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#### Short-Answer Questions

1. 'The politics of India could be said to be mainly under the influence of the other two political idioms'. What are these?
2. How do new rural elites perform a significant function in political development?
3. Mention the mandatory and recommendatory provisions of Part IX of the Indian Constitution.
4. Write a short note on the political repercussions of electoral competition between state and Panchayati Raj representatives.

#### Long-Answer Questions

1. Examine the issues and challenges of rural local self government in India ever since independence.
2. Discuss the causes of failure of rural local self-government and measures to improve it.

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### 13.8 FURTHER READINGS

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# UNIT 14 URBANIZATION PROCESS

## Structure

- 14.0 Introduction
- 14.1 Objectives
- 14.2 Meaning of Urbanization
  - 14.2.1 Features of Urban Society
  - 14.2.2 Causes of Urbanization
- 14.3 Urbanization in India
  - 14.3.1 Issues and Challenges
- 14.4 Answers to Check Your Progress Questions
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- 14.8 Further Readings

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## 14.0 INTRODUCTION

After independence, urbanization in India began to accelerate due to the country's adoption of a mixed economy, which led directly to private sector development. In India, urbanization took place at quite a rapid pace. Population living in India's urban areas was 11.4 percent, according to the 1901 Census. According to the 2001 census, this figure increased to 28.53 percent and crossed 30% as per the 2011 census, standing at 31.15 percent. According to World Bank, the numbers increased to 34 per cent in 2017. According to a survey conducted in 2007 by UN State of the World Population, by 2030, 40.76 percent of the country's population is projected to live in urban areas. National Commission on Population (July 2020), India's urban population will increase from 377 million in 2011 to 594 million in 2036 a growth of 57 per cent in percentage terms, close to 39 per cent of population will be living in urban India. In this unit, we will discuss the meaning, significance, and reasons for urbanization, along with classification and identification of urban spaces. It will also focus on the World Bank indicators on urbanization and urban development, urbanization trends, and rural urban linkages.

## 14.1 OBJECTIVES

After going through this unit, you will be able to:

- Explain the meaning of urbanization
- Describe the features of urban society
- Discuss the causes of urbanization
- Examine the challenges and issues of urbanization in India

## 14.2 MEANING OF URBANIZATION

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According to Thompson Warren, ‘urbanization is the movement of people from communities concerned chiefly or solely with agriculture to other communities, generally larger, whose activities are primarily centred in government, trade manufacture or allied interests.’ He observes that urbanization not only involves a movement from villages to cities but also involves a change in the attitude, values, beliefs and behaviour of the migrants. Urbanization is universal and brings about economic development and social change. It can be defined as a process of concentration of population in a particular territory. According to Mitchell, ‘Urbanization is a process of becoming urban, moving to cities, changing from agriculture to other pursuits common to cities.’ The eminent Indian sociologist, Dr G.S. Ghurye, has defined urbanization in a functional manner. According to him, ‘urbanization means migration of people from village to city and the effect of this movement upon the migrants and their families and upon fellowmen in the villages.’

It is important to distinguish the concept of urbanization from the concepts of urbanity and urbanism. As we have seen, urbanization is a process which refers to change in values, attitudes and beliefs of people who migrate from villages to cities and the impact of this movement on people who are left behind in the villages. Urbanity, on the other hand, is the state of the people living in an urban area which is distinct from those living in the villages. It refers to a pattern of life in terms of work, food habits and the world view of people living in the urban areas. Urbanism is characterized by a system of values, norms and attitudes towards the inter-personal relations in terms of individualism and anonymity.

Evidence of urbanization in India is available from the Harappan period and throughout the history of India. The cities of Mohenjodaro and Harappa (presently in Pakistan) were established in the Indus river valley way back in 2,500 BC. It has been pointed out by archaeologists that urbanization in Harappa could be ascertained from archaeological findings of brick technology, agriculture and irrigation facilities. Other examples of urbanization in the ancient period of Indian history are the cities of Pataliputra (Patna) and Vaishali during the Magadh rule around 300 BC. In the medieval period of Indian history, cities like Kannauj, Delhi, Agra, Daulatabad, Hyderabad, etc., had acquired importance. With the advent of the British colonialism from the 17th century onwards, there was a growth of urban centres like Delhi, Bombay, Calcutta and Madras. Except Delhi, all the other urban centres were port cities and facilitated trade and commerce undertaken by the British rulers.

### Pattern of Urbanization during the British Rule

During the 19th century, when the British firmly established themselves politically in India, urbanization in India entered a different phase. Cities like Calcutta, Bombay and Madras evolved from mere trading centres to political centres. This period



also saw rapid technological advancements, new modes of transport and communication, emergence of new economic institutions, etc. All this made the process of urbanization quicker and smoother.

While urban centres gained in prosperity, the rural areas of India became neglected. Cottage industries and rural artisans suffered a lot because of the exploitative economic policies of the British. This forced the rural artisans and other workers to migrate to cities in search of wage employment. Thus, it can be said that the process of urbanization strengthened the cities at the expense of the villages.

With the spread of education in these urban centres, the educated sections joined the bureaucracy or took up jobs as teachers, doctors, lawyers, journalists, etc. They became the intelligentsia and the elites of the Indian society and aligned their world view with the western world. They also brought about new political and economic ideas. The new process of urbanization provided ample scope for occupational and social mobility and slowly broke the stranglehold of the caste system. This process, which got a boost during the 19th century, gathered greater momentum in the 20th century.

From the beginning of the 20th century and especially after independence, urbanization in India has taken place at a fast pace. The modern Indian cities have become centres of economic, political, administrative and cultural power. The pattern of urbanization in the 20th century can be understood in terms of its demographic, spatial, economic and socio-cultural aspects.

### **Demographic aspect**

Population has always been an important aspect of urbanization in India. The Indian population growth exploded in the 20th century and, as a result, urban population also grew rapidly. The share of urban population in India has grown from 10.8 per cent in 1901 to 31 per cent in 2011. The steady growth in urban population over the last 110 years has been partly due to rapid economic development in the cities and towns and partly due to the slow agricultural growth in the rural areas.

### **Spatial aspect**

The Indian urban scenario has witnessed a lot of spatial disparities. These disparities are the result of regional disparities, imbalanced concentration of population in certain areas and changes in the definition of urban areas in the census. These disparities can be observed from the following facts:

- Increase and decrease in the number of towns and cities due to changes in the definition of urban areas.
- Variation of urbanization amongst different states with urban domination in states like Maharashtra and Tamil Nadu.

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- Concentration of urban population in the big cities with the population in such cities growing much faster than in other smaller towns.
- Growth of metropolitan cities with population of more than one million.

It is important to know about the following two concepts while talking about the spatial aspect of urbanization in India:

- **Over-urbanization:** Cities and towns do not have an unlimited capacity to accommodate the growing population and providing them with civic amenities, medical facilities, schools, etc. Thus, when the population of a city goes beyond a certain limit, the administration of that city fails to provide its citizens with the requisite facilities. It is at this juncture that a city is said to have become over-urbanized. Cities like Mumbai, Delhi and Kolkata are examples of such over-urbanization.
- **Sub-urbanization:** When cities and towns get over populated, they expand beyond their boundaries and take the adjoining rural areas within their fold. This phenomenon is known as sub-urbanization. Thus, sub-urbanization refers to the urbanization of rural areas around the towns and cities and it is characterized by the following features:
  - o A sharp increase in the urban uses of land.
  - o Inclusion of the surrounding areas within the municipal limits of the towns and cities.
  - o Intensive communication of all types between the town or city and its surrounding areas.

### Economic aspect

Urbanization is both a cause and a consequence of economic development. It is more of a consequence because economic development entails a huge movement of labour and other inputs from the rural areas to the towns and cities. The National Commission on Urbanization of India recognizes the importance of the Indian cities and towns. It considers urbanization to be a catalyst for economic development.

When we look at the various cities in India, we see that some have come up at places where there was no habitation at all. One of the earliest steel cities in India was Jamshedpur. It was the result of the setting up of the Tata Steel Plant, which has provided employment to members of the Santhal tribe that stayed nearby. Apart from Jamshedpur, three more steel cities also emerged after independence. They were Rourkela in Orissa, Bhilai in Chhattisgarh and Durgapur in West Bengal. These steel cities and steel factories completely modified the whole socio-economic scenario of that area. They progressed from being backward areas to cosmopolitan and prosperous urban centres. Thus, you see the important and crucial role played by industries in urbanizing India.

### 14.2.1 Features of Urban Society

Urban society all over the world has a few common features. Let us discuss them briefly as follows:

- **Large population:** The urban society is characterized by a large population in any particular area. Since, urban society comprises cities and towns, and they have high population levels, large population becomes its inherent characteristic. Along with large population, there is the prevalence of high density of population.
- **Non-agricultural occupation:** In any urban society, the occupational pattern reveals that most of the people are engaged in non-agricultural economic activities like government jobs, entrepreneurship, jobs in factories or other service industries (banks, colleges, etc.), retail business, etc.
- **Heterogeneity:** This is an important feature of all urban societies. The existence of a large population with diverse backgrounds is bound to result in heterogeneity. Thus, urban societies have a great deal of variance in so far as customs, festivals, lifestyles, ideologies, etc., of its members are concerned.
- **Tolerance:** Urban areas comprise members from various castes, religions, regions, languages, etc. For all of them to live peacefully together, a high degree of mutual tolerance is absolutely essential. Since, urban areas have been largely peaceful and prosperous; it implies that tolerance is a significant feature of the urban society.

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### Features of urbanization in ancient and medieval India

The process of urbanization in ancient and medieval India had certain distinct features, which can be classified under the following three broad categories:

- **Political, demographic and spatial factors:** The processes of urbanization in ancient and medieval India had a very close relationship with the rise and fall of political regimes. Cities emerged on the basis of political considerations and were built around the ruler and his kinsmen. An important physical feature of these early cities was the fortification that was undertaken to protect them. High walls, deceptive ditches and secret tunnels were part of the elaborate steps taken to defend the cities and its people.
- **Economic factors:** Despite the fluctuating fortunes of the political dynasties of those times, the economic institutions have shown some degree of stability. Guild formation was an important feature of the cities of that time. These guilds performed important functions in the traditional towns in terms of banking, trading, manufacturing, etc.
- **Religious and socio-cultural factors:** Religion was an important aspect of statecraft in the ancient and medieval times. The rulers patronized a particular religion or sect and their capital cities acquired the culture of that

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particular religion or sect. For example, when Pataliputra was ruled by Chandragupta Maurya, it reflected a Brahmanical Hindu civilization. However, when the reins of the kingdom went to Ashoka, Buddhism flourished in the same city. The traditional towns were heterogeneous in terms of multiplicity of religious, sectarian and caste groups.

**Re-urbanization**

The term re-urban was introduced by the sociologist C.J. Galpin. It referred to the composite urban settlements wherein the urban and rural population intermingled and stayed connected with and dependent upon each other. These composite settlements were characterized by a blending of rural and urban life. Thus, 're-urbanization' was the process that resulted in the development of a composite settlement.

The blending of urban and rural life is not a new phenomenon. The rural-urban fringe has always been a composite area where the rural and urban folks interacted and intermingled. In contrast to ancient times, the distinction between the city and the village has blurred. The city has expanded and passed into the countryside. Beyond the city there is a large area where farms and urban homes are completely mixed and it is not possible to demarcate between them. These composite regions are called re-urban.

In these regions, most of the facilities enjoyed by the urbanites are also enjoyed by the farmers. The farmers use the banking services available in the cities and send their children to the city schools. Similarly, the urbanites grow vegetables and raise poultry in their backyards. Thus, the re-urban region is a distinct ecological type, which is not entirely urban but is city-dominated or city-centred. This kind of an ecological setting, according to some sociologists, is the most desirable for human beings. They believe that the re-urban areas would replace the city and large scale 're-urbanization' would take place. However, there are others like Professor Bergel who thinks that is not going to happen. Their reasoning is that the industries need large number of labourers who are required to stay on the factory premises. Such labourers cannot be allowed to stay far away from the factories. Thus, 're-urbanization' would not get the support of industrialisation.

**14.2.2 Causes of Urbanization**

The factors that are mainly responsible for urbanization are as follows:

- **Industrialization:** Industrialization is considered to be the single most important cause for urbanization to have taken place. The emergence of modern industries has proved to be a turning point for the global economic and social development and change. The great impetus to urbanization came with the industrial revolution in England followed by the one on the European continent and finally in the United States of America. With the setting up of

industries, there was a demand for labour and people moved in from rural areas to fulfil this need and also to satiate their desire for new and more remunerative employment opportunities. Thus, began the process of urbanization. New habitations developed in and around industries, which had modern amenities like good houses, schools, hospitals, parks, roads, electricity, piped water, public transport, etc. The people who had moved in from the villages found the urban areas better and more comfortable and settled there. They also brought their families in due course of time. Thus, industrialization gave the initial push towards the process of urbanization and reinforced it thereafter. In the modern era, it is the pace of economic development that determines the growth and development of a country. Industries have fuelled this growth and taken many countries to great heights. Industries cannot operate without men and machines. Therefore, labour and capital are imperative for the growth and success of any industry. This demand for labour is a very significant pull factor for the people living in isolated rural areas to migrate to areas in and around the industries. Similarly, the poverty and lack of employment opportunities proved to be a push factor for the rural populace to move towards these industrial towns. Thus, industrialization started the process of urbanization and it continued unabated due to its own momentum and the desire of people to lead a modern and comfortable life.

- **Social factors:** Another reason for urbanization is the social factor. The rural folks got attracted by the educational, health and other infrastructural facilities available in the cities. Besides, the cities provided them with more privacy and a great degree of anonymity, which helped them lead their lives without the constant interference of family members and neighbours as it used to happen in villages. Urbanization fuels many aspirations of the rural population and results in rapid migration of people from the countryside to fulfil these aspirations. This further quickens the pace of urbanization.
- **Modernization:** Modernization is also an important cause of urbanization. Modern facilities in cities like better roads, excellent communication systems, schools and hospitals, etc., attract the rural people to come to the cities in search of a happy and comfortable life. Modernization is a process of adopting the new and better options that are available so as to make human life comfortable. Quite naturally, it brings forth urbanization because it is the city that gets modernized much before the villages. Modernization and westernization are sometimes used interchangeably. Urbanization is an important feature of the western world and, therefore, it is natural for it to be influenced by modern developments.
- **Employment opportunities:** People from the rural areas migrate to urban areas in search of work opportunities and contribute to the process of urbanization. The villages are mostly agricultural and there is no requirement of a big labour force to work on the land. In fact, the agricultural sector in

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the rural areas gives rise to a phenomenon called ‘disguised unemployment’. This means that though people appear to be employed in the agricultural sector, they actually contribute nothing because their labour is not at all required. They are unemployed from the productivity sense of the word, but such unemployment is disguised by the fact that they are engaged in the fields.

Modern manufacturing and service industries that come up in the cities are big attractions for the rural population. They believe that they can improve their lives by moving out towards the urban centres.

**Check Your Progress**

1. What is urbanism?
2. Mention some of the cities which had acquired importance during the medieval period.
3. What does the occupational pattern of urban society reveal?
4. List the two push factors responsible for rural populace to move towards these industrial towns.

**14.3 URBANIZATION IN INDIA**

Commenting on the challenges of urbanization, the Twelfth Five Year Plan, stated, ‘Urbanization in India has occurred more slowly than in other developing countries and the proportion of the population in urban areas has been only 28 per cent based on the 2001 census. The pace of urbanization is now set to accelerate as the country sets to a more rapid growth. Economic reform has already unleashed investment and growth offering its citizens rich opportunities. Surging growth and employment in cities will prove a powerful magnet. Three hundred million Indians currently live in towns and cities. Within 20-25 years, another 300 million people will get added to Indian towns and cities. This urban expansion will happen at a speed quite unlike anything that India has seen before. It took nearly forty years for India’s urban population to rise by 230 million. It could take only half the time to add the next 250 million. If not well managed, this inevitable increase in India’s urban population will place enormous stress on the system.

Recent reports suggest that India spends \$17 per capita per year in urban infrastructure, whereas the most benchmarks suggest a requirement \$100. The investment required for building urban infrastructure in India, over the next 20 years, is estimated at approximately US\$ 1trillion.’

There is a worldwide trend towards urbanization and India too is part of this movement. Over 50 per cent of the population of the entire world is today living in urban areas, cities and towns. According to the 2011 Census, in India 31.16 per cent of the population or 377 million persons reside in urban regions.

In India, the urban regions' role as vehicles of growth has had a more significant growth in comparison with the population. Cities are taking on more and more the role of being engines of both economic growth and productivity. Commonly now it is recognized that determining of efforts towards poverty reduction and national economic growth will be more and more dependent on the productivity of cities and towns. Yet, simultaneously a huge majority of India's urban inhabitants, specifically the population of the urban poor have no adequate access even to services and amenities which are extremely basic like hospitals, schools, sanitation, water supply, transport and housing.

Various issues are caused in towns and cities because of population concentration and the rising urbanization. Some of these issues are high level of population density, traffic congestion, pollution (industrial, noise, traffic), slums, increase in urban poverty, degradation of the environmental, housing shortage, shortage of civic services and inadequacy of infrastructure. The primary responsibility of making civic amenities available rests with the Urban Local Bodies (ULBs) who are faced with constraints like inadequacy of revenues, inefficiency of human and organisational resources, and environment being non-supportive. Therefore, ULBs cannot effectively discharge their responsibilities and, therefore, cannot improve the levels of service.

Though the continuously increasing population in urban areas is causing the urban infrastructure to become inadequate and disintegrate, yet cities have grown as the preferred destinations of domestic and foreign investment, as reservoirs of infrastructure facilities, social capital, skills, and knowledge. The positive role that a city plays is now of greater importance in the light of the current information revolution, liberalization and globalization. It is increasingly becoming evident that urbanization associated problems stem from inadequate management of cities and of finances, and are not problems that are associated with the growth of cities, so to say.

To quote from the Strategic Plan of Ministry of Urban Development for 2011-2016: 'Urban population will be growing much faster than rural population in the next few decades. Urban population (285 million) constituted 27.8 per cent of the total population in 2001 in India. Even at this relatively low level of urbanization, India still has the second largest urban population in the world. According to the Census, by 2026, urban population would rise to around 535 million or 38.2 per cent of the total population. This means an addition of 250 million persons or near doubling of urban population in about two decades from now with reference to 2001.'

Similarly, the McKinsey Global Institute projects that India's urban population will be 590 million by 2030 which would be about 40 per cent of the total population of the country and further estimates that by 2030, the number of million plus cities will increase to 68 of which 13 cities will have more than four million, and six cities will have more than ten million people. By 2050, it is estimated that urban population will constitute nearly half of the total population in India.

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**Inadequate Level of Empowerment of Urban Local Bodies**

Municipal institutions in India have a history of over 300 years. These refer to urban local bodies comprising municipal corporations, municipalities and nagar panchayats. In 2001, there were about 3,636 urban local bodies in the country. However, the Constitution did not make local self-government in urban areas a clear-cut constitutional obligation. As a consequence of inadequate constitutional provision for local self government, democracy in municipal governance was not stable. As a result, many urban local bodies became weak and were not able to perform effectively. In this context, the 74th Constitution Amendment Act (CAA) came into force in June, 1993, which sought to strengthen decentralization. The main provisions include constitution and composition; constitution of wards committees; reservation of seats; duration of municipalities; powers and functions; finances; finance commission; elections; district and metropolitan planning committees, etc. The 74th CAA, expects that ULBs will assume responsibilities for urban planning, water supply, social and economic planning, slum upgradation, public health, etc. However, the CAA did not lay down revenue base for ULBs and the power to determine the revenue base continues to remain with state governments. Study of the implementation of the 74th CA shows that some states have performed better than others. An important observation is that while there has been full compliance in respect of provisions, such as constitution of three types of ULBs, reservation of seats, and constitution of SFCs, the same cannot be said for other provisions, namely constitution of wards committees, district planning committees and metropolitan planning committees.

Many states have not transferred functions, funds and functionaries to urban local bodies. Revenue powers of these bodies are often not in consonance with the assigned responsibilities. There is also no consistency about term, powers and method of election of mayors. In some states, mayors are elected directly whereas in most states there are elected indirectly. The term of mayor varies between one to five years. In most states, mayors do not have executive powers as these are vested with the commissioners. Implementation of 74th CAA needs strengthening.

The need for improving the functional efficiency of ULBs has acquired greater importance after the 74th CAA, which has devolved additional functions.

**14.3.1 Issues and Challenges**

The contemporary process of urbanization has also given birth to various problems in India. Some of the most significant problems which may be observed readily are as follows:

- (a) **Development of slum areas:** In almost all urban areas of India, the population of slums comprises a major portion of the overall population of the cities. Even the most planned cities (like Chandigarh) are not free from the problem of these slum areas. These slum areas are those regions which are densely populated with minimal living standards, deprived of basic



amenities like ventilators, windows, roads, electricity, fresh air and clean drinking water etc. These slums are the halts of different kind of diseases, environmental pollution, immoral acts and social tensions. These slums are also the shelters of various social problems like domestic violence, child-labour, gambling etc. Almost all indicators of poverty may be traced in these slum areas.

- (b) **Lack of residences:** Lack of residences is the second most important problem of urbanization in India. This problem seems more radical in those cities where population has crossed the limit of 10 Lacs or so. Along with this, inappropriate and unplanned use of urban land is also a major problem in urban areas. This problem has made widest impact on the low-salary groups. Considering this problem, government has introduced several rules and regulation for controlling and limiting the occupation of urban land and rent of residential and commercial properties. National Council related to urbanization in India has also suggested that at least 15% of all new development works in the urban areas should be directed towards the weaker sections of the society.
- (c) **Improper management of transportation:** In India, lack of proper transport system and commutation facilities pose the third most important problem in the process of urbanization. Though most of the metropolitan cities use advanced means of transportation with sophisticated technologies like trains, metros, trams, buses etc., still due to ever-increasing immigration in these areas and ever-increasing population, these facilities seem insufficient to cope with the needs of the people. Similarly, lack of sufficient medical facilities, health facilities, clean drinking water, and electric-supply also pose a serious problem in the urban areas.

On the basis of abovementioned major problems, it would not be wrong to say that India is fraught with the tendency of 'over-urbanization'. Not only this, but this process of urbanization is also giving rise to subsidiary urbanization. The advanced means of transportation and communication have paved the way for the sub-urbanization of the peripheral regions of the cities. Such development may be readily observed in the metropolitan cities of Delhi, Mumbai, Kolkata and Chennai, where capital regions are developing at remarkable rates.

In order to formulate a proper Urban Development policy in India, it should be assured that proper motivation and facilities should be provided to the rural areas, so as to reduce the gap between the urban and the rural areas. The Five-Year Plans have played an important role in attempting to deal with these urban problems, such as removal of slum areas, improvement of living standards in slums, implementation of newer land acquisition and development policies are included in this. Attempts are being made to bring about a similarity of lifestyle between the main cities and regional peripheral areas.

## NOTES

## NOTES

### Check Your Progress

5. List some issues which are caused in towns and cities because of population concentration and rising urbanization.
6. What are slum areas?

## 14.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Urbanism is characterized by a system of values, norms and attitudes towards the inter-personal relations in terms of individualism and anonymity.
2. In the medieval period of Indian history, cities like Kannauj, Delhi, Agra, Daulatabad, Hyderabad, etc., had acquired importance.
3. In any urban society, the occupational pattern reveals that most of the people are engaged in non-agricultural economic activities like government jobs, entrepreneurship, jobs in factories or other service industries (banks, colleges, etc.), retail business, etc.
4. The poverty and lack of employment opportunities have proved to be a push factor for the rural populace to move towards these industrial towns.
5. Various issues are caused in towns and cities because of population concentration and the rising urbanization. Some of these issues are high level of population density, traffic congestion, pollution (industrial, noise, traffic), slums, increase in urban poverty, degradation of the environmental, housing shortage, shortage of civic services and inadequacy of infrastructure.
6. Slum areas are those regions which are densely populated with minimal living standards, deprived of basic amenities like ventilators, windows, roads, electricity, fresh air and clean drinking water etc.

## 14.5 SUMMARY

- Urbanization is universal and brings about economic development and social change. It can be defined as a process of concentration of population in a particular territory.
- Evidence of urbanization in India is available from the Harappan period and throughout the history of India. The cities of Mohenjodaro and Harappa (presently in Pakistan) were established in the Indus river valley way back in 2,500 BC.
- With the advent of the British colonialism from the 17th century onwards, there was a growth of urban centres like Delhi, Bombay, Calcutta and Madras.

- During the 19th century, when the British firmly established themselves politically in India, urbanization in India entered a different phase.
- From the beginning of the 20th century and especially after independence, urbanization in India has taken place at a fast pace.
- Urban society all over the world has a few common features. Let us discuss them briefly as follows: Large population, Non-agricultural occupation, Heterogeneity and Tolerance.
- The factors that are mainly responsible for urbanization are as follows: Industrialization, Social factors, Modernization, and Employment opportunities.
- The contemporary process of urbanization has also given birth to various problems in India like a development of slum area, lack of residences, and improper management of transportation.

## NOTES

### 14.6 KEY WORDS

- **Urbanization:** It is a process which refers to change in values, attitudes and beliefs of people who migrate from villages to cities and the impact of this movement on people who are left behind in the villages.
- **Re-urban:** It refers to the composite urban settlements wherein the urban and rural population intermingled and stayed connected with and dependent upon each other.
- **Sub-urbanization:** It refers to the urbanization of rural areas around the towns and cities

### 14.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

#### Short-Answer Questions

1. What is the difference between urbanization, urbanity and urbanism?
2. What are the evidences of urbanization in India throughout history?
3. List the common features of urban society all over the world.
4. What are the features of urbanization in ancient and medieval India?
5. With whom does the primary responsibility of making civic amenities available rests? Mention some constraints they are faced with.
6. Write a short note on the inadequate level of empowerment of urban local bodies.

**NOTES**

**Long-Answer Questions**

1. Explain the pattern of urbanization in the 20th century.
2. Describe the causes of urbanization.
3. Examine the contemporary process of urbanization has also given birth to various problems in India.

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**14.8 FURTHER READINGS**

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