

EMPOWERMENT OF LOCAL GOVERNMENTS

A LOK SATTA Report



LOK SATTA
People Power

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PREFACE

A large-sized district in India is larger than about eighty (80) nation-states in the world in terms of population. Most of our larger states would be among the large nations of the world. Uttar Pradesh, Bihar, Maharashtra and West Bengal - each would be the largest nation in Europe, if independent. Even a truncated Uttar Pradesh would be the world's sixth largest nation!

Given these mind-boggling demographic realities, coupled with unmatched diversity, our centralized, somewhat imperial style of governance is archaic and ineffective.

An incident during British Raj some 80 years ago illustrates the absurdity of over-centralization in a democratic polity in the 21st century. Chittaranjan Das (CR Das), the great Bengali patriot, was elected as Mayor of the newly constituted Calcutta Municipal Corporation in 1924. Das argued with the then British authorities that as the head of the elected local government he should have the right to appoint the Chief Executive Officer (Commissioner) of the city government. The British offered him the services of any ICS officer he chose. Das declined and won the right to appoint his own official. He then picked a bright young 27 year old as the commissioner. He was none other than Subhash Chandra Bose!

The story did not end there. Bose did an outstanding job as the city administrator and gained wide recognition in a few months. Several months later, he was arrested for his involvement in freedom struggle and detained in Alipore Jail. CR Das again insisted that Bose did a great job, the charges against him were unrelated to his work as the city official, and the elected local government could not be denied his services. Amazingly, the colonial government relented, and directed that Bose should continue as the commissioner even while in custody! Files were sent to him in jail, and his orders were carried out. This extraordinary practice continued until Bose was exiled to Mandalay in Burma. Bose went on to become Mayor of Calcutta in 1930, and later Congress President in 1938 and 1939.

One hesitates to recount this story for fear of giving ideas to our political and bureaucratic masters who, based on this precedent, might insist on continuing in office when jailed for bribery or murder! But the episode

does illustrate the strength of local governments even during colonial days. Today, even a 'B' grade municipality has no authority to appoint its own civil servants, or enforce accountability.

A friend in the suburbs of Chicago told me that he pays \$8000 per year as school tax to his county. Once there is a clear link between taxes paid and services rendered, taxpayers will demand better quality services and hold public officials to account. In the absence of such a link between taxes and services and because most public services are of appalling quality, our tax compliance is low and resistance to taxation is high.

A republic is judged not by the pomp and pageantry, or by the display of power on state occasions. The quality of water supply, access to public health, functioning of schools, adequacy of storm water drains, sewerage and sanitary facilities, and traffic regulation and order on the streets - these determine the greatness of a republic. Thanks to over-centralization, most public expenditure goes down the drain. The services and public goods we get do not account for even a fraction of the total public expenditure. All the basic amenities and services that make life worth living are in a state of disrepair. Look at education, health care, water supply, drainage, roads and myriad other public services. As a rule, if we can afford, we opt private alternatives at high cost – like in education and health care. Where private goods are not possible, like roads and drains, we suffer in silence and fume in impotent anger. In areas like justice, administration, mafias are increasingly taking over and rough and ready 'justice' is delivered for a price! The link between our taxes paid and services rendered is non-existent. No wonder, we all made tax evasion and avoidance a highly creative national pastime!

There are those who argue that local people do not have enough knowledge or skills, and local governments tend to be corrupt. When the British argued that we were not fit for freedom, our leaders pointed out that good government was no substitute to self-government. They had to grudgingly admit that the British did give good government, and yet we fought for our freedom. Today, centralized government has become a repository of corruption, incompetence and misgovernance. What we have in the name of governance is constitutional brigandage and legal plunder. The struggle today is plainly between centralized bad government and local self-government.

The notion that citizens have no capacity to understand their self-interest and are incapable of taking charge of their own lives at local level is absurd in a democracy. And yet, we extol the virtues and wisdom of voters when they exercise their franchise in electing state and national governments. Many of us admire China's rapid economic growth in recent years. But we often ignore the fact that the employment and exports in China are powered by the millions of town and village enterprises (TVEs) with the support and active participation of local governments. One of the ironies of contemporary history is that authoritarian and communist China is far more decentralized than liberal democratic India!

It is true that locally elected governments are likely to be as decent or corrupt as centralized governments. There is no greater morality in municipal governments. But as the government is local, and people understand the links between their vote and public good, and taxes and services, they will assert to hold the government to account and improve the quality of our democracy.

Political parties across the spectrum have been promising to empower the local governments with functions, funds and functionaries. It is time that ruling coalition and opposition delivered on their promise and allowed little republics to flourish all over. Only then will fruits of freedom reach our people, and our national holidays will be occasions for genuine celebration, instead of meaningless rituals. To ensure that the fruits of freedom percolate to the lowest strata of governance in a State and reach the largest number of people possible, several strong approaches have been debated in this report, and clear recommendations made for implementation. This report is prepared on the basis of the work done by the Lok Satta Committee for Empowerment of Local Governments. Elected representatives of local governments and legislatures, government officials, friends from media fraternity, and civil society representatives were consulted in drafting this report.

This report gives brief overview of initiatives taken by various States such as Andhra Pradesh, Madhya Pradesh, Kerala, Karnataka and West Bengal. The issue of decentralization in Andhra Pradesh has been dealt with in some detail. The key aspects such as the '*Principle of Subsidiarity*' – which states that anything that could be done at the local level should first be done at that level only, before it passes on to the next larger level – has

been duly emphasized. Vital issues such as devolution of adequate functions to the local governments, provision of adequate funds and functionaries to the local governments, establishment of District Planning Committees, Metropolitan Planning Committees, stakeholder groups, and Ward Committees have been examined from a closer dimension.

The significance and necessity of accountability mechanisms such as Citizens' Charter, Ombudsman and District Audit Unit have been dealt with in detail. The issue of *e-governance* and the territorial consolidation of panchayats, which deals with the ideal size for a panchayat, have also been discussed. The recommendations made in this report are practical in approach and wide in scope. The citizen is sought to be kept at the center of the universe of governance throughout this report.

Lok Satta is deeply indebted to Sri BPR Vithal, the distinguished former civil servant and member of the Tenth Finance Commission, who chaired the Committee. Sri Vithal's erudition, insights, practical wisdom and indefatigable energy are the invaluable resources tapped in this work.

Sri P. Sanjay, the Advocacy Associate in Foundation for Democratic Reforms, has laboured very hard to compile this report, and coordinate the many difficult tasks involved in the publication of it. Lok Satta is grateful to Sanjay for his tireless efforts.

Finally, this work would not have been possible without the generous support of ***Chalasanani Satyanarayana Endowment for Democratic Reforms*** and ***Pragati Art Printers***. We extend them our heartfelt gratitude for their unstinted support and unflinching cooperation.

- ***Jayaprakash Narayan***

Terms of Reference for Working Group on Local Self-Governance and Empowerment of Stakeholders

Lok Satta has decided to make advocacy for empowerment of local governments, and where possible, direct empowerment of people as stakeholders, the center-piece of its strategy for mobilizing public opinion in favour of democratic reforms. Toward this end, we constituted a Working Group on Local Self-Governance and Empowerment of Stakeholders in Andhra Pradesh. The Working Group consisted of the following eminent and experienced persons as members.

1. Sri BPR Vithal, IAS Retd. Chairman
(Member, Tenth Finance Commission)
2. Sri DV Subba Rao Member
(Former Mayor, Vizag Municipal Corporation)
3. Sri Reddappa Reddy Member
(Former Chairman, ZP, Ananthapur)
4. Sri Ravi Kumar Member
(Chairman, ZP, Nalgonda)
5. Sri Rajendra Prasad Member
(President, AP Gramapanchayat Sarpanches Association)
6. Sri M Rama Reddy Member
(Member, Lok Satta Coordination Committee)
7. Sri J Satyanarayana Member
(Municipal Chairman, Suryapet)
8. Sri V Perumallu Member
(Dist Education Committee Member, Karimnagar)
9. Sri V Prabhakar Choudary Member
(Municipal Chairman, Ananthapur)
10. Sri Anam Vivekananda Reddy Member
(Chairman, Chamber of AP Municipalities)
11. Dr Jayaprakash Narayan Member
(National Coordinator, Lok Satta)
12. Sri M Mohan Rao Secretary
(Jt. Registrar, Retd. Cooperative)

Suggestions from many experts were taken into consideration by the working group in preparing this report. Some of the experts consulted by the working group are:

1. Sri KS Sastry IA & AS (Retd.) *Former Chairman, National Housing Bank*
2. Sri K Vijaya Rama Rao IPS (Retd.) *Former Director, CBI*
3. Sri NK Narasimha Rao IAS *Director, STRD*
4. Dr M Sivaiah *Former Professor, NIRD*
5. Sri K Satyanarayana *Former Law Secretary, GoAP*
6. Dr N Tulasi Reddy *Former ZP Chairperson, Cuddapah*
7. Sri K Sai Reddy *Former ZP Chairperson, Karimnagar*
8. Sri T Rajeswar Rao *Mayor, Warangal*
9. Sri S Ramachandra Reddy *Former MP (Rajya Sabha), Medak*
10. Sri DVVS Varma *Campaign Coordinator, Lok Satta*

The Terms of References (ToR) of the Working Group were as follows:

1. To review the literature and present situation prevailing in local governments and empowerment of stakeholders in all parts of India.
2. To critically review the present state of local governments and empowerment of stakeholders in Andhra Pradesh.
3. To prepare a suggested action plan for promoting genuine local self-governance and empowerment of people in Andhra Pradesh.
4. To prepare a draft legislation for local governments suitable for enactment in Andhra Pradesh.
5. To prepare draft legislations for empowerment of people as stakeholders in selected areas suitable for enactment in Andhra Pradesh.
6. Identification of distortions and omissions in the constitutional provisions relating to local governance and empowerment of people.

The Working Group considered, inter alia, matters relating to constitution of local governments at various levels, elections, electoral reforms pertaining to local governments, rational application of reservation for elective offices, prudent resource mobilization and management, subjects to be entrusted, transfer of subsidy programmes to local governments/communities, locally accessible justice system, local policing, control over public servants, and institutional checks to prevent abuse of office.

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I. FOREWORD

The background to the 73rd and 74th Constitutional Amendments

In Indian political thinking, leading up to independence and our constitution, there was an unstated distinction between Local Government (LG) and village panchayats. Local government was a concept introduced by the British as an initial step in the education and induction of Indians into governance. Allowing Indians into the covenanted services was an induction into administration. Thus, a subtle but valid distinction was drawn between administration and governance. The Indians themselves had taken to village panchayats to be an institution of self-governance in their history and not merely of governance. A somewhat romantic idea of the village panchayats as the body in which the ethos of the village resided was developed, partly with a view to move away from the reality of the caste panchayats. Gandhiji's great faith in the Gram Sabha, because of his faith in direct democracy, reinforced this aura. It was against this background that it was village panchayats alone that were mentioned in the Directive Principles.

For Indians, local government was Local Self-Government (LSG), the emphasis being on "self." There was subtle difference between the approaches of Nehru and Gandhiji to LSG. For Gandhi, self-government was literally SWARAJ; for him, even representative governance was abridgment of this. The most he could go to was the individual accepting the wish of the collective. That is why he gave more importance to the Gram Sabha than even to the panchayat.

Nehru took a more practical view. For him, LSG was both local and self-government; an improvement over the British administration in both respects. He was aware that a limited electorate had elected his generation of political leadership. Its authority derived not from its electoral base but from the popular upsurge for freedom. The next generation of leadership was to come from a broader base because of adult franchise. This leadership had to learn the art of governance and remain closer to people. The struggle for power had ensured that this generation remained closer to the people. The achievement of power was bound to create a chasm between this leadership and the people. The political parties had no tradition or mechanism to find suitable candidates for the legislatures. Participation in the freedom struggle had been enough so far. The local governments

(panchayat raj institutions) were initially looked upon both as a testing ground for such new leadership and a ladder for them to rise to the legislatures. But like all ladders, this one also appeared as a threat to those who already climbed it. The new leadership in the States and the MLAs perceived local governments more as a threat to their local base than an opportunity. The apprehension, therefore, was that they would thwart the rise of new local leadership. It was against this background that, initially, a prohibition was introduced, whereby no MLA could hold an elected position in the local governments. Some Chief Ministers (CMs), however, saw that this threat to the MLAs could be a useful instrument in their hands. There were, therefore, brief spurts in which some CMs took an enlightened view of local governments. But, in most cases, the legislative club considered local governments as, at worst, a threat, and, at best, a nuisance.

The course of events that led finally to the 73rd amendment to the constitution should be seen against this political dynamics. Some experts and some eminent and wise men, no doubt, were motivated by principles of self-governance, and subsidiarity, and so on, in crusading for local governments. The political leadership, however, were not always guided by first principles. The inherent suspicion of the State level leadership was further aroused by the Union taking the initiative in starting a nation-wide debate on democratic decentralization. Local government is an entry in the State List. The Union had earlier taken the initiative in transferring some entries from the State List to the Concurrent List, which was a move towards centralization. Without a word about reversing this, the Union was now asking the States to decentralize below their level. The bona fides of the Union were, therefore, suspect and this exercise was viewed as a move to vitiate the powers of the States, which had become the loci of considerable political power and patronage. The political equations in the country changed between the time this exercise was taken up and the time it came to the stage of a constitutional amendment. This change is reflected in the shape the 73rd amendment finally took.

The word “shall” is used in the amendment for having (1) a 3-tier system of panchayats. (2) direct elections and (3) reservations. With these three, we had “Nama” and “Rupa” for “Panchayat Raj”. But, when life had to be breathed into this structure by way of “Powers, Authority and Responsibilities,” (Article 243 G) the word used is “may!” Contrast this with the wording of Article 246, which deals with the legislative power of

the Union and the States. If the transfer of powers to the panchayats was to be at the discretion of the States, they were competent to do so in respect of any of the subjects in the State List. Why then was it necessary to add a list to the constitution? Does a discretionary list have any place in a constitution? An Election Commission and a Finance Commission are prescribed; but both are to be appointed by Ministers. This has resulted in the movement towards decentralization being slowed down sometimes by the States and some times by the Union itself.

Towards the end of 1999, the Union Rural Development Minister, Sri Sunderlal Patwa, wrote to all the Chief Ministers saying that, "It has been observed that in some of the States, the District Rural Development Agencies (DRDAs) have been abolished and their functions handed over to the Zilla Parishads. The independent existence of the DRDAs, along with the local governments, is highly desirable. I would, therefore, suggest that where DRDAs do not exist as separate entities, you may take immediate steps for reconstituting them." To this, the standing committee of parliament on the Ministry of Rural Development objected stating that, in particular, the committee desires that, bearing in mind Article 243G of the constitution, the bureaucratic overload of the DRDAs be seriously reconsidered and an earnest effort made to merge the function of DRDAs (with the ZPs). "DRDAs need to be democratized and rooted in the panchayat system." In December 2002, Sri Shanta Kumar, who succeeded Sri Patwa as Union Minister for Rural Development, proposed to set up a District Vigilance and Monitoring Committee (DVMC) for rural development programs. An MP was to be nominated Chairperson of this committee and the District Collector was to be its Member Secretary. The Chairman of the ZP was to be one among 20 members in this committee, most of whom would be officers. This time it was the turn of the Chief Minister of Madhya Pradesh, Sri Digvijay Singh, to protest saying, "Such an inappropriate action would undermine the spirit of the 73rd amendment." He pointed out, "The terms of reference of the DVMC are co-terminus with the functions and responsibilities of the Zilla Parishad. Is it not inappropriate to assign a superior position to a nominated body over an elected body, the Zilla Parishad?"¹

Thus, both the Union and States have, from time to time, tried to undermine the local governments. The Union champions the cause of the MPs; the

States try to protect themselves and their MLAs. When Union does it, the States protest; when the States do it, the Union protests. Neither is really interested in the local governments, although the Union took the initiative in amending the constitution and States passed the legislation. Given this position, it is no use invoking the “spirit” of the amendment. When a constitution is made after a climacteric event, such as the freedom struggle, a ‘spirit’ can be said to hover around it, which the process cannot altogether capture. It is a tryst with history that comes but rarely. But this cannot be said about amendments, which come out of experience or court judgments. Certainly, no spirit can be invoked for an amendment as recent as 1992! We were there and we are answerable for it.

Perhaps, having three tiers of local governments to which direct elections are ensured, is an achievement in itself. They have proved their worth, not by the powers they have under the constitution, but by the cost of their elections. The market, after all, knows best. Our electoral system allows a person to be elected on a minority of votes. The sine qua non of democracy is, therefore, elections, not representativeness. Nor are powers of governance important any longer, since the market is abridging the ambit of governance. Perhaps, therefore, the 73rd amendment, by ensuring direct elections and tenure to the local governments, has ensured to them all that even State governments will have in future!

The 73rd and 74th Constitutional Amendments

The 73rd and 74th constitutional amendments inserted Part IX and Part IXA in the constitution. Part IX relates to the panchayats containing Articles 243 to 243-O, Part IXA relates to the municipalities, containing Articles 243P to 243ZG.² Some of the main constitutional provisions pertaining to local governments are as follows:

- Part IX provides for system of three-tier local government.
- Article 243D provides for reserved seats for SC/STs in proportion of their population. Not less than one-third of the total seats reserved for SC/STs shall be reserved for women belonging to the Scheduled Castes and Scheduled Tribes. Not less than one-third of the total number of seats to be filled by direct election in every panchayat shall be reserved for women and such seats may be allotted by rotation to different constituencies in a panchayat.

- Every panchayat, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for this first meeting and no longer. An election to constitute a panchayat shall be completed before the expiry of its duration or before the expiration of a period of six months from the date of dissolution. (Article 243E).
- A State legislature may, by law, endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government. (Article 243 G).
- Constitution of a separate State Election Commission consisting of State Election Commissioner to be appointed by the Governor. The superintendence, direction and control of all elections to the Panchayats shall be vested in a State Election Commission. (Article 243K).

Impediments in the Constitutional Amendments:

Article 280, which relates to the Union Finance Commission, states: “The President shall, within two years from the commencement of this constitution, and thereafter at the expiration of every fifth year, or at a such earlier time as the President considers necessary, by order, constitute a Finance Commission.....” Article 243I states: “The Governor of the State, shall, as soon as, may be within one year from the commencement of the constitution (Seventy-third Amendment) Act, 1992, and thereafter at the expiration of every fifth year, constitute a Finance Commission of panchayats and to make recommendations to the Governor....”

The above article required the governors of States to appoint a State Finance Commission within one year from 1993, and thereafter “at the expiry of every fifth year”. This commencement date and the stipulation regarding the period has resulted in the State Finance Commission reports not being relevant to the periods covered by the Union Finance Commission. When a similar situation has arisen with regard to the Five Year Plan periods and the periods covered by the Union Finance Commissions, a synchronization was brought by Union Finance Commission being appointed earlier than five years. This was possible because of the words “or at such earlier time” in Article 280. This phrase is missing in Article 243-I. As a result, the Union Finance Commission is not in a position to draw upon the

observations, suggestions and the data provided by the State Finance Commissions in devolving funds to local governments in various States. Therefore, it is necessary to amend Article 243 I to introduce the words “or at such earlier times as the governor considers necessary.”

Conclusion

Clearly, there are many philosophical, constitutional, legislative, policy and practical issues, which have a bearing on local governments. Genuine transfer of powers to local governments is as momentous and complete as the transfer of power from alien British Raj to independent Indian government. This report is a serious attempt to unravel the complex issues involved in this transfer of power. While Andhra Pradesh situation is examined specifically, the larger issues apply to all states of the Indian Union.

- BPR Vithal

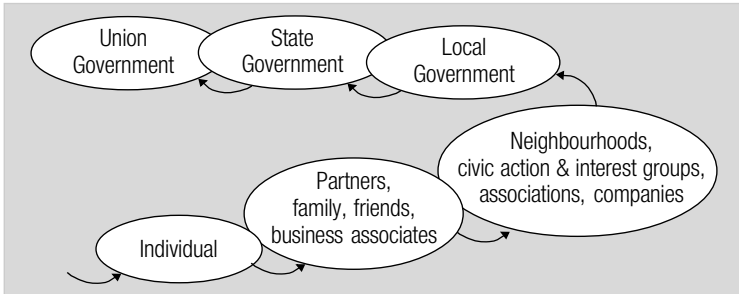
End Notes

¹ George Mathew, “Funding for Panchayats,” *The Hindu*, 21 and 22 April, 2003.

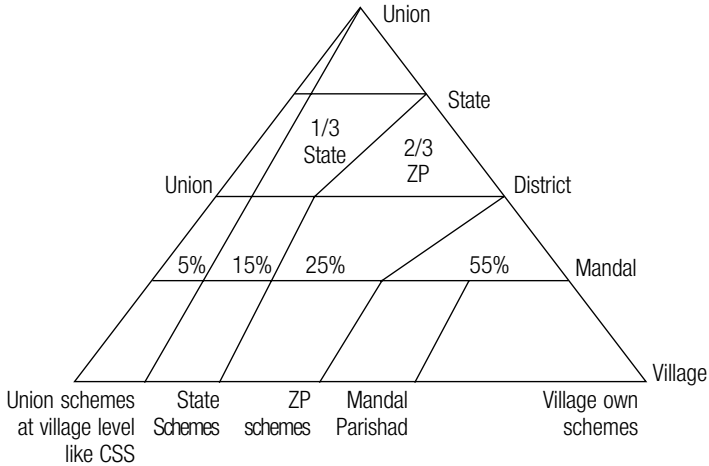
² Durga Das Basu, *Introduction to the Constitution of India*, (New Delhi: Wadhwa and Company, 1999) p.267.

PRINCIPLE OF SUBSIDIARITY

How much should be left to higher levels ?



Source : Liberal Times



In our scheme, some schemes go down to village level from top.

- 5% will be Union schemes
- 15% will be State schemes
- 25% will be Zilla Parishad schemes
- 55% will be Mandal and Village own schemes.

This does not mean that the schemes of smaller tier do not have an element of assistance from the larger tier. For instance, the State schemes may have an element of Union Plan Assistance.

II. LOCAL GOVERNMENTS IN INDIA

Local governments have been constituted in almost all States of India. Instead of comparative study, this chapter will highlight the initiatives taken by some of the major States to strengthen local governments. The reasons for avoiding a comparative study are: firstly, comparative study requires variables that can be compared across States, which will result in focusing on a number of functions, funds and finances that have been devolved, and such studies already exist (see table in adjacent page); secondly, comparative study tends to overlook some major decentralisation initiatives that have not been replicated elsewhere. For instance, the Peoples Planning experiment of Kerala, and the proactive role of local governments in initiating land reforms, a defining feature of local governments in West Bengal, have not been replicated elsewhere. Therefore, this chapter will critically analyze the various decentralisation initiatives in Madhya Pradesh, Kerala, Karnataka and West Bengal.

MADHYA PRADESH

Introduction

Madhya Pradesh Panchayat Raj Act, 1993, was enacted conforming to the requirements of the 73rd amendment. Madhya Pradesh was the first State to implement and conduct elections to local governments according to the 73rd constitutional amendment. Madhya Pradesh, today, has 61 Zilla Parishads, 459 Janpad Panchayats, and 30,922 Gram Panchayats. In Madhya Pradesh, urban local governments and rural local governments were constituted, and power and authority was delegated to these institutions in the subjects listed in the rural local governments and urban local governments list.¹ To ensure greater coordination among the three tiers, representation of 1/5th of the Sarpanchs to Janpad Panchayat, Janpad Panchayat Adhyakshas to Zilla Parishads has been provided. There is a clear delineation in the activities between the local governments and State government. Madhya Pradesh has combined decentralisation of administration and devolution of powers to local governments by having a strong District Planning Committee (DPC). The Gram Sabha is powerful in the Madhya Pradesh set up.

**Statement showing number of subjects transferred to PRIs
by the States/UTs**

S.No.	States/UTs	No of Departments/ Subjects Transferred to Panchayats with			No of Departments/Subjects yet to be Transferred to Panchayats with		
		Funds	Functions	Functionaries	Funds	Functions	Functionaries
1.	Andhra Pradesh	05	13	02	24	16	17
2.	Arunachal Pradesh	-	-	-	29	29	29
3.	Assam	-	-	-	29	29	29
4.	Bihar	-	-	-	29	29	29
5.	Jharkhand	-	-	-	29	29	29
6.	Goa	-	-	-	29	29	29
7.	Gujarat	-	-	-	29	29	29
8.	Haryana	-	16	-	29	13	29
9.	Himachal Pradesh	15	15	15	14	14	14
10.	Karnataka	29	29	29	-	-	-
11.	Kerala	15	29	15	14	-	14
12.	Madhya Pradesh	10	23	09	19	06	20
13.	Chhattisgarh	10	23	09	19	06	20
14.	Maharashtra	18	18	18	11	11	11
15.	Manipur	-	22	04	29	07	25
16.	Orissa	05	25	03	24	04	26
17.	Punjab	-	07	-	29	22	29
18.	Rajasthan	-	29	-	29	-	29
19.	Sikkim	29	29	29	-	-	-
20.	Tamil Nadu	-	29	-	29	-	29
21.	Tripura	-	12	-			
22.	Uttar Pradesh	12	13	09	17	16	20
23.	Uttaranchal	12	13	09	17	16	20
24.	West Bengal	12	29	12	17	-	17
25.	A&N Islands	-	-	-	29	29	29
26.	Chandigarh	-	-	-	29	29	29
27.	D&N Haveli	-	03	03	29	26	26
28.	Daman & Diu	-	29	-	29	-	29
29.	NCT of Delhi	Panchayati Raj system is yet to be revived					
30.	Pondicherry	-	-	-	29	29	29
31.	Lakshadweep	-	06	-	29	23	29

Source: Government of India, Ministry of Rural Development (2001), Agenda for the State Ministers' Conference on Panchayati Raj (July 11, 2001), New Delhi., as cited in National Institute of Rural Development (NIRD). 2001. India Panchayat Raj Report, Hyderabad. p.31.

District Administration

The District Planning Committee, which came into existence through Madhya Pradesh Planning Committee Act, 1995, became the institution through which attempts at strengthening district administration were made in 1999. By amending this Act in 1999 and adding a new clause that enabled “the exercise of such powers by the DPCs, which are entrusted to them by the State government by notification, and in the performance of such functions, the DPCs would be deemed to be sub-ordinate bodies of the State government and, as such regulated by the State government.”² Enforcing the above amendment, the Madhya Pradesh government transferred substantial functions to DPCs. The meetings of the DPC were to be presided by the minister-in-charge of the district and the District Collector was designated as the Secretary of the DPC. Apart from the minister-in-charge of the district and the District Collector, other members of the DPC are Zilla Parishad President, MP and MLAs representing the district. The District Collector was also made Deputy Secretary of the government of Madhya Pradesh. As a result, the District Collector is able to sanction amounts to a tune of Rs. 50 lakhs, which has made the administration responsive to the local needs.

In an attempt to strengthen the local governments, the State government of Madhya Pradesh has merged District Rural Development Agencies (DRDAs) with Zilla Parishad. The functions of 22 departments with financial implications, including education, women and child development, rural industries, food and civil supplies, have been transferred and brought under the purview of local governments.³ And all district and sub-district level officers and employees in respect of various schemes and programmes were transferred to local governments. Middle-tier i.e., Janpad Panchayat, has reasonable administrative power, with powers to supervise teachers and with the power of transfer to hold them accountable. Janpad Panchayat has been given the power to transfer class 3 and class 4 employees, but in practice the powers of transfer of class 3 and class 4 officers has been usurped by the DPC. Gram Panchayat has been given powers to recruit the panchayat karmi, designated as Secretaries, and Gram Panchayat can recruit shiksha karmis under Employment Guarantee Scheme. While Zilla Parishad and Mandal Parishad depend entirely on transfers from the State government, the Gram Panchayat has taxation powers. The financial allocations of all programmes and schemes have been devolved to local governments. Further, from 2000-2001, tier-wise and district-wise provision

has been made in the budget to ensure efficient flow of resources to local governments.⁴ In order to ensure operational freedom, Gram Panchayats have been empowered to sanction development works up to Rs.3 lakhs, Janpad Panchayats up to Rs.7 lakhs and Zilla Panchayats up to Rs.10 lakhs.

Criticism of District Administration:

Madhya Pradesh decentralization process, with emphasis on DPC, has been criticized for undermining the elected governments, especially the Zilla Parishad. The elected representatives of local governments have complained that DPC has usurped the powers of the Zilla Parishad. More specifically, it is the minister, Collector, MPs and MLAs, rather than local governments, who make arbitrary decisions based on local political considerations. It has been pointed out that DPC has emerged as the all-powerful body at, and below the district level. So much so, that DPC has been taking decisions on who in each GP benefits from schemes overlooking Gram Panchayat's beneficiary selection list. The District Collector as the Secretary of the DPC, and with powers to grant substantial amounts for development works, has emerged as a powerful institution at the cost of local governments. With growing criticism that local governments are being weakened, the Madhya Pradesh government enacted the Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001, to provide greater involvement of people at the grass roots level.

Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001 - Strengthening Gram Sabha.

Madhya Pradesh government amended the Madhya Pradesh Panchayat Raj Adhiniyam Act, 1993, on 21st January 2001, to rename it as the Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001. The citation of the amended act replaced the words "Panchayat Raj" with "Panchayat Raj and Gram Swaraj." The Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001, transferred most powers of the Gram Panchayat to Gram Sabha. The rationale for strengthening Gram Sabha at the cost of Gram Panchayat, as cited by the Chief Minister of Madhya Pradesh, was that Panchayat Raj was becoming "Sarpanch Raj". As per the Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001, the Gram Sabha has to constitute eight standing committees and adhoc committees to implement the development programmes effectively. Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001, suggested the following measures to prevent the Gram Sabha from being controlled by few individuals:⁵

- The quorum for the Gram Sabha should be one-fifth of total members of the Gram Sabha, and one-third of which should be women and SCs and STs.
- Gram Sabha is not empowered to take decisions, if the meetings lack quorum.
- Gram Sabha decisions should be unanimous. However, in case of difference of opinion among the members of Gram Sabha, the decision should be arrived at by a secret ballot.
- To ensure representation of a cross-section of society, reservations have been provided to women and marginalized sections of society.

Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001, also has provisions that attempt to bring about convergence between user committees/stake holders and local governments. As per the Act, the Gram Sabha will elect all the members of the Users Committee and it will be chaired by the Sarpanch. Elected members of the Gram Panchayat will also be the minority members of these committees. The provisions of the Act may provide for conditions for better taxation at the village level. As James Manor points out:⁶

“The new Madhya Pradesh system shifts the power to make decisions about the imposition of taxes from Gram Panchayats to the Gram Sabhas. Village meeting en masse are thus asked to consider taxing themselves. Since no one is elected to the Gram Sabhas, no one needs to worry about not being re-elected because they have become unpopular. This may result in at least a modest increase in resource mobilization. The people in the State government who designed the new act were unaware of this potential benefit, but it is worth noting nonetheless.”

Criticism

In spite of many provisions that foster greater involvement of people at local level, the critics of the Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001, point out that the Act provides for Article 7-H, whereby a committee consisting of Janpad Panchayat Adhayaksh, sub-divisional officer and a member of Janpad Panchayat of that area can overrule the decisions arrived at the Gram Sabha. Similarly, it has been argued that while on one hand Gram Panchayat would become very weak, on the other, Gram Sabha may not be able to meet regularly resulting in a few powerful people at the local level taking all the decisions.

Conclusion

In spite of many reservations, decentralization in Madhya Pradesh has made substantial progress with clear devolution of functions to local governments and clear delineation of functions between local government and State government. It has also resulted in greater political participation. The Madhya Pradesh decentralization process has also provided for strong accountability mechanisms. The State has introduced the 'Right to Recall' of their elected representatives for non-performance, and provision of social audit was provided through Gram Sabhas. Madhya Pradesh Panchayat Raj (Sansodhan) Adhiniyam, 2001, was justified on the grounds that Panchayat Raj was becoming Sarpanch Raj. But at the same time, the decentralisation to the district was to a committee comprising of ministers, MLAs, MPs, and District Collector. The Chairman of the Zilla Parishad was reduced to being one among these many functionaries.

KERALA

The Kerala Panchayat Raj Act, 1994, came into force from 23 April 1994, in consonance with the requirements of the 73rd and 74th constitutional amendments. A series of amendments were carried out to the Kerala Panchayat Raj Act, 1994, the most important being the Kerala Panchayat Raj (Amendment Act), 1999, that constituted new institutions such as Ombudsman and gave more powers to the elected representatives.⁷ Kerala has approximately 991 Gram Panchayats, 152 Panchayat Samithis and 41 Zilla Parishads.⁸ Due to its unique demographic profile, the Gram Panchayat in Kerala consists of 30,000 population. While the Block Panchayat consists of population 1-2 lakhs, the District Panchayat population consists of up to 25 lakhs.⁹ The State government of Kerala has devolved about all the 29 functions along with funds and functionaries of 14 subjects and has constituted the District Planning Committee to address the planning requirements at the district level.¹⁰ The government has also constituted a State Development Council with the Chief Minister as Chairman, members of the cabinet and opposition leader as Vice Chairmen, District Planning Committee Chairman, Panchayat/Municipal representatives, etc., as members.¹¹ In order to facilitate smooth functioning of local governments, the State government amended approximately 35 State laws. In 1996, a campaign was conducted called People's Planning. Its main features are as are given in the Figure.1.

Figure 1: People's Planning in Kerala

- People's campaign for planning was launched in Kerala State in 1996, with the aim of empowering local bodies in the State to function as institutions of local self-government as well as the agents of local development.
- Devolution of 35% to 40% of the State's plan outlay for projects and programmes drawn up and implemented by local bodies.
- The People's campaign has been organised in six phases with clearly defined objectives for each phase.
- Phase I - Gram Sabha: Identification of the needs of the people has been accomplished by convening Gram Sabha. Priorities listed and awareness created.
- Phase II - Development Seminars: Make an objective assessment of the natural and human resources in the locality. Development seminars also discuss the development reports being prepared for each panchayat.
- Phase III - Task Forces: Sector-wise task forces have been constituted in local bodies to project the recommendations & suggestions from the development seminars.
- Phase IV - Annual Plan Finalisation: The major task was finalisation of annual plan of Gram Panchayat by including projects approved by the local bodies.
- Phase V - Integration of Plans of Higher Tiers: Every Block Panchayat has to prepare its development plan integrating village development reports as also the centrally sponsored poverty alleviation programmes. Similarly, each district panchayat has to prepare a development report integrating the suggestions and programmes of the lower tiers.
- Phase VI - Plan Appraisal: This phase is organised to ensure technical soundness and viability of projects prepared by the local bodies before they are approved for implementation. For this, a new concept of Voluntary Technical Corps (VTC) has been adopted. Retired technical experts & professionals were encouraged to enroll themselves as volunteers to appraise the projects and plan of local bodies. Further, Expert Committees were formed at the Block (BLEC), Municipality (MLEC), Corporation (CLEC) and District (DLEC) levels, drawing personnel from the VTC and including certain categories of mandatory officers. The committees have subject committees, and their tasks are technical and financial appraisal of the projects and issue of technical sanctions.
- Training Programmes: For ensuring the success of local level planning, training at the State, district, block and Gram Panchayat levels has been organised for the elected members, officials, resource persons and non-official experts.

Source: <http://planningcommission.nic.in/plans/mta/mta-9702/mta-ch10.pdf>.

Achievements of People's Plan:

In Kerala, large amounts of plan funds are allocated to local governments. Since 1997-1998, 35 percent of plan outlay is given to local governments. 90 per cent of this is in the form of untied funds with broad sectoral guidelines to prevent excessive spending in any one sector.¹² The allocations to all local governments are budgeted separately and individually in an annexure.¹³ This devolution has been done on the basis of well-defined criteria. This has also resulted in higher allocation to agriculture, industry, health, and education. Finally, the Gram Panchayat has become a site where welfare activities are discussed and planned, and it has become an instrument to enforce accountability.

A significant feature of the empowerment of local governments in Kerala has been the accountability mechanisms that have been put in place. The Kerala Panchayat Raj Act provides for performance auditing of the finances of the local governments. The local governments are also subjected to social auditing, wherein the citizens will have the right to examine the finances of the local governments. The Kerala Panchayat Raj Act also provides for constituting Ombudsman, with High Court judge as a Chairman, which will investigate complaints on the functioning of local governments.

Criticism:

In spite of many bold and imaginative steps of the Kerala decentralisation model, critics have pointed out numerous shortcomings, such as:

- Hasty implementation without proper devolution of powers and functions to the local bodies.¹⁴
- Lack of quorum in Gram Sabhas after the initial enthusiasm. As a result, the institutions at the grass roots functioned like any other bureaucratic organizations.
- With almost 40 percent of plan fund being transferred to the local governments, the Gram Panchayats had substantial resources at their disposal. However, due to absence of expertise in planning, most of the funds were wasted in carrying out populist policies rather than for creation of assets.¹⁵
- There was lack of technical expertise at the grass roots level.
- Substantial funds were given to local governments. However, it came to light that Gram Panchayats were not in a position to spend more than 10 per cent of the devolved funds. In order to meet the expenditure targets, the local governments withdrew the amount from the government and deposited them with the public sector institutions or in their bank accounts.¹⁶
- People's plan envisaged active participation of women in various activities of the local governments. After initial enthusiasm, the participation of women came down to a mere 15 percent.¹⁷

KARNATAKA

Pre 73rd Constitutional Amendment

Karnataka had made rapid strides in the empowerment of local governments much before the 73rd constitutional amendment came into

force. The Karnataka Act, pertaining to local governments that came into force in 1983, was a highly progressive and innovative piece of legislation that:¹⁸

- For the first time brought a big chunk of the planning and development activities under local governments.
- The introduction of 25 percent reserved seats for women.
- Recognized the panchayats' Presidents as Chief Executives from whom the bureaucrats took orders.

In 1985, administrative and financial powers were devolved to the district and mandals. The Panchayat Raj Act, 1985, empowered the local governments to carry out most of the development functions. The financial devolution to the local governments was substantial. For instance, the finances of various State government programmes were placed at the disposal of the Mandal Panchayat, in addition to per capita grant of Rs. 10. The staff of the various departments, working with local governments, was transferred to the local governments on deputation. The Executive Officer of the Zilla Parishad was designated as Chief Secretary of Zilla Parishad. The President of the Zilla Parishad was given the status of Minister of State and the power to write the annual confidential report of the Chief Secretary of the Zilla Parishad. These features were discontinued in the Karnataka Panchayat Raj Act, 1993, mentioned below.

Post 73rd Constitutional Amendment:

Karnataka enacted the Karnataka Panchayat Raj Act in 1993, which was in consonance with the provisions of the 73rd constitutional amendment, and conducted elections to the local governments in the same year. Karnataka has approximately 5,659 Gram Panchayats, 175 Taluka Panchayats and 27 District Panchayats. The population range of a Gram Panchayat, Taluka Panchayat and District Panchayat are 5,000 to 7,000; 10,000; and 40,000 respectively.¹⁹ The 1993 Act provided for committees at all levels of the local government. Gram Panchayat has three committees - production committee, social justice committee, and amenities committee. Karnataka is one of the two States that have transferred all the 29 subjects enumerated in the Eleventh Schedule. However, critics of Karnataka decentralization point out that the devolution has been confined only to paper. Karnataka has constituted the District Planning Commission (DPC). District Rural Development Agency (DRDA) has been merged with the local

governments. As per the recommendations of the first State Finance Commission, the State government provided 36 per cent of the revenue to rural local governments and urban local bodies.²⁰ Significant portion of State non-loan own gross revenue receipts (30.6 percent) have been devolved to the local governments. But major portions of these resources have been received by the Taluk Panchayats (49 per cent) and Zilla Parishad (38 per cent), leaving little room for Gram Panchayats (13 percent).²¹ The establishment of a separate directorate to oversee implementation of the special education package for North Karnataka has resulted in completely bypassing all tiers and systems of local governments.²²

In Karnataka, women find adequate political representation in the local governments. Though the Karnataka Panchayat Raj Act, 1993, provides for 33 percent reservation of seats for women, 43 percent of those elected to Gram or Village Panchayat are women, and in districts such as Dakshina Kannada, it goes up to 50 percent.²³ A feature of the Karnataka decentralization process has been the introduction of a system called Panchayat Jamabandi, where audit of accounts and works is carried out with public participation.²⁴

WEST BENGAL

West Bengal is the only State in India that witnessed uninterrupted elections to the local governments since 1978. With approximately 3,242 Gram Panchayat, 332 intermediate Panchayats and 17 Zilla Parishads, West Bengal has constituted District Planning Committees and has merged DRDA with local governments. The merger of DRDA with local governments has brought large number of rural development programmes under the ambit of local governments. An innovative feature of the local governments has been the village constituency meetings, which are held twice a year, wherein the elected members of the Gram Panchayat have to face the voters and answer the questions on the development projects initiated in the panchayat.

The local governments in West Bengal, along with land reforms, took active participation in improving the rural infrastructure. Along with providing agricultural inputs, the active participation of local governments in strengthening rural infrastructure resulted in quantum jump in agriculture productivity. For instance, West Bengal had one of the slowest rates of agricultural growth before the initiation of land reforms after which it became the fastest food growing State, registering a growth of 6.5 % in

food grain production. The local governments have also been actively involved in improving the health and educational indicators in the rural areas. In 1997, West Bengal had decentralized the educational management by involving the local governments with impressive outcomes. Similarly, local governments have been empowered to supervise the work of the health assistants working with health sub-centers.

Conclusion

The decentralization initiatives in West Bengal have been commended for their impressive work in various areas such as land reforms. However, many shortcomings have been pointed out in the functioning of local governments in West Bengal. For instance, though a village constituency meeting is an interesting innovation and tries to ensure greater participation of people at the grass roots, absence of active people's participation has been rampant. Similarly, the West Bengal government claims to have transferred all the 29 subjects that have been enumerated in the Eleventh Schedule, and functionaries and finances pertaining to 12 subjects and departments, but the consultation paper of the "National Commission to Review the Working of the Constitution," (NCRWC) states that the panchayats have to satisfy themselves with agency functions and are incapable of exercising autonomy in its own functional domain. The critics of West Bengal decentralisation point out that panchayats are not really autonomous, as they get directives from the party headquarters in the form of "news letters," and most of the programmes that local governments implement are actually conceived and financed by the State government.

End Notes

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III. OVERVIEW OF DECENTRALIZATION IN ANDHRA PRADESH

I. Brief History

Andhra Pradesh was one of the first States to constitute local governments through a legislative Act in 1959. The late 1950s and early 1960s saw the rise of local governments in Andhra Pradesh, with all the three tiers functioning vibrantly. However, towards the late '60s, various measures taken by the government contributed to the weakening of the local governments. The constitution of District Development Boards (DDBs), with District Collector as its Chairman, legitimized the supremacy of civil services over popularly elected bodies.¹ A committee headed by J.Vengal Rao suggested abolition of DDBs and also made the following pertinent observations on local governments, which are valid even today:²

- Local governments have lost dynamism because of paucity of funds.
- Local governments are suffering from lack of functional freedom.
- Strengthening of bureaucracy at the cost of local governments has weakened them.

However, in spite of DDBs' abolition in 1970, the supremacy of the bureaucracy over local governments continued. An attempt at rejuvenating local governments was made through Andhra Pradesh Panchayat Raj Act, 1986. The main objective of Andhra Pradesh Panchayat Raj Act, 1986, was to bring administration closer to the people, and 330 Panchayat Samithis were abolished and 1,104 Mandal Praja Parishads were created. A major step forward in the evolution of local governments was the enactment of 73rd constitutional amendment in 1992. The Act inserted an Eleventh Schedule, with Article 243 (G), and a Twelfth Schedule, with Article 243 (W), in the constitution. Article 243(G) identified 29 subjects that can be devolved to rural local governments, and Article 243 (W) identified 18 subjects to be devolved to urban local governments. The amendment made it mandatory for all the States to have a three-tier Panchayat Raj set up, and with this all the State governments had to bring about a comprehensive legislation, encompassing all the three tiers of the local governments. The Andhra Pradesh Panchayat Raj Act was enacted in 1994. The AP Act

satisfied the requirements of 73rd amendment by incorporating various provisions such as five-year term for local governments and one-third reservation of seats for women. Interestingly, Section 40 of the AP Act provides for the constitution of beneficiary committee for execution of works of the Gram Panchayat. However, the Act does not have a clear delineation of functions and duties among various tiers of local government.

II. Critique of Decentralization in Andhra Pradesh

It has been a decade since the 73rd constitutional amendment has come into force and it is necessary for us to make an assessment on how far the process of democratic decentralization of governance has progressed in Andhra Pradesh. The National Commission to Review the Working of the Constitution (NCRWC) has, in a consultation paper, commented:³

“In Andhra Pradesh, the Gram Panchayat and Mandal Parishads are not required to plan for economic development and social justice. All tiers of panchayat have been assigned with large number of functions. But, none of them has financial or administrative resources under their control to execute them. The Mandal Parishad has no control over the staff of development blocks, and the Zilla Parishad has no control over the DRDA, which controls huge funds over various poverty alleviation programmes.”

It is not correct to say that a large number of functions have been given to the local bodies in Andhra Pradesh. As per the 11th Schedule, 29 subjects can be devolved to the local governments, but the Government of Andhra Pradesh (GoAP) has devolved only 17 subjects, and that too without transferring either the funds or functionaries along with the functions. Only advisory and review powers have been transferred. For instance, in the education sector, the GoAP transferred only adult and non-formal education and libraries, but not primary and secondary education. Due to incomplete devolution of powers, the role of local governments has been limited, at best, to beneficiary selection.

District Planning Committees (DPCs) have not been constituted in spite of a clear constitutional mandate to do so. The DPC should prepare a district-level development plan and forward it to the State government. States such as Kerala and Madhya Pradesh have constituted the DPCs. In

Andhra Pradesh, a district level institution called District Development Review Committee (DDRC) has been constituted to review the development activity in the district. The DDRC does not have any functional linkages with the local governments. It is the MLAs and MPs who have a strong say in the functioning of DDRC. The absence of DPC and the functioning of DDRC in Andhra Pradesh goes against the spirit of the 73/74 constitutional amendments, which envisaged preparation of development plans at the district level by representatives of elected local governments and envisaged the DPC as a bridge between rural and urban local governments.

Till recently, the District Rural Development Agency (DRDA) has also not been integrated with the local governments. DRDA is an important institution at the district level that implements numerous rural development/poverty alleviation programmes. It is important to note that the formation of DRDA took place when there were no local governments in many States. Local representation could be ensured by making MLAs and MPs of the district, members of the governing council with the District Collector acting as the Chairman. However, after the 73rd constitutional amendment, the functioning of DRDAs, independent of local governments, is contrary to the spirit of the constitution. Implementation of rural development programmes pertaining to various devolved subjects by the DRDA, without any linkages with the local governments, is an important contributory factor in the weakening of local governments. While States such as Karnataka, Kerala and Madhya Pradesh have merged DRDAs with the Zilla Parishad to strengthen local governments, the GoAP is yet to do so.

States where DPC has been Constituted.	States where the DRDA has been merged with the Zilla Parishad.	States where the Chairpersons of the Zilla Parishad heads the DRDA.
Bihar, Haryana, Karnataka, Kerala, Madhya Pradesh, West Bengal, Rajasthan, Maharashtra, Tamil Nadu, Uttar Pradesh, Sikkim, Tripura.	Karnataka, Kerala, Madhya Pradesh, West Bengal.	Himachal Pradesh, Orissa, Rajasthan, Tamil Nadu, and Uttar Pradesh.

Source: NIRD

Apart from the reluctance to transfer subjects enumerated in the Eleventh Schedule of the constitution, even in the limited transfer of functions that

the GoAP has attempted, it did not transfer either the accompanying functionaries or finances to local governments. The authority of the local governments on the functionaries of various departments, carrying out rural development functions, is very limited. Elected representatives of local governments cannot take any disciplinary action against any gazetted officer. Representatives of local governments can, at the most, question the officials in the meetings or request the higher authorities to take appropriate action. However, in States like Maharashtra, the local governments have their own cadre, and various officials at the grass root level such as teachers, village health workers and electricity board engineer must attend all the Gram Sabha meetings and must implement all the resolutions of the Gram Sabha. Similarly, local governments have complete control over all the Class III/IV employees working with it. On the contrary, in Andhra Pradesh, even the powers that were given to local governments over some of the functionaries have been withdrawn. For instance, through Government Order (GO no. 358) in 2000, the GoAP vested all powers with regard to teaching and non-teaching staff of schools with the District Education Officer (DEO), removing them from the hands of CEO of Zilla Parishads.

The fiscal devolution to local governments has also been very minimal. While Gram Panchayat has taxation powers, Mandal Parishad and Zilla Parishad tend to depend on the transfers and grants from the State government. In case of Gram Panchayat, the financial resources generated locally are not sufficient to meet its expenses. More often than not, the Gram Panchayats do not have the necessary staff to collect various taxes propelling them into a vicious circle of fiscal insolvency. The Gram Panchayats do not have resources to employ staff to collect taxes, and its inability to employ the staff further exacerbates the financial crunch, as the taxes that are levied cannot be collected efficiently. The State governments' financial transfers to local governments has been negligible. The table below shows that annual untied amount is not more than Rs. 12,000, while the expenditure of the panchayat is around Rs. 13,000. The panchayat was not in a position to collect house tax and water cess, and substantial expenditure goes to payment of expenditures. On the other hand, almost Rs. 8,50,000 worth works have been carried out in the panchayat, on which panchayat does not have any control.

Table showing flow of funds in Pallepalli panchayat in Anantapur district since 1995.

Particulars	Period	Amount in Rs.
Projects During last five years		
Construction of cement roads and drainage line under Janmabhoomi program	Occasional Or 5 years	200,000.00
Construction of drinking water supply project	Occasional Or 5 years	650,000.00
Revenue of the Panchayat		
Grants from the State Government		
Tenth Finance Commission@ Rs. 16/- family	In two years	6,288.00
One rupee per head grant	Yearly	1,048.00
JRY	Yearly/1999	14,000.00
Share in stamp duty (20%)	Yearly/1999	2,000.00
Share in professional tax	Yearly/1999	3,000.00
Collection of house tax @Rs.0.20/ sft, Rs.15/- house for low income groups, Rs.5/- cowshed	Yearly	Did not collect during last five years
Collection of water charge from fifty private taps @Rs.50/- tap	Yearly	Could not be collected
Annual Expenditure of the Panchayat		
Electricity bill	Yearly/1997	550 Not paid since 1997
One person to look after pump house and street lights	Yearly/1999	6,000.00
Salary of village priest	Yearly/1999	1,500.00
Salary of Sarpanch @Rs.300/ month to be drawn from Panchayat funds. State Government pays @Rs.300/pm more	Yearly/1999	3,600.00
Maintenance of pump house and street lights	Yearly/1999	500.00
Celebrations of local festivals, etc.	Yearly/1999	1,500.00

Source: G.Bhaskara Rao, "Strengthening of Panchayats: Beyond Contractor's Role A Note on Andhra Pradesh Experience," available at <http://www.panchayats.org/downloads/GBR-paper.PDF>

The GoAP claims that almost 10.5 percent of its rural expenditure has been done through local governments. However, a closer examination of facts reveal that a mere 5.3 percent of its financial resources have been spent through local governments, and the remaining 4.7 percent was from the own financial resources of local governments. There is also absence of accurate fiscal data on the financial devolution to local governments as the World Bank observed in its report: "GoAP figures on the amount

transferred to the local governments as “planned” are misleading, as Janmabhoomi amount is shown as released to the local governments; in reality, it is released directly to the Collector, who then releases it to the Nodal Officer.”⁴ It is estimated that almost 80 percent of the meager financial resources of the local governments goes toward meeting the wage bills. As the State government has been complaining, this may be true of the government’s own current expenditure. However, in their case, the privilege of employment and powers of supervision and control go with the bill. In the case of local government, only the bill bears their name while the power remains with the State government. However, since these are now shown as local government activities, the onus of non-performance falls on them. In the absence of clear functional devolution and control over functionaries and lack of access to resources, the local governments are unable to function in any meaningful manner. The case study of local governments in Mahbubnagar district given below illustrates the dominant role of the State in every facet of district administration.

I. Decentralisation in Mahbubnagar District

In 2001, the Mahbubnagar Zilla Parishad had seven standing committees on various subjects ranging from Planning and Finance; Rural Development; Agriculture; Education and Medical Services; Women and Child Welfare; Social Welfare, including SC/ST to Works/Transport. Each standing committee is constituted of 6-7 ZPTC members and mandated to meet once in 90 days. MLAs are also members of these standing committees. The Chief Executive Officer (CEO) of the Zilla Parishad is appointed by the State government and is a Class I officer of the State cadre. He attends ZP meetings, but does not have the right to vote. He is responsible for the implementation of the resolutions of the ZP and its standing committees. The office of the Zilla Parishad consists of the CEO, Deputy CEO, Mandal Parishad Educational Officers, Accounts Officer and staff. While all the line departments in the district, plan, implement and monitor their activities in consonance with department/scheme guidelines, the Zilla Parishad is only mandated to review activities.

There are exceptions noted in two cases. The Panchayat Raj Engineering Department (PRED), the engineering wing of the Panchayat Raj department (and hence reporting to the Principal Secretary – PR & RD at the State) carries out planning and reports on its works, to the Zilla Parishad. In the case of works pertaining to Rural Water Supply and Roads & Buildings that are the responsibility of the PRED, the resolutions of the Mandal Parishad form the basis for proposals and estimates by the department, which are, in turn, presented to the ZP standing committee (Planning & Finance), who vet it before placing for a vote in the General Body of the ZP. The voted (approved) items of work are then budgeted in the annual demand of the PRED, which on allocation of funds is implemented and progress submitted to the

ZP for review. It is to be noted that in the case of the PRED, the financial flow for the capital works is internal to the line department (State annual plan allocation to department and thence to district) and is not controlled by the ZP directly.

The overall flow of development and general administration funds into the district is impacted by the nature of development programmes initiated in the district. Being a drought-prone area, funds for the DPAP constantly flow in to this district. But, the nature of programme administration and financial controls indicate that most of these are channeled through line departments, and do not get into the local government financial systems. The main sources of funds for the local governments are from grants-in-aid through various Union government schemes (tied grants), per capita grants mandated by the State Finance Commission and the share of Tenth Finance Commission and Eleventh Finance Commission funds.

Audited data over the 1995-1998 period indicate that taxes and grants-in-aid form the major portion of the GP revenues. It is to be noted that the tax component is the share of the State taxes collected, devolved back to panchayats as per the State government formula and not a separate tax base initiated by panchayats. In terms of expenditure, one finds gross under-utilisation on goods or services, with employee compensation being the main expense item (about 75-80 percent). The under-utilisation is because the monies are not there for the GP to spend in actuality, and are mostly book adjustments done as per the devolution formula at the time of finalisation of accounts (after the financial year is over). While capital expenditure is a significant component, these are mostly related to renewal and purchase of new items for the rural water supply programme and the buildings component managed by the Panchayat Raj Engineering wing. The flow of these funds is through the line department – PRED – even if approval has to be accorded by the ZP for expenditure.

The state of finances at the Mandal Parishad and the Zilla Parishad are similar, with employee compensation being the main expense item, and revenue generation limited to grants-in-aid, which are mostly tied. The devolution formula accepted by the State government after the first SFC report indicates three additional financial sources for the Gram Panchayats: (1) Share of professional tax collected – this is devolved by District Collector through the District Panchayat Officer (2) Share of entertainment tax – this is devolved by the District Commercial Tax Officer (3) Share of land cess/water cess – this is devolved by the MRO at the mandal office.

However, village studies revealed that the Gram Panchayats had not received any funds from these sources during the 1996-2000 period, signaling that these (if effected) would have ended up being financial year ending book adjustments, rather than real-time funds. It is also to be noted that there has been no disbursement of the TFC grants after 1996-1997 to the Gram Panchayats.

Source: World Bank 2000, "Overview of Rural Decentralization in India, Volume II," available at <http://www1.worldbank.org/wbiop/decentralization/saslib/olume%20II%20Rural%20decentralization%20in%20India.pdf>.

Village Secretariat:

In an attempt to provide various services under one roof in rural areas the GoAP on 1st January 2002, launched Grama Sachivalayam (village secretariat) system. In this model, the village secretary is the key person performing as many as 60 functions of various departments such as police, revenue, panchayat raj, health, and agriculture. The emergence of an administratively powerful village secretary is being seen as an attempt to weaken the local governments.

Janmabhoomi:

The administrative mechanism of Nodal Officers also contributed to the weakening of local governments. Nodal Officers played a key role in the allocation/disbursement of resources, and Sarpanchs found it difficult to carry out development works. The District Collector was the Nodal Officer at the district level. A Nodal Officer was appointed at the mandal level, and a Government Officer was appointed at the habitation level to oversee the implementation of the Janmabhoomi programme, which has been scrapped recently. The DDRC and the State cabinet oversaw the implementation of the programme. Though the government argued that local governments were provided a role in the Janmabhoomi programme, the funds for the Janmabhoomi were released by the Collector and placed at the disposal of the Nodal Officer. Each round of Janmabhoomi had a specific theme decided by the State government. Funds for departmental programmes were channeled through line department. In this implementation procedure, the role of local governments was minimal.

As it was, the local governments were handicapped by paucity of funds, lack of control over their functionaries, and there was no clear devolution of functions. On top of this, the emergence of bureaucratic institutions such as Nodal Officers for State programmes such as Janmabhoomi had further weakened local governments.

End Notes

¹ B.S. Bhargava, "Panchayat Raj in Andhra Pradesh," in G.Palanithurai (ed.) *Dynamics of New Panchayat Raj System in India* (New Delhi: Concept Publishing Company, 2002), p.191

² B.S. Bhargava, "Panchayat Raj in Andhra Pradesh," in G.Palanithurai (ed.) *Dynamics of New Panchayat Raj System in India* (New Delhi: Concept Publishing Company, 2002), p.192

³ National Commission to Review the Working of the Constitution, "Review of the Working of the Constitutional Provisions for Decentralisation (Panchayats)," available at <http://lawmin.nic.in/ncrwc/finalreport/v2b2-6.htm>

⁴ World Bank 2000, "Overview Of Rural Decentralization In India, Volume II," available at <http://www1.worldbank.org/wbiep/decentralization/saslib/Volume%20II%20Rural%20decentralization%20in%20India.pdf>

IV. DEVOLUTION OF FUNCTIONS

Introduction

This chapter deals with various issues pertaining to devolution of functions among the three levels of local governments and is divided into four parts. The first part will deal with the functional sub-division among the three levels of local government and will stress on the necessity of clear delineation of functions between various tiers. The second part will make a case that, in spite of the constitutional amendment mandating certain functions to be performed by the local governments, there will be certain areas where the State governments' intervention becomes necessary. The argument will be explained by taking the example of education sector. The third part of this chapter will provide a model of functional devolution that can be adopted in the State. And finally, the fourth part advocates the necessity of recasting the Legislative Council as Council of Local Governments.

Part I

Functional Sub-division

While the Eleventh Schedule provides for 29 subjects that can be devolved to local governments, the Government of Andhra Pradesh (GoAP), so far, has devolved only 17 subjects.¹ The process of devolution should be based on the *Principle of Subsidiarity*, i.e., what can be handled at the local level should be done at that level, and only those that cannot be done locally should be passed on to a larger tier, i.e., from the Gram Panchayat to the Mandal Parishad and Zilla Parishad.² The legislation has not provided for any clear delineation of functions for the different tiers of local governments. As a result, there exists a certain ambiguity about the functions of Gram Panchayat, Mandal Parishad and Zilla Parishad. This ambiguity is an important factor in the weakening of local governments. A clear delineation of functions between the three tiers will enhance the effectiveness of governance at the local level. It is assumed that what is not specifically devolved remains with the larger tier. On the other hand, the principle should be that what is not specifically reserved is devolved.

Let us take the example of education sector and try to identify the various functions of the three tiers of local government on the basis of *Principle of*

Subsidiarity cited above. Currently, the State government has devolved only the functions of adult and non-formal education to the local governments. The functions pertaining to primary and secondary education have not been devolved, which is a retrogression even from British times. It is important that the State government devolve all the functions pertaining to primary, secondary, adult and informal education to local governments. After the complete devolution of functions pertaining to education sector to local governments, the functions can be sub-divided among the three tiers.

The absence of clear delineation of functions in the above stated manner will result in overlapping of functions, duplication of work, conflict over functional domain and lack of proper oversight mechanisms. In order to overcome the above stated problems, the role of Gram Panchayat, Mandal Parishad, and Zilla Parishad, with respect to various schemes and programmes, should be clearly specified.

Subject: Education

Gram Panchayat

- Location of school and construction of school should be the function of village level Panchayats through the Gram Sabha.
- Nutrition programmes should be entirely managed by the village level Panchayats with the help of Gram Sabha.
- The Gram Panchayat should select suitable candidates for girls hostel.

Mandal Parishad

- Primary education will be transferred to Mandal Parishads.
- As regards vocationalisation of education, Mandal Parishads should identify location of work sheds for vocational education.
- Mandal Parishad will decide upon the location of girls hostel.

Zilla Parishad

- Provision of teaching and training material should be the function of Zilla Parishads for which they should identify and promote resource centers.
- In nutritional programmes, Zilla Parishad should arrange for linkages in respect of supply of food grains and its transportation.

- For secondary education, regarding educational technology and computer literacy, Zilla Parishad should arrange for the supply of hardware and its maintenance. Zilla Parishad should arrange training of teachers in consultation with Directorate of Education and SCERT.
- For secondary education, regarding educational technology and computer literacy, the Zilla Parishads should do the selection of teachers.
- As regards vocationalisation of education, Zilla Parishad should carry out the survey with help of District Education Officers.
- Appointment and training of special teachers for disabled education should be done by the Zilla Parishad.

An important aspect in the devolution of functions to local governments will be the role of State government. The State government, even after the devolution of various functions, should provide continuous support to local governments. This will be illustrated in Part II by examining the role of local governments and State governments in the arena of primary and secondary education.

Part II

State, Local Governments and Education

The large number of children not completing primary education is a major problem in Andhra Pradesh. Absence of infrastructure, attitudes prevalent in society, and low levels of teachers' skills and motivation can be regarded as the prime causes for this. One of the strategies that was expected to address this problem and provide quality education was decentralization of educational management through local governments. The 73rd constitutional amendment provided for the transfer of education, primary and secondary, to local governments, and the GoAP issued a Government Order treating education as one of the devolved subjects. However, a closer examination of Government Order (GO. No. 120, dated 31-3-1999) reveals a different picture. The Order says that the following schemes/departments be transferred to the control of Gram Panchayats for the purpose of planning, implementation and monitoring of the schemes: (1) Education for elderly people and non-formal education. (2) Libraries. The Government Order makes a passing reference that local governments shall have control over the schools.

School Education Committees have been created, which control the funds pertaining to construction, purchase of teaching aids and related equipment. Creation of such parallel institutions to local governments, for managing the educational institutions, has been done in West Bengal. Through the Primary Education Act of 1973, of West Bengal, an autonomous body called District Primary Education Council (DPEC), which was not a truly representative body, was created to manage the affairs of the education department at the district level. However, the DPEC was unable to provide quality education at the primary level. Even if a case can be made out for stakeholder committee such as parents' associations, the relationship should be cooperation and not of displacement.

Through Government Order (GO no. 358) in 2000, the GoAP removed all powers with regard to teaching and non-teaching staff from the hands of CEO of Zilla Parishads and vested them with the District Education Officer (DEO). Thus, between the school committee and the DEO, the subject of "education" is completely out of the ambit of local governments. This trend is in variance with several other States:

- In Haryana, rural primary schools have been transferred to Zilla Parishads, and all the assets vest with the Zilla Parishad for a period of five years. Transfer of teachers and postings are now the responsibility of the Zilla Parishad.³
- In Kerala, Gram Panchayats can examine and evaluate the teaching and non-teaching staff of lower primary schools in the Gram Panchayat. Gram Panchayat can recommend to the Assistant Executive Officer, the disciplinary action to be taken against a functionary for improper conduct. Gram Panchayat can see that, from the start of academic year, the vacancies of teachers are filled in by the AEO through PSC or employment exchange.⁴
- In Himachal Pradesh, Gram Panchayat has the power to supervise the attendance of the teachers. The pradhan or the ward member can put their remark on the supervision book to be kept in the primary schools. The panchayat can send these remarks to the District Primary Education Officer (DPEO), who has to take action within a month.⁵
- Learning from its past mistakes, the West Bengal Government in 1997, ushered in decentralization of education management through panchayat system and the local communities. In 1997, West Bengal government started Child Education Centers outside mainstream

school education, which was managed by the local committees. The committee is set-up every year in the meeting of Gram Sabha, and Gram Panchayat oversees the education programme. Today, there are over 11,000 such centers functioning better than mainstream schools.⁶

- In Madhya Pradesh, under the education guarantee scheme, if 40 persons in a locality seek an educational facility through the Gram Panchayat, the State government is committed to provide a low-paid teacher's salary for the purpose. The Gram Panchayat can appoint the teacher from the community, and so far 70,000 such teachers have been appointed. School management and even the physical infrastructure have been transferred to the panchayats in Madhya Pradesh.⁷

The above examples demonstrate the substantial role played by the local governments and the considerable success they achieved in providing better quality of education to rural children. Community's involvement through local governments such as Gram Sabha and Gram Panchayat and the power to recruit and discipline the functionaries of educational institutions has ensured better delivery of education services.

Despite the various constitutional provisions stating that primary and secondary education should be devolved to the local governments, the State and Union governments will still have substantial role in the education sector. The following are some of the areas where they will still have an important role in the realm of primary and secondary education.

- Defining school curriculum, so that it is not only context-specific in an agrarian setting but also meets the standards of global education.
- Ensuring a common performance evaluation procedure for all the students in the State.
- Training for teachers of secondary and primary levels and institutions for enhancing professionalism in teaching. Today, there is great paucity of quality teacher training institutes, and to expect the local governments to fill this lacuna will be inappropriate. Education training is a complex area that requires specialized training, which only the universities would be able to provide. Such training institutes need to draw their resources not only from the State but also from across the

country.

Even in other devolved subjects, the State government will continue to have an important role to play. For instance, in agriculture sector, all the research activities will be carried out by the State and Union governments. Similarly, in fisheries, the State and Union governments will have a major role to play in running various research and extension activities.

Part III

Earlier Attempts in Devolution of Functions

The discussion so far has dwelt on the necessity of proper devolution of functions between State and local governments. Many experiments in devolution of functions were attempted in Andhra Pradesh, which can be replicated with modifications. An experiment, which was based on decentralisation but was not democratic, was what was called the MT Raju Committee Report in 1969. Under this scheme, the powers of Heads of Departments were delegated to the District Collector. The Collector was Registrar of Cooperative Societies, Director of Agriculture, etc., for the district. Within that district, the Collector had powers of control over officials and of reappropriation of all allocations, which the head of the department previously had. The Chief Secretary (Sri MT Raju) used to hold quarterly meetings in different regional district headquarters to interact with the Collectors and sort out, on the spot, any problems that they may be confronting at the government level. The then Chief Minister, Shri Brahamanda Reddy, authorized him to do this.

In a way, this was a throw back to the classical British administrative set-up, where the line of communication and authority was direct and brief, between the Chief Secretary or Finance Commissioner at the State level and the District Collector or the Deputy Commissioner at the district level. Shri Raju was, however, breaching the model that was peculiar to Fort St. George and that had been adopted in AP. In this model, the line of authority was between Board of Revenue and the District Collector. The Board of Revenue was a collegiate body dealing with all revenues, i.e., land revenue, commercial taxes and excise, and the Collector was basically a Revenue Collector. Shri Raju, by establishing a direct contact between Chief Secretary and District Collector, was, in a sense, bypassing the Board of Revenue. This was, however, justified on the ground that the Chief Secretary was

also Development Commissioner and that the District Collector was now predominantly a District Development Officer. This position was formalized by having a separate post of District Revenue Officer, who dealt with the land revenue. Separate establishments were already available for commercial taxes and excise. The revenue-collecting establishment was thus separated. This scheme worked well.

Therefore, in so far as decentralisation is concerned, all that has to be done is to place the Zilla Parishad in the position in which the Raju Committee had placed the District Collector. Nothing in the existing rules will stand in the way. The steps necessary will be as follows:

- The budget for each department will have to indicate the allocation
 - (a) for State-wide schemes
 - (b) for district schemes

Under (b), the allocations for each district would have to be shown.

This will apply to both plan and non-plan budgets.

- For each district, the allocations available to it under different heads in the budget should be brought together so as to make a district budget.
- The district budget will be under the control of the Zilla Parishad.
- A district-wise breakup of the budget in the manner indicated above was actually done in our State for two years, following the increased powers given to the then regional committee in 1971 and 1972. It had to be done to arrive at regional allocations. It worked well during those two years. With the abolition of the regional committee, this practice was given up.

The above example provides a model of functional devolution that can be adopted in the State.

Part IV

Local Governments, Legislative Council and Council of Local Governments

It has been pointed out that, in matters pertaining to devolved subjects of local governments, the State governments will continue to have an important role. But this role will have to be so specified that it does not undermine the control of the local governments and local government delivery system.

There should be institutional mechanisms that will hinder the State government from usurping the legitimate functional domain of the local governments. This can be achieved by transforming the Legislative Council into Council of Local Governments.

The constitution provides for bicameral State legislature for bigger States - Legislative Assembly and Legislative Council. Legislative Assembly is composed of members directly elected on the basis of adult suffrage from territorial constituencies. Legislative Council consists of nominated and indirectly elected members. 5/6th of the total members of the Council shall be indirectly elected and 1/6th shall be nominated. Broadly, the composition of the Legislative Council is as follows:⁸

- 1/3rd of the total members of the Council shall be elected by electorates consisting of members of local bodies such as municipalities and district boards.
- 1/12th shall be elected by electorates consisting of graduates of three years standing in the State.
- 1/12th shall be elected by electorates consisting of persons engaged for at least three years in teaching in educational institutions within the State, not lower in standard than secondary schools.
- 1/3rd shall be elected by the members of the Legislative Assembly from amongst persons who are not members of the Assembly.
- The remainder (i.e., 1/6th) shall be nominated by the Governor from persons having knowledge or practical experience in respect of such matters as literature, science art, cooperative movement and social service.

Today only few States such as Bihar, Maharashtra, Karnataka and Uttar Pradesh have Legislative Councils, and most of the other States have abolished the Legislative Councils, according to the procedure prescribed by the Article 169. With the abolition of Legislative Councils, local governments were denied whatever little opportunity was there to voice their concerns. After the enactment of the 73rd/74th constitutional amendments, local governments have emerged as the third tier of governance. Therefore, there is not only a need for functional division, but also a necessity to make local governments a partner in the law-making with the State government. An effective way to achieve this would be to

recast the Legislative Council as Council for Local Governments, i.e., Legislative Council will have members elected solely by the elected representatives of local governments. The composition of the Legislative Council can be exactly on the lines of Rajya Sabha:

- The Legislative Council shall have representatives from districts elected by the method of indirect election.
- The representatives of each district shall be elected by members of Zilla Parishad and urban local governments of the district, in accordance with the system of proportional representation, by means of a single transferable vote.

The relationship between Legislative Council and Legislative Assembly should be similar to that of Lok Sabha and Rajya Sabha. An important function of the revamped Legislative Council would be to protect the domain of the local governments. Therefore, all legislation that affects the local government should be passed in the Legislative Council with appropriate majority, as determined from time to time.

End Notes

¹ For the list of subjects specified in Article 243G and for government orders pertaining to some subjects enumerated in Eleventh Schedule see box items in the following pages.

² National Institute of Rural Development, *India Panchayat Raj Report 2001*, Volume.1 (Hyderabad: NIRD 2001) Vol.1.p. 24

³ PRIA and Partners, "Primary Education and Panchayat Raj Institutions," available at <http://www.pria.org/downloadfile/Priedue.doc>

⁴ PRIA and Partners, "Primary Education and Panchayat Raj Institutions," available at <http://www.pria.org/downloadfile/Priedue.doc>.

⁵ PRIA and Partners, "Primary Education and Panchayat Raj Institutions," available at <http://www.pria.org/downloadfile/Priedue.doc>.

⁶ Buddhadeb Ghosh, "Panchayats and Elementary Education," *Economic and Political Weekly*, May 11, 2002 available at <http://www.epw.org.in/showArticles.php?root=2002&leaf=05&filename=4459&filetype=html>.

⁷ R.Govinda, *India Education Report, A Profile of Basic Education* (New Delhi: Oxford University Press, 2002). p. 116

⁸ Durga Das Basu, *Introduction to the Constitution of India*, (New Delhi: Wadhwa and Company, 1999) p.234.

**Subjects enumerated in Eleventh Schedule
(Article 243G)**

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. Small scale industries, including food-processing industries.
9. 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 weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

**Government Orders issued by the Government of Andhra Pradesh
pertaining to some subjects enumerated in Eleventh Schedule.**

1. Agriculture and cooperation
2. Minor irrigation ponds
3. Environment, Forests, Science/Technology department
4. Khadi village industry
5. Drinking water supply
6. Fodder
7. Transport, Roads and Buildings
8. Primary and Secondary education
9. Vocational education, education for elderly people, and Libraries
10. Cultural events, fairs, etc.
11. Woman welfare, Child welfare
12. Health, Medical & Family welfare department
13. Social justice
14. Energy
15. Labour, Employment and Training and Factories (EMP)
16. Revenue department
17. Civil supplies

V. RECOMMENDATIONS ON FUNCTIONAL DEVOLUTION

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
<p>Agriculture and Cooperation Department.</p> <p>GO 127 (1-5-1999) & 399 (27-9-2002)</p>	<p>Agriculture</p> <ul style="list-style-type: none"> • Selection of beneficiaries for supply of agricultural implements on a subsidy basis and on-farm demonstrations. • Sending reports on pest attacks to Commissioner of Agriculture • Agricultural officer at mandal level to attend MPP and ZPP meetings. • The finances of all schemes of agricultural department will be placed with the ZP who may allot the same to mandals keeping in view the action plan for implementation of various schemes in different mandals. • The departmental functionaries concerned shall do regulatory functions. 	<p>Planning and resource allocation shall be done by the ZP</p> <p>Research, and technological inputs shall lie with the State- but the inputs of ZP shall be taken into account to determine the direction of research</p> <p>Joint Director, Agriculture, should work under Zilla Parishad</p>	<p>All extension work, including the local functionaries like demonstrators and field officers shall function under the MP</p> <p>Mandal Agricultural Officer should work under the supervision of Mandal Parishads.</p> <p>Multiplication and distribution of improved seeds.</p>	<p>Identification of beneficiaries for various government schemes shall be done by the GP</p>

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
Revenue (ASN.1) Department GO 266 (30-3-1999)	<p>Land improvement, Land consolidation and Soil conservation</p> <ul style="list-style-type: none"> • Porambokes - grazing grounds, cattle stands etc - which are at the disposal of the State government and does not require them for any other purpose shall be transferred to Gram Panchayat 			<p>All organizations/ departments involved shall work closely with the GP on specific measures to be taken to implement the best practices in land management.</p> <p>Land Reforms: Distribution of Govt/ surplus land. The Gram Panchayat/Gram Sabha will do beneficiary selection, land identification and equitable distribution.</p>

Government Order No	Current status	LOK SATTA Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
	Minor Irrigation, Water Management and Watershed Development	<p>All watershed development planning shall be done at the ZP.</p> <p>The functionaries of various government departments like DRDA, DPAP, Irrigation etc. shall work under the MP and ZP as the case might be.</p>	<p>Identification and implementation of various schemes for watershed development shall be done at the MP level.</p> <p>The functionaries of various government departments like DRDA, DPAP, Irrigation etc. shall work under the MP and ZP, as the case might be.</p> <p>Minor irrigation tanks shall be managed by the MP.</p> <p>If the village tank spreads across more than one village, then it will fall under the jurisdiction of Mandal Parishad.</p>	<p>Panchayat tanks will be transferred to Gram Panchayat.</p> <p>Gram Panchayat will execute all the watershed programmes.</p>

Government Order No	Current status	LOK SATTVA Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
	Animal Husbandry, Dairying and Poultry		All veterinary hospitals to function under the MP	Poultry - Gram Panchayat.

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
IV. Environment, Forests, Science / Technology Department: GO 51 (30-3-1999)	Social Forestry and Farm Forestry <ul style="list-style-type: none"> • Social and Farm /Forestry, protection and management of nurseries and plants will be hereafter done by Panchayat Raj bodies. • The budget for above activities will be released by the District Collector to ZP. This will be credited into a joint account to be operated by CEO, ZP and Divisional Forest Officer. • ZP may take the help of Forest Department staff. 	All functions related to social and farm forestry shall be transferred to the ZP Take steps for tree planting in all government institutions at district and mandal level. Release funds for such work, if required and review the work Review the progress of work to the extent of social forestry under AP Water, Land and Tree Act.	The MP shall do management of nurseries, and similar activities. Range officer having jurisdiction must attend Mandal meeting and apprise the body about all Social Forestry programmes in the Mandal. All the tree-planting activities carried by various departments like watersheds, horticulture to be revived.	Decentralisation of peoples nurseries at GP level with self help groups (women). Planting of trees in all government lands by Gram Panchayat (excluding reserve forest) Ownership of trees existing in government lands within the limits of GP. AP Water Land and Tree Act, provision made for a role for GP. It should be operationalised. For all non-timber produce (NTFP or MFP) existing in GP jurisdiction, the GP should have control.

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
	Minor Forest produce/ Non Timber Forest Produce (NTFP).	Review of working of Girijan Co-op Corporation, which has monopoly over NTFP.		<p>The GP shall have complete rights on NTFP procured from the GP limits. GCC to transfer the proportional revenue to GP.</p> <p>Vana Samrakshana Samithi (VSS) to be restructured. President of GP to be the Chairperson of VSS and the present VSS Chairperson to be Vice Chairperson or President.</p>

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
Industries GO 97 (31-3-1999) I. Labour, Employment and Training and Factories (EMP) Department: GO 57 (11-12-2002)	<p>Small Scale Industries including Food Processing industries</p> <ul style="list-style-type: none"> The Gram Sabha shall select the beneficiaries under the Khadi and Village Industries Board scheme. Release of subsidies only after the certification by the Sarpanch concerned about the proper implementation of the scheme. The Chairman of the ZP can review the various programmes of Khadi and Village Industries Board. <p>The planning, monitoring and release of funds may be done by the Director, Employment and Training as at present. Public representatives may, however, inspect these ITIs and suggest ways and means to improve their working</p>	<p>Whatever the SSI department is doing like registration of SSIs etc, shall be transferred to the ZP</p> <p>GMDIC will work under the ZP. District industries center, programmes on weavers, ZP will plan and implement. Assistant Director, Handlooms, will work under Zilla Parishad. PMRY and other self-employment schemes under ZP.</p>	<p>Implementation of schemes for the development of cottage, village and small-scale industries financed by the KVIC and All India Boards.</p> <p>Establishment and maintenance of production cum training centers.</p>	Gram Panchayat

Government Order No	Current status	LOK SATTVA Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
	Rural Housing	<p>All housing board units shall function under the ZP</p> <p>The resource allocation and planning shall be done by the ZP.</p>	<p>DM housing / other officers and weaker section housing to be under the control of MP.</p>	<p>GP shall identify the beneficiaries</p> <p>GP will supervise the implementation of various schemes.</p>

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
<p>Panchayat Raj and Rural Development (RWS.) Department</p> <p>GO 421 (21-11-2002)</p>	<p>Drinking Water</p> <ul style="list-style-type: none"> All the hand pumps within the limits of the Panchayats shall be handed over to Gram Panchayats. While drilling of new bore-wells, they shall abide by the stipulations of AP Water Land and Tree Act 2002. Gram Panchayat should follow the guidelines of RWS Department in maintaining the hand-pumps. The budget amount provided @600 per borewell should be utilized only for the purpose of maintaining hand pumps. The existing departmental pump mechanics shall be attached to the mandals concerned. Wherever there is shortage of hand-pump mechanics, the Section Officer concerned will impart necessary training to desirous candidates 	<p>Overall planning of RWS schemes shall be done at the ZP level-like present. All drinking water schemes will be brought under the ambit of ZP. ZP to be sanctioning and executing authority</p>	<p>Execution and monitoring of schemes shall be done by the MP.</p>	<p>Hand pumps will be managed by the GP.</p>

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
Transport, Roads and Buildings Department GO 174 (21-10-1998)	Roads, Culverts, ... Transport <ul style="list-style-type: none"> Government GO - 18 ferry crossings were transferred to MP/GPs. 	District and Panchayat roads will be transferred to ZP. Reports pertaining to the maintenance of all assets in the district will be placed before ZP at its review meeting. Right to collect taxes on vessels operating on inland waterways. All buildings of ZP will be under ZP. ZP should be provided with separate engineering department. The R&B, departments shall function under the ZP	Ferries, waterways and other means of communication shall be at the ZP/MP. Right to collect taxes on vessels operating on inland waterways.	All roads within a village shall be under GP

Government Order No	Current status	LOK SATTVA Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
Energy: GO 80 (4-9-1998)	<p>Non-conventional Energy Services</p> <ul style="list-style-type: none"> Government GOs: Planning, review and monitoring of biogas and improved chulas shall be with the ZP 	NEDCAP functions shall be transferred to the ZP. Officers to work under ZP.	Planning, review and monitoring of biogas and improved chulas shall be with the mandal	
	<p>Poverty Alleviation programme</p>	All the government grants for employment generation and rural poverty alleviation shall be given as an en-masse grant to the ZP with freedom to deploy them as per their requirements and priorities		Selection of beneficiaries by GP

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
<p>Education: GO 120 (31-3-1999)</p>	<p>Education</p> <ul style="list-style-type: none"> The following schemes/departments be transferred to the control of Gram Panchayats for the purpose of planning, implementation and monitoring of the schemes. (1) Adult education and non-formal Education.(2) Libraries 	<p>Secondary education to be transferred to the - ZP.</p> <p>The ZP head shall be the appointing authority for all staff including teachers. All teachers shall function under the respective ZP.</p> <p>All schools outside the purview of ZP shall now work under the control of ZP.</p> <p>Technical education (other than polytechnics, ITIs,) pertaining to vocational courses shall be with the ZP.</p> <p>All the district educational staff will work under the ZP.</p> <p>Planning for adult education will be done by ZP.</p>	<p>Primary education to be transferred to the MP.</p> <p>Coordination for adult education will be done by MP.</p>	<p>Sarpanch will be Chairperson of the school education committee.</p> <p>CEC centers will be managed by GP.</p> <p>Selection and appointment of Prerak will be done by the GP.</p>

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
GO 120 (31-3-1999)	Libraries	ZP will get 5-10% of library cess from all GPs to be used for coordination purposes. Urban libraries will give 10% of library cess to ZP.		GP will have full control of all reading rooms under their jurisdiction Library cess will be collected and used by the GP. However, 5-10% of cess will be given to ZP.

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
VI. Youth Advancement, Tourism & Culture GO 26 (30-3-1999)	<p>Cultural Activities</p> <ul style="list-style-type: none"> • Cultural Activities • Government GO – the GP/MP/ZP shall carry out cultural activities with their own resources. The State will consider support only if there are worthwhile proposals 	District sports council shall work under ZP.	Youth and sports related activities under mandal/ GP.	Youth and sports related activities under mandal/ GP.
	<p>Markets and Fairs</p>	<p>ZP shall manage market Yards.</p> <p>ZP will get 10% of Market cess collected.</p> <p>Director of markets at district - ZP and other functionaries of market yards shall work under ZP.</p>	<p>MP will get 40% of Market cess collected in the district.</p> <p>Staff of market yard will function under MP</p>	<p>Market cess generated will be distributed among Gram Panchayats according to cropped area.</p> <p>GP will get 40% of market cess collected in the district</p>

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
Health Medical & Family Welfare Department GO 445 (23-11-2000)	<p>Health and Family Welfare</p> <ul style="list-style-type: none"> To review the implementation of National Health Programmes, programmes initiated by the State government such as Janmabhoomi 	<p>All district hospitals to function under the ZP Area hospitals will also work under the ZP. Chairperson will chair Hospital Administration Committee</p>	<p>All PHCs to function under the MP - all functionaries to work under the MP</p>	<p>ANMs or village health workers to be recruited by the GP</p>

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
VII. Department of Women Development, Child Welfare & Disabled Welfare GO26 (17-4-1999)	<p>Women and Child Development</p> <ul style="list-style-type: none"> Monitoring of the implementation of the provisions of the Disability Act 1995 and to conduct the survey of the disabled in the State. 	<p>The department shall function under the ZP.</p> <p>Separate standing committees with women members shall be constituted to oversee women and child development programmes</p>	<p>Deputy Director, women and child welfare department will work under MP</p> <p>ICDS and CDP officers will work under MP</p> <p>Separate standing committees with women members shall be constituted to oversee women and child development programmes.</p>	<p>The selection of anganwadi workers shall be done by the GP</p>

Government Order No	Current status	LOK SATTVA Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
Social Welfare: GO25 (31-3-1999), 115 (9-12-1999)	<p>Women and Child Development</p> <ul style="list-style-type: none"> Tailoring training centres and garment production centers have been transferred to Panchayat Raj bodies but the selection of places, sanctions and funds will continue to be with the Social Welfare department. The budget, both plan and non-plan, for the year 1999-2000 will be transferred by the Deputy Director, Social Welfare to the CEO of ZP. Salaries will be paid by the CEO of ZP. The staff will continue to be under the cadre management of the Commissioner of Social Welfare. 	<p>The SW department shall function under the Social Welfare Committee of ZP, where all reserved members will be present.</p> <p>All the hostels shall be managed by the ZP.</p> <p>ZP will manage college and student hostel.</p> <p>The ZP will manage other schools/ institutions such as Navodaya schools.</p>		<p>The identification of beneficiaries shall be done by the GP.</p>

Government Order No	Current status	LOK SATTVA Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
	Welfare of weaker sections - SC and ST	<p>The SC and ST development corporations shall be brought under Social Welfare Committee of ZP, where all eserved members will be present.</p> <p>All corporations and agencies carrying out rural development schemes for weaker sections will work under ZP.</p> <p>The ZP shall implement all schemes for the welfare of SCs and STs and all State or Union grants for such purpose shall be transferred en-masse to the ZP.</p>	<p>All the SC and ST hostels shall function under the MP</p> <p>Hostels pertaining to high school will be managed by the MP.</p> <p>The management of hostels' subsidies by the government for the benefit of SC/ST/OBCs.</p>	<p>Beneficiary selection will be done by the GP</p>

Government Order No	Current status	LOK SATTI Recommendations		
		Zilla Parishad	Mandal Parishad	Gram Panchayat
VIII. Civil Supplies GO 77 (6-8-1998)	<p>Public Distribution System</p> <ul style="list-style-type: none"> Government GO - review functions with the MP and ZP; The GP President is the Chairman of the Food Advisory Committee 	All functions of the Civil supplies department shall be transferred to the ZP		<p>All PDS outlets shall be managed by the stake holders under the guidance of GP.</p> <p>Beneficiary selection by the GP.</p> <p>Fair Price dealer appointment by the GP</p>

VI. FINANCES

The efficiency and autonomy of the local governments is contingent on the availability of adequate financial resources at their disposal. Article 243 H of the constitution provides for financial decentralization in the form of tax assignments, revenue sharing, and grants-in-aid. Article 243 H states, the State legislature may, by law:

- Authorize panchayats to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedures and subject to such limits.
- Assign panchayats such taxes, duties, tolls and fees levied and collected by the State government for such purposes and subject to such conditions and limits.
- Provide for making such grants-in-aid to the panchayats from the consolidated fund of the State.
- Provide for constitution of such funds for crediting all money received respectively, by or on behalf of the Panchayats and also withdrawal of such moneys therefrom.

Article 243-I provides for a finance commission at the State level to review the finance of local governments and determine principles that govern the sharing of resources mobilized by the State, between State and panchayats. In consonance with constitutional provisions, the Andhra Pradesh State legislature provided for different varieties of financial resources to local governments such as house tax and vehicle tax. The details of various financial resources provided for the local governments in Andhra Pradesh have been provided in table at the end of the chapter. In spite of the various constitutional provisions, many State governments continue to neglect the financial requirements of the local governments. The Eleventh Finance Commission, recognizing the growing marginalisation of local governments, suggested that State governments owe greater responsibility to develop local governments, as they are the third tier of the government.

Current Situation:

There is no single database that clearly shows the finances of local governments. There is no specific formula on the basis of which finances

are devolved to local governments, and there is no consultation between State government and local governments on the principles that need to be adopted in financial devolution.

Local governments in Andhra Pradesh have very little financial resources at their disposal, which is in marked contrast with the situation in Kerala. Today, Kerala is the most financially decentralized State in India, with as much as 35-40 percent of plan expenditure being earmarked for local governments. On the contrary, the financial decentralization in Andhra Pradesh is far from satisfactory, the reason being the reluctance of State government to devolve required financial resources to local governments. The State government is opposing even Union government's direct funding of panchayats for implementation of certain schemes. The Tenth Finance Commission had recommended that Rs. 90 crores be given to local governments, of which 70 percent was the Union government share and 30 per cent was to be released by the State government as a matching grant. While the Union government released its share, the State government

did not release its share. In order to implement various social welfare programmes, State government releases various types of grants. However, the Panchayats, in turn, have to transfer these grants to the social welfare department and other welfare units run by different departments.¹

In absolute terms, there has been an increase in the grants that are being allocated to the local governments in Andhra Pradesh, from Rs. 663.98 crores in 1987-88, to Rs. 2123.65 crores in 1997-98.

Sl No	Year	Revenue of State from Taxes and Non-Taxes	Grants Released to PRIs Including Share Government of India	Per centage of Grants to the Revenue of the State
1	2	3	4	5
1	1987-88	2199.02	663.98	30.19
2	1988-89	2464.74	761.52	30.89
3	1989-90	2804.37	870.63	31.04
4	1990-91	3101.62	812.26	26.18
5	1991-92	3689.40	1111.20	30.11
6	1992-93	4006.66	1412.72	35.25
7	1993-94	4748.98	1447.28	30.47
8	1994-95	5176.09	1373.51	26.53
9	1995-96	6678.77	1545.41	23.14
10	1996-97	7950.71	1712.05	21.53
11	1997-98 (BE)	8559.49	2123.65	23.70

Note: BE-Budget Estimates

Source: M Gopinath Reddy, *Status of Decentralized Local Bodies, Post - 73rd Amendment Scenario*, Economic and Political Weekly, March 22-29, Vol XXXVIII, No. 12 and 13, 2003, p.1287.

But, there has been a perceptible fall in the percentage of grants to the revenue of the State from 30.19 percent in 1987-1988, to 23.70 percent in 1997-98. See the adjacent table.² Among the three tiers of local governments, Gram Panchayat has substantial taxation powers in comparison to Mandal Parishad and Zilla Parishad, which depend almost completely on resource transfers from State and Union government. Transfers from State and Union governments are shown as revenue resources of local governments, but they have little discretion over them as they are given for a specified scheme or in the form of tied grants or matching grants. The expenditure of State governments' programmes like Janmabhoomi is also being shown as local governments' expenditure on various developmental activities. The line departments are carrying out various functions and the expenditure under various heads such as primary health and primary education. In Andhra Pradesh, the share of local governments expenditure in total government spending in rural areas in 1998-1999 drops from 10.5% to 5.3%, if one deducts those funds that are not clearly controlled by local governments.³ As there is no clear demarcation of State schemes and district schemes, most of the schemes that local governments tend to implement are that of State government. Further, substantial proportion of the local governments' resources are spent to meet the wage bills of employees. The fiscal statistics of local governments depict a dismal picture. The own revenues of local governments in Andhra Pradesh constitute a mere six percent of the total revenues of local governments in 1997-1998, which means that local governments depend on grants from above. This financial dependence implies that local bodies are not "self-governments" but are functioning as agents of State and Union governments. Local governments in Andhra Pradesh spend a mere 17 per cent on core services such as water supply, street lighting, sanitation and roads, while expenditure on general administration amounted to almost 83 percent of the local government's total spending in 1997-1998.⁴ The average income of Gram Panchayats in Andhra Pradesh is approximately Rs. 1.3 lakhs, which barely meets expenses on salaries, electricity bills and day-to-day expenses.⁵

Mandal Parishads

Amount in Rs.

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Gen. Admn	4011028 (86.51)	437528 (87.62)	4792075 (88.46)	5220094 (87.37)	6049788 (89.55)	6156600 (90.99)	7230902 (91.94)	7832594 (92.27)	10556366 (92.51)	11787412 (93.49)
Exp. On Obligatory & Discriminatory Services	304140 (6.56)	295423 (5.92)	278852 (5.15)	285419 (4.78)	412187 (6.10)	419259 (6.19)	426739 (5.43)	434652 (5.12)	634963 (5.56)	634963 (5.04)
Exp. On Devpt. Grants	321238 (6.99)	322697 (6.46)	345882 (6.38)	469230 (7.85)	293422 (4.34)	189982 (2.81)	206710 (2.63)	221449 (2.61)	219310 (1.92)	185367 (1.47)
Total	4636406	4993548	5416809	5974833	6755397	6765841	7864351	8488695	11410639	12607742

Source: World Bank

The above table demonstrates that Mandal Parishads, during 1999-2000, have spent approximately 93 per cent of their revenues on 'general administration,' while the expenditure on 'obligatory and discriminatory services' and on 'development' was a mere six percent. Further, the expenditure on development grants declined from 6.99 percent in 1990-91 to 1.47 percent in 1999-2000. This clearly demonstrates the absence of devolution of finances to local governments, which is hampering the effectiveness of local governments in implementing development programmes in rural areas. National Institute for Rural Development survey in 96 villages, spread over 12 States, demonstrated that potential revenue raising capability per capita of a village panchayat in Andhra Pradesh is as high as Rs. 57.31, next only to Kerala with Rs. 75.51.⁶ It can be inferred from the findings of the report that local governments can raise 40-50 percent of their own resources, if adequate powers are given to do so. Therefore, the paucity of funds that local governments experience is mostly due to inadequate tax assignments of the State government, absence of support staff to collect these taxes and unviable size of villages.

Recommendations:

In order to overcome the fiscal crisis of the local governments, the following recommendations may be adopted.

- The State budget under each head should be divided into:
 - 1) State wide
 - 2) District-wise
 - (i) Here allocations for each district should be shown separately.

- (ii) By bringing together a district allocations under various heads a district budget will evolve. This district budget can have amounts under
- a. Control of department for valid reasons based on principles decided before
 - b. Schemes transferred to Zilla Parishad for execution but still government schemes
 - c. Devolved funds

In regard to (b), Zilla Parishad will have the powers of the head of the department. The amounts for (c) will be given as lumpsum grants-in-aid. Experience here, earlier as well as in other States, would show the b+c would be about 40% of total government budget. The State budget shall disclose details of wage and non-wage components in respect of all schemes/items of expenditure included in the State budget under State plan, centrally sponsored schemes and non-plan expenditure

- The State government should release grants-in-aid to the district planning bodies to enable them to utilize the funds even after the close of the financial year. Preparation of link document sector-wise, for each district, in respect of the schemes transferred to the district planning body, showing the provisions for the year and accounts of the year preceding it, besides scheme-wise budget estimates for State plan, centrally sponsored schemes and non-plan estimates, will help in better utilization of funds. No savings of one district will be diverted to another district.
- All amounts devolved by the State and Union Finance Commission to local governments should be passed on to them subject to only such conditions as the commission may have prescribed.
- The Zilla Parishad should have the powers for re-appropriating amounts from one item to another within the budgetary allocations for the district, subject to the conditions that savings under non-recurring or capital items shall not be diverted by local governments for recurring expenditure
- Savings on recurring expenditure can be diverted to non-recurring expenditure
- Strong auditing norms should be prescribed for all local

governments. Local fund audit should be strengthened and the audit function should be independent of the local government.

- Local governments should be given powers to raise loans. Santhanam Committee, in 1963, suggested that PRI's should be given power to borrow or raise loans. The committee suggested that Local Governments Finance Corporation should be established for this purpose. Finance Corporation is usually meant to provide finances for remunerative schemes. In case local government institutions have some projects that are of remunerative nature, it should be possible for them to pose these for financing to the various financing agencies already available. In the changed financial scene in the country today, nothing prevents local bodies from going to the market or financing agencies for loans for viable schemes. However, the weaker local governments have to be guaranteed or subsidized by government. The Local Governments Finance Corporation can perform such a function. The Reserve Bank of India (RBI) had suggested a body for borrowing by State governments.
- There is no system of monitoring how much was collected of the taxes in the GP, and whether the complete share of such collections has been given to GP, as for example, entertainment tax. The District Panchayat Officer is expected to monitor the total quantum of collections from GP and to ensure that the total share due is received and is also again duly redistributed to the GP. Similarly, the surcharge on stamp duty and the land revenue cess have to be monitored and distributed similarly. It is, therefore, recommended that there should be monitoring cells, attached to the DPO and the DDO which will be charged with the responsibility of monitoring and properly distributing the collections to the GP and Mandals and ZPs.
- Proper infrastructure for maintenance of accounts/database at all levels of local governments should be provided. Eleventh Finance Commission made the following observations in this regard:
 1. Articles 243J and 243Z of the constitution expect the States to make provisions by way of legislation for maintenance of accounts by the panchayats and the municipalities and for the audit of such accounts.
 2. The Comptroller and Auditor General (CAG) should be entrusted with the responsibility of exercising control and supervision over

the proper maintenance of accounts and their audit for all the tiers/levels of panchayats and urban local bodies.

3. The report of the CAG relating to audit of accounts of the panchayats and the municipalities should be placed before a committee of the State Legislature, constituted on the same lines as the Public Accounts Committee.
4. In our view, an amount of Rs.4,000 per panchayat per annum, on an average, should be adequate to meet the expenditure on maintenance of accounts on contract basis, if the staff/facilities are not available within the panchayat. The amount of Rs. 4,000 indicated is only suggestive, and may be vary for different States and for different panchayats within a State, depending on local conditions.
5. Provision for maintenance of accounts of village level panchayats and intermediate level panchayats in Andhra Pradesh (Rs. in lakhs)

Sl No.	Name of the State	Number of village level panchayats	Amount	Number of Intermediate level panchayats	Amount	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Andhra Pradesh	21784	871.36	1093	43.72	915.08

Source: Eleventh Finance Commission

- On pattern of utilization of financial grants, local governments should have discretion to use their general funds.

End Notes

¹ "Rajiv Gandhi Task Force Report, 2000," As cited in M Gopinath Reddy, Status of Decentralized Local Bodies, Post - 73rd Amendment Scenario, *Economic and Political Weekly*, March 22-29, Vol XXXVIII, No. 12 and 13, 2003, p.1288.

² "Rajiv Gandhi Task Force Report, 2000," As cited in M Gopinath Reddy, Status of Decentralized Local Bodies, Post - 73rd Amendment Scenario, *Economic and Political Weekly*, March 22-29, Vol XXXVIII, No. 12 and 13, 2003, p.1287.

³ World Bank 2000, "Overview Of Rural Decentralization In India, Volume II," available at <http://www1.worldbank.org/wbiep/decentralization/saslib/Volume%20II%20Rural%20decentralization%20in%20India.pdf>

⁴ "State Wise Revenue and Expenditure of All PRI's (All Tiers)," *Panchayat Raj Update*, Vol.8, No.3, March 2001, p.7.

⁵ Abdul Aziz, "Democratic Decentralisation: Experience of Karnataka," *Economic and Political Weekly*, September, 23-29, Volume XXV, No.39, 2000, p. 3521-3525.

⁶ M.A. Oommen, "Rationalising Fiscal Federalism vis-à-vis Rural Local Governments," *Panchayat Raj Update* Vol.9, No.9, September 2002, pp.6-7.

**DISTRIBUTION OF ENABLING PROVISIONS
REGARDING TAX ASSIGNMENT/FEEES, TAX SHARING
AND GRANTS-IN-AID in AP**

TAX ASSIGNMENT		
Zilla Parishad	Mandal Parishad	Gram Panchayat
No specific tax assigned.	Surcharge on any tax imposed by	<ol style="list-style-type: none"> 1. House tax 2. Kolagaram or the GP. Katarusum (tax on the produce sold in the village) 3. Vehicle tax 4. Tax on occupied lands and tax on advertisement. 5. Special tax on houses for meeting public works expenses. 6. Land cess at the rate of 2 paise in the rupee on the annual rental value of occupied lands. 7. Duty in the form of a surcharge on the seigniorage fee. 8. Any tax as directed by government. 9. Fees for the use of porambokes, occupation of buildings, etc. 10. Property tax.

TAX SHARING		
Zilla Parishad	Mandal Parishad	Gram Panchayat
Duty on transfer of property by the State government.	Land revenue.	Duty on transfer of property by the State government.
Share of land cess or local cess.	Duty on transfer of property by the State government	The tax levied in the village under section 117 & 118 of the A.P Public Health Act 1939 (3). Payment made under A.P entertainment tax act (1939).

GRANTS		
Zilla Parishad	Mandal Parishad	Gram Panchayat
Grants from Union and State Government	Grant from the government (annual) at the rate of Rs.5/- per person residing in Mandal calculated on the basis of population	Grants from government, ZP & MP
Grants from all India bodies and Institutions for the development of cottage, village and small scale industries and the like.		
Government shall make an annual grant at the rate of Rs. 2 per person residing in district, calculated on the basis of population.		

Source: M.A. Oommen, *Devolution of Resources from the State to the Panchayati Raj Institutions - Search for a Normative Approach*, Institute of Social Sciences, New Delhi, 1995, pp.35.

VII. FUNCTIONARIES

The local governments do not have control over functionaries who carry out the development programs under them. The difficulty in giving the local governments any real control over the staff is largely due to the fact that all the staff belongs to the government cadres. This was not always so. We inherited a system in which staffs working in local governments were on a local government cadre. This gave power of control to local governments. It was only in the late 1950s that, in response to the demands of staff unions, these cadres were “provincialised.” This effectively made them government employees. Consequently, local governments cannot be made answerable for the various development functions that have been assigned to them, as they cannot control the staff of the implementing agencies. For instance, under Sec. 192 of the Andhra Pradesh Panchayat Raj Act, 1994, the ZP has been assigned the following functions:

- Examine and approve the budgets of the Mandal Parishads.
- Distribute funds allocated by the State and local governments among the Mandal Parishads in the district.
- Coordinate and consolidate the plans of the mandal.
- Advise the State government on all developmental matters and maintenance of services in the district.
- Advise government on allocation and coordination of works among Gram Panchayats and Mandal Parishads.
- Establish, maintain and expand secondary, vocational and industrial schools.

The Zilla Parishad does not have the control over functionaries even to perform the above stated minimal functions. The Zilla Parishad is supposed to establish and promote secondary education. Till recently, ZP used to recruit school teachers. However, through a government order in 2000, this power has been vested in the hands of the District Education Officer (DEO), who is not under administrative control of the ZP. Similarly, in order to perform the function of consolidation of plans, the ZP should have control over Chief Planning Officer. However, the Chief Planning Officer of the district does not report to ZP but to the Collector. Therefore

the ZP cannot really perform planning functions effectively. As there is no DPC, the DDRC reviews various developmental programmes being implemented in the district. Most of the functions that the ZP has to perform have not been devolved and instead, various departments are carrying out these functions. The staffs of these departments are under the administrative control of the respective departmental heads. Even officials such as, District Forest Officer (Social Forestry) and Superintendent Engineer (RWS), carrying out various functions pertaining to the devolved subjects, are not under the control of the Zilla Parishad. Similarly, the Panchayat Engineering Department is a misnomer, as it is under the administrative control of the Commissioner of the Panchayat Raj. None of the three tiers of the local governments have any administrative control over the officials working in PR Engineering Department. The Zilla Parishad (ZP) has Chief Executive Officer (Class I) for implementing all the decisions of the ZP and its standing committee. ZP has no technical staff to support its activities and ZP staff mostly consists of clerical and other lower rung cadre.

As per Andhra Pradesh Panchayat Raj Act, 1994, community development programmes, agriculture, health and sanitation – establishing and maintaining the primary health centres and maternity centers, education – elementary and basic schools, communications – formation and maintenance of inter-village roads and other functions have been devolved to the Mandal Parishad. However, none of these functions have been transferred to the Mandal Parishad. Community development programme remains with the DRDA, while cooperatives, agriculture, animal husbandry, health, and rural sanitation remain part of the line department.¹ Even the Mandal Parishad Officer is not only an executive authority of the Mandal Parishad, but also for various other departments and agencies such as the DRDA.

A major area of concern for Gram Panchayats, of late, has been the emergence of village secretariat. On 1st January 2002, the GoAP launched Grama Sachivalayam (village secretariat) system to strengthen administrative system at village level and to provide various services under one roof at the village level. The then Chief Minister stated that the Sarpanch in the village set-up would be the key person guiding the village secretary and

added that village secretaries have to take care of the interests of the respective villages where they are posted.² However, the village secretariat model is facing several problems such as:

- 1) Large numbers of village secretary posts are lying vacant. And candidates without proper educational qualifications are getting posted as village secretaries.
- 2) As many as 60 functions of various departments are to be carried out by the village secretary.
- 3) There are no training programmes to equip village secretaries to perform their functions effectively, including police, panchayat raj, revenue, health, and agriculture.
- 4) While numerous functions have been given to village secretary, survey settlement register, registers pertaining to water ayacut register, prohibitory order books have not been handed over to the village secretary. There is no office space for the village secretariat. As a consequence of absence of infrastructure, all the files are getting stacked at the village secretary's residence.
- 5) As most Sarpanchs, especially from lower sections of society, do not have political experience, the village secretary is emerging as a powerful person. The Sarpanch is forced to visit the residence of the village secretary, who is in another village. More importantly, the Sarpanch does not get briefed properly, as all the files are at the disposal of village secretary. The government's attempt at giving joint cheque-power has become a source of friction between Sarpanchs and village secretaries.
- 6) Village secretaries are living in villages located at a distance from the village they are working. The news reports indicate that the number of villages with regular availability of village secretary is just few hundred. As the village secretaries are not staying in their assigned villages, collection of taxes, land revenue, water cess are getting affected.

The village secretariat plan has generated legitimate fears that local governments may get marginalized, as the line of control is in the hands of the bureaucracy. Village secretaries are working under Mandal Revenue Officers, who, in turn, are responsible to District Collectors. The District Panchayat Officer does the supervision and control of the village secretary and Divisional Panchayat Officer.³ Thus, the elected representatives at the village level are getting marginalized by the village secretariat plan.

Control of Administrative System at the District Level				
ZP controls DRDA	Collector controls DRDA	Other IAS/Indian Forestry Services (IFS)/SAS controls DRDA	DRDA effectively integrated into ZP or abolished	ZP can alter implementation guidelines
NO	YES	YES	NO	NO
Control over Staff working at the District Level				
Class I/II officers report to ZP officers	ZP can recruit, promote, discipline class I/II officers	Class III/IV officers report to ZP	ZP writes ACR for Class I/II officers	ZP writes ACR for Class III/IV officers
NO	NO	NO	NO	NO

Source: World Bank

The Commissionerate of Panchayat Raj controls most of the staff working with the local governments:

At the district level, the department organization has a Chief Executive Officer and a District Panchayat Officer. Each District Panchayat Officer has about 900 to 1,000 Gram Panchayats in his jurisdiction. There are 1,646 employees in the office of the DPO, and 2,067 employees in the office of the Zilla Parishad. At the revenue division level, there are Divisional Panchayat Officers to supervise the work of about 300 - 400 panchayats. There are 82 Divisional Panchayat Officers in the State. The Divisional Panchayat Officer exercises supervision and control over the Extension Officers (PR & RD) and their offices within his jurisdiction. There are 1,095 Mandal Parishads under the 22 CEOs, having an employee strength of 18,645. There are 21,943 panchayats in villages having almost the same number of employees.⁴

Thus, the staff available is adequate, but it is under the administrative control of the Commissionerate of Panchayat Raj. The elected officials cannot transfer the officials, or ever write the ACRs. On the contrary, in Madhya Pradesh, all the departments pertaining to the devolved subjects have been transferred to local governments. Similarly, the government of Kerala has transferred agriculture, health, veterinary and primary education departments to the local governments. About 40,590 staff, moveable and

immovable properties, have been transferred to the panchayats. The government of Kerala, however, continues to pay the salaries of the staff.

Recommendations:

1. The functionaries, at and below, the district level, pertaining to all the 29 subjects, should work under the control of the local governments. See the table at the end of this chapter for a detailed list of district heads and functionaries to be transferred to Zilla Parishads, Mandal Parishad and Gram Panchayat. And the officials transferred to the control of Zilla Parishad are to be treated as on deputation. The present service rules governing the functionaries will not be amended. The salaries of the functionaries transferred will be given to local governments as a lumpsum grant.
2. The Classification, Control, Appeal (CCA) rules should be appropriately amended to transfer complete administrative control over the local government employees to the appropriate tier of local government. The power to determine strength of the cadre (sanction strength) shall lie with the State government.
3. Various departments and agencies such as DRDA, along with all the personnel and infrastructure, should be brought under the control of local governments.
4. The local government will have the power to relocate or re-deploy the functionaries under its control, subject to relevant rules on the subject.
5. Various functionaries, once posted to the district posts, will be placed under the control of the Zilla Parishad acting through its Chief Executive Officer (CEO). Once, a particular official is posted to a particular district, further transfers within the district will be by the CEO or any officer below him to whom he may delegate this power and not the cadre-controlling officer. However, transfers from district to district, will still be in the hands of cadre-controlling officer. Such transfers, however, should be effected with the consultation of the CEO. It should be noted that the relationship between the Chairman of the Zilla Parishad and the Chief Executive Officer should be similar to the relationship between Chief Minister and the Chief Secretary.

6. The Gram Sabhas, as in Madhya Pradesh, should have the right to demand the presence of all its officials – police, health officials, lowest ranking electricity board engineer, primary and middle school head masters, agricultural officers – to give an account of their work. The decisions of the Gram Sabha have to be enforced.
7. With regard to development functions, the supervision will vest within the Panchayat Raj institutions. Mandal Parishads will coordinate and supervise the development activities of the Gram Panchayat, and Zilla Parishads will in turn do so in the case of Mandal Parishads.
8. Once services are effectively decentralized in this manner, there should be statutory District Staff Committees for administrative appeals and grievances.
9. Once the cadre of the local governments is in place, the State government should constitute a Staff Review Commission to identify the departments and agencies that no longer require recruitment of new officials in each district.
10. Ultimately, the local governments should have their own cadre, consisting of both technical and non-technical officials. The recruiting authority for such cadre can be the Andhra Pradesh Public Service Commission, but the appointing authority will be the local government.
11. The working conditions such as norms, rules, and regulations governing the functionaries of the local government cadre will be similar all across the State.

End Notes

1 World Bank 2000, “Overview Of Rural Decentralization In India, Volume II,” available at <http://www1.worldbank.org/wbiiep/decentralization/saslib/Volume%20II%20Rural%20decentralization%20in%20India.pdf>

2 “Naidu Launches Village Secretariat System,” The Hindu, January 02, 2002

3 Rajesh R, “Naidu’s Village Secretariat Scheme,” www.panchayats.org/discgroup/dnrm_appri5.htm,

4 A Project on SMARTGOV, The Commissionerate of Panchayat Raj and Rural Employment, <http://www.geocities.com/apcio2002/smartgovpr.htm>

IX. Subjects	Official at Zilla Parishad	Official at Mandal Parishad	Official at Gram Panchayat
Agriculture /Agriculture Extension	JD Agricultural Deputy Director Agriculture	Agricultural Extension Officers Demonstrators	<i>Note: Village Secretary is the most important functionary performing almost 60 functions of various departments.</i>
Land Improvement and Soil Conservation	JD/DD Agriculture	MRO	
Minor Irrigation, Water Management and Watershed Development	Superintendent Engineer (Medium/Minor Irrigation) Superintendent Engineer (Panchayat Raj)	Assistant Engineer Irrigation	
Animal Husbandry, Dairying and Poultry	JD Animal Husbandry	Veterinary Surgeon	
Fisheries	Assistant Director (Fisheries), Inspector Fisheries.		
Social Forestry and Farm Forestry	DFO (Social Forestry)	Range Officer.	
Minor Forest Produce, Fuel	DFO (Territorial)		

IX. Subjects	Official at Zilla Parishad	Official at Mandal Parishad	Official at Gram Panchayat
Small scale industries including Food Processing industries Khadi, Village and Cottage industry	GMD/C. DM (KV/C)	Industrial Promotion Officer	
Rural Housing	DM (Housing)	Assistant Engineer Housing	
Drinking Water	Superintendent Engineer (RWS).	Assistant Engineer (RWS).	
Roads, Culverts, ... Transport	Superintendent Engineer (R&B).	Assistant Engineer (R&B).	
Rural Electrification including Distribution of electricity.	Assistant Engineer (TRANSCO).	Assistant Engineer (Electrical).	
Non-conventional Energy Services	DM (NEDCAP)		
Poverty Alleviation	PD. DRDA	MRO	
Education	DEO	MEO	
Technical Training and Vocational Education.			
Adult and non-formal education	Deputy Director Adult and non-formal education	Mandal Literacy Officer (MLO).	
Libraries	Secretary District Library Samstha		
Cultural activities	CEO		
Markets and Fairs	Zilla Parishad Official. Assistant Director, Markets.		

IX. Subjects	Official at Zilla Parishad	Official at Mandal Parishad	Official at Gram Panchayat
Health and Sanitation	DMHO DHO	Health Officer, PHC	ANMs or village health workers to be recruited and appointed by the GP
Family Welfare	DMHO DMO	Health Officer, PHC	GP
Women and Child Development	PD ICDS – in Mandal.	MPDO	Anganwadi workers
Social Welfare	Deputy Director Social Welfare Department.	ASO	
Welfare of weaker sections – SC and ST	Executive Director SC Finance Cooperative Society.	MPDO/ MDDO	
Public Distribution System	District Civil Supplies officer.	MRO	Fair Price dealer

VIII. ACCOUNTABILITY

Principle of Governance: Good governance requires that those who exercise power are accountable to those from whom they derive it. Accountability to those on whom you exercise power is a condition of democracy, because you also derive your power from them. Good governance requires that, along with empowerment of the local governments, we create mechanisms to enforce their accountability. Accountability in government need to be enforced at two distinct levels - at one level directly to the citizens and at another to independent enforcement agencies.

Current Scenario

Accountability to Citizens: At present, there is very little accountability by any branch of the government, either to the citizens or to any enforcement agency. However, there are modest efforts by the government to introduce citizens' charters in a few departments, owing to LOK SATTAs' advocacy. The government of AP has introduced a reasonably good citizens' charter in all the municipalities, which have, for the first time, provided for compensation to the citizen for non-delivery of services within the stipulated time. A number of other government departments have published charters, but there is very little awareness of them among the public and none of them have any penalty provisions. The State government has also declared its intent to introduce a panchayat citizens' charter, covering a range of services under the new village secretariat setup. Though the charter has been formulated and circulated, the government has not formally issued an order for its implementation. The charter for panchayats is reasonably good and provides for specific time frames and compensation to citizens.

The Union government has recently passed legislation on freedom of information, which is applicable to the States also. The legislation is reasonably good, but does not contain any provisions for penalties. However, we are making a case that the States can pass their own legislations, which can go beyond the scope of the Union act. The States can provide for effective implementation of the Freedom of Information (FOI) Bill, as the rule making power lies with them.

Accountability to enforcement agencies: Depending upon the cadre, the CCA rules of the State government designate the appropriate authority to initiate disciplinary proceedings against any government employee. The State vigilance commission and the ACB also play a role depending upon specific circumstances. However, all of them lie within the government, and there is no independent mechanism as yet.

Kerala Ombudsman

In order to ensure accountability, Kerala Panchayat Raj Act, 1994, provides for Ombudsman, consisting of a High Court judge, two judicial officers, two officers from the government, not below the rank of Secretary to the government, and two public men of repute. In order to reduce the expenditure of the Ombudsman, new rules of functioning of Ombudsman were issued in January 2000, and an Ombudsman headed by a retired High Court judge has been constituted. 4,215 cases have been registered till December 31, 2001, out of which 2,254 cases were finally disposed of. In order to facilitate easy access, the sittings of Ombudsman were organized in various district headquarters.¹

Specific Recommendations:

1. ***Right to Information*** – The State should create effective mechanisms for implementation of the right to information legislation enacted by the Union and make them applicable to all branches of government. A provision for independent appeal and compensation to the citizen along with penalties for erring employee should be provided.
 2. ***Citizens' Charters*** – Along with the panchayat citizens' charters, the government should provide for an effective citizens' charter in every department which has a public interface, clearly outlining the various services to which the citizen is entitled to, time frame, compensation for non-delivery and penalties for the erring employee.
 3. ***Independent Vigilance Mechanism***- There should be an independent vigilance body reporting to an independent authority like an Ombudsman.
4. **A District Audit Unit**, independent of local and state governments

can be constituted to scrutinize the expenditure of local governments, and it should function like the Accountant General's audit

Ombudsman - There should be an independent Ombudsman to look into all grievances related to local governments. He/she shall have the power to take any action or initiate disciplinary proceedings against any local government employee. The government shall have no appeal powers, and the only recourse is through a writ in an appropriate court of law. The Ombudsman shall be a man of integrity and reputation in the district, and a presidium comprising of the CM, Chief Justice of the High Court and leader of the opposition can appoint him.

End Notes

¹ http://www.kerala.gov.in/dept_panchayat/index.htm

IX. TERRITORIAL CONSOLIDATION OF PANCHAYATS

The *raison d'être* of decentralization is to bring the government closer to the people and ensure their participation in the governance process. But, how close, is also an important question. In decentralization scheme, the Gram Panchayat was seen as a perfect platform for the direct participation of the people in the governance process. Different States in India have adopted different population criteria for constituting a Gram Panchayat. For instance, the average population size of Gram Panchayat in Karnataka is 5,000 to 7,000, and in Kerala, the average population size of the Gram Panchayat is 30,000, whereas the average size of Gram Panchayat in Andhra Pradesh ranges from 500 to 25,000.

Over the years, the total number of Gram Panchayats have been increasing, and the number of small Gram Panchayats have also been on the rise. However, the growth of Gram Panchayats have done more harm than good to the people in rural areas. Too many elected representatives in a small area, without adequate resources base, have resulted in non-performing GPs. Further, the absence of coordination between the contiguous Gram Panchayat has resulted in deterioration of village administration. The experience in Andhra Pradesh has demonstrated that the small Gram Panchayat faces numerous problems, chief of which is inadequate tax base. In order to overcome the above stated problems, J Vengala Rao committee, way back in 1968, has recommended the following criteria for the formation of GP:

1. A Revenue Village with a minimum population of 1,000 or an annual income of Rs. 2,000 would be separated and constituted as a separate panchayat.
2. Hamlets or a group of habitations, having a population of 1,000 and above, and away from a revenue village by three miles or more should be separated, irrespective of income.
3. The distance between one village and the other, in a single panchayat should not be more than three miles.

The then government of Andhra Pradesh did not implement this suggestion, as elections to the Gram Panchayat were due, and also due to resistance from the Sarpanchs. The Ashok Mehta committee, in 1978, referring to the non-performance of the Gram Panchayat, recommended

the dissolution of the GP and transferring the functions of the Gram Panchayat to Mandal Panchayat. However, the argument against the large panchayat, or transferring the functions of Gram Panchayat is that, the direct democracy at the village level suffers. We need to work out a viable size, which reconciles the direct democracy at the village level with financial viability of Gram Panchayat. There have been many proposals that attempted the above stated reconciliation, such as the proposal that envisaged a cluster-village administration, with functionaries working in integrated way at a kendram of 30,000 to 50,000 population. However, the proposal could not make much headway, as it was pointed that the creation of kendrams would result in concentration of power, rather than decentralization. The expert committee on Panchayat Raj institutions, in its report, has sought to address the viability of the Gram Panchayat by suggesting the creation of Gram Panchayat Unions/Sanghams. The expert committee made the following recommendations:²

- Gram Panchayat Unions/Sanghams may be constituted with a population of 30,000-40,000 in the plain areas and 15,000-20,000 in the tribal areas. In such cases, the members of the Union can elect the Chairman of the Union/Sangham from among themselves by rotation every year.
- The headquarters of such Union can be at one of the constituent panchayats to be selected by each Union by mutual agreement, or in case of differences, by the intermediate tier.
- The membership of this Union should be the Sarpanch and Upa-Sarpanch of the Gram Panchayats concerned, members of each Gram Panchayat at the rate of one for a population of up to 1,500, two for 2,000-2,500, to be elected as members of the Union by the Gram Panchayats concerned.

The smaller Gram Panchayats have to be clustered in the above-stated manner, for proper functioning and for capacity, to afford some assistance in the form of bill collectors and others. Another alternative would be to consolidate the existing small Gram Panchayats and redraw new panchayats with population size of 40,000-60,000. However, the habitations in the consolidated Gram Panchayats can organize their respective Gram Sabha and enforce the resolutions adopted by that Gram Sabha.

End Notes

¹ Government of Andhra Pradesh, Report of The Expert Committee on Panchayat Raj, Institutions, December, 1991.

X. DISTRICT PLANNING COMMITTEES

Principle of Governance: The intrinsic economic and social linkages between rural and urban areas require an integrated approach for their development. As urbanization increases, the need for integrated planning for urban and rural areas becomes all the more important. The urban and rural areas have to share the resources of the district such as water resources, communications, transport, waste management, land development, etc. The opportunities, problems and issues of rural-urban inter-relationships thus need a rural-urban platform to address them at the district level. The 74th constitution amendment provides for the creation of District Planning Committees (DPC) to act as a platform for integrated planning for rural and urban areas and formulation of district development plan.

Article 243-ZD of the Constitution states that:

1. There shall be constituted, in every State, at the district level, a District Planning Committee (DPC) to consolidate the plans prepared by the panchayats and the municipalities in the district and to prepare a draft development plan for the district as a whole.
2. The legislature of a State, may, by law, make provisions with respect to:
 - a. The composition of the District Planning Committee;
 - b. The manner in which the seats in such committees shall be filled: provided that not less than four-fifths of the total number of members of such committee shall 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;
 - c. The functions relating to district planning, which may be assigned to such committees;
 - d. The manner in which the Chairpersons of such committees shall be chosen.
3. Every District Planning Committee shall, in preparing the draft development plans,
 - a. Have regard to:
 - i. matters of common interest between the panchayats and the municipalities, including spatial planning, sharing of water and

- other physical and natural resources, the integrated development of infrastructure and environmental conservation;
- ii. The extent and type of available resources, whether financial or otherwise;
- b. Consult such institutions and organizations as the Governor, may, by order, specify.
4. The Chairperson of every District Planning Committee shall forward the development plan, as recommended by such committee, to the government of the State.

Current Scenario : Neither the AP Panchayat Act nor the Municipal Act made any provision for the formation of DPCs and MPCs, which is clearly violative of the constitutional provisions. In its place, the government is continuing with the District Development Review Committees (DDRCs). These committees are typically staffed by the State government appointees, MLAs and MPs, and the elected heads of either the rural or urban local governments are not involved.

The mixed motives of the framers of the constitutional amendment, we referred to earlier, comes out clearly in the manner in which the District Planning Committee is constituted. Given the fact that the district plan was to deal with matters “of common interest between the panchayats and the municipalities,” it could have been an apex body in which the Zilla Parishad and the Chairpersons of municipalities sat jointly together. Where was the need to prescribe a new body, in which one-fifth of the members would, presumably, be nominated by the government, and which would have another Chairperson, to be chosen in a manner to be prescribed by government? Having set up an entire panchayat and municipal structure from Article 243 A to Z, a new body is now set up in Article 243 –ZD, which will be over and above that elected structure.

The only generous interpretation we can give to this Article is that the “District Development Plan” would be more comprehensive than the sum of the plans of the panchayats and the municipalities. A district has several programs, which would be under the government, but would not fall under the purview of the local governments; for instance, major irrigation works, or major roads within that district. These may have bearing on the spatial planning and sharing of waters within the district. If such programs are

also to be integrated in the district plan, one can understand having a separate body. Several State governments have constituted District Development Committees, with a minister as a Chairperson, and Chairperson of ZP as one of the members. Article 243-ZD is an echo of such committees. Had such committees been constituted under this Article, the Article would have determined their ambit and scope. Perhaps, the State government did not want to be constrained even to this extent. Therefore, they constituted them separately.

Be that as it may, we have to accept the Article as it is. This Article gives the legislature powers regarding its composition and the manner in which the Chairperson is to be chosen. The government should, therefore, have no hesitation in constituting the DPC and give it full powers to prepare and operate a full-fledged district plan. All government schemes within the district should be brought within the purview of the DPC. As in the case of the MT Raju committee report, which we have referred to elsewhere in this report, this committee should have the powers of the head of all development departments within the district. Since a minister is presiding, the committee should be empowered with the powers of the government also, to the extent possible. This way, power may not be devolved, but it will be decentralized. The minister will be available within the district and work can be expedited. Since the local government functionaries are also in the committee, they will have more say than at the State headquarters. Accepting the minister as a Chairperson may be a price worth paying for these advantages, till the Article itself is suitably amended to give these powers to the local governments themselves.

XI. METROPOLITAN PLANNING COMMITTEES

Principle of Governance: According to the 2001 census, there are 45 metropolitan areas in the country, each with a population of 10 lakhs or more. These areas are a mix of rural and urban populations, and are administered by several municipalities and Gram Panchayats. Very often, there is little or no interaction between these bodies and, as a result, there is no holistic approach for the planning and development of the metropolitan areas. Urban transport, water supply, waste management, police, public health, education, etc., are essential for the survival and growth of the metropolitan areas, which are the engines of economic growth in this country. Management of these complex issues require an institutional framework, which will allow metropolitan level planning, implementation and coordination. The planning mechanism should take care of the interaction between the various local bodies, both rural and urban in such urban areas.

Article 243-ZE of the Constitution states that:

1. There shall be constituted, in every metropolitan area, a Metropolitan Planning Committee to prepare a draft development plan for the metropolitan area as a whole.
2. The legislature of a State, may, by, law, make provision with respect to:
 - a. The composition of the Metropolitan Planning Committee
 - b. The manner in which the seats in such committees shall be filled: provided that not less than two-thirds of the members of such committee shall be elected by, and from amongst, the elected members of the municipalities and Chairpersons of the panchayats in the metropolitan area, in proportion to the ratio between the population of the municipalities and of the panchayats in that area;
 - c. The representation in such committee of the Government of India and the government of the State, and of such organizations and institutions, as may be deemed necessary for carrying out the functions assigned to such committees;
 - d. The functions relating to planning and coordination for the

- metropolitan area, which may be assigned to such committees;
- e. The manner in which Chairpersons of such committees shall be chosen.
3. Every Metropolitan Planning Committee shall, in preparing the draft development plan,
- a. Have regard to:
 - i. The plans prepared by the municipalities and the panchayats in the metropolitan area;
 - ii. Matters of common interest between the municipalities and the panchayats, including coordinated spatial planning of the area, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;
 - iii. The overall objectives and priorities set by the government of India and the government of the State;
 - iv. The extent and nature of investments likely to be made in the metropolitan area by agencies of the government of India and of the government of the State and other available resources, whether financial or otherwise;
 - b. Consult such institutions and organizations as the Governor, may, by order, specify
4. The Chairperson of every Metropolitan Planning Committee shall forward the development plan, as recommended by such committee, to the government of the State.

Current Scenario: Even though the constitution provides for the formation of Metropolitan Planning Committees as per Article 243-ZE, many States have neglected these provisions, or created supra district bodies with real power in the hands of district legislators and State ministers.

In AP, there are bodies like Hyderabad Urban Development Authority (HUDA), Vijayawada Urban Development Authority (VUDA), etc., in place of the Metropolitan Planning Committees. Typically, the heads of these supra constitutional bodies are political appointees. There is no elected representation on these bodies, and they do not involve the surrounding panchayats or municipalities in their decision making process.

Recommendations:

1. There shall be a Metropolitan Planning Committee in every metropolitan area of the State constituted, in accordance with Article 243 -ZE.
2. At least 2/3rds of the members of the committee shall comprise of elected heads of the panchayats and municipalities in the metropolitan area, according to the ratio of population between municipalities and panchayats. The remaining members can be nominated by the government and shall also include representatives of civil society. The Chairperson of the committee shall be the Mayor of the largest metropolitan city in the area.
3. The key functions of the Metropolitan Planning Committee shall be:
 - a. Zoning and Master Plan preparation - Preparation of Master Plan and administering of zoning laws
 - b. Approval of plans - To regulate and control all construction and development activity through statutory plans and other measures
 - c. Development fees collection - Shall be responsible for collection of development fees for all statutory clearances under its purview.
 - d. Preservation of environment - Shall be responsible for the preservation and protection of environment in the metropolitan area and shall closely work with other government agencies, which are also entrusted with the task of environment protection.
 - e. Coordination - To coordinate with other public agencies concerned with provision of urban infrastructure, services and amenities, including urban transport, power, ports, water supply, waste management, education and health care.

The Metropolitan Planning Committee shall have the right to re-appropriate resources in the metropolitan area to suit its needs and requirements.

XII. LOCAL POLICE

Principle of Governance: Rule of law is the cornerstone of any democracy. The ultimate test of rule of law is the way the criminal justice system enforces law to protect the life and rights of citizens, and the police use the coercive power of the State to ensure compliance of law. Rule of law requires that all individuals are subjected to the same laws in the same measure. The first and most vital function of the State is maintenance of public order and peace in society and ensuring protection of citizens. In the ultimate analysis, the sanction behind State power is the use of force. They are the agency to enforce the will of the State, as expressed in laws. The way the police function is an index of liberty and rule of law in a democratic society.

Current Scenario: The police have two distinct functions, one that relates to society as a whole, and the other that concerns individual citizens. The maintenance of peace and security and protection relates to the first. The prevention of crime and its investigation and punishment, when committed, relates to the second. All these functions are concentrated in a single police force, which has made police functioning increasingly complicated and highly specialized. Each function requires a degree of training, knowledge base, skill, and sophistication, which are not possible to sustain when many functions are concentrated in the same force. In the absence of specialization, more resources and time are wasted to achieve the same results. Thirdly, certain areas of functioning have to be necessarily under political control and monitoring, whereas certain other functions have to be independent of political supervision and are in fact quasi judicial in nature. Since the functions are clubbed in one police force, it is impossible to separate control of one function from another. As a result, politicians have been playing a very prominent and dubious role in influencing crime investigation. This has, on one hand, vitiated the effectiveness of the police and, on the other, vested them with a great deal of extra-legal power.

Given this complex political and governance scenario, the horizontal fusion of all functions in a single police force has proved to be very damaging to our governance process. There is almost no single police station that is not subjected to pressure from the political class, on any given day, in its

discharge of crime investigation functions. As criminalization of politics, and politicization of crime have both become the order of the day, increasingly, criminals have greater and greater influence in governance. For sheer survival, criminals have entered politics and politicians have become criminals. The Election Commission has gone on record that more than 700 of the 4,072 legislators in all the States of India have a criminal record. Once the electoral process brings such undesirable elements into public office, it is inevitable that the police force is subjected to unwarranted pressure in crime investigation. In fact, most criminals are tempted to enter the electoral fray only in order to be able to influence the police through public office.

Recommendations: The most important reform measure to be undertaken in the police forces is the separation of crime investigation from other branches of policing. By law, the police officials should be independent in discharging this function.

It is, therefore, vital to create an independent wing of police force fully in charge of crime investigation, which should obviously be controlled by, and be accountable to, an independent constitutional machinery. Several mechanisms and models have been suggested by various committees and commissions. Whatever may be the nomenclature, such a crime investigation wing should be under the supervision and control of a collegium at the State level, headed by a Chairperson drawn from the judiciary. Once a High Court judge becomes the head of prosecutions, s/he shall cease to be member of judiciary forever. The other members could be jurists, independent prosecutors, serving police officials at the highest levels, former police and civil officials and eminent citizens from various walks of life. The appointment of this prosecution wing itself should be by a committee comprising of the members of the government, the leaders of the opposition, Speaker of the legislature, and judges of the High Court. Such a body, be it called the State security commission, or the State board of prosecutions, or the State police board, should be fully in control of all matters of appointment, promotions, transfers, postings and disciplinary action relating to crime investigation wing. The crime investigation police should be permanently insulated from other wings of police, with no possibility of transfer from this wing to others or vice versa. Only when such fool-proof institutions are evolved, is it possible to make sure that

crime investigation is a truly professional, independent exercise in search of justice rather than making it a partisan tool in the hands of those in power.

There are several police functions which can also be discharged at the local level on a day to day basis, for instance, traffic regulations, patrolling, controlling offences of a minor nature, prosecution of minor offences, public nuisances, etc., can only be handled locally. There can be a local force accountable to the local government at the panchayat or municipal level to discharge these functions. This local police can be organised as small, mobile, effective units under local control. However, there should be effective institutional mechanisms for integrating these local forces with the State police forces. The local police should be attached to a local court, which has jurisdiction over the territory as well as over the petty offences handled by such a police force.

There is still a vast area of police functioning including riot control, security of State properties, protection of important citizens and intelligence gathering. By the very nature of things, all these functions have to be under political supervision and control. Therefore these should be entrusted to a separate police force controlled by, and accountable to, the political executive under overall legislative supervision. There should be no movement, however, between such a police force and the crime investigation wing. The vertical mobility of the local police into the State level police force can be permitted, subject to certain norms and procedures. Such separation of functions will ensure that there will be no undue political interference in areas related to crime investigation, while the legitimate political intervention in areas of public order, riot control and intelligence gathering can be ensured.

Summary of Recommendations:

1. There shall be a police station for every panchayat or group of panchayats comprising a population of about 25,000 and they should be entrusted with functions like traffic regulations, patrolling, controlling offences of a minor nature, prosecution of minor offences, public nuisances, etc., and they shall function under the local government.
2. The local police station shall be co-terminus with the local court.

3. Crime investigation to be separated into a separate independent wing functioning as a quasi-judicial body directly under the control of the judiciary.
4. Crime investigation to be completely and permanently insulated from other branches of policing, with no horizontal transfers from one wing to the other.
5. Riot control, security of State property, security of important citizens and intelligence gathering to still lie with the State level force accountable to the political executive under overall legislative supervision.
6. There should be effective institutional mechanisms to ensure that the local forces are integrated with the State forces.

XIII. LOCAL COURTS

Principle of Governance: An independent and impartial judiciary, and a speedy and efficient justice system are the very essence of civilization. However, our judiciary, by its very nature, has become ponderous, excruciatingly slow and inefficient. Imposition of an alien system, with archaic and dilatory procedures, proved to be extremely damaging to our governance and society. In the process, a whole new industry of administering rough and ready justice by using strong-arm tactics to achieve the desired goals has been set up by local hoodlums in almost all of our cities and towns, and increasingly, in recent years, in rural areas. The failure of the justice system has several disastrous implications in society. The only sanction to ensure good conduct and to prevent bad behavior in society is swift punishment. In the absence of the State's capacity to enforce law and to mete out justice, rule of law has all but collapsed. This alarming situation calls for speedy remedial measures. These measures should be practical and effective while they are in consonance with the basic features of the constitution. The judicial reforms, as envisaged, should be capable of providing speedy and efficient justice accessible to the ordinary citizens. At the same time, they should respect and protect the independence of the judiciary.

Current Scenario: Because they have taken on themselves too much, the higher courts are not able to render justice speedily and efficiently. The age-old village institutions for justice have been allowed to wither away completely. Local people have neither the access to courts or the means to go through complicated, incomprehensible court procedures. As a result, most citizens avoid courts except in the most extreme circumstances, when they have absolutely no other recourse available.

Essentially, the failure of the civil and criminal justice system is manifesting in abnormal delays in litigation and huge pendency in courts. While accurate statistics are not available, it is estimated that approximately 24 million cases are pending in various law courts all over the country till 2002 - 20 million cases are pending in district and subordinate courts, High Courts account for 3.62 million cases and Supreme Court has around 23,000 pending cases. The disposal of cases in our courts and the conviction rate

is abnormally low, with only 6 percent cases resulting in conviction. Even in cases involving extremely grave offences with direct impact on public order and national security, there are abnormal delays.

In a large measure, the failure of justice system means that ordinary citizen cannot rely on law courts to enforce contracts and agreements. The undermining of the sanctity of contracts and agreements has had a very debilitating impact on investment creation and economic growth. The failure of the criminal justice system has led to the near break down of public order in many pockets of the country. This, coupled with the many inadequacies of functioning of the police, has led to a crisis of governability in India.

Recommendations: Perhaps the most important practical reform would be constitution of rural courts for speedy justice. What is needed urgently is a substantial increase in the number of judges at the local level, giving access to the ordinary people. In addition to the number and access, the procedures of these local courts should be simple and uncomplicated, giving room for sufficient flexibility to render justice. These courts should use only the local language and they should be empowered to visit the villages and hear the cases and record evidence locally. Above all, they should be duty bound to deliver the verdict within the specified time frame.

There could be several models like the 'gram nyayalaya,' advocated by the Law Commission in its 114th report. Essentially, there should be such rural courts with special magistrates, with jurisdiction over a town, or a part of a city or a group of villages. These special magistrates should be appointed by District Judge for a term of 3 years. They should have exclusive civil and criminal jurisdiction of, say, all civil disputes up to Rs. 1 lakh in civil cases, and up to an imprisonment of one year in criminal cases. In addition, certain civil disputes arising out of implementation of agrarian reforms and allied statutes, property disputes, family disputes and other disputes, as recommended by the Law Commission, could be entrusted to these rural courts. In civil cases, there should be only a provision for revision by the District Judge on grounds of improper application of law and on no other ground. In criminal cases, where imprisonment is awarded, there could be a provision for appeal to the Sessions Judge. The procedures must be simplified and these courts should be duty bound to deliver a verdict within 90 days from the date of complaint.

Summary of Recommendations:

1. The government shall, for the speedy and accessible administration of civil and criminal justice, establish:
Grama Nyayalayas, one for every panchayat or group of village panchayats comprising a population of about 25,000, with due regard to the density of population and terrain.
Nagara Nyayalayas for a ward or group of wards in a municipality or municipal corporation, comprising a population of about 50,000
2. Nyayalaya will have original jurisdiction in specified issues/offences, generally not exceeding Rs. 1 lakh in civil cases and one year's imprisonment in criminal cases.
3. A person of high repute and legal knowledge will be appointed by the District Judge as Nyayadhikari.
4. The office of the Nyayadhikari shall be an honorary office and he shall be paid such remuneration or honorarium as may be fixed by the government. The Nyayadhikari shall also be paid a fixed monthly traveling allowance and an additional allowance to be utilized for secretarial and other services, as prescribed by government from time to time.
5. The parties have the option to appear in person or be represented through a lawyer.
6. Proceedings of Nyayalaya will be in Telugu
7. Nyayalaya will deal with matters relating to fact, and not involving substantive matters of law.
8. The Nyayalaya will deliver a verdict within 90 days of receiving a petition/complaint.
9. There will be provision for appeal against Nyayalaya's orders.

XIV. STAKEHOLDER GROUPS & LOCAL GOVERNMENT INTERFACE

Introduction:

At the local level, we now have stakeholder groups and Non-Governmental Organizations (NGOs), besides the local governments. Many of the stakeholder groups are also constituted by orders of the State government, while at least some of the NGOs have powerful vertical linkages, sometimes internationally also. None of these can be wished away and we have to find a satisfactory *modus vivendi* between them. This will be possible if we are clear about the role of each of these. It must be recognized that the local governments are legitimately elected governments. It is tragic that the government at the higher level itself tries to undermine these elected local governments, but we cannot move forward unless we recognize them and their constitutional role.

At the same time, the fact remains that there are a number of activities in which citizens have a stake directly, and not merely, as a citizen. Here, it will be perfectly legitimate to organize them as stakeholders. Their role then became confrontational with the local governments in which they have a stake. This is a part of checks and balances of our system. The State government must understand that the local governments are also local stakeholders so far as the State is concerned. The NGOs really have no area left for them that is not occupied by the local government and stakeholder organizations. However, there are some issues and sections of society that all organizations tend to overlook. It is here that a NGO can organize such deprived groups to press their demands before the local governments and stakeholder organizations. There may also be issues which are less relevant because of lack of current attention, which also can be pressed by the NGOs. NGOs generally are well motivated because they are voluntary and not statutory. But they must also remember that they are generally well connected and to that extent represent privilege in the local context.

Numerous stakeholder groups/community-based initiatives dealing with varied subjects such as education, water users association (WUA) are proliferating all over India, including Andhra Pradesh. The growth of community-based initiatives signifies the growth of vibrant civil society.

Even the Seventh Plan highlighted the importance of peoples' institutions comprised of stakeholder groups, producers or beneficiaries, which are accountable to local community and have the capacity to both draw up and implement need-based local level plans in close cooperation with the local administration.¹ In spite of their growing numbers, the numerical strength and reach of these community organizations is no way near that of local governments. There are many villages where there are no community-based organizations. On the contrary, the 73rd constitutional amendment has ensured that the presence of Gram Panchayat or Gram Sabha is felt in almost all the villages. However, it also needs to be recognized that Andhra Pradesh is unique among Indian States, having 20,000 to 25,000 community-based organizations per district, working in areas such as social forestry and watersheds.² The creation of Village Watershed Committees and Vana Samrakshana Samithis (VSS) contradicts the claim of GoAP that agriculture, land improvement and minor forests, and soil and water conservation are part of devolved functions to local governments. The independent arrangements for planning and organization of work, accounting for finances and the lack of any kind of accountability to the Gram Sabha have meant that the items of devolution to local governments have, in fact, been given to Watershed Committees and Vana Samrakshana Samithis.³ For instance, government of Andhra Pradesh issued a GO (No.173, 1996) that provided for industry taking the responsibility for marketing the forest produce. The GO stated such arrangement is valid if there is tripartite agreement between industry, VSS and State government.⁴ The role of local government, to which social forestry and control of minor forest produce has been devolved, has not been specified anywhere. To state it differently, the State government does not see any role for local governments in the management of natural resources that fall under their jurisdiction. While on one hand, the powers of local governments are getting undermined with respect to management of natural resources, on the other, there is absolutely no coordination between the stakeholder groups and local governments, though both perform similar activities in a small geographical space. The reasons for the absence of co-ordination between local governments and stakeholder groups have been summarized below:

Areas of Contest:

- While the representatives of local governments believe that stakeholder groups are undermining their primacy, the stakeholders

believe that local governments have no role in the activity in which they are the stakeholders.

- The stakeholder groups consider local governments as “political”, and treat them with contempt.
- The critics of the NGOs point out that the only difference is that while local governments are openly political by an election, stakeholder groups are political by covert infiltration.
- The representatives of local governments generally have low education status and they also lack fiscal powers to implement development initiatives vigorously. On the contrary, stakeholders have an edge over the local governments, as they get support from various NGOs, resulting in greater access to knowledge and latest technological advancements.⁵ These NGOs again are not accountable locally. Stakeholder groups and community-based organizations are also permitted to receive up to 50 per cent of the funds of JRY and EAS.
- While community-based organizations accuse local governments for non-performance, various reports have pointed out that sustainability of initiatives and maintenance of assets created has been a major problem area for the community-based organizations.
- A major criticism against the community-based organizations has been that they represent only a section of community, unlike an elected body.
- The functionaries of local governments accuse stakeholder groups of receiving favorable treatment from State government. For instance, while tanks larger than 100-acre command area have been handed over to WUA for maintenance, the smaller tanks are still under the jurisdiction of Panchayat Raj Engineering Department (PRED). While WUA get a share of irrigation tax, panchayats with smaller tanks neither get resources for maintaining them nor do they have supervisory powers over the works of the PRED.⁶

Recommendations:

In spite of the prevalence of discord between the functionaries of local governments and the stakeholder groups, it is vital to institutionalize a

mechanism for coordination between these two overlapping interest groups. As they perform similar functions at the grass roots, it becomes imperative to develop functional and institutional linkages between them to facilitate faster development in the rural areas. Some of the areas that are amenable to stakeholder and local government convergence activities are, school education, water users in irrigation, marketing committees, fair price shops, watershed development, joint forest management. Development of functional and institutional linkages should be based on the premise of recognizing the primacy of local governments, as they are the elected bodies, rather than seeing stakeholder groups as contenders of local governments. The following model can be considered for institutionalizing the linkages between stakeholder groups and local governments.⁷

- Andhra Pradesh Panchayat Raj Act provides for six functional standing committees at the Gram Panchayat level. The stakeholder groups also perform similar type of functions. Therefore, Gram Sabha shall co-opt one or more members to the standing committee of the Gram Panchayat and, wherever necessary, elections will be held by secret ballot. These co-opted members will fully participate in proceedings of the standing committee.
- Members from the stakeholder group will be co-opted to the mandal level standing committees from amongst the co-opted members of standing committees of the Gram Panchayat for each activity.
- In a similar manner, co-option from members of the stakeholders should be made to the standing committees of Zilla Parishads. Members from the stakeholder groups will be co-opted to the Zilla Parishad level standing committees from amongst the co-opted members of the standing committees of the Mandal Parishads, for each activity group.
- All funds in respect of devolved functions will be spent with the consent of the standing committees of which the co-opted members of the stakeholders are members.
- The functionaries, in respect of that service, shall be accountable to standing committee.
- The stakeholder groups will function under the overall umbrella of the local governments.

Developing linkages between stakeholder groups and local governments, as stated above, will bring about convergence of various rural development programmes. Successful attempts at involving local governments in the activities of the stakeholder groups are readily available. In Uttar Pradesh, joint forest management was brought under the purview of the panchayats through a bill. Similarly, in West Bengal, the Chairman of the ZP, in consultation with site selection committee, distributed tube wells under a World Bank programme. Further, assurances were taken from farmers that they would purchase water supplied by the panchayat. The beneficiary committee looks after day to day working of the tube wells, which is a unique feature of West Bengal Panchayati Raj.⁸ Such convergence in the activities of the local governments and stakeholder groups is necessary for better implementation of programmes in the rural areas.

End Notes

¹ George Mathew, "Decentralized Institutions, Governmental and Voluntary Sector," *Economic and Political Weekly*, February 27-March 5, 1999 available at <http://www.epw.org.in/showArticles.php?root=1999&leaf=02&filename=113&filetype=html>,

² D Bandhyopadhyay, B N Yugandhar, Amitava Mukherjee, Convergence of Programmes by Empowering SHGs and PRIs, *Economic and Political Weekly*, June 29, 2002 available at <http://www.epw.org.in/showArticles.php?root=2002&leaf=06&filename=4623&filetype=html>.

³ "Panchayati Raj and Natural Resource Management in AP," Discussion Note, Sept 2001. p.13

⁴ SALR: "Panchayati Raj And Natural Resources Management: How To Decentralise Management Over Natural Resources," available at <http://www.panchayats.org/downloads/Andhra%20Pradesh%20SALR%20Report.pdf>

⁵ George Mathew, "Decentralized Institutions, Governmental and Voluntary Sector," *Economic and Political Weekly*, February 27-March 5, 1999 available at <http://www.epw.org.in/showArticles.php?root=1999&leaf=02&filename=113&filetype=html>

⁶ "Panchayati Raj and Natural Resource Management in AP," Discussion Note, Sept 2001. p.13

⁷ D Bandhyopadhyay, B N Yugandhar, Amitava Mukherjee, Convergence of Programmes by Empowering SHGs and PRIs, *Economic and Political Weekly*, June 29, 2002 available at <http://www.epw.org.in/showArticles.php?root=2002&leaf=06&filename=4623&filetype=html>.

⁸ George Mathew, "Decentralized Institutions, Governmental and Voluntary Sector," *Economic and Political Weekly*, February 27-March 5, 1999 available at <http://www.epw.org.in/showArticles.php?root=1999&leaf=02&filename=113&filetype=html>

XV. WARD COMMITTEES

Principle of Governance: The 74th amendment provides an institutional framework to enhance popular participation in urban local governments through the formation of wards committees:

Article 243-S of the Constitution states:

1. There shall be constituted wards committee, constituting of one or more wards, within the territorial area of a municipality, having a population of three lakhs or more.
2. The legislature of a State, may, by law, make provision with respect to:
 - a. The composition and the territorial area of a wards committee
 - b. The manner in which a wards committee shall be filled.
3. A member of the municipality representing a ward, within the territorial area of the wards committee, shall be a member of that committee.
4. Where a wards committee consists of:
 - a. One ward, the member representing that ward in the municipality; or
 - b. Two or more wards, one of the members representing such wards in the municipality elected by the members of the wards committee, shall be the Chairperson of that committee.
5. Nothing in this article shall be deemed to prevent the legislature of the State from making any provision for the constitution of committee, in addition to the wards committee.

Current Scenario: The constitution and experience of wards committees varies widely from State to State, as can be seen from the tables below. The constitution envisaged the formation of wards committees, comprising of one or more wards in all municipalities, with population of 3 lakhs or more. As can be seen from the table below, in a majority of the States, ‘wards committees’ instead of ‘ward committees’ have been formed, which doesn’t facilitate easy interaction of the local citizens with their elected representatives.

In a city of Hyderabad’s size, a typical ward has a population of approximately 30,000, which is bigger than an average Gram Panchayat. The spirit of the constitution envisages the functioning of a ward committee

like a Gram Panchayat under the purview of the urban local government. But unfortunately, States like AP provided for one wards committee for every 10 wards, which makes a mockery of the constitutional provision.

Table: Wards Committees (WC) In Municipal Corporations

STATE	MUNICIPAL CORP.	NO. OF WARDS	NO. OF WC	NO. OF WARDS PER WC	COMPOSITION
Andhra Pradesh	Hyderabad	100	No election	Not less than 10 wards	Members elected from the wards and officers nominated by the local body with no voting right
Gujarat	Ahmedabad	43	Rules not yet framed	One or more wards	All elected councillors and not more than 5 persons having interest in civic administration nominated by State government
Haryana	Faridabad	25	Rules not yet framed	One or more wards	All elected councillors
Karnataka	Bangalore	100	28	For one or more wards	All elected councillors and not more than 5 experts and 2 from NGOs working within that territorial area nominated by the State government
Kerala	Thiruvananthapuram	81	81	For each ward	Not more than 50 within the territorial area and 3 prominent citizens nominated by the Chairperson
Madhya Pradesh	Bhopal	66	11	One or more wards	Every elected councillor within the territorial area and 2 persons residing in that area nominated by Mayor without voting rights

STATE	MUNICIPAL CORP.	NO. OF WARDS	NO. OF WC	NO. OF WARDS PER WC	COMPOSITION
Maharashtra	Greater Mumbai	221	16	One or more wards	All elected councillors and three nominated members from the NGOs nominated by the State government
Punjab	Ludhiana	70	Not constituted	Not less than 5 wards	All elected councillors within the territorial area, Municipal Commissioner, and other officers nominated by the Commissioner. No. of nominated members not exceeding half the elected members
Rajasthan	Jaipur	70	Rules not yet framed	One or more wards	Not specified
Tamil Nadu	Chennai	155	10	One or more wards	All councillors elected within the territorial area, nominated not more than 10 persons without voting rights
Uttar Pradesh	Lucknow	110	11	One or more wards	All sabhasads representing the wards
West Bengal	Kolkata	141	14	For each ward and in addition 14 Borough committees for groups of wards	4 to 14 members selected councillor and such other members nominated by the councillor

Source: *DataBase on Municipal Governance in Some Major States, Nagarpalika Network, All India Institute of Local Self-Government, New Delhi, October 2002, pp 83-86.*

Table-2: Number of Wards Committees and Population in some Municipal Corporations

Municipal Corporation	No. of Wards	No. of Wards Committees	Population* per WC
Greater Mumbai	221	16 Wards Committees	3,97,000
Kolkata	141	01 Wards Committee for each ward	31,000
Delhi	134	12 Wards Committees	6,01,000
Chennai	155	10 Wards Committees	3,84,000
Pune	111	13 Wards Committees	1,21,000
Kanpur	110	11 Wards Committees	1,71,000
Lucknow	110	11 Wards Committees	1,47,000
Varanasi	80	08 Wards Committees	1,16,000

**Based on 1991 Census figures for Municipal Corporation*

Composition of Wards Committees: Kerala has provided by far the most broad-based participatory arrangements. Each ward committee has an elected Councilor as its Chairperson, and not more than 50 persons are to be nominated by the Municipal Chairperson, in consultation with the Councilor. Formal recognition has been given to Neighborhood Groups (NHGs) at the local level. In West Bengal, there is a clear 3-tier structure of local administration. There is a ward committee at the lowest level and Borough Committee (consisting of minimum 6 wards) at the intermediate level, both linked with the corporation. There are separate rules describing powers and functions of each type of committee and their relationship with municipal administration. A common feature in all the States is that members of the ward committees are not elected. The nominating authorities also vary in different States. In West Bengal, the nominating authorities are the ward Councillor and the Chairperson of the municipality, whereas, in Andhra Pradesh, the Municipal Commissioner nominates the Municipal Officers in such committees. In Delhi, wards committees comprise, exclusively, of councillors of the wards. In Karnataka, members of the committees are to be nominated by the State government. These committees are to consist of the elected Councillors, five expert members, and two from NGOs, nominated by the State government. Maharashtra,

Karnataka, Kerala and West Bengal have provided for induction of NGOs, social workers, and gender groups in the wards committees.

Wards Committees in A.P. : In A.P., the law provides for the Commissioner and Director of municipal administration to constitute a wards committee, consisting of not less than 5 wards, and only the members elected from the wards shall be on the committee. In addition, the Commissioner has the right to nominate and specify which officers will attend the meetings of the wards committee (shall not have the right to vote), and has to nominate one such officer of the municipality as the Secretary of each wards committee. The Chairperson of the wards committee shall be elected from among the members themselves. The law states that the wards committees shall be assigned with the function of :

- i. Maintenance of sanitation
- ii. Maintenance of water supply and drainage
- iii. Maintenance of street lighting
- iv. Maintenance of roads
- v. Maintenance of markets
- vi. Maintenance of parks and play grounds
- vii. Maintenance of school buildings wherever they are under the control of the municipality.

In addition, the law also states that the wards committee shall have powers to review the revenue collections and also shall prepare a draft annual budget and forward to the municipal council for consideration.

Recommendations:

1. Every ward shall have a ward committee, as opposed to multiple wards. The committee shall be chaired by the elected Councillor from that ward. The committee shall consist of representatives from the citizens of the ward, and a transparent and equitable mechanism should be adopted to ensure fair representation of women, weaker sections and civil society in these committees.
2. The ward committee shall be empowered to control all such issues, which could be handled at the ward level such as street lighting, sanitation, water supply, drainage, road maintenance, maintenance of school

buildings, maintenance of local hospitals/dispensaries, local markets, parks, playgrounds, etc.

3. The employees, in respect of all functions entrusted to the ward committee, shall function under the committee and shall be held accountable by the committee. The salaries to all such employees shall be paid by the committee only after satisfactory performance.
4. The funds allocated to those functions entrusted to the ward committee shall be transferred en-bloc to the ward committee.
5. The budget adopted by the ward committee in respect to the functions allotted to it shall be taken into account in formulating the overall municipal budget. The meetings of the ward committee shall be widely publicized to ensure maximum citizen participation.
6. Ward committee will be given a share of the property taxes collected from the ward, depending on the locality. eg: Poor areas will retain 100% taxes. Middle-income areas will get 2/3rd of all residential property taxes (non-commercial). Affluent areas will get 1/3rd of all residential property taxes (non-commercial).
7. The balance tax amount will go to the central pool for the municipal budget.
8. The ward committee shall also have the power to levy local taxes, but subject to the guidelines set by the municipality. In effect, the ward committee shall function as a de facto Gram Panchayat.
9. The ward committee may raise other resources through donations and other contributions.

XVI. E-GOVERNANCE & LOCAL GOVERNMENTS

The concept and methodology of e-governance raise issues of decentralization of governance, which go beyond local governments. Andhra Pradesh is a State where e-governance has gone farthest in the country. The Chief Minister (CM) and the Collectors are now in an almost constant dialogue with each other, through video-conferencing. With this, not only local governments, but the entire normal administrative hierarchy get bypassed and become irrelevant. If, as envisaged in the 73rd amendment to the constitution, large administrative powers are vested in the Zilla Parishads (ZPs) at the district level, the CM will not be able to have the same kind of video-conference with the Chairpersons of ZPs, as he now has with the Collectors. Genuine coordination will have to replace the present directive relationship.

If with modern technology, participation can be ensured by videoconferences, by visiting web sites and 'Dialing Your Queries,' why have a cumbersome local government hierarchy? The local government may still be required at levels at which governance impinges on the lives of citizens directly, such as the village panchayat and the mandal. At the district level, however, the development function is mostly one of coordination between different departments and programs. This can be better done by the Collector in direct video contact with Collector. The ZPs may be unnecessary. However, such an arrangement will work well only in small States, where the span of control below the CM will not be too big, even for video control.

Had governance been only an exercise in management and the CM its CEO, e-governance could have facilitated all its functions being performed more efficiently. It is said that in Mughal rule, there was a bell in the palace, which any citizen could ring at any time, and the emperor was bound to come out and dispense justice. For that reason, was the Mughal regime democratic, even if it was humane? The computer has now only taken the place of that bell. When British colonial administration described itself as 'Ma-Baap' government, it did provide benevolent access to authority and protection like a parent. But, every parent knows that there comes a stage when mere affectionate access or concern is not enough. Providing direct and quicker access cannot ensure full participation. What followed Harijan

entry into temples shows this. Information technology (IT) helps a citizen navigate through the growing complexity of government through e-governance. Once a cat could look at the king; now a mere mouse can summon him, if he has a web site.

Governance is, however, not merely navigation. It is the exercise of power. Democracy is demand for a share in that power. Democracy assumes that representation is the essence of participation. The famous assertion was, “No taxation without representation”, not “No taxation without participation.” This issue was brought sharply in a recent discussion on the BBC when the Saudi ambassador to the UK said that his government was in favor of “participatory government” and not democracy. He made a distinction between the two and specifically rejected democracy on principle. The 73rd amendment to the constitution was about giving local governments a share in the power, which the constitution divided between various authorities, and not about creating just another level of administration.

E-governance is a neutral instrument. It can work under any administrative set-up. The greatest relief it affords the citizen is when it operates at, what has been called, the “cutting-edge.” The “cutting-edge” is a graphic description of what happens to the citizen when he first confronts the government. The computer liberates the citizen from petty official delays and oppression at this level. The computer does not liberate the citizen from the levels above this who have fed the programme. They now operate anonymously and, therefore, more oppressively. The petty official at least gave the citizen, may be for a consideration, an inkling into what was happening behind and above him. The citizen and the petty official were on the same side, in so far as these mysterious higher levels were concerned. That is why corruption at this level is difficult to catch. Corruption, very often, is a joint venture - it blessed him that giveth and him that taketh. Now, the citizen is alone and unfriendly before the computer. Cutting-edge computerization liberated the supplicant from pujari (priest); he now faces the deity directly. He had imagined that this encounter would be easy and rewarding. But, the ghost-in-the-machine proved to be more elusive and formidable. That ghost-in-the-machine is power; without it, all are supplicants before the machine, no matter how easy the windows make the entrance. Local government is a demand to enter the machine and share its software. Without this, all attempts at access from outside will be futile.

XVII. ANNEXURE DEFINITIONS - CONCEPTS

Definitions

The concept of “local self-government” is widely misunderstood in India. The term “Panchayat Raj Institutions” is used extensively to describe the local governments in India. Translated into English, it means the “Rule of the Panchayat,” i.e., the rule of assembly of villagers. However, the use of the term “Panchayat Raj Institutions” does not bestow an image of legal authority that is independent and substantially autonomous of State and Union governments. Therefore, we need to replace the term “Panchayat Raj Institutions” with “Local Self-Government”. Many definitions are used to describe local self-government such as deconcentration and decentralization. Deconcentration involves redistribution of administrative responsibility within the Union government.¹ Decentralization implies sharing of a part of the governmental power by a central ruling group with other groups, each having authority within a specific area of the State.² There is a subtle difference between decentralization and local self-government. Local self-government involves the participatory aspect. In contrast, decentralization, according to many, focuses much more narrowly on the administrative side.³ In short, the local self-government is decentralized form of governance with participatory elements in it. Along with participatory aspects, local self-government is based on the *Principle of Subsidiarity*.

The Principle of Subsidiarity

Any task that can be carried at the local social unit – beginning with individuals and families – should be performed by that smallest unit. It’s only when the local social/political unit cannot perform the task, a larger social/political unit located at a distance should perform that task. Therefore, the local governments should perform functions such as sanitation, as they are equipped to perform such functions. The *Principle of Subsidiarity* is based on the following premises:

- The functions of local, smaller or lower human associations should not be assumed by the larger or higher associations.

- Normative Principle: This principle places trust in the capacity of the individuals to perform various tasks and to resolve conflicts locally. The *Principle of Subsidiarity* also enhances the capacities of the people to perform tasks individually and collectively at local level. It reminds them that solutions for their problems can be found locally, efficiently and speedily.
- Individuals can control the extent of government intervention in a democratic manner, as the majority of the functions will be carried out by the local governments.
- Excessive intervention by distant authorities, which can threaten freedom and initiative, is avoided.

Local self-governments, based on *Principle of Subsidiarity*, restrain unnecessary State interventions. As per *Principle of Subsidiarity*, the delegation of authority will not flow downwards - from Union government to State government and from State government to local governments. Rather, the individual gives up those functions that he cannot perform to the community, community to local governments, local governments to State, and State governments to Union government. The *Principle of Subsidiarity* allows us to think about governments, not in terms of hierarchy, but in terms of their approachability/accessibility. This subtle shift in understanding the local, state and central governments will not only help us in assigning appropriate functional domain, but also in placing greater trust in the local, State and Union governments. As a consequence, large number of functions will be assigned to local governments, as they are closer to the people and ensure greater participation of the people.

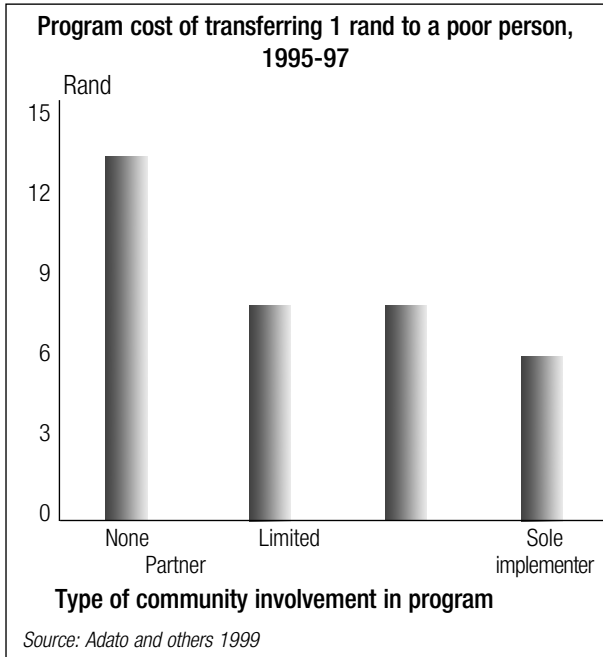
Why Local Governments?

As has been pointed out earlier, a large-sized district in India is larger than about eighty (80) nation-States in the world in terms of population. Most of our larger States would be among the large nations of the world. Uttar Pradesh, Bihar, Maharashtra and West Bengal - each would be the largest nation in Europe, if independent. Even a truncated Uttar Pradesh would be the world's sixth largest nation! In spite of huge geographic size of India, the administrative apparatus is highly centralized. Amartya Sen and Dreze pointed out this highly centralized apparatus defies logic. "While hierarchical centralization might have been necessary for a handful of

foreigners to administer a large and potentially rebellious population, there was no good reason for it to have been consistently perpetuated by the successive governments of independent India. There is much evidence that the poor functioning of local public services in India relates to the centralized and non-participatory nature of their management. Moreover, there is little scope for citizens to voice their demands and criticism in the formal institutional structures.”²⁴

As Amartya Sen and Jean Dreze stated, centralized State institutions are unable to meet the basic requirements of the poor people. Therefore, there is not only a need to decentralize the administrative apparatus, but also empower the local people by strengthening local governments.

Decentralization lowers the cost of raising the income of poor people in South Africa



Decentralization, and strengthening local governments, makes State institutions pro-poor by bringing them closer to the people. In decentralized local-governments, local issues such as provision of amenities assume an important role. As the elected local government officials are close to the people, it will result in better delivery of public services. The major issues during

elections to the local governments revolve around provision of public services. Consequently, the delivery of public services will improve, as failure to do so would prove to be politically costly. There will be greater participation of the people in the decentralized form of governance,

resulting in empowerment of the poor, as there is easy availability of local information. The availability of local information with the administration also results in better implementation of development policies. For instance, in Bolivia, decentralization gave communities more power to influence their local governments that the composition of local public expenditure shifted in favor of the poor.⁵ This direct and positive relationship between decentralization and economic outcomes is not specific to Bolivia.

It is the decentralization of power in China that has contributed to the phenomenal economic growth. The Union and provincial governments followed a policy of positive incentives to the local government run village and township enterprise (by allowing them residual claimancy to the money they make) and negative incentive to keep them on their toes (in the form of refusing to bail them out if they lose money in the intense competition with such other enterprise).⁶ Decentralization also reduces the costs of development processes, as there is active participation of people, availability of information, greater accountability and transparency. For instance, in South Africa, community's involvement substantially lowered the costs of raising the income of poor people. See figure below. In India, municipal authorities of Manjeri, Malappuram district, in North Kerala, in collaboration with some NGOs and bankers, were successful in converting the municipality into a booming hosiery manufacturing center.⁷ Similarly, in West Bengal, the involvement of the people at the local level in the construction and management of various projects has resulted in the dramatic reduction in costs of the public projects. Moreover, the execution of these projects was relatively free of corruption.⁸ Decentralization increases accountability and transparency of the administration as the report of the Task Force on Panchayat Raj Institutions (PRI) states:⁹

- Local monitoring can be very effective for ensuring that officials perform diligently. Sanctions can also be imposed on defaulting or free-riding community members. Community sanctions are hard to ignore because of the longstanding relationships involved. The close interactions and relations of trust within communities can help make development projects more sustainable. The combination of local information and ability to impose sanctions makes local monitoring and supervision more effective and cheaper for many types of projects and programmes than national level monitoring;

- Decentralisation makes it easier for people to obtain information on budgets and on the use of funds, thus increasing the transparency of public actions and reducing corruption. In addition to increasing awareness of budget constraints and the need to shape political demands accordingly, this kind of decentralisation helps communities hold local leaders accountable for performance.

In multi-ethnic and multi-religious societies, decentralization of administration ensures political stability as decentralization ensures political participation. Decentralization ensures that political aspirations of ethnic and religious groups are addressed appropriately. As there are significant advantages of local governments, many States across the world have incorporated necessary provisions that strengthen local governments in their constitutions.

End Notes

¹ Siegmur Schmidt “Is Small Beautiful? The Significance of Decentralisation and Local Self-Government in the Context of Recent Processes of Democratization in Africa” available at <http://www.kas.org.za/Publications/SeminarReports/Traditionallocalparticipation/SCHMIDT.pdf>

² Siegmur Schmidt “Is Small Beautiful? The Significance of Decentralisation and Local Self-Government in the Context of Recent Processes of Democratization in Africa” available at <http://www.kas.org.za/Publications/SeminarReports/Traditionallocalparticipation/SCHMIDT.pdf>

³ Siegmur Schmidt “Is Small Beautiful? The Significance of Decentralisation and Local Self-Government in the Context of Recent Processes of Democratization in Africa” available at <http://www.kas.org.za/Publications/SeminarReports/Traditionallocalparticipation/SCHMIDT.pdf>

⁴ Maitreesh Ghatak, Maitreya Ghatak, Recent Reforms in the Panchayat System in West Bengal, Toward Greater Participatory Governance? Economic and Political Weekly, January 5-11, Volume XXXVII, No.1, 2002, p.45

⁵ World Bank, “Entering the 21st Century: World Development Report, 1999-2000,” (New York: Oxford University Press, 2000), pp-107-124.

⁶ Pranab Bardhan, Disjunctures in the Indian Reform Process: Some Reflections, <http://www.arts.cornell.edu/econ/indiaconf/Bardhan%20outline.pdf>

⁷ Pranab Bardhan, Disjunctures in the Indian Reform Process: Some Reflections, <http://www.arts.cornell.edu/econ/indiaconf/Bardhan%20outline.pdf>

⁸ Maitreesh Ghatak, Maitreya Ghatak, Recent Reforms in the Panchayat System in West Bengal, Toward Greater Participatory Governance? Economic and Political Weekly, January 5-11, Volume XXXVII, No.1, 2002,

⁹ Report of the Task Force on Panchayat Raj Institutions (PRI), December, 1991.

XVIII. SUMMARY OF RECOMMENDATIONS

Local Governments, Legislative Council and Council of Local Governments

It has been pointed out that in matters pertaining to devolved subjects of local governments, the State governments will continue to have an important role. But this role will have to be so specified that it does not undermine the control of the local governments and local government delivery system. There should be institutional mechanisms that will hinder the State government from usurping the legitimate functional domain of the local governments. This can be achieved by transforming the Legislative Council into Council of Local Governments.

The constitution provides for bicameral State legislature for bigger States - Legislative Assembly and Legislative Council. Legislative Assembly is composed of members directly elected on the basis of adult suffrage from territorial constituencies. Legislative Council consists of nominated and indirectly elected members. 5/6th of the total members of the Council shall be indirectly elected and 1/6th shall be nominated. Broadly, the composition of the legislative council is as follows:¹

- 1/3rd of the total members of the Council shall be elected by electorates consisting of members of local bodies such as municipalities and district boards.
- 1/12th shall be elected by electorates consisting of graduates of three years standing in the State.
- 1/12th shall be elected by electorates consisting of persons engaged for at least three years in teaching in educational institutions within the State, not lower in standard than secondary schools.
- 1/3rd shall be elected by the members of the Legislative Assembly from amongst persons who are not members of the Assembly.
- The remainder shall be nominated by the Governor from persons having knowledge or practical experience in respect of such matters as literature, science art, cooperative movement and social service.

Today, only few States such as Bihar, Maharashtra, Karnataka and Uttar Pradesh have Legislative Councils and most of the other States have abolished the Legislative Councils according to the procedure prescribed by the Article 169. With the abolition of Legislative Councils, local governments were denied whatever little opportunity was there to voice

their concerns. After the enactment of the 73rd/74th constitutional amendments, local governments have emerged as third tier of governance. Therefore, there is not only a need for functional division but also a necessity to make local governments a partner in the law making with the State government. An effective way to achieve this would be to recast the Legislative Council, as Council for Local Governments, i.e., Legislative Council, will have members elected solely by the elected representatives of local governments. The composition of the Legislative Council can be exactly on the lines of Rajya Sabha:

- The Legislative Council shall have representatives from districts elected by the method of indirect election.
- The representatives of each district shall be elected by members of Zilla Parishad and urban local governments of the district in accordance with the system of proportional representation by means of a single transferable vote.

The relationship between Legislative Council and Legislative Assembly should be similar to that of Lok Sabha and Rajya Sabha. An important function of the revamped Legislative Council would be to protect the domain of the local governments. Therefore all legislation that affects the local government should be passed in the Legislative Council with appropriate majority as determined from time to time.

Functions

All the functions, funds and functionaries pertaining to the subjects enumerated in the Eleventh and Twelfth Schedules should be transferred to local governments with immediate effect. Functional delineation among the three tiers of local governments should mark any such devolution. The process of devolution should be based on the principle of Subsidiarity i.e., what can be handled at the local level should be done at that level and only those that cannot be done locally should be passed on to a higher level i.e., from the Gram Panchayat to the Mandal Parishad and Zilla Parishad. (For more details on functional devolution refer to Chapter IV in this report.)

Recommendations:

In order to overcome the fiscal crisis of the local governments, the following recommendations may be adopted.

- The State budget under each head should be divided as follows:
 1. State wide
 2. District-wise
 - i. Here, allocations for each district should be shown separately.
 - ii. By bringing together district allocations under various heads, a district budget will evolve. This district budget can have amounts under
 - a. Control of department for valid reasons based on principles decided before
 - b. Schemes transferred to Zilla Parishad for execution but still government schemes
 - c. Devolved funds

With regard to (b), Zilla Parishad will have the powers of the head of the department. The amounts for (c) will be given as lumpsum grants-in-aid. Experience here, earlier as well as in other States, would show that b+c would be about 40% of total government budget. The State budget shall disclose details of wage and non-wage components in respect of all schemes/items of expenditure included in the State budget under State plan, centrally sponsored schemes and non-plan expenditure.

- The State government should release grants-in-aid to the district planning bodies to enable them to utilize the funds even after the close of the financial year. Preparation of link document sector-wise for each district in respect of the schemes transferred to the district planning body, showing the provisions for the year and accounts of the year preceding it, besides scheme-wise budget estimates for State plan, centrally sponsored schemes and non-plan will help in better utilization of funds.
- All amounts devolved by the State and Union Finance Commissions to local governments should be passed on to them, subject to only such conditions as the commission may have prescribed.
- The Zilla Parishad should have the powers for re-appropriating amounts from one item to another within the budgetary allocations for the district, subject to the conditions that savings under non-recurring or capital items shall not be diverted by local governments for recurring expenditure. No savings of one district will be diverted to another district.
- Savings on recurring expenditure can be diverted to non-recurring expenditure

- Strong auditing norms should be prescribed for all local governments. Local fund audit should be strengthened and the audit function should be independent of the local government.
- Local governments should be given powers to raise loans. Santhanam Committee, in 1963, suggested that PRIs should be given power to borrow or raise loans. The committee suggested that Local Governments Finance Corporation should be established for this purpose. Finance Corporation is usually meant to provide finances for remunerative schemes. In case local government institutions have some projects that are of remunerative nature, it should be possible for them to pose these for financing to the various financing agencies already available. In the changed financial scene in the country today, nothing prevents local bodies from going to the market or financing agencies for loans for viable schemes. However, the weaker local governments need to be guaranteed or subsidized by government. The Local Governments Finance Corporation can perform such a function. The Reserve Bank of India (RBI) had suggested a body for borrowing by state governments.
- There is no system of monitoring how much was collected of the taxes in the GP, and whether the complete share of such collections has been given to GP as for example, entertainment tax. The District Panchayat Officer is expected to monitor the total quantum of collections from GP and to ensure that the total share due is received and is also again duly redistributed to the GP. Similarly, the surcharge on stamp duty and the land revenue cess have to be monitored and distributed similarly. It is, therefore, recommended that there should be monitoring cells, attached to the DPO and the DDO, which will be charged with the responsibility of monitoring and properly distributing the collections to the GP and Mandals and ZPs.
- Proper infrastructure for maintenance of accounts/database at all levels of local governments should be provided. Eleventh Finance Commission made following observations in this regard:
 1. Articles 243J and 243Z of the constitution expect the States to make provisions by way of legislation for maintenance of accounts by the panchayats and the municipalities and for the audit of such accounts.
 2. The Comptroller and Auditor General (CAG) should be entrusted

with the responsibility of exercising control and supervision over the proper maintenance of accounts and their audit for all the tiers/levels of panchayats and urban local bodies.

3. The report of the CAG relating to audit of accounts of the panchayats and the municipalities should be placed before a committee of the State Legislature, constituted on the same lines as the Public Accounts Committee.
4. In our view, an amount of Rs.4,000 per panchayat per annum, on an average, should be adequate to meet the expenditure on maintenance of accounts on contract basis, if the staff/facilities are not available within the panchayat. The amount of Rs. 4,000 indicated is only suggestive, and may vary for different States, and for different panchayats within a State, depending on local conditions.
5. Provision for maintenance of accounts of village level panchayats and intermediate level panchayats in Andhra Pradesh (Rs. in lakhs)

Sl No.	Name of the State	Number of village level panchayats	Amount	Number of Intermediate level panchayats	Amount	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Andhra Pradesh	21784	871.36	1093	43.72	915.08

Source: Eleventh Finance Commission

- On pattern of utilization of financial grants, local governments should have discretion to use their general funds.

Functionaries

Recommendations:

1. The functionaries at and below the district level pertaining to all the 29 subjects should work under the control of the local governments. And the officials transferred to the control of Zilla Parishad are to be treated as on deputation. The present service rules governing the functionaries will not be amended. The salaries of the functionaries transferred will be given to local governments as a lump sum grant.
2. The Classification, Control, Appeal Rules (CCA) should be appropriately amended to transfer complete administrative control over the local government employees to the appropriate tier of local government. The power to determine strength of the cadre (sanction

strength) shall lie with the State government.

3. Various departments and agencies such as DRDA along with the personnel and infrastructure should be brought under the control of local governments.
4. The local government will have the power to relocate or re-deploy the functionaries under its control subject to relevant rules on the subject.
5. Various functionaries once posted to the district posts, will be placed under the control of the Zilla Parishad acting through its Chief Executive Officer (CEO). Once a particular official is posted to a particular district, further transfers within the district will be by the CEO or any officer below him, to whom he may delegate this power and not the cadre-controlling officer. However, transfers from district to district will still be in the hands of cadre-controlling officer. Such transfers however should be effected with the consultation of the CEO. It should be noted that the relationship between the Chairman of the Zilla Parishad and the Chief Executive Officer should be similar to the relationship between Chief Minister and the Chief Secretary.
6. The Gram Sabhas as in Madhya Pradesh should have the right to demand the presence of all its officials – police, health officials, lowest ranking electricity board engineer, primary and middle school head masters, agricultural officers – to give an account of their work. The decisions of the Gram Sabha have to be enforced.
7. With regard to development functions, the supervision will vest within the Panchayat Raj institutions. Mandal Parishads will coordinate and supervise the development activities of the Gram Panchayat and Zilla Parishads will in turn do so in the case of Mandal Parishads.
8. Once services are effectively decentralized in this manner there should be statutory District Staff Committees for administrative appeals and grievances.
9. Once the cadre of the local governments is in place, the state government should constitute a Staff Review Commission to identify the departments and agencies that no longer require recruitment of new officials in each district.
10. Ultimately the local governments should have their own cadre,

consisting of both technical and non-technical officials. The recruiting authority for such cadre can be the Andhra Pradesh Public Service Commission but the appointing authority will be the local government.

11. The working conditions such as norms, rules, and regulations governing the functionaries of the local government cadre will be similar all across the State.

Accountability

Specific Recommendations:

1. ***Right to Information*** - The State should create effective mechanisms for implementation of the right to information legislation enacted by the Union and make them applicable to all branches of government. A provision for independent appeal and compensation to the citizen, along with penalties for erring employee, should be provided.
2. ***Citizens' Charters*** - Along with the panchayat citizens' charters, the government should provide for an effective citizens' charter in every department, which has a public interface, clearly outlining the various services to which the citizen is entitled to, time frame, compensation for non-delivery and penalties for the erring employee.
3. ***Independent Vigilance Mechanism*** - There should be an independent vigilance body reporting to an independent authority like an Ombudsman.
4. ***A District Audit Unit***, independent of local and state governments can be constituted to scrutinize the expenditure of local governments, and it should function like the Accountant General's audit

Ombudsman - There should be an independent Ombudsman to look into all grievances related to local governments. He/she shall have the power to take any action or initiate disciplinary proceedings against any local government employee. The government shall have no appeal powers and the only recourse is through a writ in an appropriate court of law. The Ombudsman shall be a man of integrity and reputation in the district and a presidium comprising of the CM, Chief Justice of the High Court and leader of the opposition can appoint him.

Consolidation of Gram Panchayats

In December 1991, the Report of the Expert Committee on Panchayat Raj made the following recommendation:²

- Gram Panchayat Unions/Sanghams may be constituted with a population of 30,000-40,000 in the plain areas and 15,000-20,000 in the tribal areas. In such cases, the members of the Union can elect the Chairman of the Union/Sangham from among themselves by rotation every year.
- The headquarters of such Union can be at one of the constituent panchayats to be selected by each Union by mutual agreement or in case of differences, by the intermediate tier.
- The membership of this Union should be the Sarpanch and Upa Sarpanch of the Gram Panchayats concerned, members of each Gram Panchayat, at the rate of one for a population of up to 1,500, two for 2,000-2,500, to be elected as members of the Union by the Gram Panchayats concerned.

The smaller Gram Panchayats have to be clustered in the above-stated manner for proper functioning and for capacity to afford some assistance in the form of bill collectors and others. Another alternative would be to consolidate the existing small Gram Panchayats and redraw new panchayats with population size of 4,000-6,000. However, the habitations in the consolidated Gram Panchayats can organize their respective Gram Sabha and enforce the resolutions adopted by that Gram Sabha.

District Planning Committee

The State Government of Andhra Pradesh should immediately constitute District Planning Committees and Metropolitan Planning Committees, as mandated by the Article 243-ZD and Article 243-ZE.

Metropolitan Planning Committee

Recommendations:

- 1) There shall be a Metropolitan Planning Committee in every metropolitan area of the State, constituted in accordance with Article 243-ZE.
- 2) At least 2/3rds of the members of the committee shall comprise of elected heads of the panchayats and municipalities in the metropolitan area, according to the ratio of population between municipalities and panchayats. The remaining members can be nominated by the government and shall also include representatives of civil society.

The Chairperson of the committee shall be the Mayor of the largest metropolitan city in the area.

- 3) The key functions of the Metropolitan Planning Committee shall be:
- a. Zoning and Master Plan preparation - Preparation of Master Plan and administering zoning laws
 - b. Approval of plans - To regulate and control all construction and development activity through statutory plans and other measures
 - c. Development fees collection - Shall be responsible for collection of development fees for all statutory clearances under its purview.
 - d. Preservation of environment - Shall be responsible for the preservation and protection of environment in the metropolitan area and shall closely work with other government agencies, which are also entrusted with the task of environment protection.
 - e. Coordination - To coordinate with other public agencies concerned with provision of urban infrastructure, services and amenities, including urban transport, power, ports, water supply, waste management, education and healthcare.

The Metropolitan Planning Committee shall have the right to re-appropriate resources in the metropolitan area to suit its needs and requirements.

Local Policing

Summary of Recommendations:

1. There shall be a police station for every panchayat or group of panchayats, comprising a population of about 25,000 and they should be entrusted with functions like traffic regulations, patrolling, controlling offences of a minor nature, prosecution of minor offences, public nuisances etc and they shall function under the local government.
2. The local police station shall be co-terminus with the local court.
3. Crime investigation to be separated into a separate independent wing functioning as a quasi-judicial body directly under the control of the judiciary.
4. Crime investigation to be completely and permanently insulated from other branches of policing, with no horizontal transfers from one wing to the other.

5. Riot control, security of State property, security of important citizens and intelligence gathering to still lie with the State level force accountable to the political executive under overall legislative supervision.
6. There should be effective institutional mechanisms to ensure that the local forces are integrated with the State forces.

Local Courts

Summary of Recommendations:

1. The government shall, for the speedy and accessible administration of civil and criminal justice, establish:
Grama Nyayalayas, one for every panchayat or group of village panchayats, comprising a population of about 25,000, with due regard to the density of population and terrain.
Nagara Nyayalayas, for a ward or group of wards in a municipality or municipal corporation, comprising a population of about 50,000.
2. Nyayalaya will have original jurisdiction in specified issues/offences generally not exceeding one lakh rupees in civil cases and one year's imprisonment in criminal cases.
3. A person of high repute and legal knowledge will be appointed by the District Judge as Nyayadhikari.
4. The office of the Nyayadhikari shall be an honorary office and he shall be paid such remuneration or honorarium, as may be fixed by the government. The Nyayadhikari shall also be paid a fixed monthly travelling allowance and an additional allowance to be utilized for secretarial and other services, as prescribed by government, from time to time.
5. The parties have the option to appear in person or be represented through a lawyer.
6. Proceedings of Nyayalaya will be in Telugu.
7. Nyayalaya will deal with matters relating to fact, and not involving substantive matters of law.
8. The Nyayalaya will deliver a verdict within 90 days of receiving a petition/complaint.
9. There will be provision for appeal against Nyayalaya's orders.

Local Governments and Stakeholders

Recommendations:

In spite of the prevalence of discord between the functionaries of local governments and the stakeholder groups, it is vital to institutionalize a mechanism for coordination between these two overlapping interest groups. As they perform similar functions at the grassroots, it becomes imperative to develop functional and institutional linkages between them to facilitate faster development in the rural areas. Some of the areas that are amenable to stakeholder and local government convergence activities are, school education, water users in irrigation, marketing committees, fair price shops, watershed development, joint forest management. Development of functional and institutional linkages should be based on the premise of recognizing the primacy of local governments, as they are the elected bodies, rather than seeing stakeholder groups as contenders of local governments. The following model can be considered for institutionalizing the linkages between stakeholder groups and local governments.³

- Andhra Pradesh Panchayat Raj Act provides for six functional standing committees at the Gram Panchayat level. The stakeholder groups also perform similar type of functions. Therefore, Gram Sabha shall co-opt one or more members to the standing committee of the Gram Panchayat, and wherever necessary, elections will be held by secret ballot. These co-opted members will fully participate in proceedings of the standing committee.
- Members from the stakeholder group will be co-opted to the mandal level standing committees from amongst the co-opted members of standing committees of the Gram Panchayat for each activity.
- In a similar manner, co-option from members of the stakeholders should be made to the standing committees of Zilla Parishads. Members from the stakeholder groups will be co-opted to the Zilla Parishad level standing committees from amongst the co-opted members of the standing committees of the Mandal Parishads, for each activity group.
- All funds in respect of devolved functions will be spent with the consent of the standing committees of which the co-opted members of the stakeholders are members.

- The functionaries with respect to that service shall be accountable to the standing committee.
- The stakeholder groups will function under the overall umbrella of the local governments.

Developing linkages between stakeholder groups and local governments, as stated above, will bring about convergence of various rural development programmes. Successful attempts at involving local governments in the activities of the stakeholder groups are readily available. In Uttar Pradesh, joint forest management was brought under the purview of the panchayats through a bill. Similarly, in West Bengal, the Chairman of the ZP, in consultation with site selection committee, distributed tube wells under a World Bank programme. Further, assurances were taken from farmers that they would purchase water supplied by the panchayat. The beneficiary committee looks after day to day working of the tube wells, which is a unique feature of West Bengal Panchayati Raj.⁴ Such convergence in the activities of the local governments and stakeholder groups is necessary for better implementation of programmes in the rural areas.

Wards Committees

Recommendations:

1. Every ward shall have a ward committee as opposed to multiple wards. The committee shall be chaired by the elected Councilor from that ward. The committee shall consist of representatives from the citizens of the ward and a transparent and equitable mechanism should be adopted to ensure fair representation of women, weaker sections and civil society in these committees.
2. The ward committee shall be empowered to control all such issues which could be handled at the ward level such as street lighting, sanitation, water supply, drainage, road maintenance, maintenance of school buildings, maintenance of local hospitals/dispensaries, local markets, parks, playgrounds etc.
3. The employees in respect of all functions entrusted to the ward committee shall function under the committee and shall be held accountable by the committee. The salaries to all such employees shall be paid by the committee only after satisfactory performance.

4. The funds allocated to those functions entrusted to the ward committee shall be transferred en-bloc to the ward committee.
5. The budget adopted by the ward committee in respect to the functions allotted to it shall be taken into account in formulating the overall municipal budget. The meetings of the ward committee shall be widely publicized to ensure maximum citizen participation.
6. Ward committee will be given a share of the property taxes collected from the ward, depending on the locality, eg: poor areas will retain 100% taxes. Middle-income areas will get 2/3rd of all residential property taxes (non commercial). Affluent areas will get 1/3rd of all residential property taxes (non commercial).
7. The balance tax amount will go to the central pool for the municipal budget.
8. The ward committee shall also have the power to levy local taxes, but subject to the guidelines set by the municipality. In effect, the ward committee shall function as a de facto Gram Panchayat.
9. The ward committee may raise other resources through donations and other contributions.

Finally, there are many measures, which have not been discussed in this report that empower and enhance representational legitimacy of local governments. Due to constraints of space and time, we will briefly discuss the following three recommendations:

- ***District Government:*** Partly owing to our colonial legacy, there continues to be an artificial divide between urban and rural local governments. As a result, there is no single, undivided government representing all sections at the district level and the people continue to view Zilla Parishad and Municipality as just another body and treat the District Collector as the real symbol of government in the district. The current structure of District and Metropolitan Planning Committees is too weak, and in any case they are non-starters in many States. Therefore, there is a need to amend Art 243-C to provide for a single elected district council that will function as a true government for the entire district. Once this is implemented, the District Planning Committee becomes redundant.

- **Structure of Panchayats:** Even though the intent of 73rd and 74th amendments are laudable, there is a general feeling that they created over-structured and underpowered local governments. As real governance is at the State and local levels, there is perhaps a case for giving enough freedom and leeway for the States to design the structure of local governments in their own way as long as rural and urban local governments are elected democratically. Therefore, there is a need to amend Art 243-C and 243-Q and empower the State legislatures to decide the structure of local governments, subject to the overall constitutional provisions.
- **Reservation for Women:** Art 243-D provides for one-third reservation for women in all elected local governments. As a result, millions of women are catapulted into electoral office at the local level across the country. But even before they had a chance to learn the ropes of governance, they are demitting office, as the reserved seats have to be rotated every five years. As this provision is blatantly unfair to women representatives, there is a need to consider amending Art 243-D(3) to enable women representatives to seek two terms from the same constituency. Similarly, offices reserved for other categories also can be given a two-term reservation, so that there is incentive of re-election and leadership is developed properly.

End Notes

¹ Durga Das Basu, *“Introduction to the Constitution of India,”* (New Delhi: Wadhwa and Company, 1999) p. 267.

² Government of Andhra Pradesh, *Report of The Expert Committee on Panchayat Raj Institutions* December 1991.

³ D Bandhyopadhyay, B N Yugandhar, Amitava Mukherjee, Convergence of Programmes by Empowering SHGs and PRIs, *Economic and Political Weekly*, June 29, 2002 available at <http://www.epw.org.in/showArticles.php?root=2002&leaf=06&filename=4623&filetype=html>.

⁴ George Mathew, “Decentralized Institutions, Governmental and Voluntary Sector,” *Economic and Political Weekly*, February 27-March 5, 1999 available at <http://www.epw.org.in/showArticles.php?root=1999&leaf=02&filename=113&filetype=html>

XIX. Conclusion

The operative word in Panchayathi Raj is 'Raj.' The British term Local Self-Government spelt out all three terms clearly - Local, Self and Government. Panchayath encompassed the first two words, while Raj represented Governance or the even more precise term Government. Panchayathi Raj is now generally described as Democratic De-centralization. Governance is conveniently omitted. Therefore, what we have done in practice is to de-centralize democracy! Ours is a representative democracy, the essence of which is election of the peoples' representatives. So we have de-centralized the number of levels for which such elections take place. We elect the members of the Panchayath, its President, members of the Mandal and the members of the Zilla Parishad. The 73rd and 74th Amendments of the Constitution also ensure only this much. What exactly all these elected members do is left to the discretion of the State Governments. We have de-centralized representation but not power. The sum total of democratic power that the people have is their VOTE. They too are proud of this; whether they are content with it is a different matter. It does not seem to matter much to them because, in any case, their real power is exercised on the streets!

Few are willing to discuss the real reasons for the hesitation to de-centralize power, apart from the philosophic one that no person ever willingly parts with power. The basic political reason is that, if all powers are delegated to the Panchayathi Raj Institutions (PRIs), what is the MLA to do in his constituency? What can he show as his contribution to its development? On what basis will he claim to be re-elected? The theoretical answer is that the MLAs, like the ministers, make laws and lay down policies in the Legislature, which ultimately benefit the people. What policies are ever discussed or laid down in the State Legislatures? Most laws are restrictive or repressive. Even if a law empowers the people, such empowerment will again reach the people only through the PRIs. Or, if it is not enforced, the Courts will enforce it and they get the credit. Where does the MLA get any credit for this? At best the Chief Minister (CM) gets the credit for all laws. In our budgetary procedures legislators cannot include a grant for their constituency and even get it named after themselves, as they do

in the USA. So, the people can ask their MLA the famous Hyderabad question, “AP Kis marz ke dawa hain?”

For a brief period, in AP, MLAs were Chairmen of the Zilla Parishads and they formed a powerful lobby in the Assembly for the PRIs. The Assembly constituencies were co-terminus with the Samithis. If then the MLAs had also been permitted to be the Presidents of the Samithis, they would have had a real interest in de-centralization. But, then they would have become so powerful that it would have been difficult to replace them, as is now the case with American Congressmen. The CMs would like the MLAs to be beholden to them and not have an independent power-base in the PRIs. So, the MLAs are given a Constituency Development Fund directly in the Budget so that they may not look to the PRI funds, if any. It is argued in the USA that the incumbency factor enables the Congressman to pay attention to his Constituency. May be it reduces election expenditure also for an incumbent, though it may increase it for the challenger. In Indian politics, however, we have preferred instability to effectiveness. It is called social flux and progress. The ministers also have an interest in not devolving funds, because, if they do so, they will be like King Lear! Where in this political structure is any force for devolution and de-centralization?

The other major obstacle for PRI empowerment is the staff structure. We inherited from the British several local body services, which were distinct and separate from the Government services. Their conditions of service and pay scales were different. This enabled their control being placed fully under the local body concerned. After Independence, these services were “provincialised”, which means they became effectively government services. Their pay scales were also referred to the Government Pay Commissions. Since they were now Government servants and Government fixed their emoluments, the power to create such posts was taken away from the local bodies, as also all administrative control over them. Periodically Government condescends to allow the PRIs to transfer them or write their reports and this is considered a great victory for PRIs. Given the legal situation, there is little government can do in regard to the existing incumbents. But, they can now create separate PR Services again, with

different pay scales and conditions of service and vest their control with the PRIs. This will also help reduce the over-all pay bill.

In the three-tier system the District and the village have not only a historical basis, but are also logical units for local planning. Most of the needs of the people are village based, like elementary education, drinking water, minor irrigation, agriculture and animal husbandry. The village is, therefore, the best level for delegation of these functions. For most other functions, the district is the appropriate unit for planning, implementation and supervision. The district also has competent and qualified technical personnel for all these functions. The budget can also be easily broken up on a district basis, because, in any case, the District Treasury is the basis for all accounting. Delegation to the intermediate level is not so clear-cut. In AP having eleven hundred Mandals creates staffing problems. They are however good as service-centers between the district and the Panchayaths. They will require facilities for mobility of staff rather than devolution of powers.

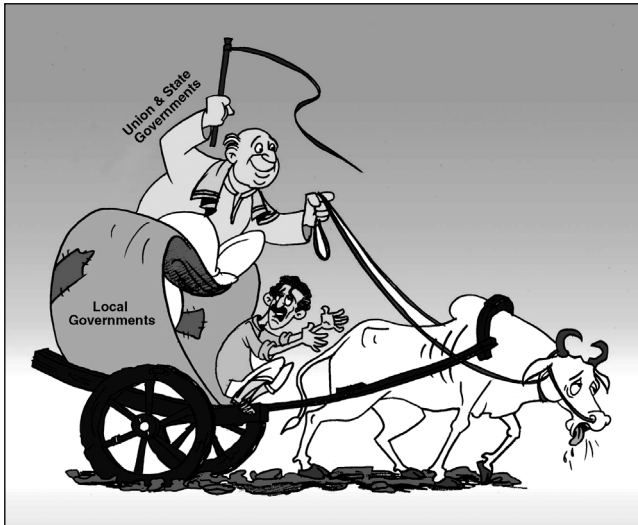
The District Planning Committee under Art.243-ZD provides an excellent statutory mechanism for planning and co-ordination at the District level. Sub Clause Cl.(2) of the Article gives an opportunity for the State Government to build in whatever control they may wish to have at this level. The State Government should not, therefore, have any hesitation to begin the experiment of real de-centralization at least from this level.

The myths, conventions and practices of American democracy are today creeping into the working of our democracy, not because they are the best, but because they are convenient and utilitarian. One such myth is that the person occupying the highest elected position represents the entire nation. This is not entirely true even of the USA. It is much less so in our case, because we are a parliamentary democracy. The Prime Minister is a MP and the Chief Minister is a MLA. They represent only these constituencies directly. The high position they occupy signifies their leadership of their party not that they represent the entire nation. When a CM goes to the people he must remember that there is an MLA who represents those particular people more directly. Similarly the MLA must remember that a PR functionary represents the people more directly, precisely because his constituency is small. In democracy the representative

strength of an elected official is inversely proportional to the size of the constituency. No one can represent you better than you yourself!

Our present day leaders have led no revolution nor have they heard of Trotsky. Yet they are the only ones who still believe in “Permanent revolution”. Even those in power imagine that, when they approach the people, their duty is to stir them up against their local representatives and officials, like a Mini - Cultural revolution. As it is we are a volatile people, who need to be reminded of their duties more often than their demands. If a visiting dignitary does not use his position and prestige to explain the objective limitations, he will only leave behind the debris of unfulfilled expectations. Gandhiji was the one who gave us the techniques of Satyagraha. Yet, in the brief period he lived after Independence, he exhorted the people in his prayer speeches to follow their leaders, although he had felt that they had abandoned his way of thinking. A human being can be paralyzed if his brain constantly over-rules the autonomous nervous system. This is what happens when higher levels of government constantly supercede lower autonomous levels. There is also a cynical reason for empowering local authorities. The expectations of the people can never be fully satisfied. Even God fails here and shifts the blame to human shortcomings. If all power is seen to be centralized, blame will attach to the highest level and we have the anti-incumbency factor. If, on the other hand, responsibility is de-centralized, the people will be able to better locate the blame. Power shared is blame shifted! The anti-incumbency factor will then work more rationally.

- BPR Vithal



Cartoon by Sridhar