



# **WB - PSC**

**Pre & Mains**

**WEST BENGAL PUBLIC SERVICE COMMISSION**

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**Governance & Public Policies**



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## **Unit -20: LOCAL GOVERNMENT**

### **Institutions and Agencies since Independence**

The concept of devolution of power is not only something with which we have been acquainted in recent years but references to the same could be found in the ancient literature as well. Even in the Vedas there are references to Gram Sabha and in Arthashastra we find references to the Samithis.

The concept of Panchayati Raj has been there for a very long time but seems to have been interrupted during the British Raj, when we witnessed its decline. It was Gandhiji's firm belief that brought back to us the importance of these institutions. This is how we find references to the Village Panchayat in the Directive Principles of State Policy. But even after the initiation of the Fifth Five Year Plan not much progress was witnessed in the direction of the strengthening of these institutions. However, it was recognized that if the plan programmes are to succeed it was essential to ensure and encourage the participation of local people in the developmental projects. This led to the setting up of the Balwant Rai Mehta Committee to examine the whole problem of Panchayati Raj and suggest ways and means for its introduction. The recommendations of Mehta Committee were crystallized in the scheme called 3-tier Panchayati Raj institutions. The 3-tier structure was to consist of the Gram Panchayati the Panchayati Samithi and the Zilla Parishads. There does not appear to be any uniformity in the Panchayati Raj system existing in various states. The 3-tier system first introduced in Rajasthan in 1959 has been in existence in Gujarat, Maharashtra, Punjab, Himachal Pradesh, Tamil Nadu and Uttar Pradesh also. The interest in the Panchayati Raj institution seems to have been halfhearted. This was the reason for the decline of these Institutions in the decade of 1960's. With a view to revitalize these Institutions a Committee was appointed under the Chairmanship of Mr. Ashok Mehta in 1977. The major recommendations of the Committee was to set up Zilla Parishads and Mandal Samithies at the Village level These bodies were directly elected but were to be linked with each other through the intermediate tier of Panchayat Samithi. The recommendations of Ashok Mehta Committee emphasised the need for increased decentralization and clear definition of functions and availability of funds.

Inspire of all good intentions it is unfortunate that these Institutions have not taken roots and suffer from many handicaps. In a society still caste-ridden it becomes very difficult to establish an elected institutio with everyone participation. Unfortunately the introduction of party politics at the Village level makes the

things still harder. The distortion in the Panchayati Raj system arise due to the continued hold of the landed gentry, a corrupt corps of officials entrusted with development work, too much of official control and interference which deprives the local people of initiative, and lack of proper environment of conduct of free and fair elections.

Of late it has been thought necessary to prove some teeth to these grass roots bodies by bringing about appropriate constitutional changes. With this purpose in view, 64<sup>th</sup> constitutional Amendment was introduced in the Parliament in 1989, which lapsed but has been introduced once again in the Parliament. The idea behind this amendment is to ensure that elections do take place periodically (unlike the situation where it depends on the state initiative). It is also proposed to give more power to these bodies to enable them to raise local resources as well as to provide for allocation of resources from the state. These measures combined with the provision for Superintendents of election by the Election Commission may lead to the achievement of the objective of establishing democracy at the grass root level.

### **Advantages of Local Self-Government**

The advantages emanating from the organization of the local self-government are summarized as under:

#### **(a) Training Forum**

Participation in the administration of the local self-government provides good training to the future politicians. Here they come across a number of people with different outlooks, aspirations, varying problems and multifarious goals. A complexity of problems brought in by the people of different status and temperament gives an opportunity to learn about handling problems and moving with the people. People once trained in local bodies as members and getting enough experience can handle any problem at State and national levels.

#### **(b) Contribution to Public Good**

These local bodies are in a position to assess the people's needs. They open field dispensaries and miniature hospitals, water supply points, schools and libraries for the benefit of the people of the locality.

#### **(c) Localising the problems**

When a local body senses certain problems in certain areas, being in close proximity to the place where assistance is needed, they can go and sort out the problems. If the presence of such problem-solving local body is not

functioning, there the problem will grow up for lack of timely solution and at a later date it will have to be tackled at national level.

**(d) Economical administration**

The local bodies are providing membership for the local people and the administrative wing is also staffed by the local people. Therefore the expenditure in terms of allowances and salaries will be much less. In case of absence of local bodies the administration would be by State level which means highly paid officers visiting the area very frequently involving heavy expenditure.

**(e) Priority for local needs**

Since local people are sitting in the local bodies and they are easily accessible to the people of the area, the local needs are well understood and attended to expeditiously and at low cost.

**(f) Place for Civic Education**

The members of the local bodies learn to use their public office and authority in a manner that is beneficial to the people; the people also in turn learn to get assistance from the local bodies.

**URBAN LOCAL GOVERNMENT AND PANCHAYATI RAJ**

**Urban local Government:**

The present day Urban Local government Institutions owe their existence to the efforts made during the British Raj first by the Charter Act of 1773 and then the steps taken by Lord Ripon in 1882 to organize these municipal bodies on a comprehensive scale. The Royal Commission on decentralization in 1909 also recommended the development of autonomous self- government as a method of administrative devolution.

Since independence many changes have taken place in the Urban Local government Institutions in there structure as well as functions. We have witnessed the growth of municipal corporations from 3 (Calcutta Madras and Bombay) to a number of them now. Similarly, the process of urbanization had led to the setting up of many towns and cities with increasing number of municipal Committees, notified area Committees and others. Though discussions have been going on regarding the various formats of urban Government not much substantial change seems to have taken place. Of late many of these urban local Government have been feeling the pinch of inadequate resources in the absence of any fresh sources of income in addition to the property tax. The abolition of octroi duty in many cases has also led to their greater dependence on the State Government. The process of democratization and setting up of the popular State Government



has led to paradoxical situation of the decline in the power and prestige of the local governments, so much so that elections to some of them have not even been held for the last several years.

The recent years have seen the decay and deterioration in the urban areas, the growth of unauthorized and unplanned colonies encroachment on public lands and deterioration in utility services like water, conservation, sanitation, etc.

As in the case of the Panchayati Raj Institutions, it is proposed to bring about appropriate changes in the urban local Government also. It is proposed to divide the municipal committee in 3 categories.

- 1) Nagar Panchayat for population between 10,000 – 20,000
- 2) Municipal Councils for population between 20,000 – 31 lakhs
- 3) Municipal corporation for population above 3 lakhs.

In the large municipal corporation, it is proposed to provide for a 2 –tier system of local government – the 1<sup>st</sup> Committee constituting the ward Committees and the second of Council Corporation

The urban local Government are to work as instrument of development and planning and are expected to handle funds for local activities.

The process of urbanization possess many serious problems before the urban local Government and call for radical reforms in the restructuring and functioning of the urban local governments.

## **Rural Development Programmes: Foli and Strategies**

### **DECENTRALIZATION AND PANCHAYATIRAJ**

Some form of rural Institutions have been in existence in the country since the ancient period. Village formed the center of rural self-government in the early ages. They flourished during the ancient, medieval and the Mughal period as well. During the nationalist movement, establishment of self-governing Institutions at the grass root level formed a part of the nationalist ideology. Gandhi, who led non-violent struggle for independence observe, my idea of Village Swaraj is that it is a complete republic independent of its neighbors for its own vital wants and yet, interdependent for many others in which dependence is a necessity. Gandhi's ideas has pervading effect which was reelected to the constituent assembly debates. The draft of the constitution did not make any reference to Village as units of self-government. But there was many in the constituent assembly who felt that villages should play an important role in economic and social development.

After considerable debate and discussions, Article 40 was incorporated in the chapter on the Directive Principle of State Policy. This article calls upon the State 'to take steps to organize Village Panchayats and endow them with such powers and authority may be necessary to enable them to functions as units of self-government. The adoption of planning as a strategy for development required securing cooperation of the people in rural areas to implement development programmes.

Community Development programme was initiated in the country in October, 1952. Development blocks were established with limited staff and funds. The aim was coordinated development of the area with the help of an extension organization consisting of technical specialist working under the leadership of Block Development Officer. At the grass roots level there were multi-purpose workers. The finances were made available on the basis of matching contribution from the community.

The intention was to use limited Government fund to stimulate action for help. Advisor committee were constituted for every block for advice on the allocation of funds for development programmes. To review the working of community development programme, the committee of plan projects constituted a team to study the programme and to report on the content and priorities of the programme to ensure greater efficiency in their execution. The Panchayati Raj in India, is broadly, based upon the recommendations of this committee popularly known as Balwant Rai Mehta committee named after its Chairman. The committee which went into detail felt that the community development programme could not make appreciable progress as the bodies neither has durable strength nor necessary leadership. They felt that these Institutions should have representative character if they have to make any progress. The Committee believed that 'so long as we do not discover or create representative and democratic Institutions and endow them with adequate powers and finance. It is difficult to evolve local interest and excite local initiative in the field of development. With this basic premises, the team made a large number of recommendations which formed the basis for the establishment of three tier structure of Panchayati Raj in the country.

The team felt that the district was too large and the Village too small to be a unit of planning and development. For development work, therefore, a new local body with the territorial jurisdiction larger than the Village and smaller than the district should be created. It opted in favour of block, which came into existence in 1952, in preference to district. The experience of community development blocks,

influenced the team to favour the block. The block offered an area 'large enough for functions which the Village Panchayat could not perform and yet small enough to attract the interest and service of the residents'. It recommended the establishment of statutory bodies called Panchayat Samithis for each block. Below the samithi, a Village Panchayat at the Village and above the Samithi, a Zilla Parishads for each district was recommended.

The team felt that the Village Panchayat should be constituted with directly elected representatives whereas, Samithis and Zilla Parishads should be constituted with indirectly elected members. It is accepted in principle that the executive and deliberative functions should be separated. In its view, Samithi should be responsible for development functions and Zilla Parishads for coordination and supervisory functions. It recommended a three tier structure. It made several recommendations about the constitution, internal organization, functions, and finances staffing pattern as well as the arrangements for control over these institutions.

Most of the State Government had accepted the recommendations of the Balwant Rai Mehta Committee and Panchayati Raj Institutions were established, Andhra Pradesh and Rajasthan were the first to establish them in the country, the structure of panchayat Raj that emerged in the states is substantially in tune with Balwant Rai Mehta Team recommendations, though there are, distinguishing differences from state to state. The Government of Maharashtra, however, appointed a separate committee with V.P. Naik as Chairman. Based on the recommendations of the Naik committee, a three tier structure of Panchayati Raj was established in Maharashtra and Gujarat. In these two states, district instead of block, was considered a suitable unit for development. Therefore, districts were established as units of planning and development and Samithis were to function as the extended arms of Zilla Parishads to implement development programmes. However, Village continued to be the basic unit of panchayat Raj.

In the country, thus, two distinct patterns of Panchayati Raj have emerged. The first was in Andhra Pradesh and Rajasthan pattern where block was the unit of planning and development. The development functions were entrusted to it. The second pattern is called Maharashtra pattern. In this, the district is the unit of planning and development. Between these two patterns, variation in the structure of Panchayati Raj Institutions in different states exists regarding their constitution, powers and functions and the nature and size of different tiers.

Both the Central and State Governments have appointed several committee and commissions for reviewing and recommending reforms to strengthen Panchayat Raj during the last few decades. The committee of Panchayati Raj appointed by the Central Government under the Chairmanship of Sri Ashok Mehta in 1977, is very important as it reviewed the system of Panchayati Raj in different states in the country and recommended a different structure of Panchayati Raj. The committee after carefully examining the factors responsible for the weakening of Panchayati Raj in the country, recommended the constitution of Mandal Panchayats in between the Village and district. This, in its view, should be made the hub of development activities. The committee felt that a Mandal Panchayat with a population of 15,000 to 20,000 would facilities forging necessary links. It made several recommendations in terms of constitution, Committee system, function, finance, etc. It recognized the utility of the direct participation of political parties in the Panchayati Raj. Its recommendations include the measure for human resources development, training of officials and non-officials, role of voluntary agencies, strengthening rural urban relations etc. State like Andhra Pradesh, Karnataka and West Bengal made some efforts to implement the reforms suggested by the Asoka Mehta Committee.

### **Structure of Panchayati Raj**

Balwant Rai Mehta Committee, as we have noted, recommended a three tier system of Panchayati Raj in the country. In the implementation of this scheme the states had the freedom to structure the system based on socio political milieu of the state. As a result, there is no uniformity in the implementation of the scheme in the country. For example in Jammu and Kashmir only Village Panchayats were established, in Orissa Village Panchayats and Samithis were established. There is, however some uniformity in the district which is the highest tier of Panchayati Raj. In case of Village and district there is uniformity, in constituting Panchayats and Zilla Parishads respectively. But in case of the middle tier that is the block, there are considerable variations. For example, in Gujarat, the Panchayat Samithis are coterminous with Taluk, but in other states, they are mostly associated with the block, in Tamil Nadu development districts were constituted for this purpose, and 15 districts were organized into 22 development districts.

Balwant Rai Mehta Committee recommended that block should be a unit of planning and development. Accordingly, many states have made Samithis as unit of planning and development. In all these states where Samithis is important in terms of decentralization of powers and functions, the district level unit that is Zilla Parishads has only supervisory and coordinating role without any executive

functions. However, as we have noted, Maharashtra opted in favour of vesting the zilla Parishads with the significant functions of planning and development than Panchayat Samithis. They felt that the district is a more stable and an easily manageable unit. It was also considered that the district had historical tradition and is recognized as an administrative unit for the last three centuries. The technical man-power required already exists at the district level. Therefore, in Maharashtra it was considered that district should be basic unit of development. In this state, Panchayat Samithis were setup as Committee of the zilla Parishads.

Though throughout country Village Panchayat is the basic unit of the structure of Panchayati Raj. As Village Panchayats have been in existence in the country since ancient times, almost all states have recognized their importance. It is also felt that as Panchayats are nearer to the community, they would ensure more direct participation of the people in the implementation of development programmes. In almost all states, Panchayats are entrusted with both civic and development functions. An important feature of the structure of Panchayat at the Village level is gram Sabha. In most of the states gram sabhas are constituted as instruments of popular participation at the cutting edge level. They are vested with the power to consider the accounts and administration of the Panchaya and approve proposals for taxation and plans for development. They have to meet twice a year. But unfortunately as the Diwakar Committee noted, they seldom meet. In most states the gram sabhas exist on paper and their role is significant. It has neither been able to exercise supervision over the Panchayat nor able to provide guidance to it. The most important reason for this is the closeness of the local community in which most people meet regularly. Secondly, the functions entrusted to gram Panchayats do not demand the periodic meeting of the gram sabha. Whatever may be reasons, the fact remains that the gram sabha as a body consisting of all adults in the Village exists only on paper. Their ineffectiveness is well known and public apathy towards them is equally clear.

Size of the Village Panchayats vary from state to state. In state like the Punjab, the number varies between five to nine, five to fifteen in Tamil Nadu and in Andhra Pradesh it varies between five to thirty seven. Under Panchayat act, each state makes provision and fixes the number based upon population and other considerations. The members of the Panchayat generally are elected on the basis of territorial wards by secret ballot. There are reservations for the scheduled castes, scheduled tribes and women. Some states provide direct election of the sarpanch, but a majority provide for the indirect election by the members from amongst themselves. There are wide variations in the term of office also. In

Rajasthan it is three years, in Gujarat it is four years, in Andhra Pradesh the Panchayats have a five year term.

Panchayat Samithis is the next important body in the structure of Panchayati Raj. In almost all states Samithi have been given important role. Their structure varies from state to state. In some states the Sarpanch of the gram Panchayats are the ex-officio members of the Samithis and in others they are elected directly by the gram sabha or the sarpanch from among themselves. In Gujarat, for example, it consists of ex-officio members, in Maharashtra, it consists of councillors elected from the block part from ex-officio and co-opted members. There is reservation of seats for women, scheduled castes and tribes. In some states, like Uttar Pradesh, Andhra Pradesh, the members of the legislature and Parliament are associated in the Samithi whereas in Maharashtra they are completely kept out.

Zilla Parishads as third tier were established at the district level in all the states except in two states. In one it functions at the sub-divisional level and in another the fifteen districts have been constituted into twenty one development districts in most states it consists of Presidents of Panchayat Samithis, who are its ex-officio members. In Maharashtra however, it consists of directly elected councilors, chairman of Panchayat Samithis as well as co-opted and associated members. Provision also exists for the cooption of members possessing particular qualifications or experience in rural development. In most states, the members of the legislative assembly and Parliament are associated with the zilla Parishads. The collector is a member of the zilla Parishads in some states, In Tamil Nadu he is the chairman of the Parishads.

### **Functions**

Village Panchayats have been entrusted with both obligatory and discretionary functions. These are both civic and developmental. The main emphasis is on development activities such agriculture, primary education, health and sanitation and local amenities. It is generally felt that they are charged with too many functions without adequate resources. Commenting to this Santhanam Committee remarked that, the actual resources often vary inversely to the number and expenditure of obligatory functions. Ironically the concentration of functions as Maddick noted, is perhaps the greatest in the lowest tier of Panchayati Raj where finances and personnel are in shortest supply. There is a need to be a realistic outlook in entrusting the functions on the Panchayat. There is no point in overloading the lowest body because it is not properly prepared for this.

The Samithis, throughout the country, are entrusted with functions relating to planning and development. Its functions include agriculture and related activities like social welfare, education, health and sanitation etc., the Samithis are also required to exercise supervision over the gram Panchayats within its jurisdiction. In some, the Samithis have to approve the budget of Panchayats. In Maharashtra, however, the Samithis implement development schemes formulated by zilla Parishads and act as a committee of the latter.

The functions of the zilla Parishads vary considerably from state to state. In some states they are concerned with supervision and coordinating functions. In others they have a specific role in regard to establishment and expansion of secondary education and vocational schools. In Maharashtra however, zilla Parishads are the most important unit. Here they are entrusted with executive functions.

### **Committee System**

Borrowing the British practice Indian self-government institutions have adopted the committee system to transact the business of these institutions. This is true of both urban local bodies as well as Panchayati Raj institutions. As the general body of committees becomes inevitable. The committees ensure detailed discussion before decisions. It also enables the effective participation of the members of the discussions and decision making. There are wide variations both in the number and size of the committees and also in their role. In Maharashtra, there are both functional as well as standing committees which act as coordinating committees. But in many states there are functional committees. In some states, the political executives of these bodies are members and in some they are not. An interesting feature of the Panchayati Raj is that at village level also some states have made provision for constituting committees. But the experience shows that they meet infrequently. Either because of the small size of the panchayats or because of the proximity of members or because of no need for any specialization, the committees do not meet regularly. In fact they add to the secretarial work. Commenting on this, the Santhanam Committee felt that there is no need for standing committees at panchayat level. If necessary, ad-hoc committees may be constituted as and when required.

The committees at samithi and Parishad levels are organized more systematically. Their contribution is also substantial. But there are substantial variations in the number and functions of these committees between states. For example, there are three committees at samithi level in Rajasthan and eight in Bihar. As experience varies, the opinion about the number also differs. It is difficult to focus any specific number which is rational.

In some states all the committees are functional. In Maharashtra there are both functional and standing committees. Most states consider that it is an advantage to have an executive committee which may emerge as a cabinet and can undertake supervisory and coordinating functions. The Chairman plays a very important role in the committees. In some states Chairman is elected from among the members of the committee, in others the political executive becomes the Chairman of the committees.

### **Bureaucracy**

The need for efficient and competent personnel in Panchayati Raj Institutions has been recognized from the beginning. Self-Government agencies have to implement several developmental programmes which require technical personnel. They provide continuity in the policies and programmes of these bodies because the political executive change periodically. Competent personnel are also essential to ensure non-partisan and objective decision-making.

There are two categories of personnel in Panchayati Raj, one is the state cadre officials placed under the control of Panchayati Raj viz., Block Development Officers (BDO) and other technical officers from state departments. The recruitment, transfers, promotions and discipline rest with the State Government. The second is the constitution of separate Panchayati Raj cadre. It is found in Maharashtra, Gujarat, Andhra Pradesh, and Rajasthan. Maharashtra for example, has constituted three separate cadres at the district level. Rajasthan has constituted Panchayati Raj service with 15 cadres of posts like villages level workers (VLWs), teachers etc. In Andhra Pradesh there are district and block cadres, the former consists of clerical staff working in Zilla Parishads and Panchayat Samithis, Class IV staff constitute block cadres.

Broadly in Panchayati Raj two types of officers can be identified viz., generalist officers and technical officers, chief executive officers, BDOs, VLWs come under generalist category. District officials like district level officers, and extension officers constitute the technical category. Another classification is state cadre official and local cadre officials. Chief executive officers, BDOs, technical officers, EDOs, extension officers etc., belong to the state cadre. They belong to one of the state level departments. Their conditions of service are regulated by the State Government. VLWs, school teachers and ministerial staff broadly constitute local cadre officials. They are appointed at the district level and are considered as employees of Panchayati Raj institutions.



There is a large measure of uniformity in the staffing pattern in the Panchayati Raj Institutions in the country. At the Village there is a secretary and executive officer. Looking after the administrative work of the Panchayat. In some states like Maharashtra and Gujarat, he performs revenue functions also. VLW is appointed for a group of villages. He is mainly a multipurpose functionary concerned with development programmes in the Village under his jurisdiction. At the block level, BDO acts as a chief executive officer and coordinates the work of officers under him. Extension officers for each development activity are posted at the block level. They work under the administrative control of the BDO as well as the technical control of district level officer. This dual control has led to several problems at the block level. In Zilla Parishads chief executive officer or district development officer is the head of the Zilla Parishads. He is assisted by district technical officers in the development work. In some states like Maharashtra these district technical officers work under the Zilla Parishads. In Andhra Pradesh they are independent of the Zilla Parishads, but work in close proximity with the zilla Parishads. At the district level, district collector plays a pivotal role in the development administration, particularly Panchayati Raj. In some states like Andhra Pradesh, collectors are fully involved in Panchayati Raj. They coordinate and supervise the work of different development departments. In states like Maharashtra, Collectors have been kept out of Panchayati Raj.

There are a number of personnel problems as different categories of functionaries work in Panchayati Raj. They are selected by different agencies and their conditions of service and channels of promotion are different. Often their compatibility to the Panchayati Raj system is questioned. As several state level officers are on deputations, they function as birds of passage without any commitment with the Panchayati Raj. Frequent transfer of officers, increasing volume of paper work, inadequate opportunities for growth and advancement are some of the problems affecting the Panchayati Raj personnel. Thus Panchayati Raj staff exhibit a lack of unified pattern, unsatisfactory conditions of service and lack of effective training programme

### **Finances**

The financial resources of Panchayati Raj can broadly be divided into four categories, viz., taxes, grants and public contributions, income through productive enterprises and loans. Taxes levied by Panchayats are both compulsory and discretionary. For example, house tax is compulsory in Andhra Pradesh, Karnataka and Maharashtra. Panchayats in some states, collect vehicles tax, profession tax etc. Unfortunately there has been a general reluctance on the part of Panchayats to levy and collect the taxes. Government grant is another source of income from

to Panchayat. In most states, Panchayats survive only on Government grants. There is, however no uniformity in the nature and quantum of grants. Panchayats derive income from productive enterprises like cinema halls, flour mills, etc. In Maharashtra and Gujarat, Panchayats collect land revenue and they receive commission on all such collections.

Andhra Pradesh and Orissa, Samithis, in states, also have powers of taxation. They can levy house tax, irrigation tax, education tax etc. but rarely this power of taxation is exercised. Like Panchayats, Samithis also receive grants from the Government and there are variations between state to state in the nature and quantum of grants. In some states where functions like education have been transferred to Samithis, they are given grants to undertake these functions. The Zilla Parishads as you are aware, are mostly advisory and undertake coordinating functions. Therefore, their finances mostly consist of grants received from the State Government and the assigned revenues. The funds of the Parishads come mainly from the share of the land revenue and other taxes assigned to them by the government. In Maharashtra, however, the financial base of Zilla Parishads is better than other states. In this state, Zilla Parishads enjoy considerable autonomy in raising the resources. It was estimated that in Maharashtra, Zilla Parishads spend a third of the total state revenues. This is indicative of the strong position of the Zilla Parishads in the schemes of decentralization.

A serious problem with Panchayati Raj Institutions is that they have always been starved of finances. Inadequacy of finance is one of the basic reasons for their inability to undertake the development functions. Though they are considered as principle agencies of rural development they are not given adequate resources. In almost all the states, there has been heavy dependence of the Panchayati Raj Institutions on the state grants. The quantum of grants is mostly determined by the State Government based on its own resources base rather than on functions and needs of Panchayati Raj Institutions. With the decline in the value of the rupee, the local bodies are not able to undertake any development works. Commenting on this, the Committee on Panchayati Raj in Andhra Pradesh has observe that the 'cost of services has grown enormously because of the increase in salaries and allowances and wages and cost of materials; there has been a steep decline in the purchasing power of rupee.....and the Government has not given additional assistance to make up for the erosion in the rupee value". There is need, therefore, to streamline and strengthen the financial position of Panchayati Raj institutions. Only then these Institutions of democratic decentralization can become real Institutions of rural developments under Panchayati Raj Act 1992. Panchayats have been given special powers regarding finance. State Finance

Commission will be appointed by State Governments, to provide finance to Panchayats.

### **State- Panchayati Raj Relationship**

Panchayati Raj Institutions are the creatures of the State Government and as such the nature of relationship between them is determined by the state acts. State legislatures pass the legislation relating to these Institutions and are vigilant about their working. Legislature exercises control indirectly and also not continuously. Mostly, the administrative control operates over these bodies. Departments of Panchayati Raj and local Government which deal with these Institutions prescribe guidelines for their functioning. Another important method of control is through the staff. As you have seen earlier, executive and technical staff in Panchayati Raj Institutions come from different state departments and as such they are more loyal to the State Government than to the Institutions where they work. This is also being used as an instrument of control.

Budgets of different tiers of Panchayati Raj units need to be approved by higher authorities though in actual practice there are variations from state to state. For example, in Maharashtra the Panchayat Samithis approve the budget of the gram Panchayats, in Gujarat no such provisions exist. Government grant is another method of control. While giving grants, Government specifies the purpose and method of utilizing the grant. Periodic audit is also an instrument of control. The Government has the power to suspend and annul the resolutions of these bodies. For example, in Gujarat taluk development officer, district development officer and development Commissioner can annul the resolutions of gram panchayats, Village Panchayats and district panchayats respectively. The Government also exercises the power of removing members of these bodies. In Andhra Pradesh, for example, the Commissioner of Panchayati Raj is empowered to remove the office bearers of gram Panchayats. In Rajasthan, State Government has powers to remove sarpanches and upsarpanches. The collector, members of the gram Panchayats and the State Government can remove the member of the Panchayat Samithis. Officers at various levels also inspect the institutions. The State Government exercises control through the power of suppression and dissolution. In recent years, there are criticisms that the State Government is using the powers of suppression and the dissolution more on political considerations.

Balwant Rai Committee felt that the Panchayati Raj bodies must not be cramped by too much control by the Government agencies. It must have the powers to make their own decisions. They can learn by making mistakes, but it must also receive guidance which will help them to avoid making mistakes. Unfortunately,

there appears to be too much of control than guidance over these institutions. This aspect has effected the efficiency as well as autonomy of these institutions.

### **Recent Trends**

Panchayati Raj Institutions is very old. During three marathon decades, several efforts have been made to review their working and to bring reforms to strengthen and revitalize them. The appointment of Ashoka Mehta Committee on Panchayati Raj in 1977 marked a turning point in the concept and practice of Panchayati Raj. A few states have accepted these recommendations and reorganized the Panchayati Raj system in their states.

As you have seen earlier the Ashoka Mehta Committee recommended, inter alia, the establishment of mandal panchayats to bring the institutions close to the people and also ensure greater participation. Based on these recommendation, West Bengal, Karnataka and Andhra Pradesh brought changes in the Panchayati Raj structure in their states. In West Bengal, there is a three tier structure, the lowest level is gram Panchayat consisting of 10 to 20 villages with an average population to 15,000 to 20,000. The gram panchayat is divided into several constituencies according to population. The next tier is panchayat samithis with an average population of about one lakh, and the third tier is Zilla Parishad. In Karnataka mandal panchayats were formed for a group of villages whose size varies between 8,000 to 12,000. The village panchayats has been replaced by the gram Sabha. Though panchayat samithi exists, it has no powers. In Andhra Pradesh the panchayat Raj system was introduced, but Gram panchayats for each village were left undisturbed. Its population varies between 35,000 to 50,000 populations. In place of 300 odd blocks, there are about 1100 mandal panchayats now, there has been greater decentralization of powers as well.

Thus, we see in recent years there has been a trend to evaluate the suitability of the existing panchayat Raj structure to meet the development demands. Based on this state governments have brought about changes.

As you are aware the local Government is a state subject. As such central Government has no role either in their organization or working. As there are several complaints about the working of these institutions, there have been suggestions that the local bodies must also have a constitutional base so that their working is not periodically impaired through prolonged suppression, lack of resources and inadequate devolution of powers. The Government of India