



ISSN 2348 - 0319

Journal home page: <http://www.journalijar.com>

INTERNATIONAL JOURNAL  
OF INNOVATIVE AND  
APPLIED RESEARCH

## RESEARCH ARTICLE

## PANCHAYATI RAJ AND DECENTRALIZATION OF POLITICAL POWER IN INDIA

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**Abstract:**

In recent years, decentralization- the transfer of political, administrative and financial powers to local government bodies has received singular attention all over the world. It has been considered as one of the most important elements in development strategy. It is a global and regional phenomenon, and most countries have attempted to implement it, as a tool for development, as a political philosophy, and as a mechanism for sharing responsibility at different levels of administrative and political structure.

**Key Words:**

Panchayat, Decentralization, Political power, Administration, Organization etc.

**Introduction:**

The term ‘decentralization’ has generally been used to refer to a variety of institutional reforms which have been evolved and practiced in a number of countries with varying degrees of success. It is also viewed as a process which is equally applicable to a single organization or a group of organizations such as governments. In essence, it means reassigning responsibility, authority, and resources from higher level government organizations to local government bodies along with sufficient autonomy and accountability so as to enable them to provide efficient and adequate services to the people. The key characteristics of decentralisation essentially involve changes in pattern of authority and in the status of local level institutions. There are three main dimensions of decentralization that reflect, in general terms, increasing and often sequential stages of progress in achieving the objectives of decentralization. These are (a) administrative decentralization (b) financial decentralization and (c) political decentralization. The sine qua non of decentralization is that it enables full involvement of people in the process of decision making, planning and implementation.

**Decentralization in India:**

The genesis of the concept of decentralization in India is the Report of the Committee on the Plan Projects (COPP) of the Planning Commission appointed in 1957 under the leadership of Balwantray G. Mehta<sup>1</sup>. The committee was asked, among other things, to study and assess the extent to which the community development has succeeded in utilizing local initiative and in creating local institutions to ensure continuity in the process of improving economic and social conditions in rural areas. The study by the committee confirmed that community development programme has failed to achieve its objectives. The committee, in its report (1959), observed that unless there is a representative and democratic institution at local level, development is not possible. The committee thus recommended adoption of the concept of ‘democratic decentralization’ for development work. The committee thus laid the foundation of decentralization in independent India. The committee took into account mainly the developmental context and thus paved way for the adoption of decentralization as a concept and as a national ethos in terms of the establishment of a three tier system of Panchayati Raj. However, it must be noted that Panchayats existed in India even before independence. It would be interesting to go through the history of Panchayats in India.

<sup>1</sup> Jain, S.P., “Decentralisation in India: An Appraisal” (taken from Public governance and decentralization- essays in honour of T.N. Chathurvedi)

### **Panchayati Raj- Pre-Independence Background:**

The institutional expression of democratic decentralization in India is identified with Panchayati Raj. The concept of Panchayati Raj is a recent phenomenon but there is a strong legendary and historical tradition that Village Panchayats have been in the country since the dawn of history and that they have outlived and survived all changes and upheavals of time. Whatever has been the shape and function of the Village Panchayats in the earlier period, the institution had become completely dormant during the British regime. The Englishmen keeping in view their limitations in terms of number and having no interest in the development of the country built up a highly centralized imperial structure where there was little scope for decentralized administration. However among the British also there were some liberal democrats who were interested in the creation of Institutions of local self-government in India. But it was as late as 1882 when Lord Ripon, the then Viceroy of India took the initiative in the establishment of popularly elected institutions at local levels to look after specified functions in their areas. In recognition of the interest shown and efforts made by him in this direction he is popularly known as the father of local self government in India. To his critics, Lord Ripon made it clear that the institution of local self-government was not primarily with a view to bring improvement in administration but it was chiefly meant to act as an instrument of political and popular education. It is true that many Englishmen did not share his views and opposed his ideology. Lord Curzon who succeeded Ripon as Viceroy was against this approach and he even went on to remark that Indians were not fit to be entrusted with any power and responsibility to govern themselves. However, the efforts of Lord Ripon certainly did have its impact, when the institutional deficiencies of the local self government structures were acknowledged by the British rulers of India themselves and with no less a person than the Secretary of State for India, felt concerned at the stupendous growth of over centralization in India, Viscount Morley, appointed a Royal Commission on Decentralization headed by Charles Hobhouse in 1907. It is notable that the first ever reference in a document of constitutional significance to Village Panchayats as Local self-government institutions was made in the report of Royal commission on Decentralization in 1909. The report of the commission resulted into the Minto-Morley Reforms of 1909 which led to the enlargement of the elective process in the Local Self Government structure of India This move of the Britishers also encouraged the Indian National Congress (INC) which at its 24th Session held at Lahore urged the British Government to take necessary steps to make all bodies from Village Panchayats upwards elective with elected non-official chairman and support them with adequate financial help. The Government of India Act, 1919 was based on the twin objective of Diarchy and limited Provincial Autonomy and the Local Self Government Institution was made one of the provincial transferred subjects placed under the jurisdiction of elected Indian Ministries. During the Diarchy regime several enactment's for the establishment of Village Panchayats were passed in major states like Bengal (1919) Bihar (1920), Bombay (1920), C.P. and Berar (1920) Madras (1920) U.P. (1920), Punjab (1922) and Assam (1925) From 1920 to 1947 when India got Independence, the main emphasis of the Indian National Congress was on the bigger issue of all-India Swaraj and during this period all the important national level leaders remained occupied in organizing campaigns and movements for independence under the leadership of Mahatma Gandhi. This naturally, resulted in the neglect of the task of preparing any sort of blue print for local level reforms and the INC Ministries also in their short lived period of 1937-39 could not do much to place the Local Self-Government institution in the country on a sound footing. It is also true there was no unanimity among the top-level leaders regarding the status and role to be assigned to the institution of rural Local Self Government, rather there were divergent views on the subject. On the one extreme Gandhiji was in favour of Village swaraj and strengthening the village Panchayats to the fullest extent and on the other extreme Dr. B.R. Ambedkar was totally opposed to this idea. The extra ordinary confusion that prevailed in the rank of the Indian National Congress over this issue of the role and status of the rural Local Self-Government institutions in the Constitution of Independent India is one of the most serious failures of the national leaders in general and those who drafted the Constitution in particular.

In the Constitution of India hardly 4-5 lines were devoted to the cause of rural local self-government. Under Article 40 of the Constitution it was stated that the State shall take steps to organize Village Panchayats and endow them with such powers and authority as may be necessary to enable them as units of self-government. This Article formed a part of the Directive Principles of State Policy under the Constitution. However, no worthwhile legislation was immediately enacted either at the national or State levels to implement it.

### **Emergence of Panchayati Raj -Post Independence<sup>2</sup>:**

In accordance with the guidelines provided by the Mehta Committee and subsequent endorsement by the Central Council for Local Self-Government the system of Panchayati Raj came into being in almost all the states by 1962. Panchayati Raj Institutions (PRIs) thus became the basic institutional apparatus through which socio-economic transformation of rural India was to be achieved. After initial euphoria these institutions started losing their efficiency and became defunct in most of the states. It was felt that there is an imperative need to enshrine certain basic and essential features of the system of Panchayati Raj in the Constitution itself to impart them certainty, continuity and strength. The inclusion of Panchayati Raj system in the Constitution of India was necessitated because of its failure to receive a fair deal from the state governments as also the structural weaknesses which had crept in. Conferment of constitutional status to the system of Panchayati Raj was, therefore, considered a panacea for providing the democratically elected bodies continuity, durability and identity. In consonance with the philosophy of 'democratic decentralization', a mandatory three/two tier set-up of Panchayati Raj was incorporated in the Constitution 73<sup>rd</sup> Amendment (1992).

### **73<sup>rd</sup> Constitution (Amendment) Act, 1992:**

The Constitution 73<sup>rd</sup> Amendment Act, 1992 was passed by the Lok Sabha on December 22, 1992 and by the Rajya Sabha on the following day. After ratification by 17 state assemblies, the President signed the bill and it came into effect on April 24, 1992. The main characteristics of the Act are:

- 1) Establishment of a gram sabha comprising all voters in the Panchayat area, and establishment of a three tier PR system (except in states whose population is under 20 lakhs) with Panchayats at the village, intermediate and district levels.
- 2) Provision for direct election by the people of the members of all Panchayats.
- 3) Provision that members of the Lok Sabha/Rajya Sabha (MPs) and the State Legislative Assembly (MLAs) from the area would continue to be members of the Panchayats with the right to vote in their meetings but not in the election of chairpersons of intermediate and district level Panchayats, nor be their chairpersons.
- 4) Establishment of 5 year terms for each Panchayat, with elections to be held under the supervision, direction and control of the State election commission and if superseded in mid term, an election to be held within six months for the remaining period of five years only.

The Act also provided for the reservation of seats for Scheduled Castes (SC) and Scheduled Tribes (ST) in proportion to their population in a Panchayat area, and has further reserved chairpersons seat for SC and ST candidates in all three tiers in direct proportion to their total population in the state, with one-third of these seats reserved for SC and ST women. The 1993 Act also provides that one-third of the seats in the Panchayats at all levels will be reserved for women, including SC and ST women.

### **Devolution of Powers and Functions:**

The most significant parts of the Constitution 73<sup>rd</sup> Amendment are Articles 243-G and 243-H which stipulate functional and financial devolution upon the PRIs. Thus Article 243-G states "subject to the provisions of this Constitution, the Legislature of a State 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 and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to:

- (a) the preparation of plans for economic development and social justice; and

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<sup>2</sup> Ibid

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

The substance of Article 243-H is that it expects the legislature of the state to endow by law the Panchayats at the three levels with necessary powers and authority to enable them to function as institutions of self government. For this purpose, the state would provide for the devolution of powers and responsibilities upon Panchayats. These powers and responsibilities would pertain to the preparation of plans for economic development and social justice and their implementation, including those relating to the 29 areas<sup>3</sup> listed in the Eleventh Schedule. The 29 subjects assigned to the PRIs are as follows<sup>4</sup>:

Article 243-H states that “the Legislature of a State may, by law: (a) authorize a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits; (b) assign to a Panchayat such taxes, duties, tolls and fees levied and collected by the state government for such purposes and subject to such conditions and limits; (c) provide for making such grants-in-aid to the Panchayats from the Consolidated Fund of the State; and (d) provide for constitution of such funds for crediting all moneys received, respectively, by or on behalf of the Panchayats and also for the withdrawal of such moneys therefrom, as may be specified in the law.” This Article requires the legislature of the state to authorize the Panchayats by law to impose and collect taxes, duties, tolls and fees and to assign to the Panchayats resources similarly mobilized by the state government and also provide grants-in-aid to the Panchayats. The process of devolution has to be based on the cardinal principle that what is appropriate for a given tier should be done by that tier and not by a higher tier. Thus what is best done at the intermediate level should be done at that level and not at the district level and vice versa. A mechanism for coordination among all the three tiers has also to be established.

#### **Financial Devolution:**

As per Article 243H of the Constitution as inserted by 73<sup>rd</sup> Constitution (Amendment) Act 1992, the state legislature has been empowered to enact laws:

- (a) to authorize a Panchayat to levy, collect and appropriate some taxes, duties, tolls, and fees;
- (b) to assign to a Panchayat some taxes, duties, tolls levied and collected by the state government;
- (c) to provide for making grants-in-aid to the Panchayat from the Consolidated fund of the state; and
- (d) to provide for constitution of such funds for Panchayats for crediting all money received by or on behalf of Panchayats and also the withdrawal of such money therefrom.

Article 243-I provides for the constitution of an independent State Finance Commission (SFC) to review the financial requirements of Panchayats and to make recommendations to the Governor regarding principles concerning main issues mentioned in Article 243H. In order to reduce governmental control and in order to foster concept of self government, the Act provides for the creation of independent institutions to deal with various aspects of local government functioning. They are:

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<sup>3</sup> 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 produces 8. Small-scale industries, including food process industries 9. Khadi, village and cottage industries 10. Rural housing 11. Drinking water 12. Fuel and water 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 programmes 17. Education, including primary and secondary schools 18. Technical education 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 centers 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 SCs and STs 28. Public distribution system (PDS) 29. Maintenance of community assets.

<sup>4</sup> Constitutionalisation of Panchayati Raj- P.C. Mathur

**The State Election Commission:**

The Election Commission has been given powers which go beyond those required for the conduct of elections. It is empowered to delimit wards which were formerly done through the executive and it has been given powers to disqualify defectors.

**The State Finance Commission:**

This has been given the mandate as required by the constitution. The first SFC was constituted in 1994 and the second SFC in 1999. Thus the Constitution 73<sup>rd</sup> Amendment Act covers the following core items:

- i. Gram Sabha;
- ii. Three-Tier Setup;
- iii. Composition of Panchayats;
- iv. Reservation of Seats;
- v. Tenure of Panchayats;
- vi. Powers to Impose Taxes;
- vii. Audit of Accounts;
- viii. Constitution of Finance Commission;
- ix. Constitution of State Election Commission;
- x. Exemption to certain areas

The provisions of the Amendment have uniform application throughout the country. However, certain areas, states have been exempted because of socio-cultural considerations.

**Education under Panchayati Raj:**

The Panchayati Raj/Municipal bodies have an important role to play in reconstruction of the education system. It is being realized that there is alienation between the community in general and educational system and thus efforts towards ensuring larger enrolment, raising retention rate and improving teaching-learning process, have not succeeded substantially. The establishment of Institutions of local self-government may be seen as a significant step in the direction of making the system more effective as well as responsive. The Panchayati Raj/Municipal bodies ought to make responsible for planning, execution and monitoring of various educational programmes at different levels. It may not be out of place to mention that the National Policy on Education and the Programme of Action (1992) emphasis the importance of the decentralization of planning and management of education at all levels by ensuring greater community participation. While transferring various functions to institutions of local self-government, the approach must be tempered with caution and mature deliberations. These institutions may not grow immediately into their full potential and start performing the extremely ambitious and complex tasks. Keeping in view the relative weaknesses of the Panchayati Raj/Municipal bodies, their limited resources and complex nature of their responsibilities, they need to be nurtured, supported and encouraged in a positive manner. The positive partnership between Panchayati Raj/Municipal bodies and State governments will go a long way in confronting the multifaceted tasks of educational development.

**Operationalisation of the Act<sup>5</sup>:**

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<sup>5</sup> Palanithurai, G., "New Panchayati Raj system at work- An evaluation", Concept publishing Co., New Delhi, 1999

Though the key characteristics of the new Panchayati Raj system are outlined in the 73<sup>rd</sup> Amendment to the Constitution of India as a framework, the operational part of the new system depends on the Act enacted by the state government. The state governments have enacted legislations to give operational dimension to the key principles of the 73<sup>rd</sup> Constitutional Amendment. Though the structure is the same, functions vary from state to state as the state governments find it difficult to operationalise the provisions of the 11<sup>th</sup> Schedule to all the three tiers of the Panchayati Raj system. The responsibilities are earmarked to all the three tiers of the Panchayati institutions from the subjects given in the 11<sup>th</sup> Schedule. District Panchayat is only a co-coordinating agency. It can co-ordinate and supervise the activities of the middle level Panchayats in terms of evolving proposals and implementing programmes and schemes for development. Planning, monitoring and evaluation are entrusted to District Panchayat. Block or Middle level Panchayat is entrusted with the responsibility of implementing the schemes and programmes in the whole of the block. Gram Panchayats are entrusted with the responsibility of aggregating the needs and demands of the local populace and plan for the redressal of the needs and grievances of the people. It has to monitor the programmes implemented by the Block Panchayats.

### **Achievements of the Panchayati Raj System:**

The 73<sup>rd</sup> Constitutional Amendment Act, 1992 and the first twelve years succeeding it can be considered as comprising first generation reforms, with the central theme being creation and empowerment of strong Panchayats. These reforms aimed to combine social justice with devolution, with its emphasis on reservations for deprived classes of the population in Panchayats and leadership positions in Panchayats. The objective of creating a strong base of political empowerment of ordinary people has been largely achieved, as the statistics on Panchayats would reveal. At the Village Panchayat level, each Panch's constituency comprises of about 340 people, (70 families) making India the largest and most intensely democratic country worldwide. However, the spirit of Part IX of the Constitution goes beyond political empowerment. It is essentially that elected Panchayats are expected to function as units of rural local self-government. The emphasis is to empower them with certain functional mandates, give them a significant degree of autonomy and impart to them an element of self-reliance and self sufficiency through fiscal transfers, taxation powers and tax assignments. For several reasons, the Constitutional provisions alone have not been an effective trigger for the empowerment of Panchayats.

*First*, the Constitutional framework leaves the States to decide through legislation the extent of powers that have to be transferred to the Panchayats to function as institutions of self-government.

*Second*, till recently, in spite of the mandatory provisions of Part IX relating to the creation of Panchayats many States have delayed the conduct of elections to Panchayats.

*Third*, even in States that have passed strong and sweeping legislations assigning most of the powers and functions listed in the Eleventh Schedule to the Panchayats, formal transfer of functions has not been matched by the concomitant transfer of funds and functionaries for performing these functions.

*Fourth*, there has been very little change in the first decade after the 73<sup>rd</sup> Constitutional Amendment Act in the way that Central ministries dealing with the mandates of Panchayats function. When Central ministries, which send down substantial funds for implementation of Centrally Sponsored Schemes, ignore Panchayats, it leaves very little incentive for States to go ahead with devolution.

Second-generation reforms in devolution to Panchayats aim to tackle the continuing time lag between the constitutional mandate and effective functional transfer to Panchayats. From an operational perspective, second generation reforms would be characterized by a focus on building mechanisms for increased participation of the people in decision making, streamlining the fiscal mechanisms that fuel the functioning of Panchayats, and strengthening administrative mechanisms that enhance the efficiency and capabilities of Panchayats.

### **Suggestions for Reform:**

Presently, more number of development programmes and schemes are to be evolved from below but at present more development schemes and programmes are chalked out at the national level and pushed through the state government to the grass-roots for implementation. Gradually, this trend has to vanish. At present, one would find

more number of overlapping categories of functions allocated to various levels for different functions and moreover they are subjects which demand responsibilities on the part of operators and not of power. Responsibilities can be shared among the institutions without much difficulty. Even today schemes are innumerable for the development of the society but they are not known to the people. Absolutely, there is no transparency at the level of the government. Though the new has got constitutional recognition, it should not conduct itself as a government. It should be a flexible instrument in the hands of the communities. The people and the leaders should know their responsibilities and duties. They should assess the local resources available at their ends, skills available with the local populace and technology available with them. They should chalk out schemes and programmes based on the untied money allocated to them from above, money collected from the people as authorized by the authority and the income generated out of the community assets. Moreover the facilities already created for the benefit of the people have to be examined and assessed and appropriate steps should be taken to revamp those facilities. Identifying and harnessing the technology available in the local areas would reduce the load of the problems. Likewise, by providing opportunity to make use of the local skills would improve the quality of life in the rural areas.

### **Conclusion:**

Panchayati Raj system is a small government approach which reduces the massive structure of the government and increases the responsibilities of the people. Government is no longer considered a provider but a facilitator for the people to take initiative to bring development, equity and social justice. To make this system work effectively, the mass has to be conscientised. The people and their representatives should be educated to understand the role and responsibilities of the individual in the new system. By taking up the responsibilities, the individual can administer development more effectively than the government. The need of the hour is the resourcefulness of the people. There are some hindrances in the present Panchayati raj system which needs to be reduced.

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