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## EVOLUTION OF PANCHAYATI RAJ SYSTEM IN ANDHRA PRADESH: A REVIEW

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### **Abstract**

*Much of the inspiration for the system of rural local government comes from the panchayats that existed in the past. The village was the lowest unit of settlement and administration in early times. Most of the land in ancient Andhra formed part of the vast Dandakaranya forest through which Srirama, Sita, and Laxmana are said to have wandered in their exile. Vedic and post - Vedic sources show the Indian village as a self-sufficient and autonomous miniature republic. Kingdoms and empires rose and fell but the village has survived. Self-government of a village finds ample expression in "Shanti Parva" of Mahabharata, Manu Smriti and in Kautilya's Arthashastra. Self-governance was not the objective of the British government. Their main objective was the protection of imperial interests. During first decade in independent India the State Governments adopted certain legislative and administrative measures with a view to expand and develop rural local self-government. Prior to the introduction of a new panchayati raj system in the state of Andhra Pradesh in 1959 several concrete developments took place first in Madras (of which Andhra was a part till 1953) and later in Andhra Pradesh. In 1957, January 16, The Team for the Community Projects and National Extension Service was appointed by the Committee on Plan Projects in order to study and report on the Community Projects and National Extension Service. The second most important committee was set up in 1977 after the Janata Party came into power at the centre. The planning commission appointed a Working Group in 1983 known as the Hanumantha Rao Committee to suggest measures for making decentralized planning at the district level more effective.*

Keywords: Local Government, Panchayati, Urban, Rural, Village.

## Introduction

Historically, every village in the country had a panchayat which was responsible for finding the solutions to the local problems within the village itself. Panchayats or the village councils are as old as India's history and have been a part of its tradition. In Discovery of India, Pandit Nehru has provided a fairly exhaustive idea about the working of the Village Panchayats in ancient India. Panchayats had extensive powers, both executive and judicial. Its members were treated with great respect by the king's courtiers and the public. Land was allotted by the panchayats. They also collected taxes out of agricultural produce and paid the share of the village to the kings.

Much of the inspiration for the system of rural local government comes from the panchayats that existed in the past. Information on the subject is, however, not easily available. It is from a close study of the inscriptions of the time and of stray references to it found in literature that historians have been able to get some idea of it. We know something of the system of local self-government which flourished in villages from the days of the Sathavahanas, who ruled Andhra from 271 B.C to 174 A.D, to the days of the Kakatiyas, from whom power was wrested by the Muslim invaders in 1323 A.D. Although this long period villages enjoyed a great deal of autonomy in the sense of freedom from the control of the State. Even though the ruling dynasties changed from time to time there was not much of a change in the nature and degree of village autonomy, though the internal structure of village government underwent certain modifications.

The village was the lowest unit of settlement and administration in early times. Most of the land in ancient Andhra formed part of the vast Dandakaranya forest through which Srirama, Sita, and Laxmana are said to have wandered in their exile. Efforts were made by the people as well as by their rulers to clear the forest and to make land fit for cultivation. This was regarded as one of the primary functions of government and several rulers took pride in calling, themselves kadu vattis, the clearers of forest. On the lands so cleared they founded villages, settled colonies of peasants with a due proportion of craftsmen of several kinds in them, constructed tanks and other sources of water supply and exempted the cultivators from the payment of the usual taxes for number of years to start with. It was villages like these that became centres of self-government. Kautilya says in his well-known Arthashastra written about 300 B.C. a great deal about the settlement of villages. Many of precepts laid down by him were followed by rulers in all parts of the country, included Andhra.

Vedic and post - Vedic sources show the Indian village as a self – sufficient and autonomous miniature republic. Kingdoms and empires rose and fell but the village has survived. Village social organization can be clearly understood by cantering the discussion on the panchayat, an effective agency of social control for ages. The autonomous village is best described by Metcalfe:

## Vedic Age:

"Panch-Ayat" means a group of five persons selected by the villagers. Indirectly, it denotes the system through which rural people are governed. It indicates that there was some method of self-government. In the old Sanskrit scriptures, there is a word 'Panchayatan', which means a group of five persons, including some spiritual man. But, gradually, the concept of the inclusion of a spiritual man in such groups vanished. In the Rigveda, there is a mention of 'Sabha', 'Samiti' and 'Vidath' as local self-units. Subsequently, the panchayat became a group of any five selected persons of the village to decide village disputes. The concept of "Panch Parmeshwar

or Panch- the God' existed in the ancient age. Yagna' or sacrifice, to be successful, must be done by five devoted persons as per the Vedic saying, it indicates the pious conscience of Panchas. There is a description of 'Sabha' and 'Samiti'", which were the democratic bodies at the local level. The king used to get the approval of the Sabha' or 'Samiti' regarding certain functions and decisions.

## Epic Era:

The study of the Ramayana indicates that administration was divided into two parts- Pur and Janpad' or city and village. Villages were Janpad' and village people were called the 'Janpada'. "Gram', 'Maha Gram' and "Ghosh' (village, big village and group of villages) are mentioned in the Ramayana. Pattan' were towns near villages and served as "Mandi' or market for the villagers. 'Shreni and Nigam' were there as local bodies but no description regarding their constitution is available in the Ramayana.

Self-government of a village finds ample expression in "Shanti Parva' of Mahabharata, Manu Smriti and in Kautilya's Arthashastra. 'Sabha' and 'Samiti played a part in controlling the decisions of the king. Sabha Parva' of the Mahabharata mentions the Gram Panchayats but it is not clear whether the panchas were elected by the people or nominated by the kings.

Manu Smriti stresses on organized system of local self-government. It has highlighted the importance of the decentralisation of the functions of the state. The king was advised to keep responsible ministers for advice. Manu has mentioned village' as the smallest unit of governance. 'Rakshak' (saviour) was responsible for the village. His functions were to maintain law and order. Lower Rakshak owed responsibility to the higher Rakshak.

## Ancient Period:

Kautilya, in his Arthshastra advised the king to constitute units of villages having 100- 500 families. There would be centres of 10 villages, 200 villages, 400 villages and 800 villages. These centres would be respectively known as 'Sangrahan', Karvatik, 'Drona Mukh' and 'Sthaneeya'. Town was termed as 'Pur'. Its chief was Nagrik". Local bodies were free from any interference from the king's side.

In Chandragupta Maurya's regime, the policy of decentralisation of power was adopted. The village was the smallest unit of governance. A person elected by the people of the village was the 'Gramik' (head of village). Megasthenes has described how Pataliputra town was administered by six committees consisting of five members each. In the Gupta period also the Gramik' was the village head and a village was the smallest unit of governance. The records of the Gupta period mention Gram Sabha', 'Gram Janpad' and "Panch Mandli'. Neeti Shastra of Shukracharya also mentions village governance during this period. In South India the 'Sathavahan kingdom existed in the 1" century B.C. There were local bodies for governance in the cities as well as the villages. The Chola' rulers also developed self-governance in the villages. "Nadu Parishads' were representative bodies which were solely responsible for the maintenance of the villages

In the north-eastern India, there were small republics which were quite independent in integral matters. The Village Panchayats were vested with sufficient administrative powers and the king interfered the least

### Medieval Period:

There are three important officials to rule the village. They are Mukkadam for administration, Patwari for collection of revenues and Choudhrie for decision on disputes with the help of the Panch. A village was the smallest unit where the management was looked after by Lambardar, Patwari and Chowkidar. Villages had sufficient powers as regards self-governance in their territory. Panchayats were prevalent in villages in the medieval period. Agricultural produce from villages was the main source of the revenue of the state.

### British Period:

The British administration in India was essentially a revenue and law and order administration. The British were indifferent to the way in which their own local councils were managed in England, and the same apathy was reflected in their experiments in local administration in India and many times the progress of local government in India became a mere personal equation.

Self-governance was not the objective of the British government. Their main objective was the protection of imperial interests. It was only with such an object that More attention was paid to urban the powers were given at the local level. administration rather than rural areas.

According to S.R. Maheshwari, the beginning of local government can be presumed from 1687, when the Madras City Corporation was established. subsequent history can be detailed as follows:

Broadly, it may be divided into the following five periods, each period characterized by a definite aim and purpose.

1. 1687 1881: Local government was established to share the burden of resources of the central and provincial governments.
2. 1882- 1919: Local government was seen as self - government.
3. 1920 1937: Local government was established in the provinces and people's representatives were controlling the provincial administration also.
4. 1938-1949: Local government was in the state of repair (Rejuvenation) and Reconstruction.
5. 1950: Present day Local government has been keyed to the requirements of the Constitution.

### **Evolution: Post- Independence Period:**

During first decade in independent India the State Governments adopted certain legislative and administrative measures with a view to expand and develop rural local self-government.

The plea for greater autonomy to rural local bodies received conceptual strength with the advent of Mahatma Gandhi on national scene and his enumeration of the doctrine of national development through autonomous rural organization which he desired to model on the lines of Panchayat system as it prevailed an ancient India. Mahatma Gandhi was careful to state that his concept of "Ram Rajya" of which Panchayat autonomy was an integral component was not derived from any specific historical period but it was an ideal construct based on the best features of different periods of Indian History.

### **Provisions in the Constitution:**

The constitution of India includes a provision (article 40) relating to the panchayats. The draft constitution did not include any mention about panchayats. It was only under strong pressure that Article concerning panchayats could appear in the Directive Principles. On 22d November, 1948, K. Santhanam moved the party's official amendment which was adopted by the Assembly and thus Article 40 was included in the Constitution. Article 40 requires the state to take steps to organize village panchayats and to confer on them necessary powers and authority to enable them to function as units of self-government. The idea underlying this constitutional provision is to introduce democracy at the grassroots. This provision does not prescribe as to what powers should be given to the panchayats or what their structure should be and that is why panchayati laws vary from one state to another

Panchayat Raj System in India has evolved out of the Community Development Programme (CDP) introduced on October 2, 1952 intended to bring socio economic development of rural masses in a democratic way. It was further supplemented by National Extension Service (1953). However, after a few days, it was realised that the programme had not delivered the desired results due to lack of people's participation in the development programmes. This drew the attention of the Second Plan which said that democratic institutions within the district should be created where the entire community, particularly the weaker sections might get involved in developmental activities.

### **THE VILLAGE PANCHAYAT ACT;**

Prior to the introduction of a new panchayati raj system in the state of Andhra Pradesh in 1959 several concrete developments took place first in Madras (of which Andhra was a part till 1953) and later in Andhra Pradesh. Of these, the most noteworthy is the Village Panchayat Act, 1950. The Village Panchayat Act (Madras Act NO, x of 1950) was passed and it was brought into effect on April 1, 1951<sup>14</sup>. In several respects it marked an advance on the earlier Acts under which the panchayats were functioning until then. Their functions and powers were considerably widened. They secured more finances. All this meant progress in a needed direction. The panchayats acquired a more democratic character under the new Act in consequence of the various provisions included in it. It now became obligatory for the Government to confer the benefits of Panchayati raj to all the people in rural areas without exception. Every village with a population of 500 and above had to be given a panchayat under the Act. Villages with a population of less than 500 had to be included within the jurisdiction of an adjoining panchayat or grouped with other contiguous villages so that there might be a single panchayat for the whole group. This meant that, in future, there should be no village without coming under the jurisdiction of some panchayat or other and enjoying all the advantages of the local self-government. The elections to the panchayats were to be based on adult franchise. All those who were entitled to vote for the Legislative Assembly were to be enrolled as voters for elections to panchayats. Provision was made for voting by secret ballot.

### **HYDERABAD VILLAGE PANCHAYAT ACTS**

The Hyderabad Village Panchayat Act of 1940 was the first enactment in the old Hyderabad State for village self-government and 442 panchayats were established under this Act. They were nominated bodies and had no representative character. The sources provided to these bodies were extremely on paper. After the popular ministry came to power in 1950 it replaced the 1940 Act and enacted Hyderabad Village Panchayat Act, 1951. This Act provided for adult franchise for electing members of panchayats. At the same time government retained the right to nominate some members. As the Act was considered defective and insufficient, the state government enacted a new law, the Hyderabad Gram Panchayat Act, 1956 which considerably widened the powers and functions of the gram panchayats. The Act entrusted the panchayats the revenue, police and developmental functions in addition to usual civic functions<sup>16</sup>. Further it also provided for creation of conciliation boards and vyaya Panchayats. But most of the provisions were not implemented.

**BALWANTRAY MEHTA COMMITTEE:**

In 1957, January 16, The Team for the Community Projects and National Extension Service was appointed by the Committee on Plan Projects in order to study and report on the Community Projects and National Extension Service. It was popularly known as Balwantray Mehta Committee after the name of its chairman.

The specific recommendations of the committee are:

1. Establishment of a 3-tier Panchayati Raj system - Gram Panchayat at the village level, Panchayat Samiti at the block level, and Zilla Parishad at the district level. These tiers should be organically linked through a device of indirect elections. The main purpose of this division is to simplify and to decrease the work load of the state and central government [MSD].
2. The village Panchayat should be constituted with directly elected representatives, whereas the Panchayat Samiti and Zilla Parishad should be constituted with indirectly elected members. This is because Panchayat is similar to that of state assembly where there is place for politics whereas Samiti and Zilla Parishad members should be more educated and knowledgeable and may not need the majority support.
3. All planning and developmental activities should be entrusted to these bodies.
4. The Panchayat Samiti should be the executive body while the Zilla Parishad should be the advisory, coordinating and supervisory body.
5. The District Collector should be the Chairman of the Zilla Parishad.
6. There should be a genuine transfer of power and responsibility to these democratic bodies.
7. Sufficient resources should be transferred to these bodies to enable them to discharge their functions and fulfil their responsibilities.
8. A system should be evolved to effect further devolution of authority in future.
9. Irrespective of political parties, Elections has to be constituted for every 5 years in a genuine way.

These recommendations were accepted by the National Development Council in January 1958. The committee observed that the major reasons for failure of CDP was lack of enthusiasm and non - participation of the people in its implementation at local level. It also suggested that an appropriate organizational structure shall be created for eliciting people's participation.

The study team on the position of Gram Sabha in Panchayati Raj Movement (1963) recommended that Gram Sabha should be statutorily recognized and encouraged to play a more active role in village affairs. The study team on the Audit of Accounts of Panchayati Raj Bodies (1965) suggested measures for activating the system of the financial transactions of Panchayati Raj Institutions. The Committee on Panchayati Raj

Elections (1965) made recommendations on the size and composition of, and the mode of election to the Panchayat Raj bodies at the village, block and district levels. It suggested size ranging between nine and nineteen for the Panchayats twenty and forty for the Panchayat Samitis and forty and sixty for the Zilla Parishads.

#### **ASHOK MEHTA COMMITTEE:**

The second most important committee was set up in 1977 after the Janata Party came into power at the centre. The Cabinet Secretariat in their Resolution No. 14/1/2/77-CF dated 12th December, 1977, appointed a Committee on Panchayati Raj Institutions. The committee, popularly known as Ashok Mehta Committee, submitted its report on 17-08-1978 and made 132 recommendations.

Reviewing the functioning of these institutions way back in 1977, the Ashok Mehta Committee found three interesting phases of Panchayati Raj Institutions: i) the period from 1959 to 1964, a period ascendancy when the grass root institutions took roots, ii) the period from 1964 to 1969 which was called a phase of stagnation, ii) the period from 1969 to 1977 was called a stage of non-performance. The committee concluded that the grass roots institutions are the grass without roots and caricature of local governments.

It is, therefore, essential that in the proposed decentralization, all safeguards must be taken so that the ideal of "Power to people" does not degenerate into power to the power less. The committee observed that the institutions of Panchayati Raj are dominated mostly by the socially and economically dominant people of the society and have facilitated the emergence of oligarchic forces which gave no benefit to the weaker sections of the village society. It also observed that these institutions are influenced by caste considerations and are suffering from corruption, inefficiency, political interference and power concentration.

The committee asserted the basic soundness of the Panchayati Raj Institutions and suggested a large number of long-term measures to protect the interests of the weaker sections of the society. The committee recommended that implementation of the development programme should be planned in a decentralized way from below rather than from above. The political parties should participate effectively in Panchayat Raj affairs as their participation may ultimately convert their mutual competition into constructive cooperative for rural development.

The main recommendations of the committee were decentralization of power to district and below; a two-tier Panchayat Raj Institutions i.e., Zilla Parishad and a Mandal Panchayat covering a population of 15,000 to 20,000 with the Zilla Parishad playing the pivotal role; preponderance of elected members over the others at all levels; election to the Panchayati Raj Institutions to be conducted by the Chief Election Officer of the state in consultation with the Chief Election Commissioner; all developmental functions

relating to a district to be placed under the Zilla Parishad; Zilla Parishads to handle all the decentralized state program and plan for them at the district level while the Mandal Panchayat to handle the implementation work; Zilla Parishad be made responsible for planning at the district level; safeguard for the weaker sections; administrative set up at the Zilla Parishad and lower level; devolution of financial resources including limited and specific taxation power to the Panchayat Raj Institutions; role of Panchayati Raj Institutions in human resources development, etc. It also suggested regular elections of these bodies; involvement of Political parties in PR elections; reservation of seats for weaker sections and women, adequate financial resources; requirement of constitutional sanction and to extend people's participation in development activities through PRIs. Although, the recommendations of this committee were not accepted, it succeeded in initiating debates and discussions for improvement in the PR system throughout the country. However, the report of the Ashok Mehta Committee could not be implemented because of the range of government at the Centre in 1980.

The planning commission appointed a Working Group in 1983 known as the Hanumantha Rao Committee to suggest measures for making decentralized planning at the district level more effective. The Committee stressed the need for public participation at the local level. The people's participation being a necessary ingredient of the planning especially at the grass roots level, the PRI's have, naturally significant contribution to make in the formulation, execution and evaluation of the planning at the local level. Panchayati Raj Institutions are supposed to provide the framework for the popular participation and organising development programme.

Rural development as an integrated concept for growth, social justice and poverty alleviation continued to be one of the principal areas of emphasis in the Seventh Five Year Plan. The development strategy of the Seventh Plan aimed as the direct attack on the problems of poverty, unemployment and regional imbalances.

Therefore, the planning commission set up the G.V.K.Rao Committee (1985) to review the existing arrangements for rural development and poverty alleviation programmes and to recommend appropriate structural mechanism to ensure that they are planned in an integrated manner and implemented effectively. The committee recommended strengthening of zilla parishads and district level planning as well as better integration of block and lower level of planning with lower level Panchayati Raj Institutions. The committee also recommended the appointment of a State Finance Commission once in every five years to determine the quantum of money to be provided by the State Government to each Zilla Parishad.

The Singhvi Committee (1986-87) had prepared the concept paper on Panchayati Raj. The committee wanted Panchayati Raj institutions to be closely involved in planning and implementation of rural development programmes at lower levels. This committee recommended that Village Panchayats (of group

of small villages if necessary) should be made viable by combining 2-3 villages in one panchayat and by strengthening their finances.

The committee recommended for a constitutional provision for ensuring regular, free and fair elections for Panchayati Raj bodies and setting up of a Panchayati Raj Judicial Tribunals to be constituted in each State to adjudicate controversies in relation to elections, suspensions, supersessions, dissolutions and other matters relating to the working of Panchayati Raj institutions and its elected personnel.

The committee recommended for providing adequate financial resources for Panchayati Raj institutions and also earmarking adequate provision for Panchayati Raj institutions by the Finance Commission appointed by the Union Government. In order to strengthen the status of Panchayati Raj its basic features should be incorporated in the Indian Constitution. The existing constitutional provision (Article 40) is too general and also of discretionary nature to provide firm basis to Panchayati Raj which had been weakened largely on account of governmental neglect and unscrupulous local politicking in various states.

### **ANDHRA PRADESH MANDAL PRAJA PARISHADS, ZILLA PRAJA PARISHADS AND ZILLA PRANALIKA ABHIVRUDHI MANDALS ACT,1986.**

The efforts of the Government of Andhra Pradesh to reform the rural local government and to streamline the panchayati raj administration had not stopped after the 1981 elections. The successive chief ministers had tried to bring amendments to the rural local government Acts. The Telugu Desam Government felt that the development programmes and other welfare schemes had not been forthcoming in adequate measure in the three-tier structure of Panchayati Raj. The developmental programmes were not being implemented effectively as the people's participation was not forthcoming in adequate measure. The panchayat samithi with a population of 80,000 or more had grown unwieldy for giving the people a sense of participation. The government, therefore, felt it necessary to involve the people more closely in the administration of developmental and other government programmes at lower spatial levels, and create Mandal parishads in the state.

A cabinet subcommittee was set-up by the TDP Government to suggest measures to reorganize the PRIs in the state. The cabinet subcommittee examined the Mandal system, recommended by the Asoka Mehta Committee and also the functioning of the panchayati raj administration in Andhra Pradesh and other states and made its recommendations. Based on the recommendations of the committee, the Andhra Pradesh Mandal Praja Parishads, Zilla Praja Parishads and Zilla Pranalika Abhvrudhi Mandals Act was enacted and the Andhra Pradesh Panchayat Samithis and Zilla Parishad Act,1959, was repealed in July ,1986<sup>29</sup>. Under the provisions of the Act eleven hundred and four Mandala Praja Parishads (MPPs) came into existence on 15<sup>th</sup> January 1987, the Pongal day of Sankranti in the place of 330 panchayat Samithi. In other words, there are 3 or 4 MPPs in the place of one panchayat samithi. The MPPs were constituted for a population of

35,000 to 55,000 covering 20-25 villages with the certain relaxation in tribal areas<sup>30</sup>. Rangareddi District bordering state capital has the minimum number of 33 MPPs while the maximum number of 65 are in the southern district of Chittoor closely followed by Mahbubnagar district in Telangana with 64 MPPs.

### **IMPLEMENTATION OF 73 AMENDMENT ACT:**

The 73 Constitutional Amendment Act was an attempt to revamp PR for decentralization and rural development with a view to grant power to people at grass root level. With the implementation of this Act, the state governments were asked to prepare new legislation or to amend their existing law absorbing the provisions of the Act within one year of its enactment. As provided under the Central Act, most of the states have either modified their existing Acts or replaced old PR Acts with new Acts.

### **Elections to PRIs:**

Pursuant to the Amendment, all the states and union territories brought in new legislations or amended their existing ones within the stipulated time in conformity with the provisions contained in part IX of the constitution. Article 243 N under the Amendment provides that all the panchayats existing immediately before the commencement of the Constitutional Amendment shall continue till the expiration of their duration unless sooner dissolved by a resolution passed to that effect by the legislature of that state.

All the States/ UTs except Arunachal Pradesh enacted appropriate legislations for setting up of strong, viable and responsible panchayats at different levels in their respective states. Part IX of the Constitution pertaining to formation of panchayats is not applicable to the states of Jammu & Kashmir, Hill areas of Manipur, Meghalaya, Mizoram, and Nagaland.

In the National Capital Territory of Delhi (NCT) of Delhi, the Panchayati Raj was suspended by the State government and no effective steps have been taken to revive the PRIs till date. Each of the States/ UTs has constituted the State Election Commission (SEC) to ensure elections to the PRIs once in five years.

All the states have followed the reservation policy faithfully as a result of which a sizable number of representatives belonging to the reserved categories in accordance with the provision have been elected. In some places the actual number of women leaders has exceeded the prescribed percentage. This is the broadest representative base, which exists in any country of the world, developed or developing. The presence of one-third women members in these bodies further provides a singular distinction across the globe.

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

One of the major operational aspects of the implementation of the 73 Amendment is the devolution package which respective State Governments expected to provide to enable PRIs to become fully functional. While Article 243G of the Constitution visualizes panchayats as institutions of self-government, it is subjected to the extent of devolution of powers and functions to the will of the state legislature. It also devolved the powers, functions and responsibilities to panchayats in respect of 29 subjects to prepare their schemes and development plans and implementation of programmes of economic development and social justice. Many of these such as agriculture, minor irrigation, animal husbandry, fisheries, social forestry, small scale industries and implementation of land reforms - focus on particular sectors within the rural economy.

Thus the Article 243 G says , "The legislature of a State may, by law, endows the panchayats with such powers and authority as may be necessary to enable them to function as institution of self-government and such law may contain provisions for the devolution of powers and responsibilities upon panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to (a) preparation of plans for economic development and social justice; (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".

After 1993 Constitutional Amendment, various states have delegated powers out of 29 subjects listed in Schedule XI of the Constitution of India. Thus, it is evident that though the functions have been transferred by many States, but funds were transferred in Karnataka, Sikkim, Maharashtra, Kerala, Himachal Pradesh, West Bengal and Madhya Pradesh only, whereas functionaries were transferred in Karnataka, Sikkim, Maharashtra, Kerala, Himachal Pradesh and West Bengal only. Karnataka and Sikkim are top of the list.

## **IMPLEMENTATION OF 74<sup>th</sup> CONSTITUTION AMENDMENT ACT:**

The Government of Andhra Pradesh took several steps to examine the various provisions of the Andhra Pradesh Municipalities Act 1965 and Corporation Acts of 1955,1979 and 1981 in the light of the 74<sup>th</sup> Constitution Amendment Act. In May, 1993 the Government constituted a taskforce consisting of senior officials dealing with the subjects relating to local governments, urban planning, etc, for studying various provisions of the 74<sup>th</sup> Constitution Amendment Act. The taskforce submitted its report in a very short time. The State Government also constituted two working groups in October, 1993 one on municipal bodies and the other on urban planning to make specific recommendations on the amendments to be brought about. The state legislature enacted two separate legislations i.e., the Andhra Pradesh Municipalities Act and corporations. Andhra Pradesh Municipal Corporation Act in May 1994 in conformity with the Constitution Amendment Act. These legislations incorporated all mandatory provisions of the 74<sup>th</sup> Constitution Amendment Act.

## STATE FINANCE COMMISSION:

Article 243 I of the Constitution provides for the Constitution of a State Finance Commission (SFC) to review the financial position of Panchayats and to make recommendations for enhancing resources.

### Constitution of Finance Commission:

1. The Governor shall on the recommendation of the State Government constitute a Finance Commission as soon as may be within one year from date of commencement of the Constitution (Seventy Third) Amendment Act, 1992 and thereafter on the expiration of every fifth year.
2. The Commission shall consist of a Chairperson and four other members of whom one shall be the Member Secretary. The Governor shall by order appoint on the recommendation of the Government the Chairperson and other members of the Commission.
3. The Government shall make available to the Finance Commission such staff as may be necessary for the discharge of the functions conferred on the Finance Commission

Under new Fiscal arrangement every state government is required to constitute, once in five years, a Finance Commission and entrust it with the task of reviewing the financial position of LSGs and making recommendations on the principles that should govern: the distribution between the state and the Panchayats and Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State; the determination of the taxes, duties tolls and fees that may be assigned to, or appropriated by the Panchayats and Municipalities from the Consolidated Fund of the State.

### The Functions of the Commission are to:

1. Review the financial position of the Gram Panchayats, Mandal Parishads, and Zilla Parishads and make recommendations to the Government on the following issues.
  - The distribution of the net proceeds of the taxes, duties, tolls and fees leviable by the State, between the State and the Panchayats.
  - The determination of the taxes, duties, tolls and fees which may be assigned to or apportioned by the Panchayats;
  - The Grants-in-aid to the Panchayats from the Consolidated Fund of the State;
2. The measures needed to improve the financial position of the Panchayats. and

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

The recommendations of the State Finance Commissions can be divided into three categories.

- ❖ Assignment of taxes, duties, levies and tolls to local bodies;
- ❖ Sharing of revenue proceeds; and
- ❖ Transfers on account of grants-in-aid and other financial assistance,

Besides the Finance Commission of the State is also expected to recommend measures needed to improve the financial position of the Panchayats and the Municipalities. Barring one or two exceptions, all States have now set up the State Finance Commission (SFC) as required under the Constitution.

Almost all the state governments appointed State Finance Commissions (SFCs) have since submitted their reports. Only Arunachal Pradesh, the SFC has not been constituted, reportedly because State Panchayats has just received the assent of president of India.

In the sphere of functional devolution, the approaches and methods adopted by different State Governments are to comply with or 'evade' the obligations imposed by the Constitution 73 Amendment however widely vary across the states.

In sum, the post 73d Amendment Act has not significantly altered the functional domain of the Panchayats. The degree of autonomy and devolution of functions and financial powers were also left to the discretion of the State Governments. In most of the states, no serious exercise has been carried to devolve the powers and functions to the three tiers in a balanced way keeping in view the principle of subsidiarity.

Almost every Gram Panchayat faced the problem of incomplete quorum. There were incidents where the Gram Panchayat meetings are being held and the decisions taken without the quorum. The Sarpanch or Panchayat Secretary would get the signature of the Ward Panchas at their homes. A few male members generally dominate the meeting. Social customs like 'purdah' limited women's participation are also there. The participation of the female panchas is higher when the panchayats are headed by strong women Sarpanches.

Regarding to SFCs, all the states have by now constituted their own State Finance Commissions in the conformity with the constitutional requirement. A few of the State Governments like Kerala, West Bengal, Punjab, Tamil Nadu, Assam, Madhya Pradesh and Karnataka have accepted several of the recommendations. In general, there was considerable delay in the appointment of the finance commissions in some of the States. It is pointed out that the reports of the SFCs have not been altered from many State Governments. Absence of statutory time-frame for the State Governments to complete the process of their

examination and acceptance of the recommendations of their respective SFCs has partly contributed to this delay.

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

religion, class, gender and other forms of rural domination. This second body of thought will be addressed in due course. For the time being however, we consider the extent to which the changes put in place by the 73<sup>rd</sup> Amendment can be understood as decentralization.

The World Bank study goes on to argue that although Indian States and the Union Government have been willing to recognize the Panchayats, to hold elections and to respect stipulations governing reservations for Scheduled Castes (SCs), Scheduled Tribes (STs) and women, they have been unwilling to vest them with Sufficient administrative control over significant functions or fiscal autonomy'. In most States, Panchayats have been handed a wide array of responsibilities without the in its assessment of Indian necessary fiscal and administrative resources. decentralization, the Task Force on Devolution of Panchayati Powers and Functions upon Raj Institutions found that 'most of the States' had satisfied only the basic requirements relating to the transfer of functions, functionaries, funds and financial autonomy to the Panchayats.

Oommen's comparison of 12 Indian States concludes that the Conformity Acts have generally been an exercise in amending existing Panchayat legislation for the sake of satisfying the mandatory provisions of the 73 Amendment'. In particular, he raises the following concerns.

- Village Panchayats have been delegated functions 'without adequate administrative, financial and technical support;
- With the exception of Kerala and West Bengal, Panchayats lack discretionary powers over spending and staff,
- There is insufficient clarity and differentiation of functions among Panchayats and other levels of government;
- States reserve the right to assign or withdraw functions to and from the Panchayats by 'executive fiat;
- Panchayats at all levels have inadequate powers of taxation,
- Panchayats lack autonomous budgeting powers.

Similarly, Vyasulu finds that State Governments have devolved little finances and fiscal powers to the Panchayats. Instead, many have established 'Parallel bodies' as a channel for development funding. Self-

help groups (SHGs) connected to the anmabhoomi Programme in Andhra Pradesh and the Rajiv Gandhi watershed Missions in Madhya Pradesh are two illustrations of this trend.

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