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DEMOCRATIC DECENTRALIZATION AND PANCHAYATI RAJ INSTITUTIONS IN INDIA

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Panchayat Raj Represents True Democracy Realized. We Would Regard the Humblest and the Lowest Indian as Being Equally the Ruler of India with The Tallest in the Land.---M.K. Gandhi

Abstract

Decentralization has been at the centre stage of institutional reforms in both the developed and developing countries. The World Bank, various United Nations Agencies, USAID and several other bilateral donors have embraced decentralization as one of the major governance reforms on their agenda, and invested significant resources towards decentralization programmes. The implementation of the reforms regarding decentralization process is essentially changing the basic social relations and the place of the citizen in the governing of the community. The decentralization aims to enable the citizens, either directly or indirectly, to be more involved in the decision making process. Panchayati Raj Institutions, the grass root units of local self government have been considered as instruments of socio economic transformation in rural India. Involvement of people at the grass root level is the most important means of bringing about socio-economic development. The Panchayati Raj institutions are considered as local self-government meant for providing basic infrastructure facilities, empowering weaker sections of the society and initiate the development process at the grass-roots level of rural India, where the sole of India lives. This article provides the evolution of local self government institution in India.

Keywords: Amendment, Decentralization, Democracy, Development, Panchayathi Raj

Defining Decentralization

The Panchayati Raj is a South Asian Political system mainly in India, Pakistan, Bangladesh and Nepal. The word “panchayat” literally means “assembly” of five wise and respected elders chosen and accepted by the local community. Decentralization is usually referred to as the transfer of powers from central government to lower levels in a political-administrative and territorial hierarchy (Crook and Manor, 1998). Smith (1985) defines decentralization as any act by which central government formally cedes powers to actors and institutions at lower levels in a political administrative and territorial hierarchy (Smith, 1985). The definition by Rondinelli and Cheema (1984) is one of the best general definitions of decentralization. According to them, decentralization is the transfer of responsibility for planning, management and resource utilization and allocation from the central government to (a) field units of central government ministries or agencies; (b) subordinate units or levels of government; (c) semi-autonomous public authorities or corporations; (d) are-wide regional or functional authorities (Rondinelli, & Cheema, 1984). Decentralization is understood as the restructuring of authority so that there is a system of co-responsibility between institutions of governance at the central, regional, and local levels according to the principles of subsidiary thus increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capabilities of sub-national levels. Decentralization, to Hans Bjorn Olsen (2007), is the transfer of authority and responsibility for public functions from the central government to intermediate and local governments or quasi-independent government organizations and/or the private sector. Decentralization has also been defined as the assignment, transfer or delegation of political, administrative and fiscal responsibilities to lower levels of government. A defining feature of any democratic system is that decision-makers are under the ‘effective popular control’ (Mayo, 1960) of the people they are meant to govern.

Democracy is considered as one of the best form of government because it ensure liberty of thought, expression, belief, faith and worship, equality of status and opportunity, fraternity as well as the right to participate in political decision making.



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Participation and control of governance by the people of the country is the essence of democracy. Decentralization is being widely recognized in all developing countries as a vital strategy for ensuring grass-root level democracy and participatory development. Decentralization is not unique to India, but a global trend. Most developing countries are embracing decentralization whether in Latin America, Europe or East Asia. Decentralization is a worldwide phenomenon for at least two reasons (a) need for political stability--decentralization means a dispersion of formal political power to elected local-level politicians. This dispersion of power is a global trend World (World Bank, 2000). Political scientists suggest that this is an outcome of the declining credibility of the centralized state. Decentralization is expected to achieve higher economic efficiency, better accountability, larger resource mobilization, lower cost of service provision and higher satisfaction of local preferences.

Theories of Decentralization

Several philosophic traditions have enunciated the decentralization principles. The anarchist tradition is a case in point. Women's' and new social movements and those belonging to the Gandhian tradition have all been known for their advocacy of decentralization. Most of the modern Indian nationalist thinkers were not in favour of a strong centralized post-independent state. Decentralization is a theme discussed in relation to a wide range of related subjects like public sector reform, democracy, political reform, participation, empowerment, rural development, fiscal and economic development, accountability, and capacity building (Smoke, 2003).

Decentralization is a "fluid and flexible discourse that can be utilized by different ideological interests". While the discourse on decentralization evolved in the rest of the world in the context of the reform of public administration or for making development and governance participatory and close to the people, Gandhi's advocacy of a decentralized order provided an additional source of legitimacy for such initiatives in India and a certain degree of sentimentality in that sense. Words like "transfer", "spreading out", "dispersion", "diffusion", "moving", "placing", "shifting", "devolution", or "delegation" are commonly used in the vocabulary of decentralization (Mohan & Stokkes, 2000).

The new public management and good governance stream also added to the impetus on decentralization. For example, Osborne and Gaebler who, in their well-known work 'Reinventing Government', puts it as follows: 'In today's world things simply work better if those working in public organizations — schools, public housing developments, parks training programmes — have the authority to make many of their own decisions'. But the focus of the new public management was more on improving governmental effectiveness in terms of better service delivery for which decentralization was one of the means. That is not the case with good governance, which could be seen either as subsuming the new public management or is implied in the new public management. Decentralization has also been propped up by international agencies, including donor organizations, which may explicitly link aid to political reforms such as decentralization in some cases. Such externally induced decentralization schemes are also not so uncommon (Osborne & Gaebler, 1993).

Decentralization is expected to bring the process of decision-making closer to the people. In that way it contributes to the deepening of democracy. (Gaventa 2006) Decentralization reforms can spur the generation of new spaces for the development of civil society and the expansion of the citizenship idea. (Avritzer, 2002) This will lead to the deepening and thickening of democracy at the local level, empowerment of local leaders and mobilization and participation of the formerly excluded classes (Avritzer, 2002). Samoff tells us that in order to make sense of the different forms of decentralization and their results in particular contexts it is necessary to understand it as "a political initiative, as a fundamentally political process, and consequently as a site for political struggle". For long the classification of Rondinelli and Nellis (1986), who identified four major types of decentralization, have come to rule the roost. They are deconcentration, delegation, devolution, and privatization. Decentralization amounted to a form of administrative dispersion of central offices to the regions. Delegation is "the transfer of managerial responsibility for specifically defined functions to organizations outside the regular bureaucratic structure" without losing oversight by the Central authority. It is an ad hoc arrangement and the central (in the case of India, State) governments do not normally interfere with the functioning of these organizations, thereby giving them some measure of autonomy. Devolution implies the formation of elected local government with the



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necessary statutory mandate and autonomy to operate without being unduly controlled by the central authority. For them decentralization effectively transfers powers, functions and finance to the regions, and not mere transfer from the public to private sector as happens in privatization (Rondinelli, & Nellis, 1986).

According to Musgrave (1959) the utility of public sector is to be measured in terms of its efficiency in the allocation of resources, income redistribution and macroeconomic stability. Conventional understanding in public economics was that the first of these functions is suitable for local governments and the rest by the Central Government. Added to that is the fact that decentralization can generate regional inequalities. Local government can achieve efficient allocation of resources by being more sensitive to and knowledgeable about the needs and preferences of the local citizenry. Particularly in the West where household mobility is quite common, people tend to settle down in the jurisdiction of those local governments that can provide for public services competitively. Further, decentralization may encourage experimentation and innovation, enabling good practices worthy of replication to emerge. According to Francis and James (2003) the benefits of decentralization include “improved efficiency of public service provision, more appropriate services, better governance, and the empowerment of local citizens” (Francis & James, 2003).

The current appeal of decentralization has been rooted in its potential benefits rather than any sentimentality. The benefits include: political education; training in political leadership; political stability; political equality; accountability; responsiveness; improved decision-making and inter-organizational coordination; and the promotion of competition among local governments. Political stability is secured by engagement in formal politics, which strengthens trust in government so that ‘social harmony, community spirit and political stability’ are achieved. Decentralization also creates a mechanism to prepare the masses for the profound social and economic changes associated with development. Political equality results from more broad-based political participation which reduces the possibility of concentration of power. Since power is diffused, it can give voice to the poor and marginalized as well. Accountability improves as local representatives are constantly in touch with the people and can be held responsible for their policies and actions. Voting in elections to local bodies becomes a mechanism to register their approval or disapproval for the representative’s performance. Since local representatives know the needs of the local people better, they tend to be more responsive and make an effort to meet them in a cost-effective way. Better decision-making and inter-organizational coordination take place since responsibilities and powers are clearly defined and distributed between Central and local institutions (John & Chathukulam, 2015).

Given the fact that all decentralization schemes are varied and contextual, there is no automaticity about the benefits accruing from them. Instead, decentralization may engender certain problems such as intensification of the forces of secession and ethnic identities, political instability, elite capture of power, inter-regional income disparities, and macro-economic instability caused by budget deficits, local government fiscal recklessness, and local government indebtedness. Whether these disadvantages are inherent flaws of decentralization or whether other factors are involved is a moot point. Although the specific form that decentralization takes varies considerably across countries, some of the problems are of a similar kind. They include fiscal controls imposed by Central governments on local governments, lack of accountability and autonomy, lack of qualified staff, weak institutional capacity, a lack of strategic deployment of decentralization policies, lack of coordination and conflicts between Central and local governments, poor incentives for local government performance and so on. These problems have led many to doubt the value of decentralization. Some have advocated centralization on the grounds of its potential benefits (John & Chathukulam, 2015).

There is no consensus about what should be done to implement the decentralization policies successfully. Some theorists, based on field experience, argue that the benefits of decentralization are contingent on factors like strong enabling legal frameworks, political will, the allocation of substantial resources to local governments, high degree of central state capacity, well-developed civil society, free press, robust multi-party system, long experience with democracy, and high adult literacy. Thinkers points out that decentralizing political and economic powers to local institutions requires ‘fundamental changes in attitudes about the way that the public sector works’: changing bureaucrats’ monopoly over decision-making and control of local authorities; educating local communities about how to hold their authorities accountable for their actions; educating local communities about the importance of paying taxes for the services they need; and inculcating a



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culture of democracy. Undertaking all these tasks simultaneously can be quite daunting. For most countries carrying out decentralization reforms, the challenge may stem either from the inability to devise a political and economic mechanism to master the complexity entailed in the implementation of such policies or from a deliberate unwillingness on the part of the higher level political elites to share political power with local institutions. In some instances, more decentralization may mean overloading local institutions, while more centralization may mean less power-sharing (John & Chathukulam, 2015).

Modern decentralization tends to use subsidiary as the organizing principle of decentralization. The principle of subsidiary has its origin in Catholic social thought. Subsidiary is synonymous with sphere sovereignty and does not normally envisage a hierarchical structure in which local bodies are placed at the bottom of the governmental ladder. From a political perspective, decentralization is considered a key strategy for promoting good governance, greater pluralism, accountability, transparency, citizen participation and development. Administratively, decentralization is an important process that allows decongestion of the Central Government and reduces the workload to manageable proportions. The theoretical argument for fiscal decentralization traces back to Madison and Rousseau, in the 17th and 18th centuries, though they had different reasons for supporting decentralization. Though decentralization is not specifically mentioned in the *Federalist Papers* (FP39), Madison held that the people must be given the mandate to elect their leaders as a way of “composing the distinct and independent regions, to which they respectively belong”. Rousseau also favoured small government. To him, “rulers overburdened with business, see nothing for themselves: clerks govern”. According to Wolman (1990), small democratic (local) governments reflected the genuine aspirations of the people, as most of them tended to distrust the activities of the Central Government.

Modern democracy – generally termed liberal democracy – differs fundamentally from the antique democracy. According to the theory of liberal democracy, responsiveness is to be structurally generated through the periodicity of elections and the possibility of a change in government. The responsiveness of rulers to those ruled introduces a completely new criterion to the semantics of democracy. It played no role in antique democracy (Thomas & Dieter, 2007). The most definitive account of participatory democracy in modern times from the angle of political science was provided by Carole Pateman (1970). Her account drew on the political thought of Mill, Rousseau and GDH Cole. She concluded that active participation is a means of citizen’s self-empowerment and make them experience a sense of political potency. She, however, extended this notion beyond the governmental level so as to embrace other forums like workplace democracy as in the former Yugoslavia. While Pateman spoke about extending participation from the governmental sector to other arenas, Macpherson (1977:108) said even within the governmental sector itself democracy needs to deepen in several sites. He called for a “pyramidal system with a direct democracy at the base and delegate democracy at every level above that”. Because the base of the pyramid is direct democracy with a provision for recall of the delegates at the higher levels, it is possible to exercise control over the representatives by the citizenry, according to him, although he is fully aware of the debilitating effects of social and economic inequalities in achieving such a democracy (Pateman, 1970).

Deliberative democracy is a form of participatory democracy formulated by a host of writers mainly coming from the Western countries. Shapiro (2003) in fact thinks that participatory democracy can be subsumed under deliberative democracy. Despite this, participatory democracy continues to have its sway globally, particularly in the non-Western world. Deliberative democracy represents a form of democracy where issues are discussed and consensus achieved through the ‘force of the better argument’, as Habermas says. Influenced by the post-modernist dislike for consensus, we now have agonistic forms of democracy which see agonism as opposed to antagonism as the very stuff of politics. (Mouffe, 2000) Deliberative democracy, although having several strands, has a number of common defining features. With the shift from the narrow notion of government to governance, several actors have been drawn into the process of governance. Along with this shift, it is widely recognized that civil society organizations can play an important role to make local governance more transparent, participatory and accountable. Non-governmental organizations, which constitute an integral part of civil society, have been actively engaged in working with local institutions to achieve useful synergies



History of Decentralization in India

Panchayati Raj Institutions, the grass-root units of local self-government have been considered as an instrument of socio-economic transformation in rural India. Involvement of people at the grass-roots level is the most important means of bringing about socio-economic development. Panchayati Raj is identified as such an instrumental expression of democratic decentralization in India. Decentralization of power to the Panchayat is seen as a means of empowering people and involving them in decision-making process. Local governments being closer to the people can be more responsive to local needs and can make better use of resources. The democratic system in a country can be ensured only if there is mass participation in the governance. Therefore, the system of democratic decentralization popularly known as Panchayati Raj in India which is considered as an instrument to ensure democracy and socio-economic transformation in society. Panchayati Raj system is an age-old indigenous Indian politico-administrative institution. It owes its origin to the different traditional patterns of governance, in the phase of history in many parts of India. The term 'panchayati Raj' is relatively new, having originated during the British administration (Siga, 2013).

Panchayati Raj is a system and process of governance. The term was coined by Jawaharlal Nehru. Local self government is nothing new as far as India is concerned. According to Jawaharlal Nehru "democracy means power springing from the people. By Panchayati Raj what was being envisaged was not a territorial government or administration; but rather an approach to administration guided by and vested in the people themselves" (Nehru: 1948). According to S. K .Dey, "If we were to rebuild India work must start from the villages. A "Chaupal" has always been an integral part of village life here people would sit together and discuss current local affairs. All community matters would get decided in these gatherings which in the recent centuries came to be known as *village panchayaths*. A 'Panch' means a prominent local personality and the 'panchayat' refers to the gathering of 'panchs.'

Evolution of Panchayati Raj Institutions: Pre Independent India

Historical roots of the local self-government in India can be traced from the ancient past. In fact, India has been the cradle of rural local government, which continued to flourish from the time of Vedic civilization to the advent of British rule. The word panchayat is derived from the word pancha panchasvanusthitah, has references in to the existence of Grama Sanghas or rural communities. The institution of Panchayati Raj is as old as Indian civilization itself. It was in existence since ancient periods, having an effective control over civil and judicial matters in the village community. The Rigveda, Manusamhita, Dharmashastras, Upanishads, Jatakas and others, refer extensively to local administration, i.e. the panchayat system of administration. In the Manusmriti and Shantiparva of Mahabharata, there are many references to the existence of Grama Sanghas or village councils. The earliest reference to panchayat is derived from the word Pancha, that refers to an institution of the five (pancha panchasvanusthitah) is found in the Shanti-Parva of Mahabharata, pancha and panchavanusthitah are semantically close to panchayat (Raj, 1996).

A description of these village councils are also found in Arthashastra of Kautilya who lived in 400 B.C. Arthashastra gives a comprehensive account of the system of village administration prevailing in his time. During this period, the village administration was carried under the supervision and control of Adyaksha or headman. There were other officials such as Samkhyaka [accountant], Anikitsaka [veterinary doctor], Jamgh karmika [village couriers], Chikitsaka [physician]. The village headman was responsible for ensuring the collection of state dues and controlling the activities of the offenders. In Ramayana of Valmiki, there are references to the Ganapada (village federation) which was perhaps a kind of federation of village republics (Rathna & Pramanik, 1999). Besides this there was also the existence of caste panchayats. This was the pattern in Indo Gangetic plains. In the south, the village panchayats generally had a village assembly whose executive body consisted of representatives of various groups and castes. These village bodies, both in the north and south India, had been the pivot of administration, the centre of social life and above all a focus of social solidarity (George, 2000).

In the Mouryan period, the village was the basic unit of administration. Villagers used to organize works of public utility and recreation, settle disputes, and act as trustees for the property of minors. But, they had not yet evolved regular councils. The village council appeared to have evolved into regular bodies in the Gupta period. They were known as Panchamandalas



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in central India and Gramajanapadas in Bihar. During the medieval and Moghal periods, village bodies were the pivot of administration. In the Moghal period, particularly in the regime of Sher Shah, the villages were governed by their own panchayats. Each panchayat comprised of village elders who looked after the interest of the people and administered justice and imposed punishment on defaulters (Altekar, 1997). The Moghals introduced elaborate administrative machinery with a hierarchy of officials, particularly in the field of revenue. The Moghal local administrative system lasted over centuries. It was with the collapse of the Moghal strong hold, the British established their hegemony in India.

Panchayat Raj System in British India

The British came to India as traders, and before long established an inroad into the cultural nexuses of the land. The primary focus of the British Raj was much to do with trade and little to do with governance and development. The local governments were hardly their first priority. In fact till the advent of the British rule in India, the rural republic had flourished and thrived. With the emergence of the British Raj in India, panchayats ceased to play a role that it once played. But, local self government as a representative institution was the creation of the British. In the initial days, the interest of the British was limited to the creation of local bodies with nominated members. These bodies were built around trading centers. Thus in the year 1687, a municipal corporation came to be formed in Madras. Set up on the British model of town council, this body was empowered to levy taxes for building guild halls and schools. As time passed, similar bodies were set up in other major towns and this model became prevalent, helping the British widen their taxation power (George, 2000).

It was Lord Mayo, the then viceroy of India (1869 to 1872), who felt the need to decentralize powers in order to bring about administrative efficiency and in the year 1870 introduced the concept of elected representatives in the urban municipalities. The revolt of 1857 that had put the imperial finances under considerable strain and it was found necessary to finance local service out of local taxation. Therefore it was out of fiscal compulsion that Lord Mayo's resolution on decentralization came to be adopted (George, 2000).

Lord Ripon made remarkable contribution to the development of Local Government. In 1882, he abandoned the existing system of local government by the officially nominated people. According to his local self government plan, the local boards were split into smaller units to achieve greater efficiency. In order to ensure popular participation, he introduced an election system for the local boards. The government resolution of 18th, May, 1882, stands as a landmark in the structural evolution of local governments. It provided for local boards consisting of a large majority of elected non-official members and presided over by a non-official chairperson. It is considered to be the Magna Carta of local democracy in India. This resolution proposed the establishment of rural local boards where 2/3rd of whose membership was composed of elected representatives. 104 He brought in the concept of self-government in urban municipalities. He is treated as the founding father of urban local government. Ripon's resolutions followed a series of Committees, Commissions and Acts in this line (George, 2000).

Montagu-Chelmsford Reforms of 1919 in this backdrop, Montagu Chelmsford reforms were passed in the year 1919. This reform transferred the subject of local government to the domain of provinces. The reform also recommended that as far as possible there should be a complete popular control in local bodies and the largest possible independence for them, of outside control. But this reform could not get much result as far as democratization of panchayats was concerned and lead to a lot of organizational and fiscal constraints (Stephen, 2001). Government of India Act (1935) is considered as another important stage in the evolution of panchayats in British India. With popularly elected government in the provinces, almost all provincial administrations felt duty bound to enact legislations for further democratization of local self government institutions, including village panchayats. World War in 1939, the position as regards local government institutions remained unchanged till August 1947, when the country attained independence. Even though the British government did not have interest in the village autonomy, they were forced to do so, in order to continue their rule in India and moreover to meet financial necessities. The Indian rural republic had flourished till the advent of British. It received a set back during the British rule.



Gandhian View on Gram Panchayat

Indian conception on socio-political ideology has an inner bondage with Gandhian philosophy in modern times. According to Mahatma Gandhi, 'Democracy must in essence mean the art and science of mobilizing the entire physical, economic and spiritual resources of all the various sections of the people in the service of the common good of all'. Gandhi's intellectual cum moral perceptions on various aspects of socio-political affairs has become 'Indian'. In Gandhi's view the village communities are little republics, having nearly everything they can want within themselves, and almost independent of any foreign relations. The same is true for the local democracy also. He had a well defined, ethically crafted vision on decentralized democratic governance. It is evident from his celebrated quote 'India lives in her villages'. Gandhi has full faith in the village *panchayat system* in ancient India. In his vision of '*Gram Swaraj*' elaborately presented in *Hind Swaraj*, the bible of India national movement (Lappier & Collins, 2010) Village assemblies were basic building blocks for governance of future democratic India, from where all power will flow to the top. Gandhi preferred the term 'Swaraj' to describe what he called true democracy. This democracy is based upon freedom. Individual freedom in Gandhi's view, could be maintained only in autonomous, self-reliant communities that offer opportunities to the people for fullest participation (Ramshray: 1984). Thus he strongly advocated strengthening of *village panchayats* throughout the country so as to have a vibrant all inclusive grass root democracy. But unfortunately after transfer of power from the White to Brown rulers in 1947, the well being of the villagers became an important national political issue and the colonial system of governance continued.

According to Gandhi decentralization of political power is the basic requirement for the success of true democracy. For him a decentralized democracy based on non-violence must consist of groups settled in small communities or villages in which voluntary co-operation is the condition of dignified and peaceful existence. For it is the only way to realize the value of democracy from the grassroots level as it will enable the people to participate in taking and implementing decision without a rigid and strait control of any higher authority. Moreover, it is the only her native to reduce the interfere of the state in day – today affairs of the people. Gandhi never believes in half- way house democracy or disinfest decentralization. He does not advocate centralizations only because of its economic and political advantages. To Gandhi decentralization elisions and upholds the control or spiritual ideas of simple living and high thinking. The does not hanker after raising mercy the standard of living, he want to raise the standard of life. Simple living and high thinking is the idea the very foundation and essence of Gandhian approach to decentralization, Gandhi is opposed to all kinds of concentration of power, he says centralization is a menace and danger to democracy, concentration of power in his view distorts all democracy values.

By the Gandhian conception of democratic decentralization, the higher units of the government get their strength and power from the lower units. As a result, the panchayat has to be the basic unit of democratic decentralization and the higher units will have to tender sound advice, give expert guidance and information, and co-ordinate the activities of the villages panchayts with a view to increasing the effects and sill of administration and public service these village panchayats have some important functions, the functions of the village panchayats would be very wide and comprehensive converging almost all aspects of social, economic and political life of the village community. Education, recreation, protection, protections, Agriculture, industries trade and commerce, sanitation and medicate Relief justice, finance and taxation the these are the functions of the village panchayath. Therefore, Gandhi wants village panchayats to perform a variety of functions covering practicularly all aspects of the village welfare.... Ahimsa, sathyagraha, swaraj, swadeshi, sarvodaya all are the instrument to achieve decentralized political structure. Individual freedom and empowerment ensures in this decentralized democracy. In this sweaty there is no place to hierarchy and any other variations Gandhian conception politics of democratic decentralization is very much important and relevant to the present day situation of the political as well as, social field for welfare of the world (Meenakshisundaram, 1999).

Post Independent Developments

The task of strengthening panchayati raj system fell on the Indian government formed after independence. It was clear that India a country of villages had to strengthen village panchayats to strengthen democracy. In the **Discovery of India**



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Jawaharlal Nehru points out that “the village Panchayat or elected council had large powers both executive and judicial and its members were treated with the greatest respect by the king’s officers” (Nehru: 1964). The spirit of local self governance was alive in Indian dream right from the Vedic periods. It got tremendous support since the making of India Constitution was stated. The *Panchayat system* was introduced in the constitution in the article 40 by the special constituent assembly. The 64th constitution amendment bill and the 73rd constitutional amendment Act provided constitutional status to the *Panchayat Raj* institutions all over the country. Therefore, another Act namely 1996 was passed by the parliament so that even the tribal population gets a chance to govern its own affairs in its own traditional ways through the *Gram Sabhas*.

Article 40 of the Directive Principles of the State Policy states that ‘the states shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them function as units of self governments’. The first organized effort to tackle the problem of rural India was made through Community Development Programme in 1952 and National Extension Service in 1953. The programme was based on an integrated approach to the various aspects of rural development. The objectives were to promote self help and self reliance among the rural people, to generate a process of integrated social, economic and cultural change with the aim of transforming social and political life of the villagers.

Balwantrai Mehta Committee Balwantrai Mehta Committee was the first Committee set up in 1957 to look into the problems of democratic decentralization in independent India. The Committee was asked to report on community development projects. The Committee made far reaching recommendations in the direction of democratic decentralization and rural reconstruction. It pointed out that the community development programme was not successful because it failed to evoke local initiative and that in the absence of local initiative and local interest, development would not be possible. The committee laid down five fundamental principles.

1. There should be three tier structures of local self government bodies from village to the district level and these bodies should be linked together.
2. There should be genuine transfer of power and responsibility to these bodies to enable them to discharge their responsibility.
3. Adequate resources should be transferred to these bodies to enable them to discharge their responsibilities.
4. All welfare and developmental schemes and programmes at all three levels should be channeled through these bodies, and the three tier system should facilitate further devolution and disposal of power and responsibility in future. The committee envisaged three tier system of panchayats known as Zilla Parishad, Panchayat Samiti and Gram Panchayat and recommended encouragement of peoples’ participation in community work, promotion of agriculture and animal husbandry, promoting the welfare of the weaker sections and women through the panchayats (Sweta, 1998).

The recommendations of the Balwantrai Mehta Committee came into effect on 1st April 1958. Rajasthan was the first state to implement it on 2nd October 1959. By mid 1960s, panchayat had reached all parts of the country. More than 2,17,300 village panchayats covering over 96% of the 5,79,000 inhabited villages and 92% of rural population had been established. The recommendations of Balwantrai Mehta Committee were implemented by many states in the country. Till the mid sixties, Panchayati Raj system flourished in India. But there was decline in Panchayati Raj Institutions after the mid sixties mainly because of centralized tendencies of functioning all over the country. Most of the development programmes were kept out of their preview. Centrally sponsored schemes were initiated; parallel administrative bodies were created and government reduced funds considerably. During the period of national emergency, bureaucracy got the upper hand and these institutions lost their significance. The village panchayats were made subordinate units of government to implement its programmes (Samsher, 2002).

Ashok Mehta Committee (1977)

In this backdrop in 1977, the Janata government appointed a Committee with Ashok Mehta as chairman and was entrusted with the task of enquiring into the causes responsible for the poor performance of Panchayati Raj Institutions. It was also asked to suggest measures to strengthen Panchayati Raj Institutions. The committee suggested two tier system of Panchayati



Raj consisting of Zilla Parishads at the district level and Mandal Panchayats at the grass root level as against three tier system suggested by the Balwantrai Mehta Committee. The committee recommended constitutional protection to the Panchayati Raj Institutions and further decentralization of power at all levels.

The Ashok Mehta Committee Suggested: Ø Reservation of seats for the weaker sections Ø Two seats for women Ø Adequate financial resources for the panchayats Ø Requirement of Constitutional sanctions Ø To extend people's participation in developmental activities.110 Due to the fall of the Janata government, the Ashok Mehta Committee recommendations were not implemented. Few states including Karnataka formulated new legislation on the basis of the recommendations of this Committee. Both the Committees overlooked the importance of panchayats as units of self government (Samsher, 2002).

During 1980's, two important Committees were appointed to look into local governments are GVK Rao Committee in 1985 and Dr. L.M. Singhvi Committee in 1986. The GVK Rao committee recommended the revival of Panchayati Raj Institutions such that greater responsibility of planning, implementation, and monitoring of rural development programmes could be assigned to them.111 L.M. Singhvi Committee recommended that the Panchayati Raj Institutions should be constitutionally recognized and protected. New chapter in the constitution should be provided to define their powers and functions and free and fair election to be conducted through the election commission. Committee recommended for the appointment of finance commission and all the rural development programmes are entrusted to the Panchayati Raj Institutions by amending schedule VII of the constitution. The committee felt that PRIS should be organized as a part of the process of democratic decentralization for building up the constitutional edifice from the grassroots upward and not a gift of a revolutionary process. The committee was the view that the PRIs have to be viewed as institutions of self government which would naturally facilitate the participation of the people in the process of planning and development flowing from and as a part of the concept of self-government.

The 73rd and 74th Constitutional Amendment Acts

Following these circumstances, Rajiv Gandhi the then Prime Minister of India, introduced the 64th Amendment bill on local government on the 15th May, 1989 in the Parliament, but it failed to get the required support. A second attempt was made in September 1990 to pass the bill in the Parliament. The bill however was not even taken up for consideration. In September 1991, a fresh bill on Panchayati Raj was introduced by the Congress government under P. V Narasimha Rao, the then Prime Minister. It was passed in 1992 as the 73rd Amendment Act 1992 with minor modifications and came into force on 24th April 1993.

The idea which produced the 73rd amendment was not a response to pressure from the grassroots, but to an increasing recognition that the institutional initiatives of the preceding decade had not delivered, that the extent of rural poverty was still much large and thus existing structure of governance needed to be reformed. The 73rd and 74th 1992 and came into force on April 24, 1993(Appendix- I &11) (Lexmikanth: 2010). The key features of the landmark legislation were The Grama Sabha or Village Assembly as a deliberative body to decentralized governance has been envisaged as the foundation of the Panchayati Raj System. 73rd Amendment of the constitution empowered Gram Sabhas to conduct social audits in addition to its other function. The Salient Features of the Act are:

- The Act provided for the establishment of grama sabha in each village. It will be a body comprising of all the adult members registered as voters in the panchayat area.
- A uniform three tire structure of Panchayats at village (Grama Panchayat, interim (Block Panchayat) and district (Zila parishad)) levels.
- All the seats in a Panchayat at every level are to be filled by elections from respective territorial constituencies.
- Not less than-one-third of the total seats for membership as well as office of chairpersons of each tire has to be reserved for women.
- Reservation for weaker castes and tribes (SCs and STs) have to be provided at all levels in proportion to their population.



- To promote bottom-up- planning the District planning Committee (DPC) in every district has been accorded constitutional status (GOI).

In the wake of the Seventy -Third Constitution Amendment, Gram Sabha has been introduced in all the states. At present, there are about 3 million elected representatives at all levels of the panchayat half of which are women. These members represent more than 2.4 lakh (240,000) Gram Panchayats, about 6,000 intermediate level tiers and more than 500 district panchayats. Spread over the length and breadth of the country, the new panchayats cover about 96 per cent of India's more than 5.8 lakh (580,000) villages and nearly 99.6 per cent of rural population. This is the largest experiment in decentralization of governance in the history of humanity.

Panchayats existing on the 24th April 1993 will be allowed to complete their full term except when they are dissolved by the house by resolution. Article 243 G of the XI Schedule includes the following Activities : Agriculture, including agricultural extension · Land improvement, implementation of land reforms, land consolidation and soil conservation · Minor irrigation, water management and watershed development · Animal husbandry and poultry · Fisheries · Social forestry and farm forestry · Small- scale industries, including food processing industries · Khadi, village and cottage industries · Rural housing · Drinking water · Fuel and fodder · Roads, culverts, bridges, waterways and other means of communication · Rural electrification including distribution of electricity · Non conventional energy sources Poverty elevation programme · Education, including primary and secondary schools · Technical training and vocational education · Adult and non-formal education · Libraries · Cultural activities · Market and fairs · Health and family sanitation including hospital, primary health centers and · dispensaries · Family welfare · Women and child development · Social welfare, including welfare of the handicapped and mentally retarded. Welfare of the weaker sections and particular, of the scheduled cast and scheduled tribes Public distribution system (GOI)

The 73rd Amendment Act is an attempt to restructure the Panchayati Raj to reach the grassroot level. The bill for the first time gave constitutional status to Panchayati Raj institutions and it became mandatory on all state governments to implement it. This Amendment brought about uniformity in structure, composition, powers and functions of panchayats. It gave impetus to Panchayati Raj to promote social and economic development and improvement in living condition of rural India. The main criticism leveled against the Act is that these institutions are viewed as implementing agencies for developmental activities and that they are not given the status of decentralized political institutions.

Conclusion

Decentralization has a long history. Political thinkers from Montesquieu to Madison suggest that decentralized governance can contribute to democratic participation, better representation, accountability and policy and governmental effectiveness. Historical roots of the local self-government in India can be traced from the ancient past. In fact, India has been the cradle of rural local government, which continued to flourish from the time of Vedic civilization to the advent of British rule. Decentralization has become a new *mantra* not only in the public sector, but also in large organizations, including the corporate sector. Democratic decentralization in rural India today faces a lot of challenges from within and without. Lack of Political willingness of the state government, in efficiency of the leaders, absence of cordial relationship among the officials and non-officials, corruption among them, Lack of public awareness and vigilance, Bias against women, political unawareness of the local people are other factor that hinder the proper development of this institution. Let us remember the word of Pandit Nehru in respect of village systems, "The more a person or a group keeps to himself or itself, the more danger there is of him or it becoming self-centered and selfish and narrow-minded."

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