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PANCHAYATS AS THIRD TIER OF FEDERAL GOVERNANCE IN INDIA

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Abstract: The 73rd Constitutional Amendment Act, 1992 marked a new era in the democratic set up of the country as it created Panchayati Raj Institutions (PRIs) as tiers of self governance below the level of States in the federal set up. It is also a landmark in the decentralized development as it envisions people's participation in the process of planning, decision-making, implementation and delivery. These Constitutional provisions provide for devolution of powers and responsibilities to different tiers of PRIs with respect to preparation of plans and programmes for economic development and social justice and their implementation in relation to 29 Subjects listed in the Eleventh Schedule. Consistent with the spirit of the provisions, the Central Ministries / Departments and State Governments are expected to confer necessary executive powers and administrative authority along with control over functionaries in their jurisdiction dealing with subjects allotted to them and devolves financial resources to the concerned level of PRIs to enable them to discharge their responsibilities effectively and efficiently. It is in the above backdrop that the present paper grapples with the issue of governance at the third tier. It highlights the importance of Panchats in the context of governance.

Introduction

In the happiness of his subjects, in their welfare his welfare; whatever pleases himself he shall not consider as good, but whatever pleases his subjects, he shall consider as good (Kautilya's Arthashastra)

A Government is a complex institution created to look after the safety and welfare of the people. Good Governance is dependent mainly in the excellence of human beings forming government and the enlightened citizens. It has been rightly said that human rather capital is the key to government. Good governance and management requires clarity about responsibilities, access to information about how the government works and using competition to achieve value for money in service delivery. The elements of accountability, transparency and contestability are required to be reflected in the governance and management structures and processes of the city. Therefore the test of good governance lies in the goals and objectives of a

government, its policies and programmes. Besides this, the execution of the policies, the results achieved and above all the general perception of the public about the quality of functioning of its various agencies, their attitudes and behaviour towards the public duties. It is also important to see that there is no undue concentration of power.

Centralisation of power and the attempt to dominate the urban local bodies have been at the roots of much of the troubles in India. The 74th Constitution Amendment envisages developing the municipal authorities' functions relating to preparation of plans for economic development and social justice as well as for implementation of various development schemes. It has appended a new Twelfth Schedule to the Constitution of India, which lists out functions, many of which have traditionally been local functions although some of them are unconventional and even ambitious in nature, for the municipal authorities.

Growth and Development of Local- Self Governance: A Historical View

The study of the growth and development of local-self government and the evolution of government in the Indian states is an important aspect of the study of the modern India. A purposeful and objective analysis of the dynamics of the modern Indian political history cannot be complete without the assessment of the involvement of people in the administration of the state. For reasons of tactical advantage of the British India allowed India to remain divided into distinctly separate political systems, the one was that British India and was directly governed by the British and the other that was a political medley composed of hundreds of heterogeneous states governed by native Rajas, Nawabs and Princes. The princely India did not by any means constitute a smaller part of India, but extended over almost one third of the subcontinent, inhabited by about more than ten crores of people. Some of these states were big, most of them were small. A few of them were modernised but almost all were feudal, agrarian and autocratic. However, in spite of these diversities, the states combined constituted a unified political system organised within the framework of British paramountcy and governed in accordance with certain uniform standards laid down by the Government of India.

Paramountcy was evenly distributed. the history of the growth and development of local- self government forms as inseparable part of not only the history of the consolidation of Paramountcy and British power in India but also the history of the dissolution and the ultimate transfer of power to the Indian people. Within the broad framework of the operative paramountcy, most of the princely states retained their traditional structures of government and developed indigenous processes of political control. The British also used most of these traditional imperatives of power in the government of British India Provinces. However the native rulers converted these traditional imperatives into absolute server and pernicious instruments of personal rule.

Literally a council of five. It refers to a village council or court of elders, entrusted with executive and judicial powers for to the governance of community affairs. This institution, which flourished in many parts of India in the past, is now being revived as the basic administrative unit of government. It is a new system of democratic decentralisation introduced in free India in 1959. It aims at taking democracy to the village level, by delegating substance of power to the people's organisation. Panchayati Raj institutions are based on the idea of democratic decentralisation which envisages people's participation in the governance at the local levels.

Panchayati Raj is a system of local- self-government. The British govt, during its rule, gave the powers of self- government to the Panchayats in rural sector. Gandhi wanted to establish Panchayats for the self- sustenance of the rural areas. Initially, no efforts were made for the self-establishment of the Panchayati Raj. But after the failure of the Community Development Programme, Jawaharlal Nehru felt the need for an agency at the village level. The Panchayati Raj was inaugurated in 1959 but in the latter half of the 1960s, it was on a decline due to several factors. Panchayati Raj got constitutional recognition in 1962. It was felt that for the sustenance of the democracy, democratisation at the grassroots is necessary.

The 73rd Constitutional Amendment Act, 1992 marked a new era in the democratic set up of the country as it created Panchayati Raj Institutions (PRIs) as tiers of self governance below the level of States in the federal set up. It is also a landmark in the decentralized development as it envisions people's participation in the process of planning, decision-making, implementation and delivery. These Constitutional provisions provide for devolution of powers and responsibilities to

different tiers of PRIs with respect to preparation of plans and programmes for economic development and social justice and their implementation in relation to 29 Subjects listed in the Eleventh Schedule. Consistent with the spirit of the provisions, the Central Ministries / Departments and State Governments are expected to confer necessary executive powers and administrative authority along with control over functionaries in their jurisdiction dealing with subjects allotted to them and devolve financial resources to the concerned level of PRIs to enable them to discharge their responsibilities effectively and efficiently. During the decade since the 73rd Amendment Act was added to the Statue Book while the PRIs have started functioning and are in their second elective tenure in many states, the process of empowering PRIs has followed a varied pattern across States.

Panchayati Raj

The Panchayats were established by most of the state governments in India after Independence but a major step in this direction was taken on the basis of Balwantrai Mehta Committee's Report in 1957 which recommended three- tier Panchayati Raj system in India. During this period several steps were taken to strengthen the Panchayati Raj by central as well as state governments in India. Keeping in view many past attempts, central government found the solution in the form of 73rd Constitutional Amendment Act to remove the weaknesses of Panchayati Raj. It is argued that, "this act seeks to enshrine democracy at grassroots as it intends to give power to the people and it will end corruption and fight and finish power brokers and middlemen politics". This Chapter focusses on conceptual aspects of Panchayati raj, working of Panchayati Raj and its shortcomings. It will also discuss the features of 73rd Constitutional Amendment Act 1993.

Concept of Panchayati Raj

Introduction of Panchayati Raj was hailed as one of the most important political innovations in Independent India. It was also considered as a revolutionary step. Panchayati Raj is a system of local- self government where in the people take upon themselves the responsibility for development. It is also a system ooff institutional arrangement for achieving rural development through people's initiative and participation. Administration of development programmes aimed at social, economic and cultural development, provision of community and welfare services are entrusted to these local- self governing institutions. Panchayati Raj involves a three- tier structure of democratic institutions at district, block and village

levels namely Zila Parishad, Panchayat Samiti and Village Panchayat respectively. These institutions were considered as training ground for democracy and political education. Rural development plans and programmes are implemented at this level so that fruits of development can accrue to the community directly. These institutions were established in 1959 based on the philosophy of decentralisation and gram swaraj.

Mahatma Gandhi was well aware about the Indian society and wanted village self- sufficiency (Gram Swaraj) to be the aim of independent India but the Chairman of the Drafting Committee B.R.Ambedkar was against the concept of village Panchayats in the draft constitution. When Gandhi came to know this, he insisted for its inclusion in the constitution. As a result the provision of village Panchayats was included in the Directive Principles of State Policy in Article 40 which states that 'the state shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of local- self government'. To operationalise this provision into action, Balwantrai Mehta Committee was appointed in 1957 to suggest the introduction of Panchayati Raj. As a result of recommendations of this committee, a three- tier Panchayati Raj System was recommended: the Gram Panchayat at the village level, Panchayat Samiti at Block or Intermediate level and Zila Parishad at District level. All the three units were organically linked together as the chairman of lower level bodies were ex- officio members of higher level bodies. These bodies were given all planning and development work. The committee remarked about the philosophy of Panchayati Raj that Panchayati raj system establishes a linkage between local leadership enjoying confidence of local people and the government and translate the policies of the government into action. Thus, Village Panchayats were made subordinate units of the government at lowest level to implement its programmes and not the agencies of self- government or Gram Swaraj as Gandhi thought.

Evolution of Local- Self Government in India

Some forms of rural institutions have been in existence in the country since the ancient period.

Village formed the centre of rural self- government in the early ages. They flourished during the ancient, medieval and the Mughal period as well. During the nationalist movement, establishment of self- governing institutions at the grass- roots level formed a part of the nationalist ideology. Gandhi, who led non- violent struggle for independence observed 'my idea of village swaraj is that it is a

complete republic independent of its neighbours for its own vital wants and yet, interdependent for many others in which dependence is a necessity'. The draft of the constitution did not make any reference to village as units of self- government. But there were many in the Constituent Assembly who felt that villages should play an important role in economic and social development. After considerable debate and discussion, Article 40 was incorporated in the chapter on Directive Principles of State Policy. This Article calls upon the state 'the state shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of local- self government'. The adoption of planning as a strategy for development required securing co-operation of the people in rural areas to implement development programmes.

Panchayati Raj Institutions in States

States	Tiers/Institutions
Kerala, Jammu & Kashmir, Manipur, Sikkim, M.P, AASAM, Karnataka, Orissa, Haryana, U.P, Bihar, Rajasthan, Maharashtra, Andhra Pradesh, Punjab, Tamil Nadu, Gujarat, West Bengal	Gram Panchayat Gram Panchayat & Panchayat Samiti Gram Panchayat, Panchayat Samiti, Zila Parishad Gram Panchayat, Arunachal Panchayat, Anchalik Parishad, Zila Parishad
Meghalaya, Nagaland, Mizoram	Tribal Council

Urban Governance and Management in India

Good Urban governance is the key to providing incentives for improvements in urban service delivery. It focusses on inclusive planning and management, accountability and transparency and ensuring security for people, especially urban poor and disadvantaged.

Governance is the process in which authority control and power of government is exercised in mobilising the socio- economic resources of the state in order to address the issues of public interests. It is the art of governing, associated with the exercise of authority within specific jurisdiction and is embedded in the structure of the society. Good governance is characterised by open and enlightened administration, respect to basic human rights and values, strengthened democratic institutions and effective institutional as well as structural framework to ensure accountability and transparency.

Principles of Democratic Governance

Democratic Governance is the process which is characterised by human rights, respect of fundamental freedoms to allow them to live with dignity. It also means the system in which people can hold decisions, which are accountable. Economic and social policies are responsive to people's needs and aspirations (Tiwari: 2002). Democratic Governance is characterised by three main principles:

1. **Accountability:** It means that decision-makers accept responsibility for their decisions. It means availability of information and process applied so that decision-makers can be called to account for their decisions.
2. **Transparency:** Transparency lies on the access to information about how the government works. In other words, transparency means a process which is open, honest and amenable to questions. A transparent government is characterized by:
 - a) Public ability to influence decision process.
 - b) Involvement of public on all plans and significant issues.
 - c) Development of annual plans.
 - d) Monitoring against agreed performance indicators.
 - e) Separation of strategy, policy development, regulation setting and funding from provision and enforcement.
3. **Contestability:** It implies choice in the provision of services through open competition between potential providers. The outcome of contestability is more efficient use of community resources to deliver services required by the public. Lord Bryce clearly remarked, "The best school of democracy and the best guarantee for its success is the practice of local-self-government. (Sengupta: 1996).

Commissions and Committees

With the beginning of planned process of development in 1952 in the country, the need was felt to involve people in the process of development. Various Five Year Plans emphasized the importance of role which the local governments could play in securing the participation of people in this process. The Community Development Programme and its shorter version in the National Extension Service assumed the involvement of people in their implementation. Therefore the Planning Commission in 1956 appointed a team for the study of Community Projects and National Extension Service (Balwant Rai Mehta Committee). Thereafter the central government appointed a number of commissions and committees from time to time on the subject of rural and urban local governments. These are

Ashok Mehta Committee on Panchayati Raj institutions (1978), G.V.K.Rao Committee to review the existing administrative arrangements for Rural Development and Poverty Alleviation Programme (1985), The Local Finance Enquiry Committee (1949-51), The Taxation Enquiry Commission (1953-54), the Committee on Training of Municipal Employees (1963), Rural- Urban Relationship Committee (1963-66), The Committee on Ministers on Augmentation of Financial Resources of Urban Local Bodies (1963), The Committee on Service Conditions of Municipal Employees (1965-68), Committee on Budgetary Reform in Municipal Administration (1974), Study Group on Constitution, Powers and Laws of Urban Local Bodies and Municipal Corporations (1967_ also had a chapter on local government in its report and the Planning Commission had appointed a number of task forces on the subject of reforms of municipal administration.

Balwant Rai Mehta Committee, 1956

In 1956, the Planning Commission appointed a Study Team under the chairmanship of Shri Balwant Rai Mehta to study and report on community projects and National Extension Service. This Study Team submitted its report in 1957 which is known as the Balwant Rai Mehta Committee. The Report admitted that the Community Development and the National Extension Service programme had not failed to evoke popular enthusiasm nor did they arouse enthusiasm among the local bodies higher than the Panchayat levels. Therefore the Committee suggested administrative decentralization for the effective implementation of the development programme. This decentralized administrative system should be under control of the local bodies. It also recommended an early establishment of statutory elective local bodies and devolution of necessary power, authority and resources to them. In the committee's opinion the basic unit of democratic decentralization should be located at the block/Samiti level and the district unite i.e., the Zila Parishad should have only an advisory rule. The Committee argued that district boards might have served the purpose for which they were created but they have neither the tradition nor the resources to take up development work. The Committee suggested an elective body at the middle i.e., block level, between the village (which is too small) and the district (which is too large). The body at the block level should be known as the Block Samiti. It should be constituted by indirect elections from the village Panchayats. It will have tenure of 5 years and its functions should cover the development of agriculture in all its aspects, the promotion of local industries, supply of drinking water, construction and repair of roads etc. The

Samiti will have two sets of officers those at the block level and those at the village level. All those officers will be drawn from the corresponding state cadres and will be sent to the Samiti by the State Government. At the village level, there should be a Gram Sabha and at the District level a Zila Parishad. So the committee recommended three – tiers of Panchayati Raj institutions, Gram Panchayat, Block Samiti and Zila Parishad, all linked organically with each other. Since Block was the pivot of development programme, it is here that the community participation is most vital. Hence the Panchayat Samiti should be given statutory status. It should have elected body, have comprehensive functions and adequate financial resources and also should have necessary executive authority to implement the programmes. The Zila Parishad should be a purely coordinative and advisory body having no executive authority. The Committee recommended that there should be a transfer of real power and responsibility to Panchayati Raj institutions and all rural development programmes should be channeled through them. Rajasthan was the first state to implement the Bhowani Rai Mehta Committee Report. Here the Panchayati Raj (as it was called) was inaugurated by Jawaharlal Nehru on October 2, 1959. Andhra Pradesh quickly followed suit. Within a few years many states had established the three- tier Panchayati Raj system.

Ashoka Mehta Committee, 1978

By the mid of 1960s these institutions began to stagnate and faced indifference and lack of interest on the part of state governments. So by the beginning of 1970s, these institutions began to decline. Several factors contributed to their declining status. Development functions were never really delegated to them rendering them ineffective. Secondly, the indifference and hostility of bureaucracy towards these institutions never allowed them to take roots and grow. Thirdly, the lack of political will also fuelled the same. The political leaders at the state level were not sincere in their support to these institutions. Elections to these institutions were not held. Many of the local bodies were superseded and remained so for years. By 1977, the Panchayati Raj institutions had become ineffective in most of the states. It was in the same year that the Janta Party Government came into power at the centre. It appointed a committee under the chairmanship of Ashoka Mehta to revitalize these institutions. The Committee made the following major recommendations:

- a) It recommended two- tier Panchayati Raj institutions, one at the district level and the

other at the Mandal level. Mandal Panchayats would be smaller than the Panchayat Samiti but bigger than the village Panchayat.

- b) District rather than Block should be the primary unit of devolution.
- c) To achieve financial self- reliance, the Panchayati Raj institutions, should be given power of compulsory taxation.
- d) Political parties should be allowed to participate in the elections for these institutions.
- e) There should be no supersession of these institutions on partisan considerations. In case supersession has taken place, elections to that body must be held within six months.
- f) Panchayati Raj institutions should be subject to social audit to be conducted by a district agency, as well as by committee of legislators.
- g) In order to reduce the migration of village people to the cities by the pull factor, the Panchayati Raj institutions should endeavor to provide urban amenities.

The report of the Ashoka Mehta Committee came in 1978. Before any action could be taken on the report. The Janta Government went out of power at the centre. In 1980 the Congress Party returned to power. So it had no interest in implementing the report of a committee appointed by another party.

In the meantime the Planning Commission

a committee to review the existing administrative arrangements for rural development and poverty alleviation programmes like IRDP, RLGP and so on. The committee was headed by G.V.R.Rao.

Rao Committee

The committee wanted to activate the Panchayati Raj institutions in order to make them effective for handling problems of local people. Elections to these bodies should be held regularly. The committee was of the view that Block Development Office should be the sheet- anchor of the entire rural development process. The BDO should be redesignated as assistant development commissioner. The district should be the basic unit for policy planning and programme implementation. The Zila Parishad should become the principal body for the management of all development programmes which can be handled at that level. The chief executive of the Zila Parishad should be the district development commissioner whose status should be higher than that of the district magistrate. He should be responsible for planning and implementation of development programmes.

The Rao Committee recommended that the Zila Parishad should be devolved very substantive powers to function as primary institution for planning and management of rural development. The administrative personal also should be

qualitatively improved and administratively rationalised. The committee recognised that association of Panchayati Raj institutions with poverty- focussed rural development programmes would be useful both in identifying beneficiaries and service delivery.

L.M.Singhvi Committee

An eight- member committee headed by L.M.Singhvi, a constitutional expert, was appointed by the government in 1986 to prepare a concept paper on Panchayati Raj institutions to review the growth, present status and functions of these institutions and suggest remedies to make these institutions effective in the task of rural development and nation- building.

The most important recommendation of the committee was that the local- self government should be constitutionally recognised, protected and preserved by the inclusion of a new chapter in the constitution. Local- self government should be declared as the third tier of the government. The committee was of the view that adding a separate chapter in the constitution would make the identity and integrity of the Panchayati Raj institutions inviolate. A consensus should be evolved among the political parties to avoid elections on party basis for these institutions. These institutions must be given adequate financial resources to make them function effectively. The committee also recommended the establishment of a Panchayati Raj judicial tribunal in each state to adjudicate on all matters relating to election disputes, supersession's of the Panchayats.

Sarkaria Commission

In 1988 two authorities dealt with the issues of Panchayati Raj institutions. One was the Sarkaria Commission. The Sarkaria Commission was appointed to review the constitutional provisions dealing with centre- state relations in India. Its recommendations about the Panchayati Raj institutions was only incidental. It stated that though the Panchayati Raj institutions are exclusively a state subject in view of Entry 5 in List II, nevertheless uniformity of law throughout the country in regard to these institutions is essential. This can be achieved either by all state legislatures passing legislation in accordance with a Model Bill prepared by the Inter- State Council or by law passed by Parliament at the request and by consent of all state legislatures.

Thungon Committee

Thungon Committee known after the name of its Chairman P.K.Thungon was a sub- committee of the Consultative Committee of parliament attached to the Union Ministry of Personnel, Public Grievances and Pensions. It was constituted to consider the type of political and administrative structure in the district for district planning. This committee like the Singhvi Committee recommended the constitutional status to the Panchayati raj institutions. It considered Zila Parishad to be the pivot of planning and development in the Panchayati Raj system. It recommended that the district collector should be the chief executive officer of the Zila Parishad. The Panchayati Raj institutions should have a five- year term and should not remain superseded for more than six months. It gave a detailed list of subjects which ought to be given to Panchayati Raj institutions and which should be incorporated in the constitution. It also recommended the setting up of the state finance commission to lay own the criteria and guidelines for devolution of financial resources to Panchayati Raj institutions.

Several state governments also took measures to reorganise and revitalise the Panchayati Raj institutions. By early 1990s, 217300 Village Panchayats had been established in 21 states and 5 Union Territories. There were 4256 Panchayat Samities or intermediate Panchayats in 17 states. 14 States and one Union Territory provided for statutory Zila Parishads. 15 states had established three- tier system, 4 states provided for two- tier system and in Goa, Jammu & Kashmir and Tripura there were only Village Panchayats. The Panchayats did not exist in the tribal majority states of Meghalaya, Mizoram, Nagaland and in some Scheduled and Tribal areas in other states.

Constitution Amendment Bills

In 1984 Rajiv Gandhi formed government at the centre. For various reasons the Congress Party had tried to approach the people at the grass- root level. Therefore it was thought proper to reorganise and revitalise the local bodies both in the urban and rural areas. In 1987 and 1988, a series of conferences at various levels were held. It was decided to amend the constitution for this purpose. In 1989 two bills were brought before Parliament known as Constitution Sixty- Fourth and Constitution Sixty- Fifth Amendment Bills.

Sixty- Fourth Constitution Amendment Bill relating to Panchayati raj institutions was passed by Lok Sabha but was rejected in the Rajya Sabha because the Congress did not have two- thirds majority there which was required to pass the amendment. The Congress Party lost elections in 1989 and the United Front Government led by V.P.Singh introduced another Bill in 1990 in

Parliament called the Constitution Seventy Fourth Amendment Bill. However the government fell and the Bill lapsed because the Lok Sabha was dissolved. In 1991 the Congress Party returned to power under P.V.Narsimha Rao. The Rao government modified the earlier Bill of 1989 and introduced it again in Parliament as the Constitution Seventy- Third Amendment Bill 1991. It was passed by Parliament in December 1992 and ratified by the states in 1993. Thus the Panchayati Raj Institutions became part of the Constitutional Scheme in 1993.

Governance at the Third Tier

There had always been the importance of local governing institutions in the history of India. The British colonial rulers had also considered powers of self- governments under various local names. The Government of India Act 1935 had authorized the Provincial Legislature to create institutions for administration at the lowest level. Article 40 of the constitution expected the state to organize Village Panchayats. The National Development Council endorsed three- tier identified district as the centre of local administration after the layer of the state. Panchayat Raj system in 1959 on the recommendations of the Blawant Rai Mehta Committee investigated into the reorganization of the district administration in the country. The 73rd and 74th Amendment Acts have added new dimension to decentralized governance and the promotion of participatory federal democracy in India. It aimed to empower people through local institutions of governance and development. It seeks to create three tiered system of local self-governance, Zila Parishad at district level, Panchayat Samiti at block level and Gram Panchayats at village level. Article 243 (ZD) provides that, "There shall be constituted in every state at the district level a District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft of development plan for the district as a whole". Under the provision of Article 243A, Gram Sabha is the supreme authority to which the Village Panchayats are made accountable. The Gram Sabha is vested with

Following functions and responsibilities:

- a) Supervising and monitoring the functions of Village Panchayat.
- b) Approval of Panchayat Plans and selection of schemes and targeted beneficiaries.
- c) Social auditing of developmental programmes.
- d) Ensuring community participation, especially of the Women, Scheduled Castes and Scheduled Tribes and other weaker sections of the society.
- e) Promotion of unity and harmony in the society.

Panchayats are now considered as the primary agency of economic development, social justice and social change. Panchayats are more than merely an institution of service delivery. It is an institution of social empowerment. Seats have been reserved for women, SCs and STs. The 11th Schedule of the constitution identifies as many as 29 subjects on which related functional competences may be devolved upon by the states according to their specific needs and circumstances. Besides this Panchayats are also the implementing agency of poverty alleviation programmes and other centrally sponsored schemes. On the other hand 12th Schedule lists 18 items on which related competence can be transferred to Urban Local Bodies. The subjects include urban and town planning, regulating land use of and building, construction, planning for social and economic development, roads and bridges, water supply, urban forestry, slum development, public amenities, welfare of weaker sections etc.(P. Mehta: 2002).

73rd and 74th Amendment Acts: A Way to Good Governance

To ensure peoples participation, the 74th Amendment Act to the constitution brought about a third tier of representative governance at the local level. The 74th Amendment Act has the potential of establishing the procedural part of good governance. The decentralised system of elected governance has certain advantages. It brings efficiency in knowing about local conditions to match resources. It brings accountability as local decision- makers are exposed to effective scrutiny and greater pressure to deliver the goods. Further it provides opportunities for local people to participate in planning services and to pay for them in the form of taxes. Thus, people's participation through local- self institutions will prove to be a panacea for all evils of misgovernance (M.M.Sankhder" 2003).

Significant Characteristics of 73rd and 74th Amendment Acts

1. The establishment of a three tier system of village, intermediate and district level Panchayats in the rural areas, and Nagar Panchayats, Municipalities and Municipal Corporations in urban areas, both comprising of representatives elected from territorial constituencies Two new Schedules viz 11th and 12th added in the constitution containing illustrative lists of functions to be assigned to rural and urban local bodies.
2. Mandatory elections for the Panchayats and the Municipalities ordinarily, once in five years, to be conducted by State Election Commission.

3. Supersession of elected local bodies only in exceptional circumstances and no duly elected government would be superseded for any period exceeding six months.
4. One- third reservation of seats for women in all local bodies as members and chairpersons.
5. Reservation for SCs and STs in proportion to their population.
6. The constitution of State Finance Commission by the state governments once in every five years.
7. The setting up of Wards Committees providing space for meaningful interaction and dialogue between citizens, civil society and elected members at the ward level in cities with population of 3 lakh or more.
8. Participation of elected representatives both from urban and rural areas in planning for development of the district by the formation of mandatory District Planning Committee. Likewise mandatory Metropolitan Planning Committees are to be set up in metropolitan areas with similar representation for planning of metropolitan areas of more than one million populations.

Conclusion

Village Panchayats have a long history in India. They represent a system of governance prevalent in ancient India. Gandhiji had aptly remarked that independence must begin at the bottom. Every village ought to be a republic or Panchayat with the authority and resources to realize the potential for

economic and social development of the village. Gandhiji's views found articulation in Article 40 of the Constitution. It enjoins that 'the States shall take steps to organise village Panchayats with such powers and authority as may be necessary to enable them to function as units of self- government'. During the last fifty years, several attempts have been made to bring about effective decentralisation, both political and economic, with limited success. However, the year 1992 marks a new era in the federal democratic set up of the country. The 73rd Constitutional Amendment Act, 1992 conferred Constitutional status on the Panchayati Raj Institutions (PRIs). It envisages the establishment of a democratic decentralized development process through people's participation in decision-making, implementation and delivery. In order to achieve this objective, the Constitution provides for devolution of powers and responsibilities upon Panchayats at appropriate levels. 29 Subjects listed in the Eleventh Schedule of the Constitution have been identified for devolution to the PRIs. The 73rd Constitutional Amendment Act has created three tier PRIs in the rural areas with allocation of specific subjects to them. In pursuance of this, States have initiated action to devolve administrative and financial powers and resources to PRIs to enable them to discharge their Constitutional role. It is expected that once the process of devolution is effectively operationalised, resources from the Central and State Governments meant for programmes falling within the jurisdiction of the PRIs would directly get allocated to them.

