CHAPTER V

HISTORICAL AND CONSTITUTIONAL BACKGROUND

OF

LOCAL SELF-GOVERNMENT IN INDIA
5.0.0. **INTRODUCTION:**

The objective of this chapter is to describe briefly the historical and constitutional evolution of Local Self-Government Institutions in India both urban and rural within a period of one hundred years. Further, for the sake of convenience, the above mentioned period shall be divided into two phases, namely:

1. Pre-Independence, and
2. Post-Independence.

5.0.1. **Pre-Independence:**

The beginning of a modern system of local government had been made in 1687, when for the first time, a local governing body — a Municipal Corporation — was set up for the city of Madras. Then the Charter Act of 1793 established municipal administration in three presidency towns of Madras, Calcutta and Bombay. In 1842 municipal administration was extended to district towns in Bengal when the Bengal People's Act was passed. Provision was made in the act to set up a town committee for sanitary purpose with conditions if two-third of householders demanded and the taxation enforceable under it should be of a direct character. Thus, the act

nowhere met with popular acceptance, as the taxation was to be direct, it encountered resistance everywhere and as the setting up of a municipality was an entirely voluntary affair, no town came forward to ask for it. To quote the Imperial Gazetteer of India, 'the act (of 1842) was far in advance of the times. Based upon the voluntary principle, it could take effect in no place except on the application of two-thirds of the householders, and the taxation enforceable under it was of a direct character, the law nowhere met with popular acceptance. It was introduced into one town, and there the inhabitants, when called on to pay the tax, not only refused, but prosecuted the collector for trespass when he attempted to levy it.' In 1850, an Act was passed for the entire country and it, unlike the earlier statutes, provided for indirect taxation which people had been accustomed since times immemorial. Later on the recommendation of the Royal Army Sanitary Commission, i.e., the commission expressed its concern, among others, over the filthy conditions of town in India, the voluntary principle was abandoned and the provincial governments were empowered to constitute municipal committees charged with the responsibility for sanitation, lighting and water supply. As a result, a series of acts were passed which extended municipal administration to the various parts of the country. However, it should be noted

that municipalities that had been established during this period were primarily as a result of British initiative, they lacked popular support and continued to function more or less as any other department of the respective states, without possessing the privileges of self-government.\(^3\) Their main duty was, as remarked by Asok Mukhopadhyay, 'to give relief to the imperial finance and secure better sanitary conditions in urban area so that the troops did not suffer from ill-health and diseases.'\(^4\)

The year 1870 marks a further stage in the evolution of local government. In that year Lord Mayo's famous resolution which advocated a measure of decentralization from the provinces, emphasized the desirability of associating Indians in administration and indicated the municipal government as the most promising field for this purpose. The resolution read: 'The operation of this resolution in its full meaning and integrity will afford opportunities for the development of self-government, for strengthening municipal institutions and for association of natives and Europeans to a greater extent than here-to-fore in the administration of affairs.'\(^5\)

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This means that municipal bodies were designed by the British as the basic institutions for associating the Indians with the administration of the country in order to lend stability to the British rule, and it is important to note that Lord Mayo's Resolution of 1870 encouraged the introduction of elected presidents of municipalities with this end in view. In other words local government in India was introduced primarily to serve the British interests rather than promote self-governing bodies in the country. The Taxation Enquiry Commission (1953-54) correctly points out: 'It was the need for the association of Indians with administration (in order, for one thing, that taxes could be more readily imposed and collected) that promoted the early British Indian administration to embark on the introduction of local self-governing institutions in this country. The resolution of Lord Mayo 1870 on financial decentralization also visualized the development of local self-government institutions; but this was subordinate to the need for tapping local sources of revenue and of effecting economy by decentralized administration.'

5.0.1.0. Renon's Reforms 1882:

As earlier mentioned that local government in India was introduced primarily to serve the British interest rather than promote self-governing bodies in the country. But this

objective was changed to political education of the Indians in the art of governance at the lowest level of administration when Lord Ripon's Resolution of 1882 was adopted, i.e., before Lord Ripon's Resolution, local government in its modern sense remained wholly non-Indian and, therefore, from the Indian point of view, it was neither local nor self-government. Lord Ripon is deservedly known as the father of modern local self-government in India. According to him, the main ideas is to give prominence to the principle of local taxation for the local services. A key-note of the resolution is that the local self-government should be made as an instrument of political and popular education even at the risk of a temporary period of administrative inefficiency. He was of the view that not only the new local government machinery should suit to administrative requirements but it should also suit to political and social requirements as well. The resolution wanted the government officials to 'foster sedulously the small beginnings of the independent political life' and to exercise 'administrative tact and directive energy' so that the period of expected failures of the local self-government institutions could be shortened. The Indians were to be entrusted in 'all matters that have not, for imperial reasons, to be retained in the hands of the representatives of government.' Lord Ripon said, 'it is not primarily with

a view to improvement in administration that this measure is put forward and supported. It is chiefly designed as an instrument of political and popular education. Further, the resolution says 'as education advances there is rapidly growing up all over the country an intelligent class of public spirited men who it is not only bad policy but sheer waste of power to fail to utilize.' In other words, he meant if local government was to have any vitality, it should evolve out of local circumstances; if it has to be created artificially at least it must be planned in detail by local administrators and not be imposed readymade by the central government. Thus, the famous resolution on local self-government of 18 May, 1882 has set up the principles which were to govern the future development of local representative institutions. Lord Ripon remarked that the task of administration is becoming more onerous as the country progress in civilization and material prosperity. Under the circumstances, it becomes imperatively necessary to look round for some means of relief and the only reasonable plan open to the government is to induce the people themselves to undertake the management of their own affairs. Lord Ripon's resolution enunciated the following principles which were

9. Ibid.
henceforth to inform and guide local government in India: 10

(i) Local bodies should have mostly elected non-governmental members and chairman.

(ii) The state control over local bodies should be indirect rather than direct.

(iii) These bodies must be endowed with adequate financial resources to carry out their functions. To this end, certain sources of local revenue should be made available to the local bodies which should also receive suitable grants from the provincial budget.

(iv) Local government personnel should operate under the administrative control of the local bodies. The government personnel who are deputed to the local government must be treated as employees of the local government and subject to its control.

(v) The resolution of 1882 should be interpreted by the provincial governments according to the local conditions prevalent in the provinces.

It is important to note that the intention of the Ripon Resolution failed in practice, as observed by the Simon Commission, '.....the custom of the country, force of habit,

apathy, and lack of desire to assume responsibilities among those elected-together with the natural reluctance of an overworked officials desirous of efficiency, to consume much time in getting things done badly which he felt he could himself do well-combined to prevent real and substantial progress being made in political and popular education in the art of self-government.'

To sum up, according to Henry Maddick, the main purpose of the Ripon Resolution was to make use of the 'intelligent class of public-spirited men whom it is not only bad policy but sheer waste of power to fail to utilise.' Ripon proposed that rural boards should be set up...... On these bodies there should be two-thirds non-officials representatives, elected whenever possible, and 'control should be exercised from without rather than within.' In addition, he says, the aim of the 1882 resolution was to 'develop these local self-governing bodies, which included panchayats, in order to provide opportunities for training the people in the art of self-government.' The general criticism of these boards has always been that they were no more than appendages of the administration, and furthermore,

their resources were so meagre that they were hardly capable of fulfilling even those limited functions. The district officer was everywhere the dominant factor, and it is reasonable to say that up to 1914 the boards were ruled by revenue considerations rather than the needs of the people. 13

From 1887-1900 district boards and taluka boards were set up all over India, at least all over British India. They consisted mainly of nominated members and of almost as many officials; in the main their functions were roads, health and primary education. But the Viceroy realized that the district boards were too large, so he urged that the 'sub-division, taluka or tehsil shall ordinarily form the maximum area to be placed under a local board.' The district board was to be a supervising or a coordinating authority only. 14 Yet most provinces made the district the most important body, giving it the funds, such as they were, and functions, but empowering it to delegate to the subdistrict bodies. This was an almost impossible in view of the meagreness of the functions the districts themselves were to perform and even more the limited funds available. Thus, in the end most of the subdistrict boards fell into disuse or were abolished. But whatever it may be, as a result of the recommendations of the Repon Resolution, a two-tier system of local government

13. Ibid., p. 18.
came into existence with the district boards working at the top and taluka boards at the lower level.

5.0.1.1. The Bombay Local Boards Act of 1884:

In Bombay, the first 'Bombay Local Boards Act of 1884', which provided that there should be one local board for each revenue district and also one for each taluka or for such area as may be decided by the government. Under this act, the local board was created as a corporate body consisting of both elected and nominated members. For the election of members to the taluka local boards, the villages in the taluka were divided into groups and each group had to elect one member. The principal qualification for membership was the holding of land. There was, however, no direct election to the district local boards. These members were elected by the taluka local board from among themselves, according to the strength fixed by government. These rural local bodies were responsible for an imposing number of public services for education, public health and veterinary work. But it is important to mention that the official control from within, made the boards little more than petty departments of the district administration, and very often the board's share in the above service was restricted to paying the bills. Similarly, the district local boards had almost no control over the raising of the

15. Section 7 of The Bombay Local Boards Act, 1884.
funds; the local fund cess levied and disbursed by government. Looking to the functions for which they were supposed to be responsible, their resources were slender. The funds were hardly enough to meet even their minimum needs.16

5.0.1.2. Decentralization Commission 1907:

Another significant stage in the history of local government in India was the publication in 1909 of the report of the Royal Commission on Decentralization,17 i.e., the state of affairs previously mentioned continued and was the subject of considerable criticism in 1909 by the Royal Commission on Decentralization. The commission urged that the subdistrict boards should be once more established everywhere as the principal agencies of local government in order to ensure a return to local knowledge and local interest.18

The commission recognised that throughout the greater part of India, the village constitutes the primary territorial unit of government organization and from the villages are built up larger administrative entities. The report said, 'These villages formerly processed a large degree of autonomy but this autonomy has now disappeared owing to the establishment of local, civil and criminal courts, the present revenue

and police organization, the increase of communication, the growth of individualism, the progress of education, and the operation of the individual raiyatwari system which is extending even in the north of India. Nevertheless the village remains the first unit of administration, the principal village functionaries—the head-man, the accountant, and the village watcherman—are largely utilized and paid by the government and there is still a certain amount of common village feeling and interest.19 Thus, the commission recommended that it would be desirable to constitute village panchayats for the administration of local village affairs, and it further added that the foundation of any stable edifice which shall associate the people with the administration must be the village, in which people are known to one another and have interests which converge on definite and well-recognized objects like water supply and sanitation.

The commission after going deep into the working of local government in India came to the conclusion that its working was a failure. Therefore, the commission recommended the followings:

(i) The village should be regarded as the basic unit of local self-government institutions and every village should have a panchayat. Municipalities should be constituted in urban areas.

(ii) There should be a substantial majority of elected members in the local boards.

(iii) The municipality should elect its own president but the district collector should continue to be the president of the district local board.

(iv) Municipalities should be given the necessary authority to determine the taxes and to prepare their budgets after keeping a minimum reserve fund. The government should give grants for public works like water-supply, drainage schemes etc.

(v) The bigger cities should have the services of a full-time nominated officer. Local bodies should enjoy full control over their employees subject, of course, to certain safeguards for the security of service.

(vi) Outside control over local bodies should be restricted to advice, suggestions and audits.

(vii) The government control over the municipal powers of raising local loans should continue and the prior sanction of government should be obtained for lease or sale of municipal properties.

(viii) The responsibility for primary education should rest with the municipality and if it so desires and if resources permit, it may spend some amount on secondary school also. 20

The advancements made by the Decentralization commission were that the village has been recognized as the primary unit of local self-government with the creation of panchayat at every village. In case of the Ripon Resolution, the subdivision, taluka or tehsil have been recognized. Further, the commission restricted the outside control over local bodies on the ground that it should be advice, suggestion and audit only. In addition to this, the local bodies have been given the necessary power in determining their taxes and preparing their own budgets.

5.0.1.3. August 1917 Declaration:

In view of the political situation prevailing at that time, the British government had to adopt a conciliatory policy and to make historic declaration in August, 1917 that 'the policy of His Majesty's government, with which the government of India are in complete accord, is that of increasing the association of Indians in every branch of the administration and the gradual development of the self-governing institutions with a view to the progressive realization of responsible government in India, as an integral part of the British Empire.'

21. Announcement made by the Secretary of State for India in the House of Commons on 20th August, 1917.
Another resolution of the government of India issued in May, 1918 emphasized the need for legislation to accelerate the rate of progress and to stimulate the sense of responsibility of the village population. It pointed out that even in 1918 the 'right to vote' was enjoyed hardly by 6 per cent of the rural population and emphasized the necessity of making the local bodies as representative as possible, by widening the franchise and having elective majority. As regards the area the resolution suggested that 'the area under a panchayat should normally be a village.' A direction was also given to the provincial governments to draft legislations which should be as simple as possible with the fullest scope for details. The British Government passed the Government of India Act of 1919 by which local self-government was made one of the provisional, transferred, subjects under the charge of a popular minister. This had a desired effect and many of the provinces passed the acts for the establishment of village panchayats. In the provinces of Bombay the first village panchayat act was passed in 1920. Thus, this resolution was regarded as another step for the advancement of local self-government in India in the sense that it recognized the principle of elective majority in all local boards.

with a fairly wide franchise. In addition, nomination was also retained to secure the representation of the minorities. Further, the local boards allowed freedom in several directions, i.e., freedom to impose or alter taxation within the limits laid down by law, freedom of control over the funds as well as a free hand to frame their own budgets. Finally, the resolution aimed at 'the establishment, wherever possible, complete popular control over all local bodies, including municipalities and municipal corporations.' It also recommended transfer of local government to the hands of the popular and responsible minister under the dyarchy scheme and inter alia provided for elected chairmen of municipalities.

5.0.1.5. (A) Dyarchical System of Government:

The British Government felt it necessary to gain support and co-operation of people, so it came out with the historic announcement to seek increasing association of Indians in every branch of the administration and the gradual development of self-governing institutions with a view to the progressive realization of responsible government in India. Thus, the government of India act of 1919 was enforced in 1920 to lead the country toward this goal. A beginning in

responsible government was made in the provinces by intro-
ducing a dyarchical system of government. Certain functions which were of developmental nature like local self-government, co-operation, agriculture were transferred to the control of the popularly elected ministers who were responsible to the legislature and elected on a wider franchise. The government of India act of 1919, thus, inaugurated an era of new interest and activity in the field of local government. This period witnessed a series of amending acts on local government in every province. The practice of having a civil servant as the president disappeared from all municipal bodies and from a number, though not from all, of district or local boards; the franchise was further democratized; the local bodies were freed from many restrictions in respect of preparation of budget; and finally, the executive direction passed into the hands of the elected members of the public. Therefore, the local government was set to move in the direction of democracy. Simultaneously with a measure of democratization of local government there occurred a gradual but unmistakable decline in efficiency in administration of local affairs. According to the Simon Commission; 'In every province, while a few local bodies have discharged their responsibilities with undoubted success and others have been equally conspi-
cuous failure, the bulk lies between these extremes.'

Communal feeling, corruption, favouritism, inefficiency were the general features of local government during this period. According to Jawaharlal Nehru who was chairman of the Allahabad municipal board, 'Their failings are obvious enough but little attention is paid to the framework within which they have to function. This framework is neither democratic nor autocratic, it is a cross between the two, and has the advantages of both.'

(B) The Bombay Village Panchayat Act, 1920:

Under the act of 1920, the panchayat was 'to consist entirely of elected members except the village patel who was to be an ex-officio member of the panchayat. All the adult male residents had a right to vote at the panchayat election. The total strength of panchayat was to be fixed by the district local board, subject to the minimum of five as prescribed under the act. The sarpanch was to be elected by the members of the panchayat from among themselves. The appointment of a secretary was compulsory but he was to be appointed by the panchayat subject to the approval of district local board.'

As regards finance, levy of a house-tax, in accordance with the rules framed by government was compulsory. Panchayats were also allowed to levy octroi or any other suitable tax.


on houses or lands with the approval of the district local board. There was statutory provision for any financial assistance from the government.

The panchayats were generally placed under the district local board which were given powers of supervision and control, powers to prescribe the number of members, to remove the secretary or a member or even the sarpanch of a panchayat, to frame rules regarding levy of taxes by the panchayats, to prevent extravagance in expenditure of any order or resolution passed by the panchayat, to provide for the execution of any work in the case of emergency or for performance of a duty in case of default by a panchayat. The collector was practically excluded from any share in the affairs of the panchayats.27

The panchayat was almost entirely an administrative body, with considerable responsibilities which included almost all the compulsory duties assigned to the panchayats today. The panchayats had no discretion to undertake any other function leading to social or economic well-being of the villagers.28 In case they desired to undertake any other measure, they had to seek previous approval of the district local board. They had only minor judicial powers solely in respect of offences against their own by-laws.29

27. Ibid., p. 34.
28. Ibid., p. 39.
29. Ibid., p. 34.
With local self-government being a 'transferred subject', greater vigour could be expected under Dyarchy. But the inherent contradictions of Dyarchy, as also the preoccupation with wider issues of national politics and the strategy of freedom struggle, led to a considerable gap between promise and fulfilment. The increasing role of religion and caste in public affairs had a similar effect. The Simon Commission provided a competent review of the situation during 1920-28. It was not a picture of 'unrelieved failure or unqualified success'. Leaving the best and the worst, the bulk of them did not show a balanced appreciation of their responsibilities; in many cases, education, for example, fared much better than other functions. Inadequacies in performance were traceable to the following factors: 'The inability to realise the importance of having a competent and well paid official analogous to the Town Clerk to the County Council'; 'the failure to realise the need for control by the provincial governments over local self-government authorities'; the large size of an average district in India; abuse of powers; inadequacy of financial resources; and lack of public spirit among many voters. As regards finances, the poverty of local boards created a vicious circle; there was not sufficient fund and corrupt officials


31. Ibid., pp. 199-207.
contributed to shortfalls in the collection of taxes and mismanagement in other ways. This way partly connected with abuse of power. Instances of abuse of power related not only to corruption, but also to nepotism and favouritism based on caste and religion, other points are self-explanatory. In the government resolution reviewing the reports on the administration of the local boards for the year 1927-28, it has been stated; the village panchayats on the whole did not show any marked improvement. Factions, illiteracy, want of funds, antipathy to direct taxes and the apathy of local boards are chiefly responsible for the low standard attained by these institutions. These remarks clearly indicate that the working of the panchayats under the act of 1920 was not satisfactory even 6 to 10 years after the introduction of the act. A committee known as Hatch Committee was appointed in June, 1925, to consider generally the then existing position of village panchayat system and to make concrete proposals for the improvement in its working and effectiveness. Though the report was submitted by the committee in 1926, there was no action taken to implement the suggestion for a long time. The progress of the growth of panchayats was very unsatisfactory.

5.0.1.6. Panchayats in Princely States:

It may be remembered here that there were about 600 princely states in India. These states, most of which were reactionary and autocratic, had a different story to tell. With a few exceptions like Baroda and Mysore, the princes never cared for the welfare of the people and were reluctant to part with any power to their subjects. However, some progressive states like the Baroda State had passed Village Panchayat Act in 1926, called 'Baroda Village Act, 1926.'

5.0.1.7. The Bombay Village Sanitation Amendment Act, 1931:

As it was felt that the establishment of a village panchayat under the Village Panchayat Act of 1920 may not be practicable in the case of smaller villages which would rather prefer to have sanitary committees or sanitary boards, the government thought it expedient to amend the Bombay Village Sanitation Act of 1889 so as to effect farreaching changes in the constitution, powers, responsibilities and functions of the committee and boards. By the amendments effected in the act in 1931, the sanitary committee and sanitary boards were made corporate bodies and were given power to acquire, hold and transfer property and to execute contracts. However, the changes effected did not improve the financial position of these bodies and their functions were also not improved.

36. Ibid.
enlarged and they could not take up any item that would lead to economic development of people. These institutions, therefore, failed to rouse any enthusiasm for self-government amongst the villagers.

5.0.1.8. The Bombay Village Panchayat Act of 1933:

In view of the above situation, the government decided to amend the Village Panchayat Act. The new Act — The Bombay Village Panchayat Act of 1933 — incorporated some provisions on the lines of recommendations made by the Flatch Committee. The new Act enlarged the functions of the panchayats so as to enable them to undertake any work of measure likely to promote the social or economic well-being of the people. The act no doubt empowered panchayats to levy some more taxes but it did not solve the problem of panchayat finance completely. As regards the grant of powers to try petty civil and criminal cases also the position was not so encouraging. It will be interesting to note the observation made by Hugh Tinker. He writes; 'In 1937 there were four village benches who between them disposed of seventy-one cases — mostly breaches of their own by-laws.'

During this period, however, movement called 'village uplift' was taken up in almost every Indian province. The

movement aimed at the rejuvenation of village life in all its aspects. In the province of Bombay also the movement had its effects on the spread of village panchayats. When the villagers saw that they could easily form a 'village uplift association', which did not necessitate local taxation and which was sure to receive official patronage with financial assistance for village development they were least willing to have the statutory panchayats established in their villagers.

5.0.1.9. Provincial Autonomy:

The Government of India Act of 1935 was enforced in 1937 and the dyarchic system of government at the provincial level was replaced by the 'Provincial Autonomy'. With the growing strength of the national movement and the achievement of provincial autonomy, the local government in India ceased to be a mere experimental station of self-government; it became, indeed, the constituent part of self-government for the country as a whole, i.e., the subject of local government was included in the Provincial List. When popular ministries assumed office in 1937, they undertook legislation to make local bodies truly representative. A bill incorporating some important amendments was introduced in the legislative

assembly in 1938. When it became an act and came into force in 1939, the congress ministry had resigned office and during the next six years that followed there was governor's rule and no major changes were effected in the act. During this period as a result of the provision regarding compulsory establishment of panchayats, the number of panchayats which stood at 655 in 1930-40, increased to 1339 in 1941-42. But the figure practically remained steady for the next five years and the number of panchayats on 31-3-1947 was only 1355.  

5.0.1.10. *The Bombay Village Panchayat (Amendment) Act, 1947:*

The congress ministry which again assumed power in 1946 was not slow in taking up the matter and they immediately introduced a bill for effecting important amendments in the act. The new act made the following changes:

(i) It specifically enumerated the discretionary function.

(ii) It made obligatory on every panchayat to levy at least one more tax out of the optional list.

(iii) The properties vested in panchayats by the provincial government such as open sites, waste lands, vacant lands, etc., can be converted into regular source of income for the panchayats.

40. Ibid.
(iv) The government made statutory provision of a grant to every panchayat equivalent in amount to fifteen per cent of the ordinary land revenue, realized within the limits of the village.

(v) The secretary was again made a servant of the panchayat.

The government, in view of the above enactment, issued orders to the collectors for the establishment of panchayats in every village with a population of 1000 and over. A village where the population is less than 1000, permission be given only if at least 50 adults residents of the village apply for the same. So, by the end of 1949-50 the total number of panchayats functioning in various districts was only 1461. It was realized that the district local boards, with the machinery at their disposal, were unable to take effective steps for accelerating the work of establishing panchayats, and the state of affairs necessitated some immediate action on the part of the state government. Despite the various steps taken by the state government, it was noticed that the progress in the field of establishment of the panchayats was not encouraging. It was at this stage that the state government created posts of special officers for village panchayat with the necessary

subordinate staff. The appointment of these officers has no doubt help to accelerate the establishment of panchayats.

5.0.2. Post-Independence:

When the constitution was drafted, there was no mention about the organization of village panchayats. Rajni Kothari makes a very interesting comment on this aspect. As a result there was countrywide criticism of this viewpoint and ultimately a new clause was inserted in the Directive Principle of State Policy. It reads: "The state shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government." Not only this article but also other articles as well affected the powers of the panchayats. The Directive Principles also point out, 'the citizens of India should have the right to an adequate means of livelihood and the state should shape off its policy towards securing that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.' These provisions affect especially the rural areas. The panchayat, therefore, are the bodies who have to look after

42. 'One of the longest documents in the world says nothing about the Panchayati Raj as a form of Political Organization,' in Economic Weekly (May 13, 1961), p.757.

43. Article 40, 'Constitution of India'.

the development work. They have to serve not only as units of local self-government but also as natural institutions for securing social justice and fostering corporate life resulting in full development.

It will not be out of place here to know the views of Mahatma Gandhi on village panchayats, since he was the real architect of the Indian nation for more than 25 years before independence. He says; 'My idea of village swaraj is that it is a complete republic, independent of its neighbours for its vital wants and yet inter-dependent for many others in which independence is a necessity. Thus, every village's first concern will be to grow its own food-crops and cotton for its cloth. It should have recreation and play-grounds for its adults and children. Then, if there is more land available, it will grow useful money crops. It will have its own water works ensuring clean supply. Education will be compulsory up to the final basic course. As far as possible every activity will be conducted on a co-operative basis. The government of the village will be conducted by the panchayat of five persons elected annually by the adult villagers, male and female both possessing minimum prescribed qualifications. This panchayat will be legislature, judiciary and executive combined to operate for its year of office.'

Elaborating the concept of Mahatmaji, Shri J.P. Narayan writes: 'The polity of panchayati raj, or communitarian polity, must not copy the polity of the mass society. It is for this reason that Gandhiji rejected parliamentary democracy, which he termed the tyranny of the majority, laid stress on gram raj as the basis of swaraj, and also why he recommended the process of decision-making through a process of consensus and emphasized the role-play of a detached moral force based on popular sanction and derived from selfless service as a unifying and corrective force in the democracy of his conception.'

As compared to the dramatic changes in rural local government, the development of urban local government has been slow to the extent of being unimpressive. It is only of late that the urban local government has attracted the attention of the government. The Third Five-Year Plan took note of the significance of urban local government and said: 'In the next phase of planning, as many towns and cities as possible, at any rate those with population of one lakh or more, should come into the scheme of planning in an organic way; each state mobilizing its own resources and helping to create conditions for a better life for its citizens.' The Third Five-Year Plan recognized that urbanization was gaining momentum in India. It observed: 'The

45. J.P. Narayan in a forward to Panchayati Raj, 1961, p. 12
problems to be faced are formidable in size and complexity and solutions for them can be found not only by the state governments but also by municipal administration and by the public generally if an increasing amount of community effort and citizen participation can be called forth within each urban area. There are certain minimum directions in which action should be taken during the Third Plan so that for the future at any rate, a correct course is set. These are:

(i) Control of urban land values through public acquisition of land and appropriate fiscal policies;

(ii) Physical planning of the use of land and the preparation of master plans;

(iii) Defining tolerable minimum standards for housing and other services to be provided for towns according to their requirements and also prescribing maximum standards to the extent necessary; and

(iv) Strengthening of municipal administration for undertaking new developmental responsibilities.\textsuperscript{46}

\textsuperscript{46} Planning Commission: \textit{Third Five-Year Plan}, p. 690.
5.0.2.0. Planned development and Panchayats:

With the beginning of planned development, organization of panchayats required a further stimulus. The existence of an agency at the village level which could represent the entire community, could assume responsibility and provide the necessary leadership for implementing development programmes was considered essential for progress in rural development. It was also felt that these institutions taking an active part in both planning and execution of plans should form the democratic base for planning for the country as a whole. It will be interesting to note what place has been accorded to panchayats in various Five Year Plans. It is stated in the First Five Year Plan: 'We believe that the panchayats will be able to perform its civic functions satisfactory only if they are associated with an active process of development in which the village panchayat itself given an effective part. Unless a village agency can assume responsibility and initiative for developing the resources of the village, it will be difficult to make a marked impression on rural life, for only a village organization representing the community as a whole can provide the necessary leadership.'

47. Planning Commission: First Five Year Plan, p. 36.
'The development of village panchayats on the right lines has significance for several reasons, under the impact of new developments, including the growth of population, land reform, urbanization, spread of education, increase in production and improvements in communications. Village society is in a state of rapid transition. In emphasizing the interest of the community as a whole and in particular the needs of those sections which are at present handicapped in various ways, village panchayats along with co-operatives, can play a considerable part in bringing about a more just and integrated social structure in rural areas and developing a new pattern of rural leadership.'

The Third Five Year Plan suggested the following ten points tests as measurement of success for panchayati raj:

1. agricultural production as the highest national priority during the plan;
2. development of rural industry;
3. development of co-operative institutions;
4. full utilization of the local manpower and other resources;
5. development of facilities for education and adult literacy;

49. Planning Commission: Third Five Year Plan, p. 338.
(6) Optimum utilization of resources available to panchayati raj institutions such as finance, personnel, technical assistance and other facilities from higher levels, and efforts by them to raise their own resources;

(7) Assistance to the economically weaker sections of the village community;

(8) Progressive dispersal of authority and initiative with special emphasis on the role of voluntary organizations;

(9) Undertaking and harmony between elected representatives and public servants to be achieved through comprehensive training in education and a clear demarcation of duties and responsibilities, and progressive increase in competence both among officials and non-officials;

(10) Cohesion and mutual self-help with the community.

5.0.2.1. New Era of Panchayati Raj:

Despite the fact that the general picture is one of progress in all states and signs of healthy growth are noticeable here and there, there are yet substantial elements of instability and weakness present in a majority
of panchayats. The available information\(^{50}\) indicates that possibly not more than 10\% of the total number of panchayats are functioning effectively, roughly one half are average and the remaining about 40\% are working unsatisfactory.

5.0.2.2. Balwantrai Mehta Committee (1957):

Attempt to seek the involvement of the people\(^{1}\) in the development programmes was met with disappointment. Five years' experience with the community development programme revealed that there was something seriously wrong with the system and fundamental changes were, perhaps, essential.\(^{51}\) Appointment of a committee under the able chairmanship of B.R. Mehta was the result and its recommendation for Democratic Decentralization ushered in a new era of rural government. The Mehta Committee examined the question as to whether existing local bodies could take over and perform these plans projects and if not what new bodies should be created and with what jurisdiction, powers and resources. It came to the conclusion that the existing local bodies in the rural areas were not


expected to play an effective role in implementing development plans nor were they capable of inspiring confidence or enthusiasm among the masses in their areas to carry them effectively.\textsuperscript{52} The Mehta Committee, therefore, observed, 'with this background we have to consider whether the time has not arrived to replace all these bodies by a single representative and vigorous democratic institution to take charge of all aspects of development work in the rural areas. Such a body if created had to be statutory, elective, comprehensive in its duties and functions, equipped with necessary executive machinery and in possession of adequate resources. It must not be cramped by too much control by the government or government agencies. It must have the power to make mistakes and to learn by making mistakes, but it must also receive guidance which would help it to avoid making mistakes. In the ultimate analysis, it must be an instrument of expression of the local people's will in regard to the local development.'\textsuperscript{53}

The Committee, therefore, felt that such a body could function effectively only if it was the sole authority for all those development programmes which were of


\textsuperscript{53} Ibid., p. 6.
exclusively interest for the area. The committee also pointed out that democracy had to function through certain executive machinery but the democratic government operating over large areas through its executive machinery could not adequately appreciate local needs and circumstances. It was, therefore, necessary that there should be devolution of power and decentralization of machinery and that such power be exercised and such machinery controlled and directed by popular representatives of the local areas. The committee, therefore, proposed the establishment of a local body at the block level called 'Panchayat Samiti.' This samiti was to be assigned specific functions and specific items of revenue. With the devolution of these functions on the panchayat samiti, the Mehta Committee felt that the district boards would become superfluous and suggested instead the provision of co-ordinating body at the district level called the 'Zilla Parishad.' The committee further recommended that the village panchayat should be constituted by direct election on the basis of adult franchise with a special provision to co-opt two women members and one each from scheduled castes and scheduled tribes, wherever they can be represented. It has also indicated the specific items of revenue which should be available to the village panchayat.

54. Ibid., p. 7.
The budget of the village panchayat is to be made subject to scrutiny and approval of the panchayat samiti. The village panchayats have to perform certain obligatory duties and to act as agents of the panchayat samiti for executing schemes entrusted to them.\(^55\)

The committee's report was examined by the Central Government and then discussed at length in the meeting of the National Development Council. The recommendations were generally endorsed by the council and Central Government requested all the state governments to consider their implementation. All the state governments have accepted the policy. There was no insistence on the states to follow particular or prescribed pattern. However, almost all the states have tried in their own way to incorporate in their respective legislations the essential principles of panchayati raj. Various state governments have evolved pattern of panchayati raj suitable to local conditions in the light of these principles. Each state stands to benefit from the experience of the other and can add, alter or change its own system in order to improve its working. The entire approach is pragmatic as panchayati raj is a growing concept and there is no finality or rigidity about the pattern or system evolved at any time.\(^56\)

\(^55\) Ibid., p. 30.
To sum up, the committee envisage 'a Three-Tier system of rural local government, namely village panchayat at the village level, the panchayat samiti at the block level, and the zilla parishad at the district level.'

The salient features of the system of panchayati raj, as recommended by the committee were that they were to be 'organically linked.' In the sense that this organic link was to be secured through 'the device of indirect elections, i.e., the samiti was to be constituted by members elected by the panchás in the block, a Gram Sevak's circle constituting a unit for electing one member — about 20 in each panchayat samiti; each municipality in the block could elect one member to samiti; the elected representative could co-opt as members a stipulated number of persons belonging to scheduled castes/tribes, women, directors of co-operative institutions (alternatively elected) and local residents with experience in public life and rural development. The composition and powers of the zilla parishad, however, would depend upon whether the level of devolution is the block or the district.' In other words, one may say that the fundamentals of panchayati raj were a three-tier structure involving genuine transfer of power and


59. Ibid.
responsibility with regard to planning and implementation of development programmes, endowed with adequate financial resources, and facilitating further devolution and dispersal of power and responsibility in the future.

5.0.2.3. Post-Balwantrai Mehta Committee:

Concerning the introduction of panchayati raj, at the district and block levels, the National Development Council suggested that each state should so evolve its panchayati raj structure as would be suited to the peculiar conditions prevalent in the state. Acceptance of panchayati raj with necessary variations to suit conditions in states was also favoured by the Central Council of Local Self-government. The council recommended in 1959: 'While the broad patterns and the fundamentals may be uniform there should not be any rigidity in the pattern. In fact, the country is so large and panchayati raj (democratic decentralization) is so complex a subject with far-reaching consequences that there is the fullest scope of trying out various patterns and alternatives; what is more important is the genuine transfer of power to the people. If this is ensured, form and pattern may necessarily vary according to the conditions prevailing in the various states.'

Due to the above recommendation, each state tried different pattern. It is significant to note that the former Bombay State was not agreeable to making the block level body the pivot of the panchayati raj system. Rather it considered the district as the appropriate base to which power could be decentralized. For instance, the Naik Committee observed; 'we ...... feel that the district body is the best operative unit of local administration as it alone will be capable of providing the requisite resources, necessary administrative and technical personnel and equipment required for a properly co-ordinated development of the district. In view of this, we conclude that if decentralization is to be real and effective, it would be imperative to establish a strong executive body at the district level.'61 In case of the Parikh Committee, it also arrived at a similar conclusion. It wrote, 'administration and powers have been decentralized in this state (Gujarat) to different popular bodies existing at the district level. These bodies have done commendable work within the limits of the powers and resources given to them. In view of the glorious history and experience, it would be a natural corollary to endow them with more scope and greater powers under the scheme of democratic decentralization. But the

history of these institutions reveals that they were established at different times to meet different needs which arose from time to time. At the same time there was no idea of planned programme of total development of the people, nor importance of co-ordination of the activities conducted by different departments was recognised. At present, we are undertaking development programme through well-thought out plans at different level. In order to successfully fulfil the programme thus undertaken, instead of continuing the different popular bodies with different functions and different powers it becomes necessary to have one democratic institution at the district level. We, thereafter, recommended the establishment of a strong popular body at the district level to which we should entrust the duties, responsibilities and resources of all present bodies at the district level and delegate to it adequate powers and necessary financial resources and then entrust to it such other administrative responsibilities as may be feasible at that level.  

It is important to note whatever the form, the panchayati raj institutions are expected to fulfil a well-defined socio-economic role in the community. This role

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has been spelled out in the following ten points-called 'acid tests', which were laid down in 1961 by the Annual Conference of State Ministers of Community Development and Panchayati Raj held at Hyderabad. 'The conference agreed to the enunciation of identifiable tests by which every tier in the system of panchayati raj could satisfy itself about the discharge of its responsibilities.' These tests are:

(i) Production in agriculture as the highest national priority during the Third Plan.
(ii) Promotion of rural industries.
(iii) Development of co-operative institutions.
(iv) Development of local resources including the utilization of man power.
(v) Optimum utilization of resources available to panchayati raj institutions such as money, staff, technical assistance and other facilities from higher levels.
(vi) Assistance to the economically weaker sections of the community.
(vii) Progressive dispersal of authority and initiative, both vertically and horizontally, with special emphasis on the role of voluntary organizations.

63. Annual Conference on Community Development and Conference of State Ministers of Community Development and Panchayati Raj: Main Recommendations, Procedures and Agenda Notes, New Delhi: Ministry of Community Development and Co-operation, 1961, p. 15.
(viii) Understanding and harmony between the people's representatives and the people's servants through comprehensive training and education and a clear demarcation of duties and responsibilities.

(ix) Progressive increase in competence of both officials and non-officials.

(x) Cohesion and co-operative self-help in the community.

5.0.2.4. Asoka Mehta Report, 1977:

In 1977, the Cabinet Secretariat in their Resolution No. 14/1/2/77-CF dated 12th December, 1977, appointed the Committee on Panchayati Raj Institutions. The Resolution reads: 'The government accords the highest priority to rural development, so as to increase agricultural production, create employment, eradicate poverty and bring about an all round improvement in the rural economy. The government considers that the maximum degree of decentralization, both in planning and in implementation, is necessary for the attainment of these objectives. It has accordingly been decided, in consultation with the state governments and union territories, to set up a committee to inquire into the working of panchayati raj institutions, and to suggest measures to strengthen them, so as to enable a decentralised
system of planning and development to be effective. The committee was chaired by Asoka Mehta. The main term of reference of the committee was 'to review the existing situation regarding democratic decentralization in the states and the union territories, and the working of the panchayati raj institutions from the district to the village levels, so as to identify shortcoming and defects.'

The committee, after studying the existing panchayati raj institutions in various states, agreed with structure proposed by Balwantrai Mehta Committee. The committee said; 'The Balwantrai Mehta study Team's proposal resulted in a great deal of structural rationalization in recommending the block-level panchayat samiti as the functional spearhead of all rural development programmes. It would be necessary to keep in view the existing structures, even though the entire burden of the logic propounded by us calls for wide-ranging innovations keeping in view the long-range development inevitabilities, as well as the need for structural flexibility to suit the varying requirements of different states, located at different levels of development. Thus, even with respect to structural design of panchayati raj, as with regard to all other aspects, we would like to adopt an approach of built-in flexibility,


65. Ibid., p. (iv).
i.e., providing for only a spectrum of possibilities and not laying down a strait-jacketed pattern. Some of its recommendations were the followings:

(i) Panchayati raj institutions have to be round the crucial theme of linking institutions of democratic decentralization with socially motivated economic development.

(ii) Panchayati raj is both an end and a means. As an end, it is an inevitable extension of democracy; as a means, it would continue to be responsible for discharging obligations entrusted to it by the National and State governments in sphere not yet transferred to its exclusive jurisdiction.

(iii) There must be the transfer of substantial quantum of powers from the state government to the local bodies.

(iv) Panchayati raj institutions should be equipped to undertake democratic development management under conditions of rapid changes, continuous growth and sustained innovations in all spheres of rural life.

66. Ibid., p. 37.

67. Ibid., pp. 175-77.
(v) State governments should realize the social costs of administering expanding development programmes from a distance or through only governmental machinery. When they delegate the responsibilities for implementation to lower levels, they can concentrate on refinement of strategies and higher-level policy-making in the management of challenges of development administration in areas such as rural land structural industrialization, credit universalization and planning for fuller utilization of natural resources.

It is significant to note that there is no significant change in the structure of panchayati raj institutions after the proposal of the Mehta Study Team. According to the Asoka Mehta Report, the emphasis is shifted from taluka panchayat to mandal panchayat. It is of an opinion that in order to ensure the efficiency in administration as well as leadership in panchayati raj institutions, a group of village or mandal must be emphasized instead of taluka. Thus, it emphasizes the mandal panchayat. This is the real structural change recommended by Asoka Committee which is different from Balwantraï Mehta Committee. More detail about the structure of municipality as well as panchayati raj institutions will be discussed in the succeeding chapter.