Chapter – I

Problem of the Study
CHAPTER-I

PROBLEM OF THE STUDY

Aim of the Study:

The aim of the present study is to study the Andhra Pradesh Panchayati Raj Act, 1994 and to assess the extent it had achieved the objectives of this Act at grass root level in the Krishna District.

In 1992, the 73rd Constitutional Amendment Act was enacted by the Union Government giving constitutional status to the Panchayati Raj Institutions (Here after PRIs). The enactments of the 73rd Constitutional Amendment and subsequent state-wise Panchayati Raj Acts in India have brought the significance of grass roots democratic process into limelight. While the amendment helped strengthening and systematizing PR institutions in terms of conducting regular elections, constituting state finance commissions, etc., weakened the spirit of the amendment by leaving the option of devolution of functions (29 total), functionaries and funds, as per the 11th Schedule to the states. The Andhra Pradesh Panchayati Raj Act (Act no 13 of 1994) was enacted in March 1994, incorporating the provisions of 73rd Constitutional Amendment Act. With the implementation of the 73rd Amendment is the devolution package which respective State Governments are expected to provide to enable PRIs to become fully functional. This is an argument that the process of devolution has not been successful due to lack of Political will. The government has not transferred the Funds, Functions and Functionaries as per Andhra Pradesh Panchayati Raj 1994 Act, and hence the process of devolution has not been successful in Andhra Pradesh.

Decentralisation as a political phenomenon is interpreted as a means to make the state more responsive and adaptable to the local needs than that it could be with concentration of powers and responsibilities. More specifically, decentralisation is referred to as a process of sharing of powers by the central ruling authority with other lower authorities, each having authority within a specific area of the state. It also
means presence of formal political structures for each defined area representing a combination of local as well as central interest. These formal political systems exercise the power of decision making at the local level. Such allocation of powers is protected by formal as well as normative rules accepted by the centre. The process of decentralisation involves both administration and government as it involves delegation of powers to the lower levels in the territorial hierarchy; this could be within the state or in the offices with in a large scale of organisation (Dubey A.K, 1998: 50).

In recent times, there is an increasing realisation that genuine decentralisation leads to development. It is also felt that decentralisation of power to the local units of government and management is one of the best ways of empowering people; promoting public participation and increasing efficiency. According to Human Development Report (1993) where decentralisation has taken place, it has often been fairly successful in encouraging local participation, increasing accountability of local officials, reducing the costs and increasing efficiency. Decentralisation can help to mobilise resources, introduce locally and regionally diverse solutions and promote equitable growth by bringing the poor into mainstream development (Gopinath Reddy M, 2003:1284).

The concept of decentralisation is not new to India. However, this has been a subject of intensive debate since 1970's, when the orientation and structure of development planning changed from growth to redistribution with growth. Decentralisation refers to a situation in which lower-ranking decision units acquire all powers and responsibilities and have control over the determination of their goals and targets (Sundaram, K.V., 1997:31). In view of this, it is now a well recognised doctrine since local resources are to be harnessed, local needs to be consulted, and local knowledge is needed. By and large, it is thought that decentralisation would improve government and administrative responsiveness to the public and increase the quality and quantity of the services it provides at the local level. Administrative responsiveness implies that, in government, the administrative machinery at a
particular level has to be strong and responsive enough not only for delivering the goods to the citizens effectively but also to act to the satisfaction of all concerned (Pradeep Sahni and Vayunandan. E, 1992: 4). So wider implementation of decentralisation is essential for the success of developmental efforts.

Genesis of Decentralisation:

The word ‘Decentralisation’ has been borrowed from the Latin Word ‘descendo’ which means “to march down from higher ground” (http://dspace.vidyanidhi.org.in:8080/dspace/bitstream/2009/737/5/JMI-2002-138 1.pdf retrieved on 13-2-2011). Decentralisation denotes a process or situation in which powers and responsibilities are transferred from centre to grass root level. The theory of decentralisation in the Indian political system is 150 years old. (Rao .V., and Venkata Niru, 1978:140).

The word ‘decentralisation’ is used in different constitutional systems and in different social environments. In fact, it is a word of innumerable applications. Though all of them connote a common idea, which is inherent in the word’s Latin root “away from the centre” (Shakuntla Sharma, 1994: 35). Decentralisation means transfer of planning, decision-making or administrative authority from the Central Government to its field organizations local administrative units, semi- autonomous organizations and local governments or non-governmental organizations (Joshi R.P and Narwani G.S., 2002: 132). Decentralisation is the “Process of dividing and distributing authority and responsibility for programmes of administrative sub-units. Decentralisation typically involves re-assigning decision-making responsibilities on a geographical basis to field service operational units. It may also involve re-assignment of tasks based on subject matter specialization” (Bandyopadhyay, 1998: 471).

It is however, difficult to standardize the usage of the word ‘decentralisation’ by giving it a universally acceptable meaning. The English language took this word from Latin and it has innumerable applications. Though all of them, however, carry a common idea, which is inherent in the word’s Latin roots. To some decentralization
denotes 'the transfer of authority legislative, judicial or administrative from a higher level of government to a lower level (Meenakshisundaram, 1999: 55).

**Definitions of Decentralisation:**

Decentralisation is generally defined as a process where by administrative authority, public resources and responsibilities are devolved and delegated from central or state government agencies to lower level institutions such as Village Panchayats, Municipalities and Municipal corporations. Such a process develops a people - centred system of governance that enables hitherto powerless individuals and groups to play significant roles in the implementation of programmes and policies and mobilization, allocation and distribution of public resources so that they become basic engine of development and not merely its beneficiaries. Its main purpose is to bring accountability in governance ensuring economic and social justice (Guarang R. Sahay, 2008:104).

According to the report of the Balwantray Mehta committee, Decentralization can be defined as:

"Process whereby the government diverts itself completely of certain duties and responsibilities and devolves them on to some other authority within its jurisdiction, reserving, reserving to itself only the functions of guidance, supervision and higher planning" (Venkatesam, 2002: 5).

According to L.D. White, decentralization is "the process of transfer of administrative power from a higher to lower level of the government (White, L.D. 1959 : 34 and 35).

As per Allen, decentralization means systematic effort to delegate to the lowest levels all authority expects that which can only be exercised at central points (Allen L.A., 1958:158).
Koontz and Weihrich opine that “Decentralisation is the tendency to disperse decision-making authority in an organized structure. It is a fundamental aspect of delegation; to the extent the authority is not delegated, it is centralized” (Koontz, Harold, 1964:218).

“Democratic decentralisation implies progressive devolution of decision making on all vital matters affecting people’s lives” (Venkatesam. V, 2002: 5). The author warned that if the responsibility of development at the district level is left to the bureaucratic hierarchy under the control of the ministry at the state level, democratic decentralisation will remain an empty slogan”. (Venkatesam. V, 2002: 5)

Leonard Decohite defines decentralisation as “that process which denotes the transfer of authority, legislative, judicial or administrative from a higher level of Government to lower” (Leonard Decohite, 1954:3).

A.H. Hanson defines the term in a more limited technical sense. According to him “By democratic decentralization”, we mean “the transfer of some responsibilities of central government to subordinate agencies which are elected by geographic or functional constitution and which acquire at least some of their powers not by delegation from higher administrative authority but by legislative and perhaps constitutional provisions” (Bhargava B.S., 1979:2) “The word ‘democratic’ and ‘decentralisation’ form the key to the understanding of the synthetic compound expression ‘democratic decentralisation’. The word ‘democratic’ explains at once the nature and purpose of the concept as also its basic postulates in its institutional aspect. The word ‘decentralisation’ is essentially indicative of the method to realise the end as contained in the word ‘democratic” (Iqbal Narain, 1981:14).

While bringing about the distinction between the two concepts, Iqbal Narain (Iqbal Narain, 1981:14) says that under democratic decentralisation the underlying idea is to widen the area of democracy, by granting both authority and autonomy to the people at the lower levels.
The pre-fixing of the word “democratic” widens the idea and the implication of the term “decentralization”. It amounts to the transfer of powers to those bodies which are not only democratically constituted by the people but also function democratically, i.e., at every stage of their working, and for every single work of theirs, they are responsible to the people, who in their turn, possess the power of censuring their conduct when they so please (Bhatnagar, 1974:15 and 16). It is attempted to differentiate the communist concept of democratic decentralization and the democratic concept of democratic decentralization. According to him the democratic centralization which is an innovation of the communists, means democracy in constitutions and centralization in decision. Under this system people are free to elect their rulers but once people have elected them and approved of the broad outline of their policy, they cannot question them for the decision that they take. They must accept them. Democratic decentralization, on the other hand, confers upon the people full freedom, both in regard to election of the leaders and the making of the policies and their execution.

To sum up, democratic decentralization as a political concept aims at widening the area of people’s participation, authority and autonomy through dispersion or devolution of power to people’s representative organization from the top levels to the lower levels, in all the triple dimensions of political decision making, financial control and administrative managements with least interference and control from higher levels (Iqbal Narain, 1981:15 and 16).

Importance of Decentralisation:

Decentralisation has become necessary to ensure efficient and economical administration, speedy and realistic decision-making which is a pre-requisite for a big and complex task like that of rural development. The number of decisions to be taken from time to time is so large and the points on which such decisions are to be taken are so many that it becomes a necessity to distribute decision-making powers among a number of field organisations or field institutions rather than concentrate them at headquarters.
A decentralised governmental structure institutionalizes the participation of citizens in development planning and management. A decentralized government structure can facilitate the exchange of information about local needs and channel political demands from the local community to national ministries.

Decentralisation can lead to more flexible, innovative and creative administration. Regional, provincial or district administrative units may have greater opportunities to test innovations and to experiment with new policies and programmes in selected areas, without having to justify them for the whole country. If the experiments fail, their impacts are limited to small jurisdictions; if they succeed, they can be replicated in other areas of the country (Goel, S.L., 2003:6-8).

Decentralisation thereby creates a corporate sense of responsibility in local decision-making agencies with more or less independent existence and powers. It is training in self-government. It confines the administration of powers to those who will feel most directly the consequences of those powers.

Decentralisation, being the process of sharing power, especially for the decision-making authority, has to be a continuum from centralization to full autonomy. This continuum will constitute the phases of decentralisation in a given country. The main decisions are to be made in relation to the tasks of a system or in relation to the resources to accomplish the tasks. Hence one can think of decentralisation as a continuum of controls of three variables: organisational tasks, finance and human resources. Tasks and control or autonomy may relate to policy making, strategy-formulation, planning, priority-setting and implementation of a programme. In finance and human resources, the concern of autonomy can relate to generation and procurement of resources, controlling and owing them and their utilisation. (Meenakshisundaram, 1999: 56, 57).
An administrator or political leader at the centre can always say that the scarce resources of a developing nation can be used most efficiently and economically only if they are concentrated under a central authority and utilised through a national development plan by a national administration. He may also suggest that the regional or ethnic differences within a nation are so powerful that, if given autonomy, they may break up the nation. This is a commonly held view which must be respected because it contains much that is of simple common sense. But it also leaves a few critical questions unanswered and it ignores the actual experience of attempts at centralized planning and control in many countries which ended up with an uncontrolled urban growth, a stagnating country side, a gross national product whose increase fell far short of expectations and the consequent abandonment of the development plans.

On the other hand, it is possible to argue that ethnic and other factors which result in a pluralistic society make decentralisation all the more necessary if the unity and integrity of the country are to be maintained. A share in decision-making strengthens the bond between the different ethnic communities living within a nation, instead of breaking it up. Further, even within the administration any official can quote examples of centralized decision-making that was wasteful or ineffective: the funds and supplies that never arrived; the projects that remained paper proposals; the approvals that could not be obtained unless one had a friend or a relative in the central ministry. The experience gained in working a centralized system makes one realize the importance of decentralization (Meenakshisundaram, 1999: 57 and 58).

Our country is a Sovereign, Socialist, Secular, Democratic, Republic and it thus pledged to adopt a democratic way of life. Accordingly, popular governments have been formed at the Centre and in the states through directly elected representatives. The constitution under Article 40 has also specially directed the State Governments to take steps to organize village panchayats and endow them with necessary powers and authority to enable them to function as units of self-government. Democracy in its true sense cannot be expected to have a stable and
permanent existence if it is based only on democratic institutions at levels so remote from each other. Therefore, to ensure an integrated and stable democratic structure capable of survival under stress and strains which are implicit in this form of Government, it is imperative that there should be democratic institutions at intermediary levels between the State Government and the village panchayat (Venkataramaiya M and Pattabhiram M, 1969: 338-340).

Scholars belonging to different disciplines have made several arguments favouring decentralization as a model of development, empowering and social justice. The following are the some significant arguments.

- Decentralisation overcomes the problems of centralised planning by adopting a paradigm of development that reflects on the real needs and preferences of the concerned community, particularly its vulnerable and marginalized sections.
- It facilitates greater participation in the local politico-economic affairs that improves the quality and effectiveness of the government sponsored schemes and services, particularly those which are aimed at empowering poor and marginalized groups.
- It develops communicative understanding and cooperation between public officials and citizens, that help in creating an atmosphere conducive for sustainable development including the management and proper utilization of common property resources.
- It formalises and enhances the authority of citizens over public officials so that the latter one do not find enough opportunities and power to indulge in ‘rent-seeking’ activities.
- It can lead to the formation of a new forward looking self-identity among different sections of society that help in breaking down the iniquitous and hierarchical social order and its ramifications.
- It generates conditions for the realization of specific demands and needs of different regions and groups with minimal chances of public complain and religious, ethnic and minority upsurges.
It facilitates democratic values for resolving fundamental and specific social and economic problems faced by diverse groups and communities in a complex, tradition bound and culturally and economically diversified society like India (Guarang R. Sahay, 2008:104,105).

Pradeep Sahni and Etakula Vayunandan (2010) point out the Advantages and Disadvantages of Decentralisation are as follows.

The advantages of a decentralized system are:

1. It provides for administration to the citizens at their doorsteps. It, for all practical purposes, brings administration close to the people and thus enables it to take required decisions pertaining to local issues and problems.

2. Responsive administration calls for participation in administration. Through decentralized functioning the people, by and large, get an opportunity to participate in administrative functioning. It not only clears a large number of doubts in the minds of people but rather facilitates the extension of their wholehearted cooperation to administrative functionaries.

3. It enables administrative officials to work in accordance with such societal values and norms that pave the way for ethical and professionally sound administration. Thus, it leads to more efficient and effective functioning that is cherished by the locals.

4. Decentralised functioning reduces the work load of the top echelon of administration at the headquarters and provides them with more time to work on non-programmed and unique issues. The programmed and routine aspects are passed on to the lower units. However, this should not construe that the decentralized structures are to work only in programmed matters. Their involvement in non-programmed issues is equality of decisions taken at the lower levels that speak of the decentralization in the true sense of the term.

5. Through decentralization, the local level administration is able to decide the issue at hand, without sending it to the headquarter for seeking their approval. It gets local solutions to local problems and in majority of the cases it is to the satisfaction of all concerned.
6. While at job for efficient operations, the local units adapt to prevailing conditions and make those to be reflected in their actions. It paves was for friendlier functioning;

7. Decentralised administration gets the officials due amount of recognition. Such recognition along with advancement, responsibility, etc., help in motivating the officials at the field level. In turn, it has positive impact towards their effective functioning.

8. Innovations are always welcome in administration as these improve upon the functioning. On the bases of day-to-day handling of situations at the field level, the officials become more innovative in finding solutions to the local problems.

The disadvantages of a decentralized system are:

1. It increases the cost of administrative activities.
2. It stands in the way of effective coordination and control of the activities of various field units.
3. The officials develop more parochial approach while dealing with local situations. On their transfer to other place, it becomes more difficult for them to adjust the new situation and accordingly contribute towards effective functioning.
4. It causes overlapping and duplication of efforts put in use by various agencies.
5. Decentralised functioning is unable to get the benefit of the expertise of more seasoned professionals as it becomes much expensive for each unit to have it due to financial constraints at their end (Pradeep Sahni and Etakula Vayunandan, 2010:501, 502).

The idea of democratic decentralisation is opposed by some people. They have expressed the view that the existing local institutions have hardly had a satisfactory record of achievement that the efficient use of modern technology cannot be ensured through small administrative units. The existing local institutions are not in a position to show satisfactory record due to limitations under which they have been working.
With regard to the possible difficulty in efficient use of modern technology, it may be pointed out that a large number of schemes of local nature do not involve use of high technology. Further, this difficulty can be surmounted by providing adequate technical staff to the local bodies, making available to them technical advice of higher state officers and entrusting to them only such schemes as do not require higher technical skill.

Decentralisation means and includes devolution of state’s functions on local bodies. The local bodies discharge them subject to the constitutional responsibility of the state. In respect of the functions devolved on the local bodies, they will have full freedom in deciding the priorities between the various activities and the suitability of the areas, provided they conform to the general policy of the state. On the other hand, the state will have to exercise certain amount of supervision and control to ensure that the administrative and regulatory functions devolved upon the local bodies are discharged properly and that they are in tune with the state or the National Plan. In view of the large devolution of functions, it will be also necessary for the state to provide for certain built-in safeguards which, while giving freedom to the local bodies in their activities, will maintain the efficiency of local administration (Venkatarangaiya.M, and Pattabhiram.M, 1969: 341-44).

Decentralisation is also seen as an important means to enable efficient allocation of resources, improving governance, acceleration of economic growth, reduction in poverty, achievement of greater gender equity, and empowering the weaker sections of society. In contrast, arguments against it are that it weakens the capacity of central governments to undertake macroeconomic stabilisation, that there are efficiency losses due to poor administrative capacity of local governments to undertake the functions assigned to them and there is potential for increased corruption (Prud’homme, 1995 Tanzi, 1996, 2001). After reviewing several empirical studies Martinez-Vazquez Jorge and McNab (2003; p. 1608) conclude, “.....Our knowledge of how decentralisation affects growth is too limited at the present time to allow us to proffer advice. The dynamic superiority of decentralized over centralized public expenditures is by no means obvious.”
In Indian context, however, the issue is not whether or not decentralization leads to development, but on whether decentralisation makes local governments catalysts of development. The 73rd and 74th constitutional amendments have asserted that decentralisation strategy is imperative for inclusive development of the country. Despite this, many of the states are yet to complete the process of devolving powers to the panchayats and in many others, there is hardly any worthwhile participation of the people in the decision making process in panchayats. Therefore, the question is not whether decentralisation leads to development or otherwise, but how policy and institutional reforms can be designed and implemented to make the panchayats effective catalysts in the developmental process in rural areas. This has to be done by drawing lessons – both positive and negative, from the decentralization experiences (Govinda Rao. M and Raghunathan T.R, 2011:6).

The state governments were asked to prepare new Panchayati Raj legislations or to amend their existing laws absorbing the provisions of the Central Act. As a result, the Andhra Pradesh Panchayati Raj Act, 1994 was enacted on 25-4-1994 as a comprehensive single Act in accordance with the principles of the 73rd Constitutional Amendment, replacing the earlier Acts.

The state of Andhra Pradesh stood second in introducing the Panchayati Raj system in India in order to establish democratic institutions at the grassroots level. In the recent past, however, Andhra Pradesh had adopted different institutional arrangements in terms of activity mapping, conducting regular elections, constituting state finance commissions, etc., the option of devolution of functions, functionaries and funds, as per the 11th Schedule.

The AP Act specifies that the zilla parishads (Here after ZPs) (the highest tier located at district level) have been given powers of supervision and control of the mandal parishads (Here after MPs) including collection of data, consolidation of plans of the mandal parishads, distribution of funds allotted to the district, further down to the mandal parishads, examining and appraising the budgets of the mandals.
The mandal parishad will be responsible for the implementation of rural development programmes in the mandal area in association with panchayats, cooperatives, voluntary organisation and other development institutions. The Act also specifies a number of development functions to be performed by the mandal parishad for stepping up agricultural production, for improving livestock and establishing minor veterinary dispensaries under animal husbandry and for expanding and monitoring medical and health services under rural health and sanitation.

The Act (Section 45) also specifies that gram panchayats (Here after GPs) perform the duty of providing civic amenities, maintenance of GP roads, construction and maintenance of drains, cleaning streets, etc. Besides usual functions, the act specifies a long list of development functions. The development activities that GPs are supposed to perform are minor irrigation, watershed management, land reform measures including consolidation of holdings and cooperative management of community lands (Gopinath Reddy, 2003:1284, 1285).

In order to perform the numerous functions enlisted in the act, the extent of devolution required should be adequate. Coming to the actual devolution that has taken place, it needs to be stated that the ground reality in A P is not satisfactory. Most of the provisions of Andhra Pradesh Panchayati Raj Act, 1994 have not been implemented even today i.e., after more than decade and half. The functional devolution state of Andhra Pradesh as compared to some of the well performing states make it clear that AP has not done well in devolving functions, finances and functionaries envisaged in the XIth Schedule of the Constitution. In this context Krishna District of Andhra Pradesh is selected for the study.
Krishna District, with its district headquarters at Machilipatnam, is one of the coastal districts of Andhra Pradesh. Despite many facilities, the local government lags behind in the implementation of various developmental plans due to various problems. The famous river Krishna flows in this district. Part of upland mandals as well as the delta mandals has the facility of utilising the Krishna river water for irrigation purpose. The Kolleru Lake having a shallow depression area of about 388.5 Sq. Km. lies at Kaikaluru and Kalidindi Mandals. It acts as a reservoir for drainage water of surrounding delta areas during monsoon and it dries up in summer. As per census in 2011, the estimated population of Krishna District was 45,29,009, which is 5.3.4 per cent of the total population of the state. There are 967 inhabited and 38 uninhabited villages in the district. Development of these areas poses a challenge to local administration.

Objectives:

The present study examines the structure and functioning of PR system in Andhra Pradesh Panchayati Raj Act, 1994.

1. To study the salient features and implementation of Andhra Pradesh Panchayati Raj Act, 1994.
2. To assess how far the objectives of APPR Act, 1994 have been achieved.
3. To analyse the barriers faced by the people’s representatives in carrying the assigned functions.
4. To make suggestions for more effective functioning of Panchayati Raj institutions.

Methodology:

The present study is based on two types of data: Primary and Secondary data. The primary data is collected with the help of structured questionnaire. Random
sampling technique was used to select the respondents. Structured questionnaire method was employed to know how far the provisions of the APPR Act 1994 were implemented in Krishna district. Three questionnaires were prepared separately for Sarpanches, M.P. T. Cs, and Z.P.T.Cs respectively. In Krishna District there are 972 Sarpanches, 833 M.P.T.Cs and 49 Z.P.T.Cs. 10 per cent of Sarpanches (98), 10 Per cent of M.P. T. Cs (83) and 10 Per cent of Z.P.T.Cs (5) were selected as sample. 34 percent of BCs, 18 Per cent of SCs and 8 percent pf STs were selected from the each tier of PRI. Not less than 33 per cent women at all levels were selected for the study.

The secondary data required for the study was collected from various books and journals besides consulting official records and government reports. Further, various news papers and magazines by current issues of Panchayati Raj Institutions were also referred.

Chapterisation:

The present study is divided into 9 chapters.

The First chapter presents concerns with conceptual frame work of the theme of the study. The concepts which are relevant to the present study such as the decentralisation, objectives and characteristics of decentralisation, Problems of decentralisation etc. are discussed in this chapter. Problem of the study, its objectives, study of methodology is also discussed in this chapter.

The Second chapter deals with the Review of Literature on the Panchayati Raj after the enactment of 73rd Constitutional Amendment Act.

The Third chapter provides a brief account of Historical Evolution of Panchayati Raj in India

The Fourth chapter discusses the Structure and Functions of Panchayati Raj System in Andhra Pradesh.
The Fifth chapter presents Finances of Panchayati Raj in Andhra Pradesh

The Sixth chapter deals with the Perceptions of the Sarpanches on the Devolution Status and Framework in Krishna District.

The Seventh chapter deals with the Perceptions of M.P.T.Cs and Z.P.T.Cs on the Devolution Status and Framework in Krishna District.

The Eight chapter discusses the Finances of Panchayati Raj Institutions in Krishna District.

The Ninth chapter contains Summary Conclusions and Suggestions.

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