A true democracy is one in which citizens take an active part, not only in discussing but also in managing their affairs. The activities of local government affect the people directly and intimately and evoke their keen interest and willing participation. This stimulates political consciousness and a sense of responsibility and sacrifice among the people, which in turn paves the way towards the establishment of a 'government of the people, for the people and by the people'. Local government, which serves as the nursery of democracy, is a training institution for politicians and ensures a regular flow of talented leaders at state and national levels.

Decentralization is bedrock of local government. It was not borne out of the leaders' love for it. Gandhi viewed Panchayat Raj as an instrument of mass politics, which could be used to undermine the British authority in rural India and usher in an alternative political and economic philosophy of development. Besides, it was the pressure of the local leaders of the ruling party for a share in power that prompted the leadership to create force of power but cleverly under the cloak of decentralization.

Experience in Andhra Pradesh is that the caliber of Panchayat leadership is crucial in raising resources. There are competent and popular leaders who convince the villagers and manage to collect taxes and honestly spend the money to the maximum advantage of the village. In other villages, Sarpanches complain that the local population is unable to pay taxes due to the prevalence of poverty. Because of face-to-face relations with the electors, the Sarpanches are reluctant to displease them by forcibly collecting taxes. A Sarpanch cannot successfully enlist the cooperation of people in development
work after coercing them to pay taxes. Being one of them, he has his own vested interests which prevent him from acting firmly and impartially. A large number of Panchayats are small in size and even clerical assistance is not available to the Sarpanch. Even if administrative assistance is provided, in most of the Panchayats, the cost of collection may be many times more than the tax amount collected. Experienced field officials state that a large number of Panchayats are simply not able to collect the taxes inspite of their best efforts and there is no point in flogging not only a reluctant but a sick horse.

Another aspect of Panchayat Raj institutions is the feeling of Sarpanches that they lack power. The state leaders seek the support of Sarpanches during elections, and afterwards express only lip sympathy to the problems of villagers vis-à-vis Sarpanches. The pent up anger of powerless Sarpanches found expression in their massive turnout in Hyderabad in 1997. Their grievance is that even the central funds and JRY funds directly intended for them are blocked by the state government, and that their powers are clipped. They demanded more resources and more powers.

What should have been a well established, strong and resilient relationship between the state government and the local bodies had turned to be an embilical cord connection. Upon birth, the Panchayats are cut off from the state government and forced to depend on state governments for funds and powers. This invisible disconnection leaves Panchayats to mend and fend for themselves. Democracy at the grass root level and the adequacy of local self government receive a serious setback.
This work intended to study in depth the nature and scope of local governments, viz., Gram Panchayats, with the objective of identifying the issues related to mobilization of resources at the height of resource constraints and isolate various aspects of public expenditure. The task was onerous. But a humble attempt is made to investigate the problems of Gram Panchayats in Andhra Pradesh in general and the three regions, namely, Coastal Andhra, Telangana and Rayalaseema in particular. Concerted and sincere efforts are made to study the problem using the available statistical tools and economic analyses. The author owns the responsibility of any omissions and commissions in the study.

-Challa Satyanarayana Murthy