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**16**

## **LOCAL GOVERNMENT: URBAN AND RURAL**

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**Notes**

In your day-to-day life you require such basic facilities as water supply, drainage, garbage disposal, public health and sanitation. You may have watched such activities as installation or repairing of street lights, construction or repairing of roads or say renovation of a village tank. Who does all this? It is not the Central or the State government which immediately comes to your mind. It is the local government with which you can immediately relate yourself.

In this lesson you will study about local government at various levels.



### **Objectives**

After studying this lesson, you will be able to

- appreciate that the local government has an important role to play both in the rural as well as urban areas;
- describe the salient features of the 73<sup>rd</sup> and 74<sup>th</sup> amendments of the Constitution;
- describe the organisation and functions of the local bodies (Urban and Rural);
- identify the financial resources of local bodies;
- explain the functions of local bodies; and
- evaluate the performance of Panchayati Raj institutions as instruments of democratic decentralisation (grassroots democracy).

### **16.1 Urban Local Bodies**

In our towns and cities, we have local government institutions that are called Municipalities and Municipal Corporations. An urban area is usually a compact and densely populated area. Municipal administration is necessary to provide basic civic facilities like water supply, drainage, garbage disposal, public health, primary education, construction and maintenance

of roads and sanitation. As local level democratic government, the municipal institutions that are elected by the local people, raise taxes and collect fees and fines from the public. They regulate city life by laying down regulations regarding buildings, road network and garbage disposal. There are many developmental activities undertaken by them like women and child development, slums improvement etc. Municipal government has made possible participative urban development and local management of civic facilities.

**Notes**

## **16.2 Reforms Introduced by the 74<sup>th</sup> Constitutional Amendment**

The recommendations and suggestions of several commissions and committees appointed by the Central Government, from time to time, to improve the urban bodies resulted in the enactment of the Constitution (Seventy-fourth Amendment) Act, 1992. Earlier, State Governments were free to manage their local bodies as they wished. The Amendment made statutory provisions for the establishment, empowerment and functioning of urban local self-governing institutions. The main provisions of this Act can be grouped under two categories—compulsory and voluntary. Some of the compulsory provisions which are binding on all States are:

- (i) Constitution of nagar panchayats, municipal councils and municipal corporations in small, big and very big urban areas respectively;
- (ii) Reservation of seats in urban local bodies for Scheduled Castes / Scheduled Tribes roughly in proportion to their population;
- (iii) Reservation of seats for women up to one-third seats;
- (iv) The State Election Commission, constituted in order to conduct elections in the panchayati raj bodies (see 73<sup>rd</sup> Amendment) will also conduct elections to the urban local self-governing bodies;
- (v) The State Finance Commission, constituted to deal with financial affairs of the panchayati raj bodies also looks into the financial affairs of the local urban self-governing bodies;
- (vi) Tenure of urban local self-governing bodies is fixed at five years and in case of earlier dissolution fresh elections are held within six months;

***Some of the voluntary provisions which are not binding, but are expected to be observed by the States are:***

- (i) Giving voting rights to members of the Union and State Legislatures in these bodies;
- (ii) Providing reservation for backward classes;
- (iii) Giving financial powers in relation to taxes, duties, tolls and fees, etc;
- (iv) Making the municipal bodies autonomous and devolution of powers to these bodies to perform some or all of the functions enumerated in the Twelfth Schedule added to the Constitution through this Act and/or to prepare plans for economic development.

In accordance with the 74<sup>th</sup> Amendment, municipal corporations and municipalities (municipal boards or municipal committees) are now regulated in a fairly uniform manner in all the States. However you must remember that local self-government continues to be a subject in the State List. Thus, the 73<sup>rd</sup> and 74<sup>th</sup> amendments provide framework for the States in



respect of local government. Thus, each State has its own Election Commission which conducts elections to all local bodies after regular intervals of five years. Each State has its Finance Commission to regulate finances of the local bodies. Seats are reserved in the corporations and municipalities for Scheduled Castes and Tribes. One-third seats are reserved for women in all local bodies – urban and rural.

### 16.3 Composition

The Municipal bodies are constituted of persons chosen by direct election from the territorial constituencies in the municipal area. However, the Legislature of a State may, by law, provide for the representation in a municipal body of persons having special knowledge or experience of municipal administration, the members of Rajya Sabha, Lok Sabha and the members of Legislative Council and Legislative Assembly of the State, representing constituencies, which comprise wholly or partly the Municipal area and the Chairpersons of Wards Committees.

Empowerment of weaker sections of society and women by reserving seats for such groups is one of the important constitutional provisions of the Constitutional Amendment. The offices of chairperson are also be reserved for SC/ST and women. Thus at least one year, out of five year duration of Municipal Corporation of Delhi, the office of Mayor is reserved for a women, and one year is reserved for a Councillor of Scheduled Caste. It gives a term of five years to the municipalities and if any of them is to be dissolved, it must be given an opportunity of being heard.

To be able to understand the composition of urban local bodies, we give below a very brief account of **Municipal Corporation of Delhi**. This Corporation covers entire area of Delhi, except small portion of New Delhi where seat of Union Government is situated. The Corporation has 134 elected members (Councillors). They are directly elected from single-member wards on the basis of universal adult franchise. Several seats are reserved for women and for Scheduled Castes. It is elected for 5 years. Besides, there are 15 persons nominated by the Delhi Legislative Assembly. The Corporation functions through various Committees – the standing committee being the most important. The political head of the Corporation is the Mayor, elected by the Councillor for one year. A civil servant, called the Municipal Commissioner is its administrative head. Most other Corporations are generally based on this pattern.

### 16.4 Function of Urban Local Bodies

It is a common practice to divide the organisation of a corporation or a municipality into two parts: (a) the deliberative, and (b) the executive part. The corporation, council or municipal board or council consisting of the elected representatives of the people constitutes the deliberative part. It acts like a legislature. It discusses and debates on general municipal policies and performance, passes the budget of the urban local body, frames broad policies relating to taxation, raising of resources, pricing of services and other aspects of municipal administration. It keeps an eye on municipal administration and holds the executive accountable for what is done or not done. For instance, if water supply is not being properly managed, or there is an outbreak of epidemic, the deliberative wing criticises the role of the administration and suggests measures for improvement. The executive part of municipal administration is looked after by the municipal officers and other permanent employees. In the corporations, the Municipal Commissioner is the executive head, and all other

departmental officers like engineers, finance officers, health officers etc. function under his/her control and supervision. In a large corporation such as Delhi or Mumbai Municipal Corporation the Commissioner is usually a senior IAS officer. In the municipalities, the executive officer holds a similar position and looks after the overall administration of a municipality.

Municipal functions are generally classified into obligatory and discretionary types. The obligatory (compulsary) functions are those that the municipal body must perform. In this category fall such functions as water supply; construction and maintenance of roads, streets, bridges, subways and other public works, street lighting; drainage and sewerage; garbage collection and disposal; prevention and control of epidemics. Some other obligatory functions are public vaccination and inoculation; maintenance of hospitals and dispensaries including maternity and child welfare centres; checking food adulteration; removal of slums; supply of electricity; maintenance of cremation and burial grounds; and town planning. In some States some of these functions may be taken over by State Government.

The discretionary functions are those that a municipal body may take up if funds permit. These are given less priority. Some of the discretionary functions are construction and maintenance of rescue homes and orphanages, housing for low income groups, organising public receptions, provision of treatment facilities, etc.

Municipal Corporations take up more functions than municipalities. There are corporations like Delhi, Mumbai, Vadodara, Pune, Ahmedabad which are known for their various city development activities in such areas as public transport, public parks and open spaces including municipal zoo, and even milk and electricity supply.

### **16.4.1 Financial Resources of Urban Local Bodies**

Municipal corporations and municipalities raise their own resources from a variety of sources, as provided for in the respective municipal laws. Their own revenue sources are income from (i) taxes, (ii) fees and fines, and (iii) earning from municipal enterprises like land, tanks, markets, shops, etc. Besides these bodies receive grants from the State.

Property tax on land and buildings is the most important source of income of most urban local bodies. Other taxes levied by them are advertisement tax, professional tax etc. Octroi still remains an important source of income of municipalities in Western India. Now, the trend is toward abolishing this tax as it obstructs the free flow of traffic on highways. They also charge fines for breach of municipal rules and regulations. From municipal shops and markets and rest houses, municipalities often earn considerable sum of revenue. It is a general practice for States to give grants to their municipal bodies to improve their revenue position. State grants-in-aid may be on ad hoc basis; or, it can be on the basis of certain principles like size of population, slums concentration, location of town, etc.

Some of the taxes and rates collected by urban bodies are:

Property Tax; Water tax for water supplied; Seweraging Tax, Fire Tax; Taxes on animals and vehicles; Theatre Tax; Duty on transfer of Property; Octroi Duty on certain items brought into the city; Education Cess (Tax); and Professional Tax.

Some other sources of income are fines and fees such as Fees on Tehbazari on takhats and chabutras; licence fees – on cycle rickshaw, bicycles etc.; rent from municipal shops; and fines imposed for violation of municipal by laws.

**Notes**



**Intext Questions 16.1**

**Fill in the blanks:**

1. Metropolitan (large) cities like Delhi and Mumbai have \_\_\_\_\_ as their urban local bodies.  
(Municipal Corporation/Municipal Committee/Nagar Panchayat)
2. \_\_\_\_\_ seats are now reserved for women in local bodies.  
(Half/One-third/One-fourth)
3. State Election Commission conducts election of \_\_\_\_\_.  
(State Governor/Vidhan Sabha/Municipal Corporations and Committees)
4. Normal tenure of urban local bodies is \_\_\_\_\_ years.  
(three/four/five).
5. The administrative head of a municipal corporation is designated as \_\_\_\_\_.  
(Chairman/Mayor/Municipal Commissioner)
6. \_\_\_\_\_ is an obligatory function of the urban local bodies.  
(Maintenance of orphanages/construction of houses for low income group/supply of drinking water)
7. \_\_\_\_\_ is the major source of income of urban local bodies.  
(Property Tax/Fire Tax/Education Cess)

**16.5 Panchayati Raj Institutions**

The concept of panchayati raj is not only based on the ancient Indian belief that “God lives in the Panch”, or panch parmashwar, but was very enthusiastically propounded by Mahatma Gandhi. He believed in the power to all sections of people, and in grassroots democracy. That is possible only through village panchayats.

***Importance of Panchayati Raj***

Right up to the British period, panchayats played a very important role in the social life of the village and also resolved minor disputes among villagers. Under the British rule, panchayats lost the respect and power which they had earlier enjoyed because of the new system of courts, laws and revenue collection. Though in independent India one of the Directive Principles of State Policy in the Constitution directed the Union and State Governments to try to take steps to organise village panchayats and give them such powers and authority as may be necessary to enable them to act as units of self-government panchayati raj was not taken up seriously by the states. However, they are now given Constitutional status.



**Notes**



### 16.5.1 Recommendations of The Balwant Rai Mehta Committee and The Ashok Mehta Committee

The Balwant Rai Mehta Committee (1957) suggested ways of democratic decentralisation in a *three-tier structure of panchayati raj*. This meant that panchayati raj should be set up at three levels. They should be furnished with sufficient powers and resources. These three tiers of panchayati raj are:

- zila parishad at district level;
- panchayat samiti at intermediate or block level;
- village or gram panchayat at village level.

In this scheme, panchayat samiti was to be the most important. These three bodies were interlinked as the lower body was represented in the higher body through its chairperson. Panchayati raj of the Balwant Rai Mehta Committee pattern was first introduced by Rajasthan in 1959. Later, other States also followed. Initially, both the people and the states were enthusiastic about Panchayati Raj. However panchayati raj institutions began to decline very soon owing to government indifference and political interference.

**The Ashok Mehta Committee** set up by the government to review panchayati raj submitted its report in 1978. This Committee felt that panchayati raj had inculcated political awareness among rural masses. However, it had not been successful in carrying out economic development. Unlike the Balwant Rai Mehta Committee, the Ashok Mehta Committee suggested a *two tier structure of panchayati raj*. These two-tiers were to be:

- zila parishad at district level;
- mandal panchayat, an administrative unit between village panchayat and panchayat samiti. In the two-tier system, the main emphasis was laid on zila parishad and not on panchayat samiti as in the case of the earlier committee report. However the recommendations of the Ashok Mehta Committee could not be implemented due to the collapse of the Janata Government in 1980.

The States like Bihar, Uttar Pradesh and Tamil Nadu did not hold elections to panchayats for long. At the same time, many new agencies were set up by the Central Government like District Rural Development Agency, to take up development programmes in collaboration with the State Governments, with panchayats having no role in these programmes. They themselves hardly had any funds to take up development projects in the villages.

### 16.5.2 Salient Features of 73<sup>rd</sup> Amendment

The 73<sup>rd</sup> amendment to the Constitution enacted in 1992 made statutory provisions for the establishment, empowerment and functioning of Panchayati Raj institutions. Some provisions of this amendment are binding on the States while others have been left to be decided by respective State Legislatures at their discretion. The salient features of this amendment are as follows:

*Some of the compulsory requirements of the new law are:*

- Organisation of Gram Sabhas;



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- creation of a three-tier Panchayati Raj Structure at the Zila, Block and Village levels;
- almost all posts, at all levels to be filled by direct elections;
- minimum age for contesting elections to the Panchayati Raj institutions be twenty-one years;
- the post of Chairman at the Zila and Block levels should be filled by indirect election;
- there should be reservation of seats for Scheduled Castes/ Scheduled Tribes in Panchayats, in proportion to their population, and for women in Panchayats up to one-third seats;
- State Election Commission to be set up in each State to conduct elections to Panchayati Raj institutions;
- the tenure of Panchayati Raj institutions is five years, if dissolved earlier, fresh elections to be held within six months; and
- a State Finance Commission is set up in each State every five years. (Please refer to 74<sup>th</sup> Amendment discussed above)

*Some of the provisions which are not binding on the States, but only guidelines are:*

- Giving voting rights to members of the Central and State legislatures in these bodies;
- providing reservation for backward classes; and
- the Panchayati Raj institutions should be given financial powers in relation to taxes, levy fees etc. and efforts shall be made to make Panchayats autonomous bodies.

#### 16.6 Composition of Panchayats

The Panchayati Raj system, as established in accordance with the 73<sup>rd</sup> Amendment, is a three-tier structure based on direct elections at all the three tiers : village, intermediate and district. Exemption from the intermediate tier is given to the small States having less than 20 lakhs population. It means that they have freedom not to have the middle level of panchayat. All members in a panchayat are directly elected. However, if a State so decides, members of the State Legislature and Parliament may also be represented in district and middle level panchayats. The middle level panchayats are generally known as Panchayat Samitis. Provisions have been made for the inclusion of the chairpersons of the village panchayats in the block and district level panchayats. The provision regarding reservation of seats for Scheduled Castes/Scheduled Tribes has already been mentioned earlier. However it should also be noted here that one-third of total seats are reserved for women, and one-third for women out of the Quota fixed for Scheduled Castes/Tribes. Reservation is also provided for offices of Chairpersons. The reserved seats are allotted by rotation to different constituencies in a panchayat area. State Legislatures can provide for further reservation for other backward classes (OBC) in panchayats.

##### (i) Term

The Amendment provides for continuous existence of panchayats. The normal term of a panchayat is five years. If a panchayat is dissolved earlier, elections are held within six months. There is a provision for State level Election Commission, for superintendence,

direction and control of preparation of electoral rolls and conduct of elections to panchayats.

**(ii) Powers and responsibilities of panchayats**

State Legislatures may endow panchayats with such powers and authority as may be necessary to enable the panchayats to become institutions of self-government at grassroots level. Responsibility may be given to them to prepare plans for economic development and social justice. Schemes of economic development and social justice with regard to 29 important matters such as agriculture, primary and secondary education, health and sanitation, drinking water, rural housing, welfare of weaker sections, social forestry and so forth may be made by them.



Notes

### **16.7 Three-tier Structure of Panchayati Raj**

**(i) Panchayats at Village Level**

This is the basic or grassroots level of panchayati raj. The panchayat for a village or a group of villages includes (a) Gram Sabha, the symbol of direct democracy; (b) Gram Panchayat and (c) Nyaya Panchayat.

**(a) Gram Sabha**

Recognition to Gram Sabha, an institution of direct democracy, is an important feature of the 73<sup>rd</sup> amendment. Gram Sabha consists of all adult residents within a village or group of villages. Thus it is the only institution of direct democracy in the country.

Generally, two meetings of Gram Sabha are held every year. In these meetings, the Gram Sabha as the general body of the people hear annual statement of accounts, audit or administrative report of panchayats. It also recommends new development projects to be undertaken by panchayats. It also helps in identifying poor people of the village so that they may be given economic assistance.

**(b) Gram Panchayat**

The lower tier of the panchayati raj system in the country is the village level panchayat. It is known in most of the States as Gram Panchayat: The members of a Gram Panchayat are directly elected by the people. The number of members of a Gram Panchayat is fixed on the basis of village population. Hence, it differs from panchayat to panchayat. Election is held on the basis of single-member constituency. As already mentioned, one-third of the total number of seats are reserved for women; and some for Scheduled Castes and Tribes including one-third for women of Scheduled Castes and Tribes.

Chairpersons of Gram Panchayats are called by different names in different States as Sarpanch, Pradhan or President. There is a Vice-Chairperson also. Both are elected by members of the panchayat. Gram Panchayats generally hold their meetings once a month. Panchayats at all levels constitute committees for transaction of their business.

**(c) Nyaya Panchayat**

These are judicial panchayats and reminder of ancient village panchayat that settled local disputes. They are set up to provide speedy and inexpensive justice. Jurisdiction of Nyaya Panchayat varies from State to State – one such panchayat is set up for five or more gram panchayats. Their tenure is between 3 and 5 years, as determined by State law. Nyaya Panchayats generally deal with petty civil and criminal cases, and can impose fine upto





Rs. 100 only. There are no lawyers to plead the cases in Nyaya Panchayat. Parties to the disputes argue their own cases.

**(ii) Panchayat Samiti**

The second or middle tier of the panchayati raj is Panchayat Samiti which provides a link between Gram Panchayat and a Zila Parishad. The strength of a Panchayat Samiti also depends on the population in a samiti area. In Panchayat Samiti, some members are directly elected. Sarpanchs of gram panchayats are ex-officio members of Panchayat Samitis. However, all the sarpanchs of Gram Panchayats are not members of Panchayat Samitis at the same time. The number varies from State to State and is rotated annually. It means that only chairpersons of some Gram Panchayats in a Samiti area are members of Panchayat Samiti at a time. In some panchayats, members of Legislative Assemblies and Legislative Councils as well as members of Parliament who belong to the Samiti area are co-opted as its members. Chairpersons of Panchayat Samitis are, generally elected from among the directly elected members.

**(iii) Zila Parishad**

Zila Parishad at the district level is the uppermost tier of the panchayati raj system. This institution has some directly elected members whose number differs from State to State as it is also based on population. Chairpersons of Panchayat Samitis are ex-officio members of Zila Parishads. Members of Parliament, Legislative Assemblies and Councils belonging to the districts are also nominated members of Zila Parishads.

The chairperson of a Zila Parishad, called Adhyaksha or President, is elected from among the directly elected members. The vice-chairperson is also elected similarly.

Zila parishad meetings are conducted once a month. Special meetings can also be convened to discuss special matters. Subject committees are also formed.

**Ex-officio:** A person who holds an office, not because he/she is elected to that post, but by virtue of the fact that he/she holds another office.

**16.7.1 Functions of Panchayati Raj Institutions**

All panchayati raj institutions perform such functions as are specified in state laws relating to panchayati raj. Generally speaking the functions are as under:

**(i) Functions of Gram Panchayat**

Some States distinguish between obligatory (compulsory) and optional functions of Gram Panchayats while other States do not make this distinction. The civic functions relating to sanitation, cleaning of public roads, drains and ponds, public toilets and lavatories, primary health care, vaccination, supply of drinking water, constructing public wells, street lighting, social health and primary and adult education, etc. are obligatory functions of village panchayats. The optional functions depend on the resources of the panchayats. They may or may not perform such functions as tree plantation on road sides, setting up of breeding centres for cattle, organising child and maternity welfare, promotion of agriculture, etc.

After the 73<sup>rd</sup> Amendment, the scope of functions of Gram Panchayat was widened. Such important functions like preparation of annual development plan of panchayat area, annual budget, relief in natural calamities, removal of encroachment on public lands, implementation

and monitoring of poverty alleviation programmes are now expected to be performed by panchayats. Selection of beneficiaries through Gram Sabhas, public distribution system, non-conventional energy source, improved Chullahs, bio-gas plants have also been given to Gram Panchayats in some states.

**(ii) Functions of Panchayat Samiti**

Panchayat Samitis are at the hub of developmental activities. They are headed by Block Development Officers (B.D.Os). Some functions are entrusted to them like agriculture, land improvement, watershed development, social and farm forestry, technical and vocational education, etc. The second type of functions relates to the implementation of some specific plans, schemes or programmes to which funds are earmarked. It means that a Panchayat Samiti has to spend money only on that specific project. The choice of location or beneficiaries is, however, available to the Panchayat Samiti.

**(iii) Functions of Zila Parishad**

Zila Parishad links panchayat samitis within the district. It coordinates their activities and supervises their functioning. It prepares district plans and integrates samiti plans into district plans for submission to the State Government.

Zila Parishad looks after development works in the entire district. It undertakes schemes to improve agricultural production, exploit ground water resources, extend rural electrification and distribution and initiate employment generating activities, construct roads and other public works.

It also performs welfare functions like relief during natural calamities and scarcity, establishment of orphanages and poor homes, night shelters, welfare of women and children, etc.

In addition, Zila Parishads perform functions entrusted to them under the Central and State Government sponsored programmes. For example, Jawahar Rozgar Yojna is a big centrally sponsored scheme for which money is directly given to the districts to undertake employment-generating activities.

**Intext Questions 16.2****Fill in the blanks :**

1. The concept of panchayati raj was advocated by \_\_\_\_\_  
(Mahatma Gandhi/Jawaharlal Nehru/Sardar Patel)
2. Three-tier system was first advocated by the Committee headed by \_\_\_\_\_ .  
(Ashok Mehta/Balwant Rai Mehta/Suresh Mehta)
3. The middle-tier of Panchayati Raj is \_\_\_\_\_ .  
(Zila Parishad/Panchayat Samiti/Gram Panchayat)

**Notes**

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4. The 73<sup>rd</sup> Amendment has provided for a \_\_\_\_\_ to regulate the finances of local bodies.  
(State Planning Board/State Election Commission/State Finance Commission)
5. The \_\_\_\_\_ is responsible for co-ordinating developmental activities in a Panchayat Samiti areas.  
(District Magistrate/S.D.M./B.D.O.)
6. Petty disputes are settled in the rural areas by \_\_\_\_\_.  
(Gram Panchayat/Nyaya Panchayat/Panchayat Samiti)
7. \_\_\_\_\_ is the symbol of direct democracy.  
(Gram Sabha/Gram Panchayat/Zila Parishad)
8. Chairpersons of Panchayat Samitis are ex-officio members of \_\_\_\_\_.  
(Nyaya Panchayat/Gram Sabha/Zila Parishad)

### 16.8 Sources of Income of Panchayats

Panchayats can discharge their functions efficiently only if they have sufficient financial resources. For resources, panchayats depend mainly on grants from State Government. They also have taxation powers and have some income from owned or vested assets. They may get a share in the taxes, duties, tolls and fees that are levied and collected by the State Government. Let us now see what financial resources panchayats have to perform their functions.

#### (i) Gram Panchayat

In most States the power of levying taxes is vested in gram panchayats. House tax, tax on cattle, immovable property, commercial crops, drainage tax, sanitation fee, tax on produce sold in village, fee for supply of water to households, lighting tax are some of the taxes and fees levied by panchayats. Panchayats can also levy entertainment tax on temporarily stationed theatres, taxes on animals and non-mechanically propelled vehicles plied for hire.

Gram panchayats also receive funds as income from property owned by them as common grounds, jungles, cattle ground etc. The sale proceed of dung, refuse and carcasses (dead bodies of animals) is also retained by gram panchayats. They also receive their share in land revenue from the State.

#### (ii) Panchayat Samitis

Panchayat Samitis can impose tax on facilities provided by them as water for drinking or irrigation purposes, lighting arrangements, tolls for bridges maintained by them. The property of Panchayat Samitis includes public buildings, public roads constructed or maintained out of their funds and all land or other property transferred to them by the government. Panchayats receive income from the property vested in them. They also receive grants from the State Governments. Funds are transferred by Zila Panchayats or State

Governments along with schemes to be implemented by the intermediate institutions of panchayati raj.

Toll tax is charged from those who use a facility. Thus, those who pass over a bridge may have a nominal amount of money as toll for the bridge.

**(iii) Zila Parishads**

Zila Parishads are also authorised to impose taxes. They may impose taxes on persons carrying on business in rural areas for six months, taxes on brokers, commission agents in markets established by them, also tax on sale of goods in these markets. Tax on land revenue can also be imposed by Zila Parishads. When development schemes are entrusted to them, necessary funds are also provided. They also receive grants from the State, donations from charitable institutions, and may also raise loans.

**Notes****16.9 Evaluation of Panchayati Raj**

The concept of grassroots democracy at both rural and urban levels has not flourished in the country. Some of the major reasons behind this failure are politicisation of administration, entry of criminal elements in the elected bodies, rampant corruption, caste and group division, priority to self interest over public welfare and electoral malpractices. The 73<sup>rd</sup> amendment seeks to radically alter the power relations in the villages by reserving seats for scheduled castes, tribes, backward classes and women. However, in the absence of proper education, training and economic independence, these groups are unable to assert themselves. Illiteracy poverty and unemployment are the major handicaps. Urgent steps need to be taken to effectively deal with these problems in order to facilitate participatory development. Though the provision for reservation of seats for women has been manipulated by their male counterparts – mostly their husbands – it has certainly empowered them to some extent. They are increasingly becoming aware of their rights and responsibilities and are asserting themselves in certain cases. This is definitely a very positive development.

The latest Constitutional Amendments have certainly broadened the financial resources of the local self-governing institutions. However they still remain starved of funds. Taxation powers have been given to them but they are unable to collect enough taxes. So due to scarcity of resources, panchayats are not able to fulfil their role as self-governing institutions or carriers of economic development in the countryside. Panchayats are subject to various controls by the State Governments. The State Governments are authorised to cancel their resolutions and even dissolve them. However the 73<sup>rd</sup> Constitutional Amendment has made it compulsory for the States to hold election of panchayati raj bodies within six months of their dissolution.

It is necessary that the people participate actively in democratically elected panchayats. This can be ensured through Gram Sabhas. Through Gram Sabhas, the people can question and demand explanation from panchayats. Gram Sabha can harmonise needs and priorities of people and also plan direction of village development. The Gram Sabhas can successfully play the role of securing democracy at the grassroots if they are endowed with sufficient authority.

The overall socio-economic and cultural development of rural areas depends on strong panchayats. Panchayats as the foundations of democracy at the grassroots can be

strengthened only by reposing faith in them, endowing them with adequate administrative and financial powers and encouraging vigilance and active participation of the people.



**Notes**



**Intext Questions 16.3**

Select the correct answer from the brackets given at the end of each question:

1. Who receives income from the sale of dung, refuse and carcasses?  
(Zila Parishad/Panchayat Samiti/Gram Panchayat)
2. What is a toll tax?  
(Tax on the sale of public property/tax for the use of bridges or roads/tax on electricity)
3. By whom are the taxes imposed on commission agents?  
(Zila Parishad/Panchayat Samiti/Nyaya Panchayat)
4. What was the aim of reservation of seats for Women, Scheduled Castes/Tribes and other backward classes?  
(To develop the economy/To alter the social structure of villages/To promote co-operation)
5. Why are the panchayats unable to fulfil their role as self-governing institutions.  
(Scarcity of resources/Lack of participation by the youth/Interference by political class)
6. Which body can ensure participation of democratically elected representation.  
(State Assembly/Zila Parishad/Gram Sabha)



**What You Have Learnt**

There are three types of urban local bodies: Municipal Corporations in big cities, Municipalities in medium and small towns and Nagar Panchayats in semi-urban localities. All types of urban local governments are democratically elected by the people on the basis of electoral wards. Urban local bodies frame policies for the cities and towns, raise revenue and pass their own budgets. The most important source of revenue of urban local bodies is the property tax imposed on land and buildings. Grants-in-aid from the Government constitute another major source of revenue. Urban local government is the major supplier of essential civic services and facilities in our urban areas and it represents grassroots democracy at the local level.

Panchayat is the most ancient institution at the village level in our country. Panchayats have been functioning as primary institutions of democracy at the grassroots level. The 73<sup>rd</sup> amendment gave them constitutional status. The task of rural development now rests on panchayati raj institutions. The involvement of hitherto underprivileged sections, scheduled castes, scheduled tribes, backward classes and women in the participatory process will further strengthen the grassroots institutions.

Although the panchayat raj system in the entire country is not the same but, by and large, most of the States have the three-tier structure: zila parishad at the district level, panchayat samiti at the intermediate or block level and gram panchayat at the bottom or village level. Active participation and vigilance on the part of the rural public is a must for the sustenance of democratic decentralisation.

**Terminal Exercises**

1. What is urban local government?
2. What were the major reforms introduced by the 74<sup>th</sup> Constitutional Amendment?
3. Identify the major functions of urban local bodies.
4. Mention the important sources of income of Urban Local Bodies.
5. Describe briefly the three-tier structure of Panchayati Raj.
6. Briefly discuss the salient features of the 73<sup>rd</sup> Amendment of the Constitution of India.
7. Analyse the recommendations of the Balwant Rai Mehta Committee.
8. Evaluate the functioning of panchayats as grassroots institutions of democracy.

**EXTENDED LEARNING**

Read 73<sup>rd</sup> and 74<sup>th</sup> (Constitutional Amendment) Acts, 1992.

Visit a nearby panchayat, talk to the leaders and try to find out what the panchayat is doing in the area. Also talk to the people and enquire whether they are aware of the panchayat schemes and their functioning. What has been the role of the panchayat in the development of your village or villages nearby.

**Answers to Intext Questions****16.1**

1. Municipal Corporation
2. One-third
3. Municipal Corporations and Committees
4. Five
5. Municipal Commissioner
6. Supply of drinking water
7. Property Tax

**16.2**

1. Mahatma Gandhi

**Notes**

## MODULE - 3

### Political Science

#### Structure of Government

2. Balwant Rai Mehta
3. Panchayat Samiti
4. State Finance Commission
5. B.D.O.
6. Nyaya Panchayat
7. Gram Sabha
8. Zila Parishad

#### 16.3

1. Gram Panchayat
2. Tax for the use of bridges and roads
3. Zila Parishad
4. To alter the social structure of villages
5. Scarcity of resources
6. Gram Sabha

#### Hints for Terminal Exercises

1. Refer to Section 16.1
2. Refer to Section 16.2
3. Refer to Section 16.4
4. Refer to Section 16.4.1
5. Refer to Section 16.7
6. Refer to Section 16.5.2
7. Refer to Section 16.5.1
8. Refer to Section 16.9



Notes