The pre-independence period

India has a long legacy of Panchayats, an important feature of these institutions being that they were largely self-governing. During the Vedic period, the village Panchayat, called ‘Samiti’ was the basic unit of administration and the head of a Samiti was called Gramin. Kautilya’s “Arthashastra”, depicting the system of governance of the Maurayan age, indicates the significance of these institutions particularly for revenue and economic purposes and mentions the various functions to be performed by Gramika, the village headman. The historical records of the Gupta era also show the existence of a Gram Sabha consisting of all adult residents of a village, controlled by an executive body or council popularly known as Panchayat, which managed village affairs.

The growth of Panchayats had, through the ancient, medieval and modern periods, ups and downs. It is only from the year 1870 that India saw the dawn of representative institutions with Lord Mayo’s resolution proclaiming the need for local interest, local supervision and local care on issues like education, sanitation, medical relief and public works. The development of local self-government institutions got a further fillip with the introduction of the Montague-Chelmsford Report which made local self government a transferred subject under the scheme of Diarchy. By 1925 eight provinces had passed Panchayat Acts and by 1926, six native states had also passed Panchayat laws. The Government of India Act of 1935 led to the formation of popular Ministries in 1937 and they undertook legislations to make the local bodies truly representative of the people. However, the initial zeal of the Ministries to make these institutions popular received a setback between 1939-46 due to the outbreak of the Second World War and events thereafter.

The post-independence period

After India got independence, an important question which came up was the nature of the role the Panchayats should have in the new Constitution. Ultimately, the overall feeling of the members of the Constituent Assembly was for the inclusion of village Panchayats in Article 40 under the Directive Principles of State Policy which reads as follows:

“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 local self-government”. The Directive Principles were, thus, only persuasive and did not compel the States to take steps to promote Panchayats.

The post-independence phase of Panchayati Raj is marked with significant developments. In an attempt to usher in socio-economic and cultural transformation in the country side, in 1952, the Government of India had launched a comprehensive programme of Community Development Programme (popularly known as CDP) encompassing almost all activities of rural development; however the programme could not make much headway in fulfilling the dreams of the rural masses. In order to examine the causes for
its failure, the Government of India constituted a high power study team headed by Balwantrai Mehta, a Member of Parliament. The Team observed that the failure of the CDP was due to the conspicuous absence of people’s participation. In order to secure participation, the Team suggested that ‘a set of institutional arrangements’ would have to be created to make participation meaningful and effective. This resulted in the creation of a ‘three-tier’ system of PRIs to organize and manage the rural development activities. Thus began a new experiment in the sphere of rural development through the participation of people. The recommendation favoring democratic decentralization accelerated the pace of constituting PRIs in the States. By 1959, most States had passed Panchayat Acts and by mid 1960s, Panchayats had reached all the parts of the country. The framework of the new institutional arrangement comprised ‘Village Panchayats’ at the base, ‘Panchayat Samitis’ at the middle and ‘Zilla Parishads’ at the apex level.

PRIs were, thus, made an institutional component of India’s development administration. However, although the ideals and basic objectives of these institutions were identical in nature, their powers, mode of representation of the people and the nature of inter-relationship among them were not uniform.

Since the Balwantrai Mehta Committee did not make provisions for fiscal decentralization, the K. Santhanam Committee was set up in 1963 to look into Panchayat finances. Key recommendations included powers to levy a special tax on land revenues and homes; consolidation of all grants at the state level and devolution to PRIs; and the establishment of a Panchayat Raj Finance Corporation to look into the financial resources of PRIs and provide loans and financial assistance to grassroots level governments.

Since the recommendations of earlier committees were not fully implemented, the Ashoka Mehta Committee (1978) was appointed to again examine measures to strengthen PRIs.

It recommended inter-alia the following:

- The district as the key administrative unit for planning, coordination and resource allocation, and the management of the rural and urban continuum.
- Population based representation of Scheduled Castes (SCs) and Scheduled Tribes (STs) in the election to PRIs.
- Participation of political parties in elections.
- Financial devolution consistent with the devolution of developmental functions to the district level.

Thus the thrust shifted from the Panchayat as a development organization to the Panchayat as a political institution. Building on the recommendations of the Ashoka Mehta Committee, the states of Karnataka, Andhra Pradesh, West Bengal and Jammu and Kashmir either revised their existing Panchayat Acts or passed new legislation. For the first time in India, local body elections in West Bengal in 1978 saw the participation of political parties.
Constitutionalising the PRI system

A wave of decentralization of service delivery to local governments gathered momentum in the 1990s, including countries like Albania, Bolivia, Bosnia, Brazil, Ethiopia, Malawi, Madagascar, Philippines, South Africa, Uzbekistan, Uganda and Zambia.

India also implemented a countrywide experiment with decentralization to local governments, since the passage of the 73rd and 74th Constitutional Amendments in the early 1990s.

In order to implement Article 40 of the Constitution, the 73rd Constitution Amendment Act, 1992 inserted Articles 243 to 243-O which tried to address some of the problems encountered by PRIs in previous years by

a) Granting PRIs constitutional status;
b) Empowering socially and economically disadvantaged groups such as dalits, adivasis and women;
c) Ensuring free, fair and regular elections;
d) Keeping terms fixed;
e) Identifying a list of subjects to come under the jurisdiction of PRIs;
f) Addressing the issue of PRI finances; and
g) Establishing the Gram Sabha (village assembly) as the electorate body to which the Panchayat would be accountable.

The main features of the 73rd Amendment may be seen at Annexure – I.

- The centrality of the Gram Sabha to decentralize governance.
- Uniform three-tier PRI structure with village, block and district levels.
- Direct election to all seats for all members of all levels.
- Proportionate reservation of Panchayat seats and offices of chairpersons at all levels for SC and ST, with one third reserved for SC/ST women.
- One third of total seats and chairperson offices reserved for women.
- Ability of the state legislature to provide seat and office reservations to backward classes.
- Uniform five-year term for Panchayats, with elections before the expiry of term; elections within six months if Panchayat dissolved.
- Protection against dissolution by amendment before the expiry of Panchayat term.
- Disqualification from Panchayat membership for those disqualified from election to state legislature.
• Independent State Election Commission to supervise preparation of electoral rolls and control electoral process.
• Powers to states regarding which subjects to devolve.
• Setting up a State Finance Commission (SFC) once in five years to review PRI financial position and make suitable recommendations for fund distribution to Panchayats.

Urban Local Bodies (Municipalities and Municipal Corporations)

Ancient India

The system of local self governance in urban areas in India has a hoary legacy. The idea of local self government was present even during the grand old days of Vedic India. The cult of “Sabha” (Popular Assembly) and mention of city administration in the ancient epics show evidence of existence of constitutional government at local level. Kautilya’s “Arthasastra” of 300 B.C. talks of city administration by state appointed “Nagaraka” (City Superintendent) performing various civic functions and the accounts of Megasthenes, the great ambassador of the ancient Greek king Seleucus to the royal court of Chandra Gupta, the Mauryan emperor, narrate performance of various civic administration and formation of local bodies like “Kudumbus”(wards). In the medieval age during the Mughul era distinctive achievements were made in the sphere of local government in urban administration. The office of “Kotwal” was developed as the keystone of municipal organisation.

British India

The foundation of urban local government ushered in the modern era during the British period, inasmuch as the present system of municipal government was by and large introduced in this country by the British Government. Madras bears the unique distinction of being the earliest city in India to be established as a municipal corporation. In 1688 a royal charter was procured by the East India Company for the organisation of a Corporation at Madras. Similarly, Municipal Corporations were created for Calcutta and Bombay by a Royal Charter granted in 1727. More Municipalities and Corporations were set up in different areas progressively. Socio-political obligations chiefly led to the creation of those urban local governments – to bring down pressure on the royal treasury, to look after the health and well-being of the British soldiers and to facilitate collection of taxes and revenues from the local inhabitants. With the passage of time legislations were made defining the scope and activities of the Municipalities and the Corporations. The first attempt to provide machinery more capable of directing civic affairs came in the 1840’s, when the principle of election was introduced to a very limited scale. The Bengal Act X of 1842 was the first municipal legislation outside the Presidency town of Calcutta. The performance of the local bodies under this Act was not considered successful. It was replaced by
the Act XXVI of 1850 as an all-India measure. Following the outbreak of a severe epidemic which could not be controlled by the existing governmental machinery, Lord Lawrence extended local self-government to the local areas under the provision of the Bengal Municipal Improvement Act, 1864 to deal with the sanitary problems of larger towns. Lord Rippon’s famous Act of 1884 is universally acknowledged as the harbinger of local democracy in urban India. It brought about fundamental changes in the municipal structure, functions and responsibilities and under this Act, all members of the Board were to be elected. Later, this Act was substituted by the Bengal Municipal Act 1932 which continued to be the basic guiding municipal legislation in the pre-independence era.

**Post Independence India**

The evolution of municipal administration as an integral part of local self government constitutes a fascinating chapter in the annals of India’s administrative evolution. After independence and with the inauguration of the Constitution embodying the principles of democracy and welfare state, the position of local self government institutions has assumed an increasing importance in the political and administrative set-up of the country. The problems of local self government, however, got a good deal of attention in view of the first two conferences of the State Local Self-Government Ministers held in 1948 and 1954. As a result of the recommendations of the Conference in 1954, a Central Council of Local Self-Government was established under Article 263 of the Constitution by a Presidential order in September, 1954. This provided a forum for discussion of policy and programmes on local self government.

**Constitutional status of the ULBs**

A wave of decentralization of service delivery to local governments gathered momentum in the 1990s, including countries like Albania, Bolivia, Bosnia, Brazil, Ethiopia, Malawi, Madagascar, Philippines, South Africa, Uzbekistan Uganda and Zambia. India also implemented a countrywide experiment with decentralization to urban local governments with the passage of 74th Constitutional Amendment in 1992. The 74th Amendment Act, 1992 inserted Articles 243 P to 243 ZG, for uniform compliance throughout the country, the major features of which are:

a) Granting ULBs constitutional status;

b) Ensuring free, fair and regular elections;

c) Fixed tenure of elected body;

d) Identifying a list of 18 subjects to come under the jurisdiction of the ULBs as enumerated in the Twelfth Schedule;
e) Setting up of a State Finance Commission once in five years to review ULBs financial position and make suitable recommendations for distribution of funds to ULBs;

f) Independent State Election Commission to supervise preparation of electoral rolls and control electoral process;

g) Proportionate reservation of seats and offices of Chairpersons at all levels for SC and ST, with one third reserved for SC/ST women;

h) One third of total seats and chairperson offices reserved for women;

i) The centrality of Ward Committees to decentralize governance.

Article 243W enjoins that the Legislature of a State may, by law, endow the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities with respect to:

- the preparation of plans for economic development and social justice;
- the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule.

Thus, the 74th Constitutional Amendment consolidated social gains conceived in establishing the ULBs throughout the country and imposed a political uniformity on the structure and working of the third tier of governance. The Amendment perceived popular participation as the key factor in decision-making and service delivery.

Regulatory functions, public safety, public infrastructure works, and development activities.