

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.

Following the footsteps of Mayo, Lord Ripon in 1882 provided the much needed democratic framework to these institutions. All boards (then existing) had to have a two-thirds majority of the non-officials who had to be elected; the chairmen of these bodies had to be from among the elected non-officials. Local self-government institutions received a boost with the setting up of the Royal Commission on Decentralisation in 1907 which viewed that local government should start from the village level rather than the district level.

The years that followed after the First World War, saw the advent of leaders like Mahatma Gandhi on the national political scene. He set the tone of the nationalist point on the Panchayat. He viewed the Panchayat as a *Swadeshi* institution and visualized the advent of a free nation in India marked by village self-rule and all-round development at the grass root level in the rural areas, which he frequently termed as *Gram Swaraj*.

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.

Thus the 73rd Constitutional Amendment consolidated many of the gains achieved in establishing PRIs, and imposed a political uniformity on the structure and working of the third tier. The Amendment perceived popular participation as the key in decision-making and service delivery. This goal of reclaiming the state by the citizen had become particularly important with weaknesses in the state's delivery mechanisms becoming evident. The Ninth Five Year Plan (1997-2000) stated: "Past experience has shown that many development projects and programmes, having laudable objectives, have failed to deliver the result because of the inadequacies of design and implementation. Time and cost overruns have become widespread and substantial in public sector infrastructure and investment projects. It is common knowledge that the benefits intended to be delivered to the people through development programmes in the social sectors have not fully reached the beneficiaries because of the weakness in administrative planning and delivery mechanism."

Including the adivasis

The Constitutional Amendment, however, excluded the adivasis or indigenous people, except for reservations, and the Scheduled Areas (Areas with a majority tribal/indigenous population). Subsequent to the Bhuria Committee (1994) extending the provisions to the Scheduled Areas and suggesting modifications to strengthen institutions of local self government, the Adivasi Act, or the Provisions for Extension to Scheduled Areas (PESA) came into effect in 1996. This Act is remarkable in the Indian context since it recognizes the vulnerability of the adivasis to any action against their interests by state representatives such as the lower officials of the police, excise, forest and revenue departments. It endorses the communitarian nature of adivasi life with respect to the resource base.

Moreover, it recognizes the priority of community rights with respect to individuals, especially in the case of property. On the basis of these principles, the Act placed the Gram Sabha at the centre of the Panchayat system of self-rule for the adivasis, going beyond the functions and powers of the 'Gram Sabha' in non-Scheduled Areas. Thus the 'Gram Sabha' in Scheduled Areas has been entrusted with preserving popular customs and cultural identity; the traditions and customs of the people; safeguarding the community in the management of community resources; ensuring the customary mode of conflict resolution; and being consulted in land acquisition matters.

Following the mandate of the 73rd Amendment to the Constitution, which gave a constitutional status to the Panchayats as a third tier in India's federal structure in rural areas, there are now 2.39 lakh village Panchayats, (village councils), 6405 Panchayat Samitis (block councils) and over 589 Zilla Parishads (district councils), making this the single largest experiment in decentralization of governance attempted anywhere in the world.