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Q1

"The local self government system in India has not proved to be effective instrument of governance". Critically examine the statement and give your views to improve the situation.

UPSC Civil Services Mains 2017 · GS II · 10 marks · Governance and Policy

Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Core demand of the question

- Critically examine the statement that local self-government in India has not proved an effective instrument of governance, and give views to improve the situation
- Use the 73rd and 74th Amendments, the Eleventh and Twelfth Schedules, and the three Fs of funds, functions and functionaries

Revision summary

The 73rd and 74th Amendments created a third tier with elections, reservations and two Schedules of functions.

Articles 243G and 243W still leave funds, functions and functionaries to State law, so devolution is uneven.

Parastatals, late State Finance Commissions and administrator rule keep real governance above the ward.

PESA, Finance Commission grants and a few State activity maps show what works when power is actually transferred.

Improvement needs exclusive functions, notified SFC awards, and elected control of the staff who deliver services.

Introduction

The Constitution (Seventy-third Amendment) Act, 1992, and the Constitution (Seventy-fourth Amendment) Act, 1992, made panchayats and municipalities a third tier of government. After twenty-five years the form is constitutional, but day-to-day governance in many States still sits with the collector, the parastatal and the line department. A critical examination must admit both the gains and that unfinished devolution.

Body**Gains that the statement underplays**

- Part IX and Part IXA, with Articles 243 to 243ZG, created regular elections, reservations for women, Scheduled Castes and Scheduled Tribes, and a State Election Commission, so local bodies are no longer a gift of the State government.
- The Eleventh Schedule lists 29 panchayat subjects and the Twelfth Schedule lists 18 municipal functions; Gram Sabhas and ward committees give a legal forum for the voter below the

Assembly.

- The Panchayats (Extension to Scheduled Areas) Act, 1996, extends village self-rule in **Fifth Schedule** areas, and the **Fourteenth Finance Commission** raised the share of grants that go straight to local bodies.
- Where States have transferred activity mapping, as in Kerala's people's plan and in some West Bengal and Karnataka phases, local bodies have run schools, anganwadis and roads with visible results.

Why the instrument is still weak

- **Article 243G** and **Article 243W** leave devolution to the State legislature; most States have not transferred the three Fs of funds, functions and functionaries in a matching set.
- Parallel bodies - DRDAs, water boards, development authorities and centrally sponsored missions - spend the money that the Schedules name as local, so the elected council plans on paper and the department executes on the ground.
- **State Finance Commissions** under **Articles 243I and 243Y** are often late; their awards are partly accepted; property tax, profession tax and user charges remain capped; GST later removed octroi without a city share.
- Prolonged administrator rule, delayed polls, and a State-appointed commissioner or CEO split political authority from the file.
- **Capacity is thin:** accounts are not audited on time, Gram Sabhas are poorly attended, and the **Second Administrative Reforms Commission** noted that activity mapping and social audit are still incomplete.

Views to improve the situation

- Make a minimum list of exclusive local functions and a predictable share of State tax a constitutional or statutory floor, so devolution is not only a State choice.
- Time-bind **State Finance Commission** reports and their notification, on the model of the **Union Finance Commission**, and publish activity mapping for every Eleventh and **Twelfth Schedule** head.
- Merge or subordinate parastatals to the elected council for water, sanitation and town planning, and place the municipal commissioner under a mayor-in-council where the city is large.
- Follow the Balwant Rai Mehta, Ashok Mehta, G.V.K. Rao and L.M. Singhvi line of thought: the village and the ward must control the functionary who delivers the service, not only pass a resolution.
- Tie Union local-body grants to audited accounts, online budgets and completed elections, which the Fourteenth and **Fifteenth Finance Commissions** already began to do.

Flow diagram

73rd and 74th Amendments -> Elections and reservations
 73rd and 74th Amendments -> 11th and 12th Schedules
 11th and 12th Schedules -> State legislature devolution
 State legislature devolution -> Weak three Fs
 Weak three Fs -> Parastatals and departments
 SFC and FC grants -> Effective local government

Conclusion

Local self-government has not yet become an effective daily instrument because the 73rd and 74th Amendments constitutionalised elections more firmly than they constitutionalised money and staff. The statement is largely right. It will become wrong only when exclusive functions, **State Finance Commission** awards and control of parastatals actually reach the Gram Panchayat and the municipality.

Facts & figures

Constitution (73rd Amendment) Act, 1992

Inserted Part IX and the **Eleventh Schedule** of 29 panchayat subjects, with a **State Election Commission** and reservations.

Constitution (74th Amendment) Act, 1992

Inserted Part IXA and the **Twelfth Schedule** of 18 municipal functions.

PESA Act, 1996

Extends panchayat provisions to **Fifth Schedule** areas with Gram Sabha powers over land, minor forest produce and village institutions.

Articles 243I and 243Y

Require a **State Finance Commission** to review panchayat and municipal finances and recommend devolution.

Second Administrative Reforms Commission

Recommended activity mapping, social audit and genuine transfer of the three Fs to local governments.

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