



CHAPTER : II.

THEORY OF DECENTRALISATION

ORIGIN AND MEANING OF THE TERM DEMOCRATIC-  
DECENTRALISATION :-

The term Democratic Decentrallisation was made current by Mehta Committee in its Report in 1957. Soon theoretical objections were raised against the term democratic decentralisation on the ground that all democracy was decentralised. Not only this, the term democratic decentralisation was described as 'ungainly' expression, too vague to indicate either the content or the spirit of the new reform indicated by the Mehta Committee. Mr.Nehru, the then Prime Minister decided to give a simple expressive and indigenous term 'Panchayati Raj' which fitted admirably to the situation.

Mehta Committee provided a stimulus to policy makers. Democratic Decentralisation means the delegation of important powers and functions of the Government to the lower bodies & agencies which are democratically elected. It implies transfer of important powers and functions in the sphere of development from the bureaucratic administration to the elected representatives of the people. The Mehta Committee involved a scheme of systematisation and re-organisation of the structure of rural local self government as an agency for rural development.

The report on Panchayati Raj Institutions (with Ashok Mehta as Chairman) desired that "there should be administrative decentralisation for the effective implementation of the development programme and that the decentralised administrative system should be under the control of elected bodies."<sup>1</sup> Earlier Balvantray Mehta Committee Report observed that 'Development cannot progress without responsibilities and powers devolution.

CASE FOR DEMOCRATIC DECENTRALISATION :

Under the scheme or idea of democratic decentralisation, powers and functions in the sphere of development were transferred from the bureaucratic administration to the elected representatives. This scheme was neither new nor revolutionary in its character. In fact, it can be established that the Mehta Committee scheme or recommendation or concept of democratic decentralisation represented nothing but culmination of a trend of thought based on a hard headed awareness of the practical tasks of development. The logic or question of democracy vis-a-vis local government became the most crucial point of discussion after independence. Article 40 of the Directive Principles of State Policy of our Constitution lays down that "the state shall take steps to organise village Panchayats and endow them with such powers as may be necessary to enable them to function for rural upliftment."<sup>1</sup> The report on the organisation of local

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1.: Report of the Committee on Panchayat Raj Institutions (1978). P.2

self Institutions (Rural and Urban) in relation to planned Social and Economic Development in India (1951) emphasised, that "A democratic Government of the centre can never function satisfactorily unless it is supported by democratic organisations of local administration."

The First Five Year Plan contained a definite indication that local self government should no longer be regarded as an adjunct to the normal administrative machinery at the district and local levels, but should have a democratic structure analogous to that at the state and central levels. The First Five Year Plan enunciated the role of local bodies in development programmes and suggested that the general direction of policy should be to encourage and assist them in assuming responsibilities pertaining to the administrative and social services within their areas.<sup>2</sup> The First Plan of course did not make any specific proposals for the establishment of administrative machinery at various levels. .

In the Second Five Year Plan, the Planning Commission observed that recommendations had not been carried out to any great extent. In the Second Plan

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2.: Report of the Committee on Democratic Decentralisation (Maharashtra) 1961.

however, certain principles in this behalf were suggested. The Second Five Year Plan stressed" The need for creating within the district a well organised democratic structure of administration in which the village Panchayat would be organically linked with popular organisations at higher level. In such a structure the functions of the popular body would include the entire general administration and development of the areas, other than such functions as law and order, administration of justice and certain functions pertaining to the administration."<sup>3</sup>

Reorganisation of the local self governing bodies and decentralisation of important powers and functions below the state level was the main trend of thought based on the practical experience in the field of 'development administration'. This trend of thought represented in the scheme of Mehta committee's recommendation under the name of "Democratic Decentralisation" is nothing but the culmination of the trend of thoughts that prevailed since Independence. Therefore, it was not a drastic or a revolutionary thought or scheme or steps lastly recommended.

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3.: Second Five Year Plan Planning Commission Govt. of India, p. 162

After Independence the Central and State Governments had naturally to deal with the growing aspirations of the people and nation building became their primary concern. They, therefore, had to undertake a comprehensive development and welfare programmes through successive Five Year Plans in order to solve the basic problems of poverty, ignorance, lack of primary amenities etc. The community development programme in the First Plan was intended to develop the rural areas intensively and to organise the village people."<sup>4</sup> It was started in 1952, on a pilot basis in selected areas called community projects. In 1953, it was considered advisable to reduce the size of the project and Community Blocks Developments were created in selected areas having a population of about 66,000. It was later on, decided to establish National Extension Service all over the country with a development block as the lowest administrative-cum-development unit. "The planning commission described the community Development programme as the method and rural extension service as the agency through which the process of transformation of social and economic life of the villages was to be initiated"<sup>5</sup>.

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4,5. Report of the Democratic Decentralisation (Chairman U.P. Naik) Co-operation & rural Development Department, Government of Maharashtra, 1961 Bombay. P.26.

An attempt was made to harness local initiative through the formation of ad-hoc bodies mostly with nominated and official personnel and invariably advisory in character. These bodies according to Mehta Committee failed to evoke enthusiasm and to give an indication of durable strength or the leadership necessary to provide the motive force for continuing the improvement of economic and social conditions in rural areas. The Committee, therefore, came to the conclusion that..."so long as we do not discover or create a representative and democratic institution which will supply the local interest, supervision and care necessary to ensure that expenditure of money upon local objects conforms with the needs and wishes of the locality, invest it with adequate power and assign to it appropriate finances, we will never be able to evoke local interest and excite local initiative in the field of development"<sup>6</sup>.

The Balvantly Mehta Committee was appointed to study, among other things, the contents of the Community Development programme and the priorities assigned to different fields of activities, to report on the system, organisation and methods of work adopted for the implementation of the programme. It was also asked <sup>"</sup>to assess the extent to which the Community Development programme had succeeded in utilising the local initiative and in creating institutions to

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6. Mehta Committee's Report. P.5 (1957)

ensure it's continuity for the improvement of Social and Economic conditions in rural areas.<sup>7</sup> It is interesting to note that 'democratic decentralisation', which may be regarded as the core of the report, appeared to be only indirectly relevant to the terms of reference as originally formulated. The recommendations of Mehta Committee had brought about a revolutionary change in the structure of administration within the district and in the patterns of rural development.

Mehta committee had proposed a scheme for reorganisation and restructuring of district administration with additional powers, functions, & responsibilities, through the concept of democratic decentralisation. Mehta Committee made a strong case for Democratic Decentralisation. The committee for Democratic Decentralisation (Naik Committee) Maharashtra found that village Panchayats in the country were functioning with reference to responsibilities bestowed up on them. The statutory Panchayats were constituted on accepted democratic principles and were given considerable powers. At the same time, development activities in the country almost in all Economic and Social spheres had been initiated and executed by Government Departments with the association of local

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7. Democratic Decentralisation Naik Committees Report P. 29 (1961).

interests through local bodies or ad-hoc Committees. There were some, who felt that the development of local Government had proceeded along correct lines and inspite of certain remedial defects, they achieved striking progress in all spheres of activity. There was a strong opinion that the basic approach to the constitutional working of local bodies needed a complete reorientation. We shall therefore, attempt to analyse their position and examine, if a change was necessary and in what direction.

DISMISSAL- PERFORMANCE OF THE LOCAL BODIES :

The First Five Year Plan visualised that the local self governing bodies have to play a vital role in the field of development whereas the Second Five Year plan recommended that village Panchayats should be organically linked with popular organisations at a higher level and that entire general administration and development of the district. The Mehta Committee examined the question as to whether the existing local bodies could take over and perform these functions and if not what new bodies should be created and with what jurisdiction. However, in the post-Independence period, there had not only been a tendency to increase the number of Panchayats, but also to confer upon them as many development functions as possible. But contrary to expectations the record of their performance had not been satisfactory in any state. The Taxation

Enquiry Commission was of the view that "although the Panchayat Acts contained impressive lists of functions both obligatory and discretionary, yet very few of them had actually been translated into practice"<sup>8</sup>. It was found that "Majority of them were not able to meet most of the obligations entrusted to them for want of finance, most of them were not able to provide any amenity such as water supply, medical help or sanitation and health facilities. In most of the evaluation centres the Panchayat's role in development activities was negligible in few cases they made cash contributions to project work in their villages"<sup>9</sup>.

The Mehta Team, also found that response of Panchayats to the community development and national extension service was not appreciable"<sup>10</sup>. Fifth Evaluation Report maintained that "additional responsibility, especially for development works, should not be imposed on the Panchayats at least for some time to come."<sup>11</sup>

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8. Taxation Enquiry Commission Report- P.55

9. Structure & Working of Village Panchayats :  
Fourth Evaluation Report P.34.

10. Report of the Mehta Committee. P.8.(1957)

11. Fifth Evaluation Report P.188.

Taxation Enquiry Commission recommended that, "a cautious policy would be preferable to one based on undue optimism as to the ability of village Panchayats to discharge the varieties of functions usually provided in the law --- and it is very necessary that instead of the multifarious functions which now figure in the enactments, a few well chosen and clearly defined functions should be assigned to the Panchayats"<sup>12</sup> Considering the above observations, it was doubted whether in the existing conditions in the Panchayat was the type of the institution best suited for the development and promotion of productive, distributive and other essential social economic activities in the rural areas."

NEED FOR DEMOCRATIC DECENTRALISATION :

Democracy, by its very nature, implies decentralisation. Since it derives its authority from the individuals. No democracy at the top can be successful without strengthening democratic elements at the grass-roots. In India, a parliamentary democracy was superimposed at the Centre and the States without democratizing the district administration. There was a big gap, since the quinquennial election was not

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12. Taxation Enquiry commission Report. P.46.

enough to arouse and maintain the enthusiasm of the people. The committee on Plan Projects rightly pointed out, "It is not theory or dogma which is impelling us to make these recommendations, but practical considerations. Democracy has to function through certain executive machinery, but the democratic government operating over large areas through its executive machinery can not adequately appreciate local needs and circumstances!"<sup>13</sup> Panchayat Raj is an attempt to device a method of bringing the democratic government to the doors of the people', where they can take continuous and persistent interest in the working of various bodies, where they can get experience and competence to shift issues from individuals and where they, can learn to judge the worth of their representatives. In a way, Panchayati Raj fulfils all the functions of a local self government and acts as 'Primary school of Democracy. True democracy is consistent with the maximum decentralisation of power to the lower units of government. These institutions will help more effective and better participation of the people in the government, and needless to say, that effectiveness of such participation is an index of the success of democracy, because no democracy worth it's name can prosper on the indifference and apathy of the people.

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13. Committee on Plan Project Report, Vol.I.2.7. P.7.

Another aspect of this democratic process is the popular control over bureaucracy below the district level. With the introduction of Parliamentary Government at the top, the higher level administration had become responsible to the elected ministers and through them to the legislatures and ultimately to the people, But the district administration remained more or less untouched. It's power was further enhanced by the inauguration of the era of planned development. Panchayati Raj, thus, is an attempt in the direction of democratizing the district administration. The people's institutions have been entrusted with the responsibility of taking decisions and supervising the implementation of programmes. This, in itself, is a revolutionary feature. A big change in administrative system was considered inevitable for the successful implementation of the programmes and for breaking deep rooted apathy of the people. The Second Five Year plan (1956) had also mentioned the need for orientation of the district administration and suggested, for this purpose, the strengthening of the people's bodies at the local levels.

The question of democracy at levels below the state became the most crucial point of discussion after independence. The provision was made in the constitution for the establishment of village Panchayats in the rural

areas, Article 40 of the Directive Principles of state policy says "The state shall take steps to organise village Panchayats and endow them with such powers as may be necessary to enable them to function as units of local self Government." Grow More Food Enquiry Committee thought it essential that the workers should know and be known to all families in their villages and plans for improvement should be discussed and command the largest measures of support. Serious thought was given to the question of linking the Panchayats with the programme of economic development. The Report on the Organisation of Local Self Institution (Rural and Urban) in Relation to Planned Social and Economic Development in India (1951) Observed that "a democratic Government at the centre can never function satisfactorily unless it is supported by democratic organisations of local administration." Recent experiences in the various countries of the world have shown that democratic government will never be secure unless it is so supported. The truth of this statement has been amply borne out by the experiences of the last two decades of the countries of Asia and Africa during the years following the Second World War.

In Pakistan, Burma and Ceylon, all neighbouring countries of India, the system of Parliamentary Democracy has been greatly modified or replaced by military dictatorship. But in the midst of this all round

wreckage, our country still, stands out prominently as a rock of parliamentary Democracy. This may be partly attributed to the establishment of and fairly satisfactory progress made by the local bodies.

The Study Team pointed out that the "existing local bodies cannot take over and perform functions which the planning commission has proposed for the local bodies to perform."<sup>14</sup> All these bodies were to be replaced by a single representative and vigorous democratic institutions to take charge of all aspects of development work in the rural areas. Such a body had to be statutory, elective, comprehensive in its duties and functions, equipped with necessary executive machinery and in possession of adequate resources.

Decentralisation on the other hand, is a process where by the Government divests itself completely of certain duties and responsibilities and devolves them on to some other authority. It is true that devolution of responsibility cannot be complete without a complete devolution of all control over the necessary resources and admittedly such devolution cannot be completely feasible in any country.

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14. Report of the Study Team, Vol.I, P.5.

Decentralisation, however, does not mean division of the functions of state between the State Government and local bodies each discharging its functions independently of the other. Decentralisation means and include devolution of State's functions on local bodies, the latter discharging them subject to the constitutional responsibility of the state in respect of law and order. Of course, they will have full freedom in deciding the priorities between the various activities and the suitability of the areas in which they should be undertaken provided they conform to the general policy of the state. "The fundamental purpose of decentralisation should be to train the local leadership to assume higher responsibilities and to serve the people with maximum efficiency and economy and with minimum vexation so as to meet their growing needs within the resources at their disposal giving priority where it is legitimately due. This, in fact, is the real content of decentralisation"<sup>15</sup>.

It is undoubtedly true that planning has to be centralised if it is to achieve certain basic national objectives. However, it is also true that the purposes of planning and its execution can be better achieved if local people co-operate and participate in the developmental effort.

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15. Report of the Maharashtra Committee on Democratic Decentralisation 1961, P. 50-51.

There is another reason why democratic decentralisation became a practical necessity. Prior to Independence the central and state governments were contended with maintenance of law and order and the provision of such amenities to the people, as could be met out of the revenues and limited economic development, which could not prejudice Imperial interests. After independence the emphasis naturally shifted from law and order to development and the Central and State Governments were called upon to direct all their energies to the basic problem of raising the standard of the people.

The advocates of decentralisation maintained that the local administration could function more efficiently and objectively if it consisted of a hierarchy of officials under direct control of the state with local advisory committees, if necessary. They conceded that if local bodies were considered necessary, their functions could be limited to purely civic amenities, leaving development activities and policy making to the state. In the first place, it would be extremely difficult in rural areas to demarcate civic and developmental functions when the development work in rural areas primarily consisted of civic amenities like education, communication, medical relief, water supply, drainage, public health measures,

veterinary aid etc. Secondly, in their view, the role of advisory and ad-hoc bodies was very ineffective. Thirdly, it would be desirable to reverse the policy prevailing over the past years of entrusting more functions to the local bodies; lastly, it had to be admitted that even the modest targets prescribed ten years ago as minimum amenities to the rural people, had not been realised at the end of the second plan.

Over a period of time, it was realised that the needs of the local people increased and the local body's revenues were strained. Naturally aid from the higher level was considered necessary.

#### DEMOCRATIC DECENTRALISATION-PANCHAYATI RAJ :

The study Team before submitting its report prepared a note on 'Democratic Decentralisation' and circulated it to the State Governments.

The recommendations of the Team were to establish a three tier system of local self government below the state level. The units were to be -

1. Village Panchayat.
2. Panchayat Samiti and
3. Zilla Parishad.

The Team was of the opinion that the real power should be exercised by the village Panchayat and the Panchayat Samiti while the Zilla Parishad should only be a co-ordinating and consolidating agency.

The Mehta Committee recommended a three-tier structure with the village Panchayat at the lowest rung, (village) the Panchayat Samiti at the intermediate level, (Block), and Zilla Parishad at the highest level (District).

The Mehta Committee recommended that the village Panchayat should be constituted by direct election on the basis of adult franchise. The committee indicated specific items of revenue which should be made available to village Panchayat. The budget of village Panchayat should be subject to the scrutiny and approval of the Panchayat Samiti. The village Panchayats have to perform certain obligatory duties and to act as agents of the Panchayat Samiti for executing schemes entrusted to them. Block was recommended as the unit of planning and organization on the basis of the Aristotelian principle of being neither too large to defeat the very purpose of creation, nor so small as to militate against efficiency and economy. The traditional units taluka and tehsil-were considered unsuitable for the development activities. Panchayat Samiti, the middle tier was the innovation. At the district level a new body-Zilla Parishad was to replace the district boards. The Committee also described the various functions and sources of revenue to be assigned to these bodies.

MAHARASHTRA PATTERN :

The Maharashtra Government appointed a committee under the chairmanship of V.P.Naik, to review the issue of Democratic Decentralisation and Devolution of power. It should be noted that in its basic recommendations, the Naik Committee report does not deviate sharply from Balvantry Mehta Committee Report. However, in respect of the structural details of Panchayati Raj, it has suggested certain significant variations.

The Mehta Committee discarded the district as the proper unit of decentralisation, but the Naik Committee suggested that a vast majority of schemes and functions proposed to be handed over to the local bodies could be performed effectively only at the district level. Naik Committee decided upon as what is to be decentralised and the appropriate level at which decentralisation should take place. The Committee divided the schemes of local bodies into district, taluka-Block and village schemes on the criterion of the most appropriate local body which will be capable of implementing them efficiently and economically.

The committee regarded district body as the best operative unit of local administration as it alone will be capable of providing the requisite



resources and necessary administrative and technical personnel and equipment required for a properly coordinated development of the district. If decentralisation is to be real and effective, it would be imperative to establish a strong executive body at the district level.

As for the block body, the Mehta committee recommended that it should be a statutory body largely autonomous in its operational spheres and except for performing advisory and supervisory functions no higher body should interfere in its day to day working. The Naik committee Report did not approve the idea of setting up an autonomous body at the taluka block level. It suggested that an active executive body at the district level be appointed and that the intermediate body should have the status of an statutory committee of the district body.

Maharashtra, thus, chose to concentrate powers at the District level, leaving the Samiti in the background. The administrative structure at the district level is that of a miniature State Government. All the development departments would work under the Parishad. The chief executive officer of the Parishad is of the rank of a collector and has administrative control over the staff of the Parishad as over all the district level officers of the various departments,

This kind of arrangement makes for co-operation and co-ordination in the implementation of the national plans and policies.

In Maharashtra, Zilla Parishads & Panchayat Samitis have started functioning since 15th Aug. 1962. Under the Zilla Parishads and Panchayat Samitis Act 1961, the Panchayat Samiti consists of the directly elected and co-opted (if any) local members of the Zilla Parishad and Sarpanchas.

The Zilla Parishad is a partly directly elected and partly indirectly elected body. It consists of the Chairmen of Panchayat Samitis and also 40 to 60 members are directly elected from electoral divisions. Seats may be reserved for the members of scheduled caste and scheduled tribes to be co-opted by the parishad. The B.D.O. functions as the Executive Officer of the Panchayat Samiti. A Chief Executive Officer and Deputy Chief Executive Officer are appointed by Government for every Zilla Parishad.

The Gram Panchayat is made responsible for improvement of agriculture, village industry, communications, sanitation, spread of education etc.

The main functions of the Panchayat Samitis are to prepare an overall plan of works and development

schemes to be undertaken in the block, to sanction, execute, supervise and administer any works or schemes from the block grants, or of the Zilla Parishad and to perform such functions of the Zilla Parishad as are delegated to it.

The main functions of the Zilla Parishad are planning and execution of all development programmes, establishment and maintenance of fertilizers, improved seeds, educational and economic development of backward classes, promotion of local industries, social education etc. Thus the Zilla Parishad is a strong unit with wide powers and responsibilities including powers of taxation.

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