

12. Local Government

INTRODUCTION

Local government is the regulation and administration of local affairs by the people inhabiting the locality through representative bodies composed mainly of elected representatives. Local government refers to the operations of Municipal corporations, Municipalities, District boards, Panchayats and other local bodies which are entrusted with the execution of functions, relating to and concerning the residents of a locality.

The institutions of local government have flourished in India since time immemorial. The Panchayats or village governments were ancient institutions and were themselves small republics. Although local government existed in India in ancient times, in its present structure and style of functioning, it owes existence to the British rule in India. A beginning of local government in India may be said to have been made in the year 1687 when, for the first time, a local governing body — a Municipal corporation was set up for Madras.

Definitions of Local government

Sidgwick — “Local government consists of certain subordinate bodies which have defined powers of making rules and regulations within their prescribed area of administration.”

W. A. Robson — “Local government may be said to involve the conception of territorial, non-sovereign community possessing the legal right and the necessary organisation to regulate its own affairs.

The British Government in India showed some interest in promoting local self-governing institutions. Through regulations in 1816 and 1819, the British Government in India was authorised to raise contributions for the construction and repair of roads, bridges and ferries. During national movement in India, the leaders advocated village communities. In this regard, Gandhian view prevailed and Panchayats became the foundation of self-government. Article 40 of the Indian Constitution enshrines one of the Directive Principles of State Policy which lays down that the State shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.

PANCHAYATI RAJ

Nearly eighty per cent of the Indian population dwells in the villages and so the importance of the rural local government cannot be overlooked. Mahatma Gandhi was the greatest champion of the concept of decentralisation of power. He propounded the concept of the autonomous village republic, completely self-sufficient in all matters. He repeatedly said “Indian independence must begin at the bottom.” To fulfil Gandhiji’s dream, Article 40 of the Constitution states, “The State shall take steps to organise village Panchayats and endow them with such powers and authority as maybe necessary to enable them to function as units of self-government.” The leaders of the country realised that no real economic progress of the country can take place unless the millions of people of rural areas changed their traditional outlook and methods of production. With a view to achieving this end, on 2nd October, 1952, the Community Development Programme was introduced in the rural areas. Blocks of hundred villages each

were created to implement the programme. The administrative set-up at the district, State and Central levels was geared up according to requirements of the programme. Village workers were involved in this programme.

Balwant Rai Mehta Report

The main thrust of the Balwant Rai Mehta Report was towards decentralisation of democratic institutions. It was stated, “Democracy has to function through certain executive machinery but the democratic Government operating over large areas through its executive machinery cannot adequately appreciate local needs and circumstances. It is, therefore, necessary that there should be devolution of power and decentralisation of machinery and that such power be exercised and such machinery controlled and directed by popular representatives of the local areas.”

The members, therefore, suggested reorganisation of village local self-government through the establishment of a three-tier system of rural local government. The Panchayats were to be reorganised in the context of the democratic structure of Government. Democratic decentralisation, in other words, implies people’s right to initiate their own projects for local well-being and the power to execute and operate them in an autonomous manner.

The term ‘Panchayati Raj’ refers to a three-tier structure of rural local self-government in each district and calls for a transfer of responsibility for much of rural development administration to these local authorities. Each State in India was asked to evolve a system of Panchayati Raj on the basis of the principles laid down by the Balwant Rai Mehta study team. Thus, today most of the States have a three-tier structures with Gram Sabha and Gram Panchayat at the village levels, the Panchayat Samiti at the block level and Zila Parishad at the district level.

The recommendations of Balwant Rai Mehta Committee came into effect on 1st April, 1958. Earlier in January, 1958, the scheme of Panchayati Raj was approved by the National Development Council. The NDC laid stress on the following principles :

1. There should be a three-tier structure of local self-governing bodies from village to district levels, with an organic link from the lower to the higher ones.
2. There should be a genuine transfer of power and responsibility to these bodies.
3. Adequate financial resources should be transferred to these bodies to enable them to discharge the responsibilities.
4. All development programmes at these levels should be channelled through these bodies.
5. The system evolved should be such as to facilitate further decentralisation of power and responsibility in future.

The significance of the Panchayati Raj institutions lay in the fact that the motive force for development was to come from the people themselves, the State assisting with supplies services, and credit. The co-operative principles were to be applied infinitely to solve all problems of rural life.

The Panchayati Raj scheme was introduced First by Rajasthan on October 2, 1959. It was later adopted by Mysore (presently known as Karnataka), Tamil Nadu, Orissa, Assam, Punjab. Uttar Pradesh, etc. At present, all States have this system with minor variations.

Structure of Panchayati Raj

The Balwant Rai Mehta Committee in its report suggested a three-tier system of Panchayat.

These are :

- (a) Gram Panchayat at the village level
 - (b) Panchayat Samiti at the block level
 - (c) Zila Parishad at the district level
- Let us now briefly discuss the structure and functions of all these bodies.

At the village level —

Gram Sabha : The Gram Sabha consists of all the residents of the village. The Balwant Rai Mehta team envisaged only the Gram Panchayat at the lowest tier of the Panchayati Raj hierarchy. The Gram Sabha was a later development, although it has been functioning since 1947 in at least two States — Uttar Pradesh and Bihar. Today, all States which have introduced the Panchayati Raj form of local Government have provided for a Gram Sabha. Gram Sabha is a statutory body in all the States except Kerala and Tamil Nadu. In these States, it is a corporate body having perpetual succession and is entitled to enter into contracts and can sue or be sued.

Composition : The composition of Gram Sabha is not the same in all the States. Whereas in Bihar, Orissa and Rajasthan adult residents in the village or a group of contiguous villages are its members. In the remaining States, it consists of all voters in the area, i.e., persons whose names appear on the electoral rolls of the State Legislative Assembly.

Thus, Gram Sabha is the only political institution in the country through which direct democracy is in operation. The Gram Sabha elects from its members an executive committee called the Gram Panchayat or simply Panchayat. The Gram Sabha also elects its President who becomes the ex-officio Sarpanch, or the Chairman of the Panchayat.

Meetings : The Gram Sabha normally meets twice a year — soon after the rabi and kharif harvests. In Orissa it meets only once a year. However, the functioning of Gram Sabhas reveals that these bodies meet irregularly and go about their business without any marked comprehension. These bodies have, therefore, proved to be very ineffective.

Functions : The Gram Sabha considers annual statement of accounts and audit report of the Panchayat; reviews progress of work done by the Panchayat; considers and approves the annual budget drawn up by the Panchayat; and, draws up plans for the development of the Sabha area.

Jurisdiction : The jurisdiction of the Gram Sabha is “generally coterminous with a revenue village. However, Assam, Gujarat, Maharashtra, West Bengal, Punjab, Rajasthan and Uttar Pradesh club together a number of villages for constituting the Gram Sabha. Thus, the size of the Gram Sabhas varies from 250 to 5000 with an average of about 3000 members.

Gram Panchayat: As already stated, the Panchayat is the executive committee of Gram Sabha. It is known by various names like Panchayat in Andhra Pradesh, Tamil Nadu, Maharashtra and Rajasthan, Gram Panchayat in Bihar, Madhya Pradesh, Orissa, Punjab and West Bengal, and by the name of Gaon Panchayat in Assam, Gujarat, and Uttar Pradesh. It generally caters to a population of about 2000.

Composition : The membership of the Panchayat varies from five to thirty one. Its members are called the Panches and are elected by the Gram Sabha by secret ballot in all the States except

Assam, Jammu and Kashmir and Uttar Pradesh. In these States the method of election is by show of hands.

President: The presiding officer of the Panchayat is known by various names like Sarpanch in Andhra Pradesh, Gujarat, Jammu and Kashmir, Madhya Pradesh, Maharashtra, Orissa, Punjab and Rajasthan, President in Assam, Kerala and Tamil Nadu, Pradhan in Uttar Pradesh, Mukhiya in Bihar and Orissa and Adhyaksha in West Bengal.

President's Election : The Panchayat President is directly elected by the people of Orissa; by the Gram Sabha in Assam. Bihar, Punjab, Uttar Pradesh and West Bengal; by Panches in Andhra Pradesh, Gujarat Jammu and Kashmir, Kerala, Madhya Pradesh, Maharashtra and Karnataka. The President can be removed from his office, provision for which has been made in all State legislations. The usual method for removal of the President is by a majority of two-thirds of votes of the members of the Panchayat present and voting.

Reservation of Seats : Several States provide for reservation of a specified number of seats for women as well as members of SCs and STs. Andhra Pradesh, Jammu and Kashmir, Orissa, U.P., and West Bengal do not reserve seats for women in the Panchayat. Similarly, the SCs and STs have not been accorded any special representation in Bihar, Jammu and Kashmir, Orissa and West Bengal. In Bihar the statute provides for the Mukhiya to consider the claims of members of SCs and STs and women by nominating four members to the Panchayat. **Tenure :** The tenure of Panchayat is three years in Andhra Pradesh, Orissa and Rajasthan; four years in Assam, Gujarat, Jammu and Kashmir, Maharashtra and West Bengal; and five years in Kerala, Madhya Pradesh, Tamil Nadu, Karnataka, Haryana, Punjab and Uttar Pradesh.

Functions : The main functions of the Gram Panchayat may be listed as follows :

- (a) Administrative — maintenance of budget and accounts, collection and maintenance of records and statistics, registration of births, deaths and marriages, record of the village cattle and land management;
- (b) Law and Order — maintenance of watch and ward service and of village volunteer force;
- (c) Commercial — supervision of Panchayat enterprises, community orchards and fisheries;
- (d) Civic — upkeep of roads and streets, culverts and bridges, maintenance of drainage and sanitation, wells and tanks; provision of water supply for domestic use; supervision of street lighting, etc.;
- (e) Welfare — famine and flood relief work, aid to the handicapped, welfare programmes for women, youth, children and for backward classes; maintenance of panchayat schools, libraries and reading rooms and holding of village fairs; and
- (f) Developmental — preparation and execution of the village agricultural and irrigational plans, as well as plans for the promotion of co-operatives, cottage and small scale industries.

Apart from these, the Panchayats may also be entrusted with many other functions by the State Government. In their judicial capacity Panchayats may decide certain civil and criminal cases. They are empowered to hear civil and criminal cases. They are empowered to hear civil cases upto Rs. 500. In criminal sphere the Panchayats can hear cases of mischief, assault, theft, etc. They may impose fine upto Rs. 100 but cannot award sentence of imprisonment. However, in certain States the judicial functions are performed by Nyaya Panchayats, bodies constituted specifically for this purpose. These provide speedy and inexpensive system of justice to the village.

Sources of Income :

- (i) Income from taxation on property, professions, animals and vehicles, electricity and water, apart from cess on land revenue and levy of taxes like octroi fees for the use of rest houses and taxes on shops, etc.;
- (ii) Grants-in-aid from the State Governments; and
- (iii) Public contributions and voluntary donations.

Nyaya Panchayat : The jurisdiction of the Nyaya Panchayat varies in different States. Whereas in Andhra Pradesh, Bihar, Himachal Pradesh and Jammu and Kashmir, there is one Nyaya Panchayat for every village. In Assam, Gujarat, Maharashtra, Rajasthan and Uttar Pradesh there is one Panchayat for five or more villages.

Powers : Nyaya Panchayats try petty civil and criminal cases and can impose fine. But they cannot award imprisonment. However, exceptions are there and in Bihar, Nyaya Panchayats may even award imprisonment. At times, Nyaya Panchayat gives only warning. District Officer may send for recommendation of any judgement given by Nyaya Panchayat. In general, the performance of Nyaya Panchayat is not encouraging because people do not appear before Nyaya Panchayats.

Evaluation : The Panchayat has not been functioning as an effective institution. The Study team on Panchayati Raj (1964) appointed by the Rajasthan Government examined the functioning of Panchayats in the State and pointed out the following lacunae :

1. **Lack of Resources :** Lack of adequate finance hinders the effective functioning of the Panchayats. They, thus, fail to take up programme of development of the rural area and to provide civic amenities.
2. **Lack of Secretarial Assistance :** In the absence of trained and full-time secretaries, the Panchayats do not function continuously. There is some activity on the day the Panchayat meets but for the remaining period it remains dormant.
3. **Lack of Co-operation from Revenue and Police Agencies :** In many cases decisions of the Panchayats could not be implemented for want of timely police assistance.
4. Lack of Adequate Powers.
5. Lack of Guidance and Supervision.
6. **Apathetic Attitude of Panches :** The Panches do not take much interest in the Panchayat's functioning and leave virtually everything to be done by the Sarpanch.
7. **Rise of Factional Groups :** The introduction of Panchayati Raj has given rise to factional groups. The bitterness arising out of elections vitiates the atmosphere of the village and the rival groups that exist, hinder smooth functioning of the institution".
8. **Complex Rules and Procedures :** Complexity of rules and procedures keeps away many a Sarpanch and Panch from involving themselves fully in the work of the Panchayats. There are many instances when Sarpanches invited trouble for themselves by committing mistakes without any mala fides.
9. **Lack of Timely Action against Defaulters :** Its inevitable consequence is the loss of faith of the people in the Panchayati Raj institutions.
10. **Proximity of Panchayat Samiti:** The proximity of a strong executive body like the Panchayat Samiti has eroded the initiative of the Panchayats, particularly in the field of development.

11. Importance of Sarpanch : The Sarpanch has assumed overriding importance and has overshadowed the Panchayat as an institution. He has arrogated to himself the powers that essentially belong to the Panchayat.

Remedial Measures Suggested by the Committee:

1. Finances of the Panchayats should be augmented.
2. Powers and functions of the Panchayats should be more clearly enunciated.
3. Efficient and regular secretarial assistance should be provided to the Panchayats.
4. Rules and procedures should be simple to understand and easy to observe. Rules should serve larger interest and not work as a handicap in the smooth working of the Panchayat.
5. Co-operation from revenue and police agencies must be ensured.
6. The Government departments that have dealings with the Panchayats should develop a sense of oneness with them and should consider development of these institutions as part of their responsibility also.
7. Mistakes and irregularities should be prevented from occurring but bonafide mistakes should be dealt with sympathetically.
8. Strict and deterrent action should be taken against defaulters, regardless of whether they are civil servants or elective personnel.
9. The Sarpanch should be relieved of the duty of maintaining accounts and handling cash.
10. The Gram Sabha should be made more active, playing an effective role.
11. Efforts should be made to educate the people. Stress should be laid on adult literacy and social education programmes.

Panchayat Samiti : The Panchayat Samiti is the intermediate tier in the Panchayati Raj system. It is called Panchayat Samiti in Andhra Pradesh, Bihar, Maharashtra, Orissa and Rajasthan, Kshetra Samiti in Uttar Pradesh, Anchalik Panchayat in Assam, Anchalik Parishad in West Bengal, Taluk Panchayat in Gujarat, Janapada Panchayat in Madhya Pradesh, Taluk Development Board in Karnataka and Panchayat Union Council in Tamil Nadu. Tenure : Its tenure is five years in Madhya Pradesh, Tamil Nadu, Uttar Pradesh, Assam, Bihar, Haryana, Punjab and Rajasthan. In Maharashtra, where the Panchayat Samiti has a modest and limited role to fulfil, it consists of ex-officio members and its term depends on the term of the members. Thus, the term of Panchayat Samiti varies from three to five years. Generally, its term is coterminous with that of Panchayat.

Composition : The composition of Panchayat Samiti varies from State to State. However, broadly speaking, it consists of ex-officio associate and co-opted members. The Sarpanches of the Panchayats in the Samiti area are made ex-officio members of the Panchayat Samiti. Members of the State Legislature and Members of Parliament who have been elected from the Samiti area are also members but without right to vote and are, therefore, called associate members. A provision has been made in all the States for co-opting a specified number of women and persons from SCs and STs. In several States representation is also provided to the co-operative societies operating in the area and also to persons possessing experience in public life, public administration and rural development.

In Madhya Pradesh, Punjab and Haryana there are no ex-officio members and seats are filled on the basis of election by the Panches of the Panchayats. President : The presiding officer of the Panchayat Samiti is known by different names, He is called President in Andhra Pradesh,

Assam, Gujarat, Madhya Pradesh, Karnataka and West Bengal, Pramukha in Bihar and Uttar Pradesh, Pradhan in Rajasthan and Chairman in Tamil Nadu, Maharashtra, Orissa and Punjab.

Election of President : The President is at present elected in all the States by members of the Panchayat Samiti. In Rajasthan, he is elected by an electoral college consisting of all members of the Panchayat Samiti and all Panches of the Gram Panchayats and Nagar Panchayats falling within the area. He can be removed from office if the Panchayat Samiti passes a vote of no-confidence by a special majority.

Functions of President : He convenes the meetings of the Panchayat Samiti and presides over them. He exercises administrative control over the Block Development Officer (BDO) for the purpose of implementing resolutions of the samiti or of its standing committee. The Samiti president has access to all the records of the Panchayat Samiti. He has the power to demote, suspend or dismiss any member of the staff whose jurisdiction is less than the entire block. He initiates the character-roll of the BDO. In case of an emergency, he, in consultation with the BDO, can direct execution of any work which requires approval of the Samiti or any of its standing committees.

Functions of Panchayat Samiti: The main functions of the Panchayat Samiti may be listed as follows :

- (a) **Delegated Functions :** To implement and co-ordinate the policy directives of the State Government with regard to development and extension programmes;
- (b) **Community Development Functions :** To plan and implement production and social welfare programmes, especially with regard to agriculture, irrigation, cottage, and small industries, animal husbandry and fisheries, co-operatives, education, health, communication, social welfare including women's welfare, emergency relief, collection of statistics and self-help programmes;
- (c) **Supervisory Functions :** To supervise the work of the Gram Panchayats, examine and modify the budget of the Gram Panchayats; and make re-appropriations and impose new taxes and supervise the work of the BDO.

Conduct of Business : Most of the business of the Panchayat Samiti is transacted through standing committees which are statutory bodies. The committees advise on the following subjects :

- (i) Finance and taxation
- (ii) Agricultural production, animal husbandry and minor irrigation
- (iii) Education and social welfare
- (iv) Public health and sanitation
- (v) Communications and works

Members of the Panchayat Samiti elect the members of the standing committees. In all the States the Panchayat Samiti president is the ex-officio member or chairman of the standing committee for finance and taxation. The BDO functions as the secretary of the standing committees. Since the committees are a creation of the Panchayat Samiti, they exercise only such functions and powers as may be delegated to them. The following personnel normally work in the block which is under the jurisdiction of the Samiti :

- (a) Block Development Officer
- (b) Extension Officer (Agriculture)
- (c) Extension Officer (Animal Husbandry)

- (d) Extension Officer (Co-operatives)
- (e) Extension Officer (Panchayats)
- (f) Extension Officer (Rural Industries)
- (g) Overseer
- (h) Social Education Organiser
- (i) Mukhya Sevika
- (j) Gram Sevaks
- (k) Progress Assistant
- (l) Accountant-cum-Store Keeper

The Block Development Officer who spearheads the administrative machinery is the leader of the team of development officers in departments like agriculture, animal husbandry, panchayati raj, etc. The BDOs are career civil servants under the employment of the State Government.

Sources of Income : Panchayat Samiti's main sources of income may be listed as follows ;

1. Proceeds of taxes levied by the Panchayat Samiti.
2. Share of local cess and share of land revenue received from the Zila Parishad.
3. Grants from the State Government.
4. Loans from the State Government.
5. Income from leases granted by the Panchayat Samiti to public ferries, fairs, etc.
6. Adhoc grants from or through the Zila Parishad.
7. Donations and contributions.
8. Funds from schemes transferred by the Government to the Panchayat Samiti as an agency for execution.

Evaluation : In terms of power, we can say that the Panchayat Samiti has emerged as the pivot of the entire system of rural local government. All the executive authority has been vested in the Panchayat Samiti. The Zila Parishad at the district level has simply been assigned the task of a supervisor and a co-ordinator.

However, the financial position of the Panchayat Samiti is not very sound. Although the number of taxes at its disposal is relatively large, the yield from them is small. Its sources of income are, so as to say, inelastic. The Central and State Governments are undoubtedly in a superior position as the more lucrative taxes remain with them. Another minus point is the Samitis' reluctance to levy taxes. There is always a fear of arousing opposition in the local community. Thus, taxation is not a major source of revenue of the Samiti. The Samiti gets a certain share of land revenue collected in the State ranging from twenty five paise per head of population residing in the Samiti area in Rajasthan to one rupee in Tamil Nadu. The Samiti depends mainly on grants-in-aid and loans from the State Government.

At the District level—

Zila Parishad : The Zila Parishad stands at the apex of the Panchayati Raj system. In Assam, with its mountainous terrain the apex has been established at the sub-divisional level. In some States like Haryana, Madhya Pradesh, Karnataka and Orissa, the Zila Parishad has been abolished. Hence, in these States the system is a two-tier one.

The Zila Parishad has all the features of a corporate body — perpetual succession, common seal, right to make contracts, right to sue and be sued. The body is called Zila Parishad in Andhra

Pradesh, Bihar, Gujarat, Maharashtra, Punjab, Rajasthan, Uttar Pradesh and West Bengal, Mohkuma Parishad in Assam, and District Development Council in Tamil Nadu.

Composition : The composition of Zila Parishad is such as to link it, organically, with both the Panchayat Samiti — the intermediate tier of Panchayati Raj system — and the State and Union Legislature. Representation has been provided not only to women, SCs and STs to make the Zila Parishad fully representative of all cross sections of the community, but also to cooperative societies as they play an important role in programmes of rural development.

The following are its members :

- (i) Presidents of Panchayat Samitis in the district.
- (ii) All members of Parliament and all members of the State Legislature returned from constituencies within the district.
- (iii) A representative of co-operative society, normally the President of the district co-operative society.
- (iv) A specified number of persons belonging to SCs and STs.
- (v) Some co-opted members possessing experience in administration, public life, or rural development.

Number of Members : The number of members in the Zila Parishad varies between forty and sixty.

Election of Members : In Uttar Pradesh., Gujarat and Maharashtra some members are directly elected to the Zila Parishad. In Punjab although there is no provision for direct election of some members, members of the Panchayat Samiti constitute an electoral college to elect five members to the Zila Parishad from members.

President : The Zila Parishad members elect from amongst themselves a president. He is known by the name of the Chairman in Andhra Pradesh, Tamil Nadu, Punjab and West Bengal, Adhyaksha in Uttar Pradesh, and Pramukh in Rajasthan and President in Assam, Gujarat and Maharashtra.

Functions of President: The President presides over the meetings of the Zila Parishad and conducts its proceedings. He inspects lower tiers of the Panchayati Raj system and submits his report to the Zila Parishad. He also writes his opinion on the work of the Secretary to the Zila Parishad, which is appended to his confidential report.

In Maharashtra, the President exercises considerable administrative powers like supervision over the chief executive officer for implementing resolutions and orders of the Zila Parishad; sending of confidential report on the work of the chief executive officer to the Divisional Commissioner; taking action in an emergency subject, of course, to the condition that the same would be reported promptly to the Parishad. The President is elected for the full term. A provision is made in all the statutes to remove the President by a vote of no-confidence.

Tenure : As the Zila Parishad is composed mostly of members elected to other organisations, the tenure of its members is dependent upon their original tenure. The term of co-opted members varies from 3 to 5 years.

Standing Committees of Zila Parishad : The Zila Parishad functions through a network of standing committees which deal mainly with the following subjects :

- Agriculture
- Co-operation
- Irrigation
- Power
- Animal husbandry
- Community Development
- Industries (cottage, village and small-scale industries)
- Education and social welfare
- Public health
- Finance
- Taxation

Where the Zila Parishad is of an executive type as in Gujarat and Maharashtra, the committees are statutory ones. In Rajasthan, where the Parishad has been accorded only an advisory role, the legislation does not provide for any statutory committee except for district establishment committee which attends to affairs relating to the Panchayati Raj personnel in the district. However, in practice, the Zila Parishads in Rajasthan have set up a number of standing committees.

Functions : The functions of the Zila Parishad vary from State to State. In Maharashtra and Gujarat the Parishad has been specifically charged with executive authority in various fields like planning and development. But in States like Tamil Nadu, Madhya Pradesh, Assam, Bihar, Rajasthan and Orissa, the Parishad performs the role only of a supervisor and co-ordinator with no executive functions. In Andhra Pradesh, in addition to performing functions of a supervisory and co-ordinating nature, the Parishad has executive responsibility in the field of education like establishment, maintenance and expansion of secondary, vocational and industrial schools. It also secures the implementation of plans, projects, schemes and other works which are common to two or more blocks in the district. Broadly speaking, following are the functions of the Zila Parishad :

1. Examination and approval of the budget of Panchayat Samitis.
2. Issue of directions to Panchayat Samitis for efficient performance of functions.
3. To advise the State Government on all matters relating to the development activities in the “ district.
4. Co-ordination of development plans prepared by the Panchayat Samitis and the inter-block activities.
5. Distribution of funds allocated by the State Government to the Panchayat Samitis.
6. Collection of statistics pertaining to the activities of local authorities in the district.
7. To advise the State Government on allocation of work among Panchayats and Panchayat Samitis in the district, and also on co-ordination of work between the Samitis and among various Panchayats themselves.
8. To inform the District Collector and the Divisional Commissioner about irregularities of the Panchayats and the Panchayat Samitis.
9. To perform such functions as may be conferred by the State Government.

Sources of Income :

- (i) Grants-in-aid from the State Government;
- (ii) Funds allotted by the State for developmental activities;
- (iii) Shares in land revenue and other taxes like the cess, and local cesses; and
- (iv) Other funds which may be earmarked for specific schemes as agency functions.

Problems of Panchayati Raj

1. Illiteracy and conservative attitude of the people. After more than five decades of independence, villages are still guided by the village 'Chowdhris'.
2. Party politics has entered the Panchayati Raj institutions indirectly. Elections are fought on narrow bases of caste, community, religion etc.
3. The feelings of factionalism, casteism and communalism run high in the Panchayati raj institutions.
4. Due to prevalence of dishonesty and corruption in the local self-government bodies the benefits of development programmes have failed to reach the common man.
5. Excessive Government control is responsible for the slow progress made towards attaining the desired goals and objectives of development. It is often noticed that the District Officer unnecessarily interferes in the affairs of local bodies. In the State Government it is the voice of the District Officer which is heard and not that of the local bodies. Ignoring the views expressed by the popularly elected bodies cannot be justified on any ground.
6. Panchayati Raj is also faced with the problem of urbanisation. The educated people tend to migrate to cities in search of employment and better facilities, who may otherwise contribute a lot to the success of Panchayati Raj.
7. Shortage of funds. Whereas in many States Panchayats cannot impose taxes, in many other States where they are given power to impose taxes, they have meagre sources of revenue. Some of the local bodies do not want to impose taxes because of certain political reasons. Most of the local bodies depend upon the grants and loans from the State Government. This is the main reason which explains why the local bodies have failed to implement the development programmes.
8. The vigour and enthusiasm of the initial period when these institutions were created has died down and so there has been stagnation and decline in the functioning of these institutions in many parts of the country.
9. Elections to these bodies have not been held regularly. In fact, it would be true to say that in most States elections have become overdue for one or more tiers of Panchayati Raj. Elections have been put off on various pretexts like census, floods, droughts and other natural calamities, general elections, etc. The terms of the existing bodies have been extended or the bodies have been superseded.
10. The Sixth Plan objective was to strengthen the process of democratic decentralisation and to devolve on the local institutions' functions which are capable of being implemented at that level, and to involve these units in the planning and execution of IRDP, NREP, district and block level planning and the MNP. However, only partial success was achieved. It was in this overall context that a Committee on Panchayati Raj institutions was appointed by the Janata Party Government in December 1977 under the chairmanship of Ashok Mchta to suggest measures for strengthening the Panchayati Raj institution. The Committee submitted its report in August 1978 and made nearly one hundred recommendations. The Report was subjected to an extended discussion and debate throughout the country.

Recommendations of Ashok Mehta Committee Report, 1978

1. Creation of a two-tier system of Panchayati Raj. The Committee viewed the revenue district as the first point of decentralisation below the State level which assures the technical expertise of high order required for rural development. Thus, it recommended that the Zila Parishad should be the executive body as in Maharashtra and Gujarat. Below the Zila Parishad should be Mandal Panchayat, constituted by grouping a number of villages. At the same time, it also stated that “As a transitional structure, the block can, therefore, continue as per the convenience of the States keeping in view their requirements and stage of development. At the village level, the people would be involved in Mandal Panchayats through village committees which could look after the municipal functions and related welfare activities. Till Mandal Panchayats are constituted, a federation of existing village panchayats may be desirable.”

Committee’s Arguments in Support of Mandal Panchayats :

- (a) A Mandal Panchayat alone would be able to ensure a balance between technological requirements and possibilities of popular participation in decision-making;
 - (b) The size of the proposed lower tier would be such as to make projects and schemes economically viable;
 - (c) Many programmes need a larger unit than the present block can handle;
 - (d) Mandal Panchayat would result in a synthesis of technology and democracy.
2. There is no need for an elective, participative organism at the village level.
 3. Panchayati Raj institutions ought to have ‘compulsory powers of taxation’ in order to be able to mobilise the necessary resources on their own and thereby reducing their dependence on devolution of funds from the State Government. It is important for these institutions to overcome shyness in levying taxes. The Committee hinted at areas like profession tax, entertainment tax, house tax and special taxes on lands and buildings.
 4. It favoured ‘open participation’ of political parties in Panchayati Raj affairs with reserved constituencies for SCs and STs and a minimum of two, to be reserved for women. It recommended that the election will be conducted by the Chief Electoral Officer of the State in consultation with the Chief Election Commissioner.
 5. The Committee favoured the creation of certain monitoring forums to safeguard and promote the interests of the vulnerable social and economic groups in the villages.
 6. It suggested a regular social audit by a district level agency as well as by a committee of legislators to check whether funds allocated for these groups are actually spent on them.
 7. The Committee also proposed a ‘Social Justice Committee’ in each Zila Parishad to ensure that Panchayati Raj bodies function so as to show keen interest in the welfare of these groups.
 8. State Legislatures should have a committee on Panchayati Raj, with adequate representation for SCs and STs, to cater to the needs of the weaker sections of society.
 9. The State Government must not supersede the Panchayati Raj institutions on partisan grounds. If, however, the supersession becomes necessary, there should be an election within six months. Having been elected by the freely expressed will of the people, a local government ought to run its full course set out in the governing statute itself.
 10. Punitive actions like suspension and dissolution of local governmental institutions may be involved only when it is absolutely necessary and even in such cases it would be a good practice if the State Government puts itself under an obligation to seek its Legislature’s endorsement of such a measure.
 11. Rural development is part of the urban-rural continuum and, therefore, there should be provisions for urban amenities such as roads, potable water, medical care, employment

and education in the rural areas to weaken or rather to neutralise the pull for migration to urban centres.

The Ashok Mehta Committee Report was submitted in 1978, but before any decision could be taken on the Report, the Janata Party Government was voted out of power. The new ruling party, the Congress (I) had no intention of implementing the Report of the Committee.

G.V.K. Rao Report, 1985

In 1984, the Planning Commission set up another committee called the Committee to Review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Programme (CAARD) under the chairmanship of G.V.K. Rao. The Committee submitted its report in 1985. It recommended strengthening of the Panchayati Raj institution. It stated that "The district is the proper unit for planning and development and the Zila Parishad should become the principal body for management of all development programmes which can be handled at that level."

URBAN LOCAL GOVERNMENT

Urban Local Government includes Municipal corporations, Municipalities, Town area committees, Notified area committees, Cantonment boards and Townships. The urban government had its existence during ancient period. Megasthenes gave a description of the administration of a town in the 3rd century BC. During the Mughal rule in India, a system of local government was also in existence. The administration of a town vested in an officer, called Kotwal, who performed many municipal functions besides exercising supreme authority in all magisterial, police and financial matters.

Under the British rule, a major boost to local urban government in India came by Lord Mayo's famous Financial Resolution of 1870. It was declared that local supervision was necessary for the management of funds devoted to education, sanitation, medical, charity and public works. In 1871, Municipal Acts were passed in many provinces. Local committees, with both official and non-official members, were constituted. But the system was confined to official hands. Under the Government of India Act, 1919, local self-government became a transferred subject and the concerned Minister was to be responsible for the practical application of the policy. The Government of India Act, 1935 envisaged self-government for the country as a whole. Now legislative and executive functions of the urban local government are separated.

Types of Urban Local Government

A. Municipal Corporation : It is the topmost of urban local government. The Municipal corporation as an institution is more respectable and enjoys a greater measure of autonomy than other forms of local government. A Municipal corporation is set up under a special statute passed by the State Legislature. Except in the case of Delhi, where the power to set up a Municipal corporation lies with the Union Parliament. Today cities like Mumbai, Chennai, Delhi, Kolkata, Patna, Hyderabad, Ahmedabad, Bangalore, Kanpur and others have a corporation form of urban government.

Composition : Municipal corporation members are called Councillors. They are elected on the basis of universal adult suffrage. The Councillors and Aldermen exercise deliberative functions. The executive functions are performed by a Commissioner who is appointed by the State Government and enjoys an independent statutory authority. He is an official executive. But every corporation has a political executive known as a Mayor. The Mayor is assisted by a

Deputy Mayor. The Mayor and the Deputy Mayor are elected for a period of one year but they may be re-elected by the members of the corporation. The Mayor presides over the meetings of the corporation and guides the deliberations.

Functions : The functions of a Municipal corporation may be studied under two broad heads :

Compulsory Functions :

- Supply of wholesome water.
- Construction and maintenance of water-works.
- Supply of electricity.
- Maintenance of road transport services.
- Construction, maintenance, naming and numbering of public streets.
- Lighting, watering and cleaning of public streets and other public places.
- Removal and disposal of filth and garbage.
- Construction, maintenance, and cleaning of drains and drainage works and of public latrines, urinals, etc.
- Removal of dangerous buildings and obstructions in or upon streets and other public places.
- Establishment and maintenance of hospitals, maternity and child welfare centres.
- Measures for prevention and checking of contagious diseases through vaccination and inoculation, etc.
- Registration of births and deaths.
- Regulation of moratoriums, graveyards and cremation grounds, and also provision of places for disposal of the dead.
- Maintenance of fire-brigades.
- Provision of primary education.
- Publication of annual reports and returns on administration of the corporation.
- Control and regulation of eating places and eatables.

Optional functions :

- Construction of public parks, gardens, libraries, museums, theatres, akharas and stadiums.
- Public housing.
- Planting of trees on road sides and elsewhere.
- Provision of relief to destitute and disabled persons.
- Destruction or detention of stray dogs, pigs and other animals causing nuisance.
- Playing of music for people.
- Civic reception of VIPs.
- Registration of marriages.
- Survey of buildings and lands.
- Organisation and management of fairs and exhibitions.

Sources of Income : A Municipal corporation's sources of income may be broadly grouped into two:

- (a) **Non-tax Revenue :** The non-tax revenue includes fees and fines, grants and contributions from the Government. Among its extraordinary sources may be listed loans, deposits, receipts on capital account, grants for capital works, etc.
- (b) **Tax Revenue :** The major proportion of income of corporations flows from taxes. It ranges from anything between two-fifths and three-fourths of total income. A corporation generally has the power to levy the following taxes :
- Property tax
 - Tax on vehicles and animals
 - Theatre tax
 - Tax on advertisements (other than newspapers)
 - Profession tax
 - Education tax
 - Entertainment tax
 - Tax on consumption and sale of electricity
 - Betterment tax on increase in urban land values caused by the execution of any development or improvement work.

Tax on deeds of transfer of immovable property is collected by the State Government and the amount collected within the area under the jurisdiction of a corporation is transferred to it.

Committees of the Corporation : A Municipal corporation can constitute committees to assist it in the performance of its tasks which may be statutory or non-statutory. Municipal councils in Kanpur, Agra, Varanasi, Allahabad and Lucknow, each had two statutory committees — Executive Committee and Development Committee. The Development Committee which was envisaged to be the successor of the former improvement trust or the development board, soon became a kind of fifth wheel in the coach.

The Executive Committee whose chairman was the Deputy Mayor elected for a period of five years (as against a period of one year for the Mayor) emerged, in practice, as the repository of the entire civic administration reducing the parent council to the position of a rubber stamp. Since both these committees deviated from the objectives for which they were set up, they were abolished and were soon replaced by Standing Committees. Special Purpose Committees may also be constituted with the prior permission of the State Government on the supply of electricity, public transport undertaking or any other public utility service.

The Mumbai Municipal Corporation, which has been the most popular model to have significantly influenced municipal thinking in India, has the following statutory committees :

- (a) Standing Committee
- (b) Schools Committee
- (c) Hospital's Committee
- (d) Bombay Electric Supply and Transport Committee
- (e) Improvement Committee

The most important committee, both from the point of view of powers and range of functions allotted, is the Standing Committee of the Council. It acts as the steering committee exercising executive, supervisory, financial and personnel power. It functions quite independently of the Council. The committee is generally listed as one of the municipal authorities under the statute, the other being the Council and the Municipal Commissioner.

The number of members of the Standing Committee varies from seven to sixteen. The members are elected through a system of proportional representation by Councillors (and Aldermen, if any) from themselves. One half of the members who retire every year may seek re-election. The Standing Committee elects a Chairman from its members. The Chairman's office ranks next only to that of the Mayor in importance, and so, there is invariably an intense political contest.

B. Municipal Council or Municipality : This is the most characteristic form of urban local government, is known by a bewildering variety of names, such as municipal council, municipal committee, municipal board, municipality, city municipality, borough municipality, etc. Municipal councils are set up for medium sized towns in the States. The number of such cities being larger than the big cities, the number of Municipal councils is, correspondingly, much larger than the number of Municipal corporations. Unlike in a Municipal corporation, in the Municipal councils, there is a fusion of the deliberative and executive functions. The President of a Municipal council is much more powerful than the Mayor of a corporation, although the latter appears to have greater 'pomp and glory' Its principal structural features are :

- (a) restricted local autonomy,
- (b) more pervasive State control, climaxing even in dissolutions, and
- (c) vesting of the executive authority in the elected chairman.

The functions of Municipal councils are same as those of the Municipal corporations.

C. Cantonment Boards : The Cantonments are centrally administered areas placed under the direct administrative control of the Ministry of Defence in the Central Government. This is in sharp contrast to other forms of local government which are placed under the control of the State Government. The areas covered under Cantonments were acquired in different ways — under treaties with the princes, through outright purchase and by conquest. The dictionary meaning of the term 'Cantonment' is 'temporary quarters for troops for manoeuvres, etc' But for the past over one and a half century, the term has been applied to permanent military stations in the country. When armed forces personnel live in an area, a sizeable civil population — camp followers, domestic servants, etc. — are bound to move in. This necessitates a move towards the municipalisation of its administration. Thus, in 1924 the Cantonments Act was passed, constituting a Cantonment Board. Like other forms of local government it is a corporate body and performs the same functions as any municipality.

D. Notified Area Committees : Notified Area Committee and Town Area Committee are generally known as two younger half-sisters of the Municipal council. Notified Area Committees exist in Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Jammu and Kashmir and

Punjab are created for an area which does not yet fulfil all the conditions laid down as necessary for the constitution of a municipality but which otherwise is considered important. It is also constituted for a newly developing town. Though the Committee functions within the framework of the Municipal Act of the State, only such provisions of the Municipal Act apply to it as are notified in the Government gazette. The Government may also entrust to it powers exercisable under any other Act. The Notified Area Committee enjoys all the powers of the Municipal Council but unlike the Council its members including its Chairman are nominated by the State Government.

E. Town Area Committees : The Town Area Committees are meant for small towns. Such committees have been created in Assam, Kerala, Madhya Pradesh, Uttar Pradesh, West Bengal, Himachal Pradesh, and Jammu and Kashmir. In Uttar Pradesh the number of Town Area Committees alone accounts for eighty per cent of the total number in the country. Town Area

Committees are governed by separate Acts passed by the State Government, though in Assam they function under the provisions of the Assam Municipal Act, 1956. The District Collector has been given greater control and powers of surveillance over a Town Area Committee. Members of the Town Area Committee are elected or nominated by the Government or partly elected and partly nominated. The Town Area Committee is assigned a limited number of functions, such as street lighting, drainage, conservancy.

F. **Townships** : There is a wide network of Town-ships set up by a majority of public undertakings since 1947. Nearly eleven per cent of the total investment on public sector undertakings is set aside for the Townships. The Townships have been established either in rural areas or in areas adjacent to existing towns. The Townships have been classified by the Rural-Urban Relationship Committee as follows :

- (a) Single industry townships like Rourkela, Bhilai and Jamshedpur;
- (b) Townships having an industrial complex such as Durgapur; and
- (c) Small Townships like Heavy Electrical Ltd., near the city of Bhopal and Indian Telephone Industries and Hindustan Aeronautics near Bangalore.

Characteristic features of Townships :

1. The Townships, unlike the cities, are entirely planned.
2. They maintain civic services and other facilities which are of better quality than generally ensured by municipal bodies.
3. They provide services like water, electricity, roads, sewage, etc. and other facilities like medical, educational, shopping, clubs, playgrounds and parks, community centres, auditoriums, etc. The expenditure on these, however, has been considered by competent authorities to be 'on the high side'.
4. The services and facilities have been financed by the industry.
5. It provides a lot of opportunities for employment and so a large number of people flock to it.
6. However, a larger number of people means an uncontrolled and haphazard growth of slums and sub-standard housing in the periphery of the Township.
7. A Township gives a fillip to rapid but un-systematic development of the adjoining area, establishing growing inter-dependence between the two. The adjoining areas gradually take the shape of satellite Townships around the Township. For example, Jamshedpur has led to the emergence of the towns of Adityapur and Jugsalai. The Township and the adjoining areas must be treated as a single urban complex, for all practical purposes but the company township has been resisting attempts at the amalgamation of the adjoining areas with itself for various reasons.

It may be noted that the Township form of local government is treated as a normal administrative task of the company. Public undertakings have set up elaborate organisations for the administration of their Townships. Certain undertakings like Neyveli Lignite Corporation, Hindustan Steel, Hindustan Machine Tools and Heavy Engineering Corporation, have appointed town administrators assisted by departmental head for allotment, maintenance, horticulture, etc. Some like Heavy Electricals, Nepa Mills and Fertilizer Corporation of India have appointed administrative officers or estate officers, assisted by engineers and other staff. In the Township form of local government there are no elections. The system is absolutely bureaucratic in design.

Problems of Urban Local Government

1. Lack of Finance : No plan can ever be successful if adequate finances are not available. Municipal corporation has very limited sources of revenue. They get grants from State or Central Government. The Municipal corporations are reluctant to impose new taxes for fear of losing their popularity,
2. Interference by Centre and State : The local bodies are dependent on the Central and State grants-in-aid. Financial help gives clear authority to the Central or State Government to interfere in the affairs of local self-government. Thus, the local bodies lose independence and tend to become inefficient.
3. Too much Political Pressure on Local Bodies : If the local bodies belong to the ruling party, they are dictated by the party. If they do not, they are not allowed to function effectively.
4. The Local Bodies have no Basis in the Constitution : They are created by State or Central Government which by virtue of the same power also have the power to dissolve these bodies at any time if they do not 'dance to their tune'.
5. Problems of Urbanisation : The process of urbanisation has added further problems to urban local self-government. Industrial development is responsible for urban growth. The industries, and the job opportunities created by them result in immigration of people to the cities from the nearby villages. All this leads to increase of slums, violence, unrest, crime and many other social evils. Law and order situation is out of control, making life miserable, unsafe and full of chaos. Thus, the local bodies are faced with a multiplicity of problems.

Recommendations of Various Committees

Various committees have been set up from time to time both by the Central and State Governments to make recommendations for improving the working of the local bodies, and especially to make recommendations for augmenting the income of the urban local government bodies. As early as in 1951, the Local Finance Enquiry Committee set up by the Central Government observed that the local bodies should be allocated certain definite sources of revenue. It recommended that a convention should be established by which the net proceeds from the following sources of revenue should be exclusively available for the local authorities :

- Terminal tax on goods or passengers carried by Railway, Sea, or Air.
- Taxes on land and buildings.
- Taxes on mineral rights subject to any limitations imposed by Parliament.
- Taxation on entry of goods into local areas.
- Taxes on consumption or sale of electricity.
- Taxes on advertisement other than those published in newspapers.
- Taxes on vehicles, other than those mechanically propelled.

- Taxes on animals and birds.
- Tolls.
- Taxes on professions, trade, calling, etc.
- Capitation taxes.
- Taxes on entertainment including amusements.

The Taxation Enquiry Commission (1954) also examined the tax base of the local governments. This Commission also by and large endorsed the recommendations of the Local Finance Enquiry Committee.

The Committee of Ministers for Augmentation of Financial Resources of urban local bodies, apart from making recommendations on the lines of the two previous Committees, suggested that the urban local bodies should develop some sources of non-tax revenues also. It also recommended setting up of an Urban Development Board which can avail of the institutional finance for the purpose of urban development.

The Committee on Budgetary Reforms in Municipal Administration (1974) went a step ahead and recommended that the Indian federation should be increased by one more level by the inclusion of local Government. For this it suggested amendment of the Constitution and thereby confer adequate Constitutional status on local government. The Constitution should provide for independent sources of income for the local bodies.

The Local government (Urban) Enquiry Committee set up by the Punjab Government also suggested that the local urban governments should be provided with more financial resources to facilitate the discharge of their functions.

The Maharashtra Finance Commission (1974) recommended that

- The existing resources should be more effectively utilised.
- The property tax should be free from the restrictive influence of the Rent Control Act.
- The Central and the State Governments should pay taxes to the local bodies.
- The State Government should share some of its revenues with the local bodies.
- The grants-in-aid system of the State Government for the local bodies should be given for capital works.

The Karnataka Municipal Finance Committee (1975) also made a number of recommendations which included that the land revenue collected in the

Municipal area should be made over to the Municipalities and revenues from certain taxes should be shared between the State Government and the local government.

In spite of the recommendations made by so many committees set up by the Central and State Governments, no effective steps have been taken by the States to augment the financial resources of the local self-government bodies. They continue to languish for want of resources while the problems are mounting with each passing day.

73RD CONSTITUTIONAL AMENDMENT ACT- (1992)

With a view to grant Constitutional status to the Panchayati Raj institutions in the country and to bring about uniformity, the Union Parliament passed the 73rd Constitutional Amendment Act, 1992, which came into effect from April 24, 1993. The Amendment envisages the establishment of Panchayats as units of local self-government in all States and Union Territories except the States of Mizoram, Nagaland and Meghalaya and certain other specified areas. The Eleventh Schedule of the Constitution describes the powers and responsibilities entrusted to these bodies. The 73rd Amendment Act provides for regular elections every five years to be conducted by the State Election Commission. Reservation has been provided for Scheduled Castes and Scheduled Tribes in proportion to their population. One-third seats are reserved for women candidates.

The salient features of the 73rd Constitutional Amendment Act are

- There shall be three-tiers of Panchayats at the village, intermediate and district levels. Only States having population not exceeding 20 lakhs have the discretion not to constitute Panchayat at the intermediate level.
- Gram Sabha has been envisaged as the foundation of the Panchayati Raj system. It shall perform such functions and exercise such powers as may be entrusted to it by the State Legislatures.
- The term of office of Panchayat shall be for 5 years and elections must be completed before the expiry of its duration, and, if dissolved earlier, elections must be completed within 6 months from the date of dissolution.
- Seats in a Panchayat at every level are to be filled by direct election from territorial constituencies demarcated for this purpose.
- Seats shall be reserved at every level of Panchayats for Scheduled Castes and Scheduled Tribes in proportion to their population in a given Panchayat area.
- Reservation of not less than one-third of the elected seats in each Panchayat for women.
- The superintendence, direction and control of the preparation of electoral rolls and conduct of all elections to Panchayats shall be vested in a State Election Commission.
- A State Finance Commission shall be constituted in every State.

The Eleventh Schedule has been added to the Constitution, denotes 22 subjects which could be entrusted with the Panchayati Raj institutions.

74TH CONSTITUTIONAL AMENDMENT ACT- (1992)

The Union Parliament passed the 74th Constitutional Amendment Bill which is in operation since April 1993. The Act adds Part IXA to the Constitution which lays down the procedure for Constitution and composition of Municipalities, Ward Committees financial provisions and constitution of the District Metropolitan Planning Committees. This Act provides for the reservation of seats for women, Scheduled castes and Scheduled tribes in the Municipalities. Local self-government, constituted through people's participation, is the essence of the 74th Amendment Act, 1992.

Under this Act, the seats in the Municipality shall be filled by direct elections. Territorial constituencies in a municipal area shall be divided into wards. Elections to the wards shall be

direct. Some seats shall be filled by nomination of persons having special knowledge or experience in municipal administration. The Members of Parliament/Legislative Assemblies of the constituencies will be the voting members in the municipal election. There is provision for reservation of seats for Scheduled castes and Scheduled tribes and women. The State Governments may decide to dissolve a Municipality before expiration, but new Municipality shall have to be constituted within a period of 6 months from the date of dissolution. The Governor is free to refer any other matter to the State Election Commission regarding the financial position of the Municipality. The District Collector has been given greater control and powers of surveillance over a Town Area Committee. Another

striking feature of the 74th Constitutional Amendment Act is the provision for the Setting up of a District Planning Committee under Article 243 ZD. It is accordingly required to be constituted in every district for consolidation of the plans prepared by the Panchayats and Municipalities of the concerned district. A Metropolitan Planning Committee under Section 243 ZE has to be constituted in every metropolitan area for the purpose of preparing the draft development plans.