



Review Article

## A Better Option For Rural Economic Development and Poverty Alleviation : Decentralization

Dr. T. N. Jha

HOD & Dean

P.G. Department of Commerce & Management  
Purnea University, Purnia, Bihar

### Abstract

*The 73rd Constitution Amendment bill which can be called a milestone in the history of modern panchayati raj system. The positive results of the bill centers efforts to implement the Panchayati Raj system at the Grass-Roots Level is Gradually coming the force. Decentralisation is expected to achieve higher economic efficiency and higher satisfaction of local preferences. But past experience shows prematured and not carefully designed sequenced and implemented decentralization can Increase the fiscal Burden.*

**Keywords:-** Milestone, Grass-Roots, Decentralisation, Prematured, Sequenced

Copyright©2019 Dr. T. N. Jha This is an open access article for the issue release and distributed under the NRJP Journals License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

### Introduction

The World Famous definition of Democracy "Government of the people, by the people for the people becomes meaning ful when democratic practices actually located to the grass roots level. Decentralization is the key to attain better economic efficiency, accountability and over all socioeconomic development with equitable distribution of income and wealth. For the first time in 1959, the Balwant Rai Mehta committee report recommended a 3-tier Panchayati Raj system which included Zila parishad at district level, Panchayat samiti at the block level and Gram panchayat at Village level. This was followed by many such expert committee reports but not until 1993 when 73rd Constitutional Amendment Act making April 24 1993 a landmark day in

the history of india. This amendment contains provision for devolution of powers and responsibilities to the panchayats. The act aims to provide a three-tier systems of panchayati Raj for all states having a population of over 2 million to hold panchayat elections regularly every five years to provide seats reserved for scheduled castes and scheduled tribes and for women. for scheduled castes and scheduled tribes and for women. In our country Panchayat Raj system has been in existence since Vedic times as a concept of Panch Parmeshwar, but contemporary Panchayati Raj Institutions are different in the sense that they have been given enormous rights, resources and responsibilities. Panchayats as a laboratory of democracy teach citizens

the use of their political rights. The 73 amendment bill which gave constitutional status to panchayats and recognised them as self governing bodies has truly made Panchayati Raj system and panchayats empowered strong and effective. There are 2 Lakh 48 thousands and 160 gram-panchayats, 6,284 Block panchayats and 595 District panchayats in our country. The number of elected representatives at all levels of panchayats is 31 Lakhs. In this way India's Panchayats Raj system is world largest democratic system. Panchayati Raj system also play an important role in women empowerment. The number of elected woman panchayat representatives is 14 Lakh 39 thousand. Panchayati Raj system has succeeded in bringing social and economic changes in the condition of women and in giving them dignified life. The number of elected women representatives in panchayats is between 33 to 50 percent. In view of this it would be appropriate to say that Panchayati Raj system has proved to be boon for women, SCS & ST and other backward classes.

The 73rd constitution Amendment bill which can be called a milestone in the history of modern Panchayati Raj system. Despite this for nearly three decades after passing the bill no special attention was given on it. It picked pace only after the formation of the new government at the centre. The positive result of the bill centres efforts to implement the Panchayati Raj system at the grass roots level is gradually coming the force. Successful stories of development are becoming more and more frequent. Rightfully the Panchayati Raj system has changed the scenario and fortunes of our villages. Stories of success and

achievements of this system are being heard from every nook and corner of the country.

The deprived persons are getting their rightful place and entitlement through the intervention of panchayats and they are directly being associated with the national main stream of development. Decentralisation is expected to achieve higher economic efficiency, better accountability, larger resource mobilisation, lower cost of service provision and higher satisfaction of local preferences. But studies show that although some village level panchayat leaders have done commendable work, elected local bodies on the whole have not benefited the people to the extent of funds provided by the government. Panchayats are more concerned with consolidating economic and social power with few leaders, often from elite groups. Rather than using the democrating process to change in equitable rural societies. Gram Panchayats functions more or less as political bodies i.e. Organisations dealing with power and development funds are used to consolidate that power. Scenario is worse at the block and district level. This is despite the fact that these two tiers have sufficient funds and staff at their command. When compared with the village tier. The elected members of the panchayati raj institutions (PRIS) at these levels behave more or less as contractors, with no institution of the gram sabhas at that level to put moral pressure on them. Suggestions for improvement of their efficiency and delivery.

**Involve them in social sector:-**  
Panchayats should be made

more active in the fields of education, health, self help groups (SHGS), watershed, nutrition, pastures and forestry

programmes which require people to come together as equals and work through consensus.

**Empower Gram Sabhas:-** Gram sabha regularly held at few places and in most cases participation of Gram sabha meetings was low. Often such meetings were only on paper.

Empowering gram sabhas and strengthening their control over panchayats could have been a powerful weapon towards transparency and involvement of the poor and marginalized section of the society.

**Follow community approach:-** All developmental programmes should aim at both institution building as well as security

for the poor and develop multi sectoral indicators for judging how well it has performed.

**Encourage them to use fiscal powers:-**

At the village level an important power devolved to gram panchayat is the right to levy tax on property, business, markets, fairs and for the services provided like street lighting and public toilets.

Very few panchayats use their fiscal power to levy new taxes.

The argument given by the panchayat heads is that it is difficult to levy tax on your own constituency, especially

**when you live in the community.**

Reduce dependency on government funding and change financing system:- When panchayats do not raise internal

resources and instead receive funds from outside, people are less likely to request for social Audit.

If they are not asked to pay taxes. It is the restore necessary to reconsider the current funding system.

Performance based grant:- Panchayats would need a higher share in state and central revenues.

The formula of fund transfer should no doubt give weightage to population and poverty but also to performance and efficiency, so that there is incentive to them for increasing the sources of own revenues of PRIS through own and assigned taxes and increasing their capacity to collect.

State grants should be given to them only when the PRIS are able to collect a minimum percentage of the taxes assigned to them.

Social Audit and ranking of panchayats:- Large expenditures are now being incurred by PRIS. So the quality of work done by panchayats should be closely monitored by a team of journalists, civil society members, panchayat leaders from the neighbouring districts (Who have already done excellent work) and stakeholders. Based on these reports panchayats should be graded and future funds should be linked with their grade.

**Increase the use of IT:-** If the panchayats are to perform efficiently and effectively all the mandated tasks which are

increasing day by day extensive use of information and communication technology is needed.

**Conclusion:-** Rural decentralisation and PRIS have made profound changes in rural india.

But there are big risks in premature promotion of PRIS. Past attempts of decentralisation failed in india. If not carefully designed, sequenced and implemented, decentralisation can increase the fiscal burden on the states and lead to a break down in service delivery, in particular to the poor.

Effective panchayats would also require effective district and block level administration. Hence the process of rural decentralisation efforts towards better accountability and performance from local bureaucracy should go simultaneously along with building local PRI capabilities otherwise the elected PRI leaders would not change their perception of the state being an “Open treasury“. Thus civil service reforms that would strengthen district

Administration must go hand in hand with empowerment of panchayat.

**References:-**

1. Avasthi I.L(1990) Decentralisation prospective and rural development, Common wealth publishers, New Delhi.
2. Ghosh Arun(1996) Panchayati Raj and decentralization of Indian political economy, Deep and Deep publication New Delhi
3. D.N(1989) Reservation for women in panchayats “Economic and political weekly vol. 24, 23june
4. Kurukshetra, monthly vol. 64, November 2015.