Issues Faced by Panchayats

Why in news?

An up-sarpanch in Telangana took loan to undertake development works in the village and was unable to bear the burden after the State government's delay in releasing bill payments. So he died by suicide due to indebtedness.

What is the situation?

- In India, the powers of local elected officials remain circumscribed by State governments and local bureaucrats in multiple ways.
- This dilutes the spirit of the constitutional amendments (73rd and 74th Constitutional Amendment Acts of 1992) seeking to empower locally elected officials.
- There are multiple restrictions to the extent of decentralisation of powers to panchayats. It is very clear that sarpanchs need to have administrative or financial autonomy for meaningful decentralisation.

What is the issue of funding?

- Broadly, panchayats have three main sources of funds
  - their own sources of revenue (local taxes, revenue from common property resources, etc.),
  - grants in aid from the Centre and State governments, and
  - discretionary or scheme-based funds.
- Their own sources of revenue (both tax and non-tax) constitute a tiny proportion of overall panchayat funds.
- Further, access to discretionary grants for panchayats remains contingent on political and bureaucratic connections.
- So, the Gram panchayats remain **fiscally dependent on grants** (noth discretionary and non-discretionary grants) from the State and the Centre for everyday activities.
- Even when higher levels of government allocate funds to local governments, sarpanchs need help accessing them.
- An inordinate delay in transferring approved funds to panchayat accounts stalls local development.
- This has forced sarpanchs to **use private funds for panchayat activities** to fulfil mandated targets and avoid public pressure.
- Delays in the disbursement of funds by the local bureaucracy have led to pressure on sarpanchs.

What are the constraints on how panchayats can use the allocated funds?

- **State governments often impose spending limits** on various expenditures through panchayat funds.

- Moreover, in almost all States, there is a system of **double authorisation** for spending panchayat funds.
- Apart from sarpanchs, disbursal of payments requires **bureaucratic concurrence**.
- The sarpanch and the panchayat secretary, who reports to the Block Development Officer (BDO), must co-sign cheques issued for payments from panchayat funds.

What is the tedious process of seeking approvals?

- A sarpanch is required to pay multiple visits to government offices while they are seeking approvals for public works projects like
  - technical approval (from the engineering department) and
  - administrative approval from local officials of the rural development department, such as the BDO, etc
- Also, higher-level politicians and bureaucrats intervene in selecting beneficiaries for government programmes and limit the sarpanchs' power further.
- The ability of sarpanchs to exercise administrative control over local employees is also limited.
- In many States, the recruitment of local functionaries reporting to the panchayat, such as watchmen or sweepers, is conducted at the district or block level.
- Often the sarpanch does not even have the power to dismiss these local-level employees.

How do the sarpanchs come under the shadow of bureaucrats?

- Unlike elected officials at other levels, sarpanchs can be dismissed.
- Gram Panchayat Acts in many States have empowered district-level bureaucrats, mostly district Collectors, to act against sarpanchs for official misconduct. This is
- **Grounds** - The grounds on which the Collectors act against sarpanchs include the abuse of power, embezzlement, or misconduct.
- Apart from these, other conditions include mere refusal to "carry out the orders of the District Collector or Commissioner or Government for the proper working of the concerned Gram Panchayat".
- This is not merely a legal provision. Across the country, there are regular instances of bureaucrats deciding to dismiss sarpanchs from office.

> *India has limited decentralisation because if local governments get genuine autonomy to allocate the monies, power will shift from the MLAs and State government-controlled bureaucracy to the sarpanch.*

Reference

The Hindu | There is hardly any autonomy at the panchayat level



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