

HISTORICAL PERSPECTIVE

CHAPTER - II

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Tamil Nadu has a long history of local self governance dating back to the Vedic age. Utharmerur inscriptions bears early evidence of the community groups undertaking many activities for their area development (Enclosure-3). In a way, in those days, it was a land of village republics. The community group tradition reached its peak during 10-11th centuries under the reign of Cholas when Village councils used to levy taxes, improve community life and administer justice in their limited area. "Kuda Olai Murai" was the process of secret ballot exercised to select members to the Village Councils. Community participation was strengthened by different committees. However the Village Councils had effective links with the Chola rulers. With the down fall of Cholas, the State experienced a decline of the Village autonomy, and rise of the centralised feudal administrative system. This continued till British rulers introduced local self governance primarily as administrative convenience for the imperial government.

2.2. Analysis of historical background on the local self governance can be grouped in 7 specific periods viz.

- I) 1854 - 1871
- II) 1871 - 1884
- III) 1884 - 1920
- IV) 1920 - 1950
- V) 1950 - 1958
- VI) 1958 - 1989
- VII) 1989 - 1996

I. 1854-1871

2.3. The origin of decentralised - local self government in the British Rule can be traced to the constitution of district road funds in 1854. From 1855, revenue from the road fund was gradually expanded to include ferry charges, cart tax and fishing rents. 1866 saw the Madras District Road Cess Act where in Government was authorised to levy a road cess on land revenue. The aim of such a cess was to construct, repair and maintain district roads. The entire Madras Presidency was liable to the payment of the cess.

II. 1871-1884

2.4. The earliest enactment on democratic decentralisation was the Madras Local Funds Act 1871 which enabled the Governor to set up Local Fund Boards within whose area, the Boards would construct, maintain, and repair schools, hospitals and roads. Lord Ripon's local self Government resolution of 1882 was the watershed in the sense that the Provincial Governments were to constitute rural and urban local boards and to empower them to raise revenues to manage the expenditure on education, medical and Public Services. With initial hesitation by Madras Government, it constituted a Committee in June 1882 to examine Ripon's resolution. Madras Government accepted the main recommendation of the Committee in 1884 to Constitute three tiers of local government with more powers and resources.

III. 1884-1920

2.5. The Madras Local Boards Act 1884 heralded the three tier local self Government which continued for half a century. Three tiers were District Boards, Taluk Boards, and Union of Villages (Panchayat). In 1907 the Royal Commission was appointed whose report in 1915 was epoch making. Its recommendations included constitution of Panchayats at Village Level (below the Union). Madras Presidency was too hesitant to implement those recommendations and appointed a Committee to look into those recommendations. Montague - Chelmsford Report of 1918 highlighted

the need to include substantial elected members in the Boards and to empower the Boards with more administrative and financial powers with least control by the Provincial Government. In 1919, the Government of India Act gave much greater role to democratic element in the Provincial Government in the matters of local administration.

IV. 1920-1950

2.6. In 1920 Madras Government enacted two legislations Viz (i) the Madras Local Boards Act replaced the 1884 Act; and (ii) The Madras Village Panchayat Act. In 1930, the Madras Village Panchayat Act was repealed and Village Panchayats were brought under the former Act. In 1934 Taluk Boards (middle tier) was abolished due to their serious financial problems. Thus, in effect, Local Boards were an extension of the State administrative apparatus designed to complement it with a measure of local consultation. In course of time the official component was significantly reduced. However this process took nearly five decades and it was due largely to the impetus from developments outside the Madras Presidency at an All-India level.

2.7. The three-tier structure of District Boards, Taluk Boards and Village Panchayats introduced in 1884 was to hold the ground for five decades until 1934 when the intermediate level of taluk boards was abolished. For a variety of reasons the three tier system did not prove to be viable. All the levels competed with each other for shares in the same pool of resources, a pool which in its totality was itself inadequate and inelastic. Each level resented the control exercised over it by the higher one. There was also an overlapping of functions between the District and Taluk boards. The latter were squeezed, in respect of both resources and responsibilities, between the District Boards at the top and the Village Panchayats at the base. The result of this situation finally led to the abolition of Taluk Boards in 1934.

2.8. The core functional responsibilities assigned to local bodies related to rural infrastructure (mainly roads) and basic civic services (drinking water supply, public health, sanitation, and street lighting). The developmental responsibilities entrusted to them were confined to school education and medical facilities including local hospitals and dispensaries. Resources available to local bodies - the most important of which were the cess on the land revenue and tolls on road users - were inelastic and inadequate.

2.9. Government grants were available in some measure for enabling local body outlays on schools and medical facilities. As the demand for educational and health facilities began to make itself felt, the choice before the government was between aiding local bodies to expand their activities in these sectors and directly financing the necessary facilities from the State budget. Both political and economic compulsions favoured the latter option.

2.10. The control government exercised through its functionaries belonging to the Local Administration Department (viz., the Inspector of Municipalities and Local Boards), the Revenue Department (viz. Collectors and Revenue Divisional Officers) and the line Departments (PWD, Health and Education) were both extensive and intensive. Very detailed rules were framed and enforced on all financial and administrative matters. The tension at the political level between Ministries at the State level and those who headed local bodies emerged as a major factor that influenced the transfer of limited responsibilities, finances and powers entrusted to the latter.

V. 1950-1958

2.11. In the post independence era, the first enactment in democratic decentralisation in the State was The Madras Village Panchayat Act 1950. While piloting the Bill in the Legislative Council the Minister for Local Administration said:

“In a country like ours which is predominantly rural in character and where there is still in our villages, a live sense of corporate unity, the village must necessarily be the basic administrative unit. The next step is to make every village a self-contained unit, managing its own affairs and meeting as far as possible all its needs in the matter of food and clothing by local production and providing on its own initiative for all the social, economic and cultural necessities of the people”.

2.12. The Provision of control by the Inspectors and Executive Officers over the elected members of the Panchayats was resented, so much so that the leader of the Opposition in the Legislative Council, V.K. John said - “You want to give them local self-government and in order to make it really democratic, tight control is vested in officers appointed by the government. I feel that it is a wrong thing and it is not local self-government at all, it is government of the panchayat by the provincial government and their officers”.

2.13. The Madras Local Boards Act 1920 was amended as Madras District Boards Act. Thus, two tier structure of Village Panchayats at the gross root level and District Boards at the district level came into existence with no linkages whatsoever between these tiers. This legislation was different from earlier one in 3 different ways:- (i) Universal adult franchise was introduced, (ii) The entire state was covered with village Panchayats, and (iii) Village Panchayats were independent of District Boards. However, the 1950 Act did not envisage Panchayats as developmental agencies, they were assigned functions of maintaining basic sanitary and infrastructural facilities. The District Boards maintained medical and Public health services, high schools and primary schools. In 1955-56 following was the position in the State.

<i>Activity</i>	<i>District Board maintenance</i>	<i>State Total</i>
1. Medical Institutions	634 (76.85)	825
2. High Schools	304 (31.54)	964
3. Primary Schools	12748 (51.52)	24741

Brackets indicate percent to the State total. Source - Saraswathi, S (1973). The Madras Panchayat System Vol I. Impex, Delhi, India.

2.14. At the same time Village Panchayats under took many activities like, education Public health, road works, enterprises namely Public markets, Cart Stand,slaughter house, compost manufacturing, maintenance of gardens and parks. During this period, even before the constitution of Balwantray Mehta Committee, in 1951 a Panchayat Union comprising of some village Panchayats was set up in Madurai on an experimental basis. This was an extension of Firka development programme which was already operating in the state. In 1952, the Government of India launched Community Development and National Extension Service Scheme with the aim of area development through development Block and people's participation. A Team to study this scheme under the Chairmanship of Thiru Balwantray Mehta was set up which submitted its report in 1957. The recommendations included (i) creation of democratic inter linked institutions at the Village, Block and district levels for undertaking developmental works, (ii) the development Block (Panchayat Union) should be in charge of all developmental works, (iii) Village Panchayats should undertake the provisions of basic amenities and infrastructural facilities and (iv) the Zilla Parishads should coordinate the activities of Panchayat Unions.

2.15. The Government of Madras, however, did not totally agree with the committee's recommendations with regard to the nature of functions to be assigned to the local bodies. While the committee recommended an outright transfer of responsibility to Panchayat Unions, as regards developmental activities such as agriculture, industries, education and health, the Government of Madras was in favour of a delegation of responsibility to the local body, which meant that the government would retain the ultimate responsibility for the action of the local body. The recommendations included three grades of authority to local bodies: (a) statutory devolution of some function; (b) executive delegation of certain other functions and (c) advisory association of some others. The approach of the Government of Madras was not to widen the domain of responsibilities statutorily assigned to local bodies while it recognised the need for discretionary entrustment and consultation. In 1957, the Government of Madras placed a White Paper on the "Reform of Local Administration" which was discussed in the Legislative Assembly on 4-5 November 1957 and in the Legislative Council on 6-7 November 1957.

2.16. The main elements of the White Paper were:

(1) A Panchayat Union should be constituted for every development block and the constitution of the Panchayat Union should be so devised that it will represent a co-operative association of the panchayats of all villages situated in that Block; (2) District Boards should be abolished with their functions being undertaken by Panchayat Unions; and (3) District Development Councils should be formed in each development district for establishing an advisory association between representatives of the local people and departmental agencies of the state government. The paper was scrutinised by a House Committee and on the basis of its recommendations, the Madras Panchayat Act 1958 was enacted.

2.17. It is worthwhile to indicate here 3 main reasons for the abolition of District Boards (a) The overall control the Government/bureaucracy had over the functions, finances and functionaries of the Boards in many places resulted in tension between Board and Government; (b) The Village Panchayats considered the Board as an intruder into

their functioning and finances. and (c) the District Board's area was rather large to have effective control over developmental works and genuine people's participation.

VI. 1958-1989

2.18. More than 3 decades saw rise and fall of democratic decentralisation in the State. Madras Panchayat Act 1958 and Madras District Development Council Act 1958 were enacted, as earlier stated, after a great deal of deliberation in the State Legislature. Some of the major features of the enactments were (i) creation of Panchayat Unions coterminous with the development Blocks, (ii) abolition of District Boards, (iii) Creation of District Development Council as advisory body, and (iv) the Panchayat Unions and Village Panchayats were entrusted with a large number of developmental and social welfare functions. The Tamilnadu Panchayat Act 1958 was subjected to amendments for more than 30 times during 1958-92.

2.19. In comparison to previous legislations, the Act 1958 brought in many modifications. Those are categorised into five different groups.

- I. Deleted functions for Village Panchayats included judicial powers.
- II. Additional functions assigned to Panchayat Unions included the entrustment of Community Development and National Extension Service Schemes.
- III. Two functions were transferred from the District Boards to the Government namely (a) establishment and maintenance of major district roads and (b) Opening and maintenance of secondary schools.
- IV. Two functions were transferred from the District Boards to the Panchayat Unions namely (i) establishment and maintenance of elementary schools and (ii) training of vaccinators.
- V. Ten functions were transferred from Village Panchayats to Panchayat Unions. Those are (1) Preventive and Public health measures in respect of malaria and epidemic, (2) establishment and maintenance of dispensaries (3) establishment and maintenance of maternity and child welfare centres, (4) Opening and maintenance of elementary Schools, (5) Veterinary relief (6) Registration of births and deaths, (7) establishment and maintenance of choultries, (8) extension of village sites and regulation of buildings (9) improvement of agriculture, agricultural stock and conducting of agricultural shows, and (10) promotion of village industries. In the 1950 Act the function at serial No(1) alone was obligatory and others were discretionary and optional functions for Village Panchayats.

2.20. The two tier system operated on democratic lines till 1975, through elections. The extension of tenure to Panchayats and Unions was granted upto 12.9.79 and 1.2.1977 respectively. Thereafter Special Officers were appointed to these local bodies. In 1986 Panchayat elections were held and tenure extended upto March 1991 when again the Special Officers were appointed to these bodies. After Tamilnadu Panchayat Act 1994 was enacted, election to the rural local bodies was held in October 1996.

VII. 1989-1996

2.21. From 1989, the Government of India initiated steps to amend the Constitution of India to include a separate part relating to Panchayats. On the ground that this was an attempt to by pass the State Governments, the Tamil Nadu Government objected to such a constitutional amendment though agreed to the concept of strengthening of the Panchayat Institutions. Though Constitutional amendment did not come through due to its defeat in Rajya Sabha in October 1989, the Government of Tamil Nadu amended Tamil Nadu Panchayat Act 1958 to strengthen Panchayat Raj Institutions. Main features of the amendments were (i) mandatory quinquennial election to Panchayats, (ii) reservation for women, (iii) Constitution of a Finance Commission to review financial position of local bodies, and (iv) entrustment of development schemes to Panchayat Unions.

2.22. After the 1989 Parliamentary election, the new Government introduced a Constitutional Amendment Bill in September 1990 which could not fructify. However in 1992, the 73rd Constitutional Amendment was carried through on 23.12.92 and the State Governments were required to carry out amendments or to enact new legislation by 24.4.1994 on panchayats in tune with the said Constitutional Amendment. Tamil Nadu Panchayat Act 1994 came into force from 22.4.94 in the state. This Act of 1994 has brought in a number of changes in the Panchayat Raj System in Tamil Nadu Viz (a) introduction of 3 tier structure of Panchayats, (b) reintroduction of the indirect election for the post of Panchayat Union Chairman, (c) Introduction of reservation of seats for SC and ST on the basis of their population, (d) introduction of a system of reservation for women including SC and ST women, (d) Preparation

of development Plan for Village Panchayat, Panchayat Union and District. (e) formation of a District Planning Committee and (f) establishment of a State Election Commission, and State Finance Commission.

2.23. Though the enactment was made in April 1994, until May 1996, there was no sincere attempt to hold panchayat elections. It is after the new Government was formed in May 1996, the much awaited Panchayat election was held for all the tiers of rural and urban local bodies in October 1996.

2.24. The above historical perspective spreading for more than a century brings forth a number of issues and features which are equally relevant in the present context. (1) The levels of decentralisation and magnitude of democratisation varied from period to period. (2) Through out the past periods the local bodies were considered as the agencies to provide certain basic amenities and infrastructures in their area. While the Constitutional Amendment outlined 29 activities in which the State Act should specifically have assigned powers to each of the 3 tiers, 1994 Act has evaded assigning specific powers and responsibilities to Panchayats. (3) Right from the days of Lord Ripon, the financial constraints limited the operational flexibility and viability of the Panchayat Raj Institutions. These were dependent on Government grants. Now the situation has not improved. It is yet to be seen whether devolution of financial powers will be proportionately adequate to meet the administrative and functional responsibilities to be taken over by the Panchayats. (4) Government has exercised enormous control over the local bodies in the past. Similar control, if not more, still exists in the new dispensation. Inspector of local bodies has sweeping powers. Deputed Government servants will be birds of passage with least dedication for the new role being assigned to the local bodies. (5) The fact that elections were not held regularly undermined the democratic principle in the local bodies. Safeguards are needed to avoid the supercession powers enshrined in the Act.

2.25. Keeping in view the above background the State Planning Commission - Group recommends entrustment of powers to three tiers of rural local bodies in the following chapters.