

**LOK SATTA**  
*People Power*

**Empowering Local Governments**  
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# True Swaraj

The real *Swaraj* will come

not by the acquisition of authority by a few,

but by the acquisition of the capacity by all

to resist authority when abused

- ***Gandhiji***

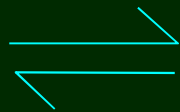
# Principles of Devolution

## 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments

- 11<sup>th</sup> Schedule – 29 subjects
- 12<sup>th</sup> Schedule – 18 subjects

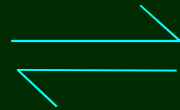
## Decentralization

Vote



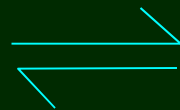
Public good

Taxes



Services

Authority



Accountability

# Principles of Devolution

- The guiding principle of devolution shall be that whatever could be handled at the local level practically shall be devolved to that tier of government – Principle of Subsidiarity
- Only parts of those functions which cannot be handled by the local government shall vest with the state
- For all the functions that are transferred to the local government, the funds and functionaries shall also be transferred completely.

# Status of Decentralization in AP

- 17 subjects are “transferred” to the LGs
- Even those subjects transferred – the government is insincere in its intentions
- For example – education: only planning , implementation and review of adult and non-formal education are transferred to the LSGs – incomplete – doesn’t cover primary and secondary education
- Fiscal devolution – minimal
- No transfer over control of functionaries
- Over 80 % of funds devolved to LSGs go towards wage bills

# Functional Devolution

- All the functions, funds and functionaries pertaining to the subjects enumerated in the Eleventh and Twelfth Schedules should be transferred to local governments with immediate effect.
- Functional delineation among the three tiers of local governments should mark any such devolution.
- What can be handled at the local level should be done at that level and only those that cannot be done locally should be passed on to a higher level i.e., from the Gram Panchayat to the Mandal Parishad and Zilla Parishad

# Finances

- The state budget under each head should be divided into: 1. State wide, 2. District-wise
- Allocating 50 % of the total state government plan budget to the local governments
- Savings under non-recurring (capital) items shall not be diverted by local governments for recurring expenditure.
- Savings on recurring expenditure can and should be diverted to non-recurring expenditure. This encourages fiscal prudence and savings.

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## Finances

- The Zilla Parishad should have the powers for re-appropriating amounts from one item to another within the budgetary allocations for the district, subject to the conditions that savings under non-recurring or capital items shall not be diverted by local governments for recurring expenditure
- Make the recommendations of the SFC binding on the state government and making amendments to Article 243-I to introduce the words “or at such earlier times as the governor considers necessary.”



# Functionaries

- Local governments shall be the appointing authority – in respect of the officials transferred to the control of local governments.
- In respect of senior functionaries – on deputation to local governments for a fixed tenure.
- Powers of Head of the department should be transferred to the Zilla Parishads
- All new staff appointing authority will be the local governments

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## Functionaries

- All new staff appointing authority will be the local governments
- All wages and service conditions of such transferable employees will be protected by the state government.
- A Staff Review Commission can be constituted to go into the details of transferring functionaries to the local governments.
- Statutory District Staff Committees to attend to the administrative appeals and grievances of various functionaries working with local government can also be constituted.

# District Government

- There is no single, undivided government representing all sections at the district level.
- There is a need to provide for a single elected district council that will function as a true government for the entire district

# Structure

- Empower the state legislatures to decide the structure of local governments, subject to the overall constitutional provisions.

## **Panchayat restructuring:**

- The size of a Panchayat in Andhra Pradesh varies from 500 to 25000. As a consequence some of the Gram Panchayats are not financially viable. Hence constituted with a population of 3,0000 – 4,0000 in the plain areas and 15000 – 20000 in the tribal areas.

# Reservation of Seats in Local Governments:

- The seats in local governments should be reserved for two-terms
- Making the Legislative Council, a council of local governments

# Accountability

- Citizens Charters
- Right to Information
- Ombudsman – for each district with powers to initiate disciplinary proceedings on any employee including elected head of local governments
- District Audit Units

# Lok Satta's Effort For Empowerment of LSGs

- Formation of Federation For Empowerment of Local Governments (FELG)
- One Crore-Signature Campaign
- Cabinet Committee invites Lok Satta
- Dialogue with Union Government
- Training for Elected Representatives of LSGs

“The punishment suffered by the wise who refuse to take part in the government, is to suffer under the government of bad men.”

**Plato**