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ASSIGNMENT

1. Discuss the meaning, nature, scope and importance of local self-government? 2. Describe the main features of the 73rd Constitutional Amendment? 3. Describe the main features of the 74th Constitutional Amendment? 4. Discuss the financial sources of local bodies? answer in english



1. Meaning, nature, scope, and importance of local self-government

Meaning and nature

Local self-government is a system of administration by which local bodies, elected directly by the people, manage the affairs of a specific local community, such as a village, town, or city. It is the third tier of India's federal structure, functioning below the Central and state governments. This system is characterized by: 

- **Decentralization:** It devolves power and authority to the local level, moving decision-making closer to the people who are most affected by the outcomes.

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- **Participatory democracy:** By involving citizens in governance at the grassroots level, it promotes active participation rather than just a representative democracy.
- **Accountability:** Elected local representatives are more accessible and directly accountable to the local community, enhancing transparency in governance.
- **Institutional structure:** It operates through established institutions, such as Panchayati Raj Institutions (PRIs) in rural areas and Municipalities in urban areas, which are legally recognized. 

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Scope

The scope of local self-government includes a wide range of functions and responsibilities defined by state law, which can vary. The 73rd and 74th Constitutional Amendments provide a broad framework, outlining subjects for local bodies in the 11th and 12th schedules, respectively. 

- **For rural areas (Panchayats):** This includes land improvement, minor irrigation, animal husbandry, small-scale industries, rural housing, drinking water, roads, libraries, and social welfare.
- **For urban areas (Municipalities):** This covers urban planning, water supply,

- **For urban areas (Municipalities):** This covers urban planning, water supply, public health, fire services, slum improvement, and poverty alleviation. 

Importance

The significance of local self-government is profound, as it strengthens democracy and improves governance.

- **Responsive governance:** Local bodies, being closer to the people, have a better understanding of local needs and priorities, leading to more responsive and effective service delivery.
- **Empowerment of citizens:** It gives local

- **Empowerment of citizens:** It gives local communities a say in matters that impact their daily lives, building their capacity to manage resources and plan for development.
- **Inclusivity:** Through provisions like reservation for Scheduled Castes, Scheduled Tribes, and women, it ensures that marginalized communities have a voice in local governance.
- **Training ground for leadership:** Local bodies serve as a training ground for future political leaders, allowing them to gain administrative experience at the grassroots level.
- **Holistic development:** By focusing on various sectors like health, education,

- **Holistic development:** By focusing on various sectors like health, education, and infrastructure, it promotes comprehensive community development. 

2. Main features of the 73rd Constitutional Amendment

The 73rd Amendment Act, passed in 1992, gave constitutional status to the Panchayati Raj Institutions (PRIs), establishing a uniform three-tier structure for rural local self-government across India. Its main features include: 

- **Three-tier structure:** Mandated a three-tier system:
 - **Gram Panchayat:** At the village level.
 - **Panchayat Samiti:** At the block/intermediate level.
 - **Zila Parishad:** At the district level.
- **Gram Sabha:** Recognized the Gram Sabha (village assembly) as the foundation of the Panchayati Raj System, comprising all registered voters in a village.
- **Direct elections:** Provided for direct elections for all members of panchayats at all three levels.

- **Reservations:** Mandated reservation of seats for:
 - **SCs and STs:** In proportion to their population.
 - **Women:** Not less than one-third of the total seats and one-third of the chairperson posts reserved for women.
 - **Backward Classes:** State legislatures were given the authority to provide for reservations for backward classes.
- **Fixed tenure:** Established a fixed five-year term for panchayats. If a panchayat is dissolved prematurely, elections must be held within six months.

- **State Election Commission (SEC):**
Mandated the creation of an independent SEC in each state to conduct and oversee all panchayat elections.
- **State Finance Commission (SFC):**
Required the constitution of an SFC every five years to review the financial position of panchayats and recommend principles for devolution of resources.
- **Eleventh Schedule:** Added the 11th Schedule to the Constitution, listing 29 functional items to be entrusted to the panchayats, such as agriculture, minor irrigation, and rural development. 

3. Main features of the 74th Constitutional Amendment

The 74th Amendment Act, also passed in 1992, gave constitutional status to Urban Local Bodies (ULBs) or Municipalities, bringing them under the justiciable part of the Constitution. Its features are designed to strengthen urban governance. 

- **Three types of municipalities:**

Categorized urban areas and mandated three types of municipalities:

- **Nagar Panchayat:** For areas transitioning from rural to urban.
- **Municipal Council:** For smaller urban areas.

- **Municipal Corporation:** For larger urban areas.
- **Wards Committees:** Provided for the constitution of Ward Committees within the territorial area of a municipality with a population of 3 lakh or more.
- **Reservations:** Similar to the 73rd Amendment, it mandated reservation of seats for SCs, STs, and women in municipalities.
- **Direct elections:** Stipulated direct elections for members of municipalities from territorial constituencies (wards).
- **Fixed tenure:** Provided a fixed five-year term for municipalities, with elections to be completed within six months of

be completed within six months of dissolution.

- **State Election Commission (SEC):** The SEC responsible for panchayat elections was also made responsible for conducting municipal elections.
- **State Finance Commission (SFC):** The SFC appointed for panchayats also reviews the financial position of municipalities and makes recommendations for resource devolution.
- **Twelfth Schedule:** Added the 12th Schedule to the Constitution, listing 18 functional items for municipalities, including urban planning, roads, water supply, and public health.

- **District Planning Committee (DPC) and Metropolitan Planning Committee (MPC):** Mandated the constitution of a DPC in every district to consolidate development plans prepared by panchayats and municipalities. An MPC is also required in every metropolitan area. 

4. Financial sources of local bodies

Financial autonomy is crucial for local bodies to carry out their functions effectively. Their financial sources can be broadly classified into: 

Own-source revenue

- **Tax Revenue:** Local bodies generate revenue from various taxes that they are authorized to levy, such as:
 - Property Tax
 - Entertainment Tax
 - Profession Tax
 - Water Tax/Charges
 - Taxes on advertisements, vehicles, and animals.
- **Non-Tax Revenue:** This includes fees and charges for various services, such as:
 - Fees from markets and

- Fees from markets and slaughterhouses
- Building license fees and development charges
- Rent from municipal properties
- User charges for services like water supply and sanitation. 

Assigned revenues

- **Sharing State-collected revenues:**
State legislatures may authorize the sharing of certain state-collected revenues, like stamp duty surcharge, with local bodies. 

Grants and transfers

- **State Finance Commission (SFC) grants:** Based on the recommendations of the SFC, states provide grants-in-aid to local bodies from the Consolidated Fund of the State.
- **Central Finance Commission (CFC) grants:** The Central Government provides grants to local bodies based on the recommendations of the Central Finance Commission.
- **Scheme-specific grants:** Local bodies also receive funds for implementing specific schemes and programs sponsored by the Central or state governments. 

Loans and debt

- **Loans:** Local bodies can raise loans from financial institutions and the market to fund capital-intensive infrastructure projects.
- **Bonds:** Some municipal corporations raise money by issuing bonds to investors. 

Despite these provisions, inadequate financial resources and excessive dependence on grants remain a significant challenge for local bodies in India. 

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