# AN APPRAISAL OF FISCAL DECENTRALISATION UNDER 73RD CONSTITUTIONAL AMENDMENT ACT IN INDIA

**Dr. Ketki Tara Kumaiyan***


## Abstract

The hallmark of any successful self-government is the degree of financial autonomy it enjoys in formulating and executing public policies in regard to those functional responsibilities assigned to it. According to a noted authority on fiscal federalism, "Transfer of funds to lower levels of government can be justified on the basis that such transfers can help equalize income distribution throughout the country by reducing intra-regional service and income differences."It is averred that Fiscal Decentralization is the Fiscal Empowerment of lower tiers of government which involves the devolution of taxing and spending powers along with the arrangements for rectifying mismatches in resources and Responsibilities.

This paper thus investigates how the 73rd Constitutional Amendment Act in India has empowered the Panchayati Raj Institutions (PRIs) across the country fiscally and at the same time also assesses the progress of fiscal decentralisation at PRI level by scrutinizing the devolution of the indispensable 3 F's viz., funds, functionaries and finances.


**Key words:** Fiscal decentralisation, devolution, Panchayati Raj Institutions.

## Introduction

Till 1992, the Panchayati Raj Institutions could not enjoy any legitimate powers because of the centralized character of Indian Federalism. According to Rao, formally Indian Federalism was evolved as a two-tier structure until 1992. The terrain below the states was left unprovided for, except only for a Directive principle for setting up self –governing village Panchayats. However things changed with the enactment of the 73rd amendment Act. In keeping with the rationale behind fiscal decentralisation, the Indian Constitution through the 73rd Amendment Act has extensively purveyed a set of legitimate powers to the Panchayati Raj Institutions. They have emerged as the third stratum of government and have laid down a new paradigm of self-governance. Furthermore it has expanded the autonomous space of PRIs through fiscal devolution.

The 73rd Amendment Act which constituted a uniform three-tier system of rural governments at the district, block and village level provides for the devolution of funds, functions and functionaries from the state government to these rural bodies. The implicit intention of the amendment is that the rural local institutions should have a functional domain of their own and such a domain has to be constructed by transferring some functions of the State government— which were given in the Eleventh and Schedule the rural local institutions and the latter should have full autonomy to discharge those functions. To attain the purpose the Act necessitates the preparation and implementation of plans for economic development and social justice relating to an indicative list of 29 subjects given in Eleventh Schedule of the Constitution

Under Article 243-G of the Act , the Constitution has given authority to State Governments to endow panchayats with necessary powers to carry out their functions. States are empowered under Article 243-H to authorize panchayats to levy, collect and appropriate taxes, duties, tolls and fees apart from giving them grants-in-aid from the Consolidated Fund of the State. Another Article 243-I, provides for the formation of a State Finance Commission (SFC) every five years to examine the fiscal scenario of Local Governments and to recommend ways of implementing the provisions of Article 243-H.

*Assistant Professor (Guest Faculty), Department of Political Science, D.S.B Campus, Kumaon University, Nainital

The snowballing effect of all these provisions is that it has created a fiscally robust and vibrant atmosphere for the Panchayati Raj Institutions. The Ministry of Panchayat Raj has thus observed that, "Over all, the mandatory provisions specified in the Constitution have been implemented in the last decade and a half…. State Finance Commissions (SFCs) have been constituted and in many States, their recommendations have been acted upon. All the States (excluding Uttarakhand and Jharkhand) have constituted District Planning Committees and most have initiated decentralised planning processes.

Approving the view of the MoPR , the Planning Commission in its approach paper to the Twelfth Five Year Plan submitted a congruent statement to that effect which read as follows:

"The 73rd Constitution Amendment Act has, therefore, given adequate discretionary powers to State Legislatures to make suitable provisions in its Acts on the subjects…. States have taken up activity mapping based of the principle of subsidiarity, but the pattern of assignment of subjects and the coverage of subjects differs widely among the States. Barring those development programmes/schemes, which expressly require the involvement of Panchayats, most others are implemented by the functionaries of the line departments concerned. However, there has been an increase in the allocation of funds to Panchayats due to the Union Finance Commission Awards and State Finance Commission Awards.

**Revitalizing Fiscal Decentralisation at the pri level**

To assess the progress of decentralization at the PRI level there are essentially three major factors that have been instrumental in revitalizing Fiscal Decentralisation. They are :

A. Devolution of functions and Functionaries
B. Devolution of finances
C. Institutionalization of State Finance Commissions

**A. Devolution of Powers & Functions**

Devolution of powers including fiscal powers to PRIs is the most significant aspect that is reflected through the 73rd constitution amendment act. The act created the 11th schedule which listed subjects to be devolved to Local Bodies, creating a sense of *'constitutionalised devolution.'* It was suggested that the 29 subjects under 11th schedule of Indian Constitution will be devolved to the PRIs for ensuring effectiveness in its functional aspects.

That the devolution of powers to the PRIs is a progressive phenomenon and has a spill over effect on overall governance gets reflected at the different levels of the Panchayat. While the village panchayats carry out core functions, intermediate and district panchayats on the other hand are allotted supervisory functions or act mainly as executing agents for the state government. In general, while the GPs carry out major functions (including some obligatory) such as public facilities, health, minor construction, minor irrigation, village roads etc., the intermediate tier Panchayat Samitis at the block-level and Zilla Parishads at the district-level in most states oversee the activities and act mainly as executing agents for the state government.

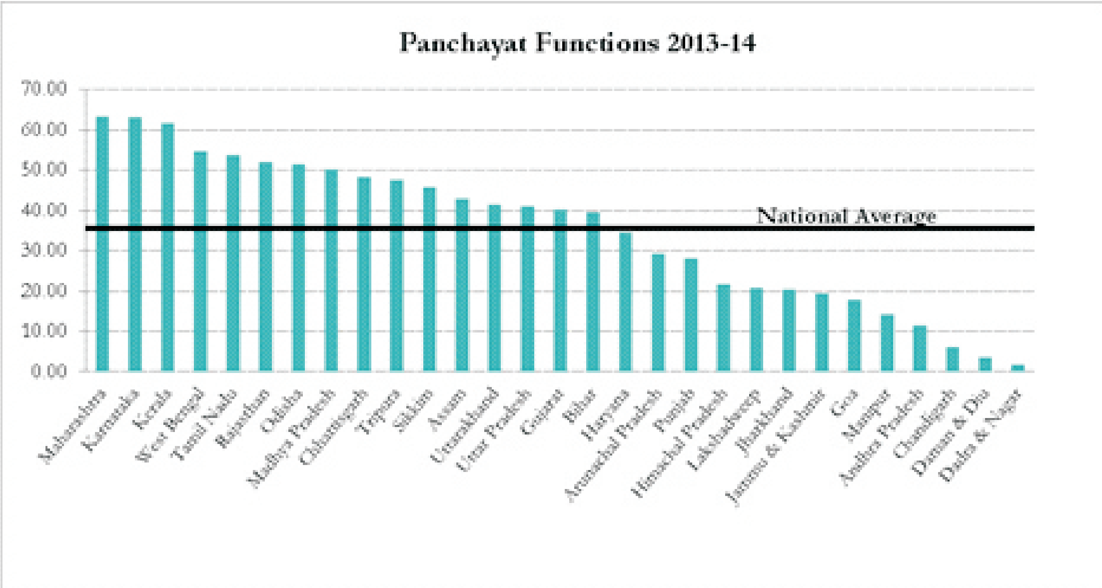
It is a widely held notion that since panchayat is the derivative of the state, it is the state which has to devolve its power and authority, functions and functionaries, rights and duties, and the funds to the structure below, and thus bring the government to the doorstep of the people.

In most states, the functions devolved to Panchayats are subjects rather than activities or sub activities. Only some states like Andhra Pradesh, Kerala, Gujarat, Karnataka, Madhya Pradesh have broken the 29 subjects into activities and sub activities. In Kerala, complementary legislation has even been issued to change the roles of key line agencies.

A detailed study of devolution index computed by the Indian Institute of Public Administration shows that in the dimension of Functions, Maharashtra tops the list with an index value of 63.26. Karnataka and Kerala closely follow with 63.14 and 61.61 respectively. West Bengal, Tamil Nadu, Rajasthan, Odisha and Madhya Pradesh are other states in that order with scores over 50. It can be noticed that 16 states including three

North Eastern states are placed above the national average of 35.34, while all the UTs have scored less. The graph below illustrates the state wise devolution of functions for the year 2013-2014.

**Fig. 1: Sub Index of Panchayat Devolution Index- Functions 2013-2014**




**Source: Measuring Devolution to Panchayats in India: A Comparison across States Empirical Assessment – 2013-14, IIPA**

On the Incremental Devolution Index (based on 3 dimensions, i.e. the extent to which the initiatives led to: (i) institutional strengthening, (ii) process improvement; and (iii) improved delivery of services. Rajasthan was adjudged the best performer. Kerala, Maharashtra, Karnataka and Haryana were ranked after Rajasthan. Along with funds and functionaries ,the state of Rajasthan has successful devolved the functions of primary health, education, agriculture, social justice and empowerment and women and child development,.

Various states have also carried out activity mapping and then consequently carried out devolution of funds, functions and functionaries. Activity mapping/functional assignment is a key requisite for decentralisation reforms at the state level, as this forms the basis of clarity on the distribution of functions and, therefore, determining the transfer of funds and technical staff to PRIs. It involves systematic unbundling of the broad subjects listed in Eleventh Schedule and devolving activities across government tiers using mainly the principle of subsidiarity which holds that any activity which can be performed at a lower level should be undertaken only at that level and at no higher level. Union and the State governments have embarked on detailed 'Activity Mapping', which is the foundation of sound Panchayati raj. Along with the transfer of functions and funds comes the issue of administering them. However in many States, functionaries remain state officials on deputation to the local bodies, with Panchayats exercising little administrative control over them.

The state of Madhya Pradesh has done activity mapping with respect to 25 matters pertaining to 22 departments and has transferred 18 Departments to the PRIs with administrative control over class III and IV employees deputed to the Panchayats. It has created a State Panchayat Service empowering Panchayats to recruit their own staff as well as grassroot workers such as primary school teachers, Aanganwadi Workers

(AWWs), Accredited Social Health Activists (ASHAs) etc. It allows the GPs to collect property tax, mela tax and generate non-tax income from temporary leasing of land and rights for fisheries in ponds.

In a study by Timothy Besley et al. it was found that fiscal decentralisation has advanced the most in Kerala, with 40 per cent of state expenditure allocated by panchayats.Functioning of panchayats in the state is considered highly transparent as the state devolves maximum numbers of functions to panchayats and at the same time has an unbiased system of transferring money under Panchayat's window.Unlike all other states in India, Kerala has made huge human and material investments in devolution since 1996. It has resorted to detailed activity mapping of all 29 functions and devolved activities to the PRIs. The scope of the functions assigned to the three tiers of panchayats, viz. Gram Panchayat, Block Panchayat and District panchayat is no longer confined to civic functions but has also expanded itself to social welfare, developmental projects and local resource mobilization.. The Government of Kerala has transferred Agriculture, Health, Veterinary and Primary Education Departments to the Panchayats. About 40,590 staff, moveable and immovable property has also been transferred to the Panchayats. More importantly, the State has given the Panchayats full managerial and part disciplinary control over functionaries who are supposed to implement the functions, devolved to them.

The Government of Rajasthan has transferred nine schemes which were earlier being implemented by DRDAs to the Zilla Parishad with effect from 1.4.1999. Further, innovative projects like Lok Jumbish, Shiksha Karmi and District Primary Education Programme (DPEP) have also been brought under the umbrella of the Panchayati Raj Department .It has also set up a Village Level Standing Committee for each village under the Chairmanship of Sarpanch of the Gram Panchayat to act as "watch dog". It will keep watch on the absenteeism of grassroot functionaries of the Departments, namely Patwari, Teachers, ANMS, MPW, VLW, Anganwadi workers and Compounder posted in rural areas. Primary and Upper Primary Education, Literacy and Continuing Education, Rajiv Gandhi Scheme for Restoration of Traditional Drinking Water Sources, Rajiv Gandhi SwarnJayantiPathshalas will all be implemented by the PRIs.

Karnataka is ahead of many states in terms of the powers and functions that have been delegated to PRIs. Karnataka delegated all 29 subjects to the PRIs by issuing activity-mapping notification on 12th August 2003. The 29 functions listed in the Eleventh Schedule of the Constitution that were devolved to panchayats were delineated in three separate schedules, each of which was applicable to the gram panchayat (GP), taluk panchayat (TP) and zilla panchayat (ZP) respectively .More powers and functions were devolved in 2004-05 and in order to remove ambiguity, a detailed activity map was prepared for each of the three panchayat tiers.

Goa is another state where a significant number of subjects have been devolved to the GPs and the ZPs. It allows the GPs to employ their own staff such as clerks and peons and has placed services of Executive, Assistant and Junior Engineers at the disposal of the ZPs. The Panchayats levy 11 types of taxes in the state besides having non-tax sources of revenue.

A late starter, Punjab is rapidly forging ahead on Panchayati raj by taking several steps, particularly in respect of devolving responsibilities in health care and education to panchayats. In a recent far reaching decision, rural health sub centres have been transferred to the Zilla Parishads by the Department of Health. The state government aims to give block grants in aid to Zilla Parishads to run these dispensaries. Zilla Parishads are permitted to engage doctors as service providers on a service contract for a period of three years. More than 3000 centres have so far been transferred on this account.

To get a better understanding of the functions and funds that are devolved to the different states a state wise break up has been given in the table below:

**Table 1**:**Summary of Devolution of Funds & Functions to PRIs by States**

| S. No. | States/UTs | Functions devolved | Functions for which funds are devolved |
|---|---|---|---|
| 1. | Andhra Pradesh | 17 | 5 |
| 2. | Arunanchal Pradesh | 0 | 0 |
| 3. | Assam | 29 | 0 |
| 4. | Bihar | 25 | 8 |
| 5. | Jharkhand | 0 | 0 |
| 6. | Goa | 6 | 6 |
| 7. | Gujarat | 15 | 15 |
| 8. | Haryana | 16 | 0 |
| 9. | Himachal Pradesh | 26 | 2 |
| 10. | Karnataka | 29 | 29 |
| 11. | Kerala | 26 | 26 |
| 12. | Madhya Pradesh | 23 | 10 |
| 13. | Chhattisgarh | 29 | 10 |
| 14. | Maharashtra | 18 | 18 |
| 15. | Manipur | 22 | 0 |
| 16. | Orissa | 25 | 9 |
| 17. | Punjab | 7 | 0 |
| 18. | Rajasthan | 29 | 18 |
| 19. | Sikkim | 24 | 24 |
| 20. | Tamil Nadu | 29 | 0 |
| 21. | Tripura | 12 | 0 |
| 22. | Uttar Pradesh | 12 | 4 |
| 23. | Uttaranchal | 11 | 0 |
| 24. | West Bengal | 29 | 12 |

**Source:** ***India – Rural Governments & Service Delivery – World Bank Study 2006***

### B-Devolution of Funds and Finances

A major impediment in the effective functioning of the PRIs is the lack of adequate funds for the implementation of need-based programmes. A large number of functions have been vested in decentralized bodies without sufficient finances and this has resulted in the near failure to fulfil their responsibilities leading to discontinuation of the system in many states .Besides, funds that are available are mostly tied in nature, leaving little flexibility to the panchayats.Thus for PRIs to perform the functions assigned to them effectively, they must be fiscally capable and autonomous. In practice, financial autonomy means release of funds without any technical clearance or caveats attached.

For example, Panchayats in Kerala and Punjab can spend up to Rs 1 lakh and in Madhya Pradesh up to Rs. 3 lakh to take up work without any outside clearance.While moving the Constitution (73rd Amendment) Bill in Parliament the Union Minister of State for Rural Development, G VenkatSwamy expressed the inevitability of fiscal decentralisation in these words , "Constitution (Seventy-third) Amendment cast a duty on the centre as well as the states to establish and nourish the village panchayats so as to make them effective self-governing institutions….We feel that unless the panchayats are provided with adequate financial strength, it will be impossible for them to grow in stature".

Finances are the most important dimension and carry the maximum weight in the Panchayat Devolution index. In this dimension it is Kerala which leads with an index value of 68.37 followed by Karnataka, Maharashtra and Tamil Nadu with values of 61.32, 59.03 and 56.88 respectively. The national average for the sub-index of finances is 32.05. However, 13 states including two North Eastern states i.e., Sikkim and Tripura are above the national average in this sub-index.

Effective fiscal decentralization demands that finances should follow functional assignments. The Fiscal portfolio of local self-governing institutions is believed to be based upon income from "own revenues" and "assigned & devolved revenues" by government and semi-government organizations. Oommen thereby makes a classification of *Panchayat* finances into four categories: (a) own resources; (b) assigned revenues; (c) grants; and (d) loans.

**a. Own Source Revenues**

As regard its own resources a variety of taxes have been devolved to different levels of panchayats. The relative importance of these taxes varies from state to state. Oommen has claimed that political autonomy is directly dependent on the ability to raise and spend public resources. He strongly asserts that PRIs can play a genuine role in local development and self-rule only if they enjoy some degree of fiscal autonomy.

The intermediate and district panchayats are endowed with powers to collect very few taxes, whereas village panchayats are given substantial taxing powers. In most states, the property tax contributes the maximum revenue. It is seen that this gives a sizeable income to the village Panchayats in Maharashtra, Kerala and Karnataka. Tax on buildings and lands is a major source of income all over the world. Kerala goes to the extent of charging property tax on all buildings and land appurtenant thereto as a percentage of the net annual value of the building Moreover for buildings given on rent, twenty five percentages is added to the tax rate. Property tax, tax on professions, surcharge on additional stamp duty,cess on land revenue, tolls, tax on advertisements, non-motor vehicle tax, octroi, user charges, and the like contribute the maximum to the small kitty of own-source revenue, which contributes only 6 to 7 per cent of the total expenditure of panchayats.

Auction of Panchayat land and ponds forms an important part of nontax revenue for many Gram Panchayats in northern states . For example, Shamalat lands in Haryana are auctioned for cultivation. In certain other areas like Panchayats of Haryana and Punjab, annual auction of other resources like fishery ponds is done which gives the Panchayats some non-tax income.

**b. Assigned Revenues**

Another resource which contributes to the augmentation of Panchayat finances are the assigned revenues or shared taxes. Panchayats rely more on fiscal transfers from the state government in the form of shared taxes and grants. Revenue is shared from the divisible pool of the State following the recommendations of the respective State Finance Commission(SFC). A few State Finance Commissions (SFCs) form the divisible pool by including the share of Union taxes in the State tax and non-tax revenues, *e.g.* SFCs of Andhra Pradesh, Assam and Goa. Such revenues are levied and collected by the state government and are passed on to panchayats for their use. Some states deduct collection charges.Once the revenue sharing arrangement is designed, the State Finance Commission (SFC) is required to recommend the allocation of the sharable revenue among different local bodies. Typical examples of assigned revenue are the surcharge on stamp duty, cess or additional tax on land revenue, tax on professions, and entertainment tax. Land revenue on agricultural land is an important tax on private property in rural areas which are shared with panchayats. Royalties on minor minerals and quarried materials like (granite and sand) and forest revenue are also shared with PRIs in the same manner.

Many SFCs have recommended that state government share their revenue collections with the local bodies. For instance Assam SFC recommends 2% of the state taxes and transfer of 10% of motor vehicle tax to local bodies; as per Punjab SFC recommendations 20% net proceed of stamp duty, motor vehicle tax, electricity duty, and entertainment tax shall be shared ; Rajasthan SFC recommended 2.18% of the net proceed of the taxes raised by the state to be allocated to the local bodies ; UP SFC suggested 3% of revenue receipts of state government; West Bengal SFC recommended 16% of net process of all the taxes collected by the state; MP SFC recommended 4.24% of state revenue to PRIs; Haryana SFC recommended sharing of land conversion charges, stamp duty and royalty on minor minerals with PRIs.

**c. Grants**

Grants are significant for rural government's finances as they improve the fiscal health of the local bodies judiciously. They comprise an important element of inter-governmental transfers. Because of the limited taxable capacity, local bodies are provided with grants-in -aid which enables them to manage their functions. Furthermore, grants are given to them to undertake functions which are funded by the state government. They are bestowed on the local bodies so as to increase their income.

Various case studies from Himachal Pradesh, Karnataka and Maharashtra on state grants to rural local governments also revealed the substantial role played by grants. Many of these were specific grants, for drainage, water supply, irrigation, road maintenance, and street lighting.

**d. Loans**

Borrowings or a loan ,of late has become potentially important for local governments. Oomennotes that Uttar Pradesh and Bihar now have Panchayat Finance Corporations which make investment loans to *panchayats*. Their capital is contributed by rural governments, the state government, and public finance institutions. The Tamil Nadu Panchayati Raj Act allows gram panchayats to raise loans from any financial institution as long as it deals with the infrastructure development and improvement; for carrying out relief work during calamities.While the Act empowers panchayats to access loans for the above mentioned purposes, no gram panchayat in the state has borrowed from external financial institutions.

**c- Institutionalization of State Finance Commissions (SFCs)**

It is argued that sound fiscal decentralisation reforms require sound decentralised finances as well as sound decentralised governance and administration.To address this fiscal call, a State Finance Commission (SFC) for every state under Article 243 I is constituted at a regular interval of five years.

One could find enough reasons to cheer as all the states have constituted State Finance Commission and some states have constituted even their fourth generation SFC. Except for Sikkim and Goa, SFCs have submitted their reports to respective State Governments. Recommendations of the SFCs have been accepted in toto by ten States, viz; Karnataka, Kerala, Madhya Pradesh, Manipur, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal. In case of Andhra Pradesh, Himachal Pradesh, Haryana and Maharashtra, the State Governments are still considering the reports. In Gujarat, the report is yet to be placed before the State Legislature. The Government of Assam has accepted SFC's recommendations in part while the Orissa Government has accepted the report with some modifications.

States like Punjab had constituted the First State Finance Commission as early as in April 1994,and the Second State Finance Commission in September 2000. Important recommendations of the First State Finance Commission included: Transfer of 20 per cent of the net proceeds of five taxes such as stamp duty, Punjab motor vehicles tax, electricity duty, entertainment tax and entertainment tax (cinematograph shows) to be transferred to the PRIs and ULBs. In addition, a share in liquor taxes and grants and transfers of the 10th Finance Commission's award was recommended to be devolved on local bodies and panchayats in a specified ratio.

In Uttar Pradesh, First State Finance Commission was constituted in 1994, the current State Finance Commission (SFC), i.e. fourth generation SFC was constituted in Dec 2011. Currently, out of the total divisible pool in total net tax receipts of the State, 60% is being given to municipalities/ULBs and 40% to Panchayati Raj

Institutions (PRIs) . Funds devolved under the recommendation of SFC -to the Panchayats are utilized on the maintenance of assets owned by Panchayats.

As far as the critical function of the SFCs is concerned , it is primarily to determine the fiscal transfer from the state to local governments in the form of revenue sharing and grants-in-aid. Since the 80th Constitutional amendment, following the recommendation of the 10th Finance Commission (1995–2000), a certain percentage of all union taxes have been devolved to the states.

In addition to this the SFC is charged with the responsibility of reviewing the financial position of the *Panchayats*, and of recommending measures to augment the financial resources available to local bodies. This effort of State Finance Commissions is furthermore supplemented with grants from the Central government, based on the recommendations of the Central Finance Commission, which, inter-alia, are to make recommendation on the "measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State on the basis of the recommendations made by the Finance Commission of the State". It is worth noting that the 12th Finance Commission earmarked a hefty Rs. 20,000 crore as block grants to Panchayats for 2005-10, which represented a quantum jump over the Rs. 8,000 crore recommended by the Eleventh Finance Commission.

State Finance Commissions have contributed to fiscal decentralisation by devolving revenues which are mostly in the nature of fixed grants and remain static for a period of five years. The devolved revenues are allocated as direct grants from the state government to panchayats based on the recommendations of the State Finance Commission (SFC), which has a five-year term. For instance the third SFC of Tamil Nadu (2006-11) recommended that a minimum of Rs 3 lakh per annum be devolved to each panchayat and any remaining amount be distributed to panchayats in proportion to their population. The SFC devolution is paid to gram panchayats in monthly instalments.

As per the SFC recommendations, specific percentage of share in some of the State taxes which have no relation to the powers and functions to be devolved upon Panchayats and those which are less buoyant can be given by the State governments to PRIs. Such taxes can be land revenue and cess on it, additional stamp duty, and entertainment tax, royalties on minerals and mines, forest revenue and market fees. However SFCs persistently put great emphasis on internal revenue mobilization and on generating one's own revenue.

## Conclusion

In the preceding paragraphs one can clearly deduce that 73rd amendment has successfully reinforced fiscal decentralisation by employing the Tiebout - Musgrave layer cake model of the public sector which maintains that stabilization and distribution functions of the public sector should be discharged by the Central Government and that state and local governments should engage in allocation activities. To summarize, the 73rd Constitution Amendment Act has undeniably provided Fiscal empowerment to the Local Self-Governing Institutions thereby making them more efficient and accountable and has efficaciously fortified the very spirit and soul of the Panchayati Raj Institutions by making them self-sufficient and self-reliant.

## References


1. Hirsch,,Z.Werner The Economics of State and Local Government , McGraw Hill, New York, 1970,p.114
2. Vito ,Tanzi, Fiscal Federalism and decentralization: A review of some Efficiency and Macroeconomic Aspects, Annual World Bank Conference on Development Economics,1995
3. Rao,M.G., Fiscal Decentralisation in Indian Federalism, Institute For Social and Economic Change, Bangalore,2000
4. Ministry of Panchayati Raj, Government of India, Roadmap for the Panchayati Raj :An All India Perspective, 2011, pp.7-12 available at http://www.indiaenvironmentportal.org.in/files/panchayat%20Roadmap
5. Faster, Sustainable and More Inclusive Growth. An Approach to the Twelfth Five Year Plan, Planning Commission, Government of India, October 2011, p.66.
6. Reddy,G. K. ,Citizen Participation in Local Governance in South India: An Experience from South Asia,Logo link project report, IDS, University of Sussex submitted to PRIA, New Delhi, 2000
7. World Bank.India: Fiscal Decentralization to Rural Governments. Vol. I. Washington, DC, 2004.

8. Measuring Devolution to Panchayats in India: A Comparison across States Empirical Assessment – 2013-14 report , IIPA
9. Bijoy,C.R,Policy brief on Panchayat Raj (Extension to Scheduled Areas) Act of 1996,UNDP, 2012, p.24
10. Establishing a Centre of Excellence for Local Governance- Detailed Project Report Final Report, Ministry of Panchayati Raj, Government of India, November, 2010,p.19
11. Roadmap for the Panchayati Raj: An All India Perspective, Ministry Of Panchayati Raj,2011,p.20
12. Ghosh,R. N., Accountability Of Local Governments CAG's Initiatives and the Challenges Ahead, International Centre for Information Systems and Audit,p.9
13. Planning Commission, Decentralization & Panchayati Raj Institutions(PRIs),p.262 available at http://planningcommission.gov.in/plans/
14. Besley,Timothy, Pande,RohiniandRao ,Vijayendra,Political Economy of Panchayats in South India, Economic and Political Weekly February 24, 2007 ,p. 661
15. Chathukulam,Jos, A Study of Panchayati Raj and Devolution in Kerala ,Dialogue, Volume-15(2), 2013,p.130
16. Supra note 13 at p.263 http://planningcommission.gov.in/
17. Institutional Reforms for Human Development: Panchayat Raj,p.257
18. Tiwari ,Nupur,Panchayati Raj in India Are They Really Successful in Participatory Decision-Making? ,Policy Issues in Federalism: International Perspectives ,p.214
19. Hegde,R.K., Local-self in Karnataka, Planning from below, in S. Malcom and Al Adishiahe. (ed) Decentralized planning and Panchayati Raj Proceedings of DT Lakdawala Memorial Symposium, New Delhi, ISS and Concept Publishing House, 1994.
20. Subrahmanyam,Siva, Dynamics of Devolution in Panchayats, Indian Social Science Review, Vol.5(2), July-December, 2003
21. Tehelka, Devolution of funds, functions and functionaries to Panchayat Raj Institutions – a perspective, (based on a working paper by the Union government for the national convention of panchayat presidents, organised by the Ministry of Rural Development New Delhi, April 5-6,2002,
22. Oommen,M.A ., Panchayat Finance and Issues Relating to Inter-governmental Transfers, in S.N. Jha and P.C. Mathur (eds.) Decentralisation and Local Politics: Readings in Indian Government and Politics,Sage Publishers , London,1999 ,p.145
23. Ibid., p.164
24. Supra note 11 at p.34
25. Alok ,V. N., Local Government Organization and Finance: Rural India,in Anwar Shah (ed.), Local Governance in Developing Countries, Washington: The Word Bank,2006
26. Supra note 28 at p.34
27. Rajaraman, I. ,A Fiscal Domain for Panchayats, Oxford University Press, New Delhi,2003
28. Bohra,O.P, Financial Resources of Panchayats in India, in: State Local Fiscal Relations in India, NIRD, Manohar Publications, New Delhi,1998
29. Ahmad,Nesar,Decentralisation of Finance A Study of Panchayat Finances in India, Centre for Budget and Governance Accountability, New Delhi ,p.11
30. Oomen,M.A., Panchayats and their Finances, Institute of Social Sciences Paper, New Delhi,1995
31. Ibid at p.6
32. Boex,Jamie, Fiscal Decentralisation and Intergovernmental Finance Reforms as an International Development Strategy, International Development Strategy, DG Working Paper(2009-06), Urban Institute Centre on International Development and Governance,2009
33. Gupta,JP and Pattanaik,B.K., Key Paper On Rural Local Self- Government in Punjab: Its Evolution, Functioning and Functional Deficiencies, Centre for Research in Rural and Industrial Development, Chandigarh, 2006,p.17
34. Department of Panchayati Raj – Policies & Practices,Panchayati Raj Department, Uttar Pradesh- A Commitment to PRIs, p.2 available at https://www.panchayatiraj.up.nic.in
35. World Bank, Overview of Rural Decentralization in India, Vol. I. Unpublished Report, World Bank,2000a, p.9
36. Report of the Working Group on Democratic Decentralisation & PRIs, a Joint effort of the Planning Commission and Ministry of Panchayati Raj, 2006, p.47
37. Ibid., 50
38. Supra note 11at p.29
39. Sahasranaman,Anand , Panchayat Finances and the Need for Devolutions from the State Government, Economic & Political Weekly, Vol. XLVII No. 4, January 28, 2012, p. 74
40. Devendra,Babu,M, Fiscal Empowerment Of Panchayats In India: Real Or Rhetoric?, Centre for Decentralisation and Development, Institute for Social and Economic Change, Bangalore,2009,p.3