

Q 56) Mechanisms for devolution of funds to Local Self Government from the 15th Finance Commission could catalyse accountability & effective governance at the grassroots. Discuss.

73rd and 74th Amendment Act recognised local self government i.e. panchayat in rural areas and municipalities in urban areas to address the problems of a defined region locally. They provide & maintain civic amenities like roads, water and sanitation, primary education and health.

Recommendation of 15th FC regarding local self Govt. :-

1. It increased the grants to local governments by 52%.
2. Addressing the rapid urbanisation devolution of funds among urban and rural local bodies is in 67:33 ratio. as urban share of total population went up from 28% in 2001 to 31% in 2011.
3. ₹ 8000 cr allotted for performance based grants for incubation of new cities & ₹ 450 cr for shared municipal services. Performance based grants would pave way for new innovations in urban governance to transform our cities with speed & scale.
4. 15 FC recommended devolution of funds to all 3 tiers of local governments to ensure better co-ordination among them.
5. 15th FC endorsed performance based grants in devolution of funds to emphasise on good governance & transparent functioning of local bodies.

Performance based grants and devolution of funds to all the 3 tiers of local government paves way for new innovations in governance and also endorses the self reliance program of government of India. It will also ensure transparency in their functioning.