



DEMOCRATIC DECENTRALIZATION: INDIAN EXPERIENCES

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ABSTRACT

Democratic decentralization entails those representative local authorities (individual or collective bodies) are entrusted with significant powers. The distinction between participatory approaches and democratic decentralization is that the latter is specifically about including whole populations in decision making based on representative authority. Effective decentralization is a key tool for strengthening democracy. Decentralization is not unique to India, but a global trend. Institutions of local governance - Panchayati Raj, have existed in India since 1882. Grass roots governance has been a major concern of the planning process in Indian ever since the introduction of Panchayati raj in 1959. In order to improve the participation of rural people in the process of development and involvement in decision-making and decentralized planning, the government of India has made 73rd Constitutional Amendment in 1992 to provide constitutional recognition to Panchayati Raj Institutions. Like the 73rd amendment, the 74th amendment also lays down the structure of urban local bodies; provides for their regular, free and fair elections; makes provision for reservation of seats for SC, ST and OBCs; fixes their term to five years; protects them against arbitrary dissolution, specifies their powers and responsibilities; and attempts to strengthen the fiscal base of the urban local bodies. In the 43rd year of the Republic of India, 1992 the Constitution (74th Amendment) was passed which came into force on 1st June 1993.

Key Words: Decentralization, Democratic, Panchayat, Government, 73rd Amendment, 7th Amendment, Political, Administrative.

INTRODUCTION

Failure of the centralised system of governance and planning to resolve local problems and to promote local level development has led to an upsurge of interest in local governance in recent years. However, it must be recognised that the local governance system will not provide answers to local problems and development imperatives unless such a system is responsive to these problems, effective and efficient in its reach.

Democratic decentralization entails those representative local authorities (individual or collective bodies) are entrusted with significant powers. Such a transfer of powers to local authorities is theorized to improve local decision-making efficiency and equity. Popular (by which we mean broad based or inclusive of the whole population) participation advocates make similar promises. In decentralization theory, efficient and equitable outcomes are expected when powers that are relevant to local people are devolved to representative local bodies. Representation is democratic when responsiveness is driven by accountability of that authority 'downwardly' toward the concerned population. It is benign dictatorship when it is driven by good will. We focus on its democratic form. By relevant powers, we mean powers that are sufficient to enable local bodies to be responsive to local needs and aspirations, and by accountability we mean counter power. Downward accountability refers to situations where local bodies can be held to account by the populace through an ensemble of positive or negative sanctions.

The distinction between participatory approaches and democratic decentralization is that the latter is specifically about including whole populations in decision making based on representative authority. Democratic decentralization involves the transfer of powers to democratically elected local governments. The community concerned is composed of the citizens, who are usually those who live in the jurisdiction and endowed with certain rights of belonging. Further, decentralization locates powers in permanent local government institutions. Hence, decentralization can be expected to be more durable than most other interventions and ad hoc arrangements. The World Bank's community-driven development (CDD), and other participatory or community-based natural resource management (CBNRM), define the community for each intervention, such as the user group, the stakeholders, the people near the forest or the fishers. They also define the mode of representation of each 'community' as they go, creating or choosing to work with appointed committees, elected committees, stakeholder fora, participatory processes, 'customary' chiefs, project personnel, and so on.

The political dimension is especially critical for democratic decentralization, because it reconstitutes the state in a democratic way. It provides a process at the local level through which diverse interests can be heard and negotiated and resource allocation decisions can be made based on public decisions. Genuine political power sharing is a key element often missing in the political dimension of decentralization. Authorities beyond the local level must be persuaded or influenced to support the legitimization and empowerment of local governments. In a genuine democratic decentralization, local governments create large number of institutional structures to ensure democratic participation of the people and make use of the rich social capital of non-governmental organizations to discharge the powers and responsibilities in the most legitimate manner.

Decentralization is about restructuring the power relations in the society, i.e., shifting power from the central government to the local level and from local government to the grass roots level organizations and people. Decentralization is about power and is, therefore, fundamentally a political process. Decentralization initiates a process of political and administrative transformation, and leads to restructuring of the power relations. Largely for this reason, then, decentralization is a long, usually difficult, process that requires extraordinary incentive to enact and implement (Ibid.). Decentralization has attained wide currency and acceptance in the contemporary period and it is deeply rooted in its potential benefits, rather than any fascination or sentimentality. The benefits include, political education, training in political leadership, accountability, responsiveness, improved decision-making and inter – organizational co-ordination, and the promotion of competition among local governments. Decentralization is essentially a process of political change and transformation. From a political perspective, decentralization is considered as a key strategy for promoting good governance, greater pluralism, accountability, transparency, citizen participation and development.

Effective decentralization is a key tool for strengthening democracy. Strengthening democracy at the local level can help to strengthen democracy in the nation as a whole. It can help define the role of government and clarify the relationship between government and citizens. Democratic decentralization is the development of reciprocal relationships between central and local governments and between local governments and citizens. It addresses the power to develop and implement policy, the extension of “democratic” processes to lower levels of government, and measures to ensure that “democracy is sustainable”. Democratic decentralization incorporates both decentralization and democratic local governance concepts and processes. The democratic decentralization concept used in this study greatly generated from this theory. Democratic local governance provides enough space to build partnership with the community and some of the developmental functions are managed by the people themselves with the facilitative support of the local government.

Not all decentralization is a genuine sharing of power, however, not all decentralization is democratic. As well, democratic governance at the local level needs attention for several reasons. Various sections of society, particularly weak or vulnerable groups, have the greatest incentive to participate in decision making at the local level because local decisions most directly affect them. Also, they can have ready access to local decision makers, in contrast to national leaders who may be located in a distant city. Information about the working of government can be more easily communicated to citizens at the local level, establishing a clear link between participation and outcome.

Decentralization is a process of transferring powers to popularly elected local governments. Transferring power means providing local governments with greater political authority (e.g., convene local elections or establish participatory processes), increased financial resources (e.g., through transfers or greater tax authority), and/or more administrative responsibilities.

Democratic decentralization is the development of reciprocal relationships between central and local governments and between local governments and citizens. It addresses the power to develop and implement policy, the extension of democratic processes to lower levels of government, and measures to ensure that democracy is sustainable. Democratic decentralization incorporates both decentralization and democratic local governance.

Decentralization is not unique to India, but a global trend. Institutions of local governance - Panchayati Raj, have existed in India since 1882. The Indian Constitution defines PRIs as institutions of Self-Government. This means, there must be unambiguous administrative, fiscal, and political devolution such that local governments are empowered to address local development needs. But there is only minimum administrative and fiscal decentralization. Hence PRIs do not have such capacity to implement assigned functions, which remain de facto under the control of the state administration. And because PRIs control few resources, do not make relevant decisions, and are dysfunctional, the rural constituency shows little interest in them. Through the 73rd amendment to the Constitution and subsequent developments, local government took on a qualitatively different hue in India. This act is a significant landmark in the evolution of grassroots democratic institutions in the country. It transfers the representative democracy into participatory democracy. It provides greater opportunities to the local people to participate in the democratic process. It is a revolutionary concept to build democracy at the grassroots level in the country. It makes decentralization process in India successful to a large extent.

MILESTONES IN INDIAN DECENTRALISATION

- 1882 The Resolution on Local Self-Government.
- 1907 The Royal Commission on Decentralisation.
- 1948 Constitutional debates between Gandhi and Ambedkar on Gram Swaraj, self-rule.
- 1957 Balwantrai Mehta Commission – an early attempt to implement the Panchayat structure at district and block (Samithi) levels.
- 1963 K. Santhanam Committee – recommended limited revenue raising powers for Panchayats and the establishment of State Panchayati Raj Finance Corporations.
- 1978 Asoka Mehta Committee – appointed to address the weaknesses of PRIs, concluded that a resistant bureaucracy, lack of political will, ambiguity about the role of PRIs, and élite capture had undermined previous attempts at decentralisation, recommending that the district serve as the administrative unit in the PRI structure. Based on these recommendations, Karnataka, Andhra Pradesh and West Bengal passed new legislation to strengthen PRIs.
- 1985 G.V.K. Rao Committee – appointed to address weaknesses of PRIs, recommended that the block development office (BDO) should assume broad powers for planning, implementing an monitoring rural development programmes.

- 1986 L.M. Singvi Committee – recommended that local self-government should be constitutionally enshrined, and that the Gram Sabha (the village assembly) should be the base of decentralised democracy in India.
- 1992 The 73rd Amendment to the Indian Constitution – PRIs at district, block and village levels are granted Constitutional status. The Gram Sabha is recognised as a formal democratic body at the village level. The 74th Amendment, granting Constitutional status to municipal bodies, is passed soon after.
- 1996 The Adivasi Act – Powers of self-government are extended to tribal communities living in Fifth Schedule 'areas.

Gross roots governance has been a major concern of the planning process in India ever since the introduction of Panchayati raj in 1959. The spirit of democratic decentralization that evolved over the years is being practiced only in a limited way. It is realized that development efforts in India did not address the issues of equity and to the development of the poor. Therefore, there is a need to redirect development efforts towards the poor and those at the gross roots. The 73rd and 74th Constitutional Amendment Acts have been major steps in the direction of decentralized governance in India. The 73rd Constitutional Amendment Act relates to introduce reforms in rural local bodies whereas the 74th Constitutional Amendment Act relates to bring reform in urban local bodies. These amendments have accorded constitutional recognition to rural and urban local bodies. The Acts aims at integrating the concept of people's participation in a formal way with the planning process on the one hand and the devolution of responsibility to the people themselves on the other. These acts have addressed the persistent problems of irregular elections, suppression, inadequate representation, insufficient devolution of powers, lack of administrative and financial autonomy, and inadequate resources.

Democratic Decentralisation in Rural Areas

After independence, rural development forms the crux of India's development strategy. Rural development programmes aim at the improvement of the living standards of the rural poor by providing them opportunities for the optimum utilization of their potential through active participation in the development process. Development programmes have a better chance of success when the target group and the general public participate in the various stages of the developmental decision-making process. In order to improve the participation of rural people in the process of development and involvement in decision-making and decentralized planning, the government of India has made 73rd Constitutional Amendment in 1992 to provide constitutional recognition to Panchayati Raj Institutions.

The 73rd Amendment Act aims to provide three tier system in the Local Self-Government constituted through elections held regularly every five years. The Act also provides reservation of seats for Scheduled Castes, Scheduled Tribes and Women. Moreover, the Act provides for a State Finance Commission to make recommendations regarding the financial powers of the Panchayats and to constitute

District Planning Committee to prepare draft development plan for the district. Provision has also been made to constitute a State Election.

SALIENT FEATURES

The Amendment stipulates for certain compulsory provisions which are obligatory on the part of the State Governments to incorporate in their respective Acts. Some aspects have, however, been left at the discretion of State legislatures to make suitable provisions in their Act. The mandatory provisions are:

1. Establishment of 'Gram Sabha' at the village level comprising of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat (Article 243(b)). The State, where Gram Sabha does not exist, will have to make such provision.
2. Establishment of a three-tier system of Panchayat, at the village, intermediate and district levels, in all the States and Union Territories (UTs) except in those having a population of less than twenty lakhs where Panchayats at intermediate level need not be constituted. The States which will fall under this category as per 1991 census are Goa, Sikkim, all the North Eastern States and UTs.
3. All levels of Panchayats will consist of persons elected directly from the territorial constituencies in the Panchayat area. The territorial constituencies shall be carved out in such manner that the ratio between the population of each constituency and the number of seats allotted to it should be uniform throughout the Panchayat area as far as practicable.
4. All members of the Panchayat whether or not directly elected shall have the right to vote in the meetings of the Panchayats.
5. The chairperson of a Panchayat at the intermediate and district level shall be elected from among the directly elected members representing the territorial constituencies.
6. Reservation of seats for SCs/STs in proportion to their population in the Panchayat area and seats may be allotted by rotation.
7. One-third of the total number of seats, both in reserved and unreserved categories shall be apart for women in every Panchayat and seats may be allotted by rotation.
8. The chairperson of each level of Panchayats shall be reserved for SCs/STs in proportion to their population on rotation basis. Similarly, one-third post of chairpersons of each level of Panchayats shall be reserved for women on rotation basis.
9. A fixed tenure of five years for Panchayats from the date appointed for its first meeting and the tenure cannot be extended. However, if a Panchayat is dissolved before the expiry of its term, election is to be conducted within a period of six months of the dissolution to reconstitute the Panchayat for the remainder of the term provided the remainder of the period is not less than six months. The Panchayats shall be constituted before the expiry of its tenure of five years.
10. Amendment of law to dissolve the Panchayats at any level is also prohibited.
11. A person who has attained twenty-one years of age is eligible for a membership of a Panchayat.
12. Constitution of a Finance Commission in the State within one year from the commencement of the Constitution Amendment Act initially and thereafter every five years to review the finances of the

Panchayats and recommended the principles on the basis of which the taxes to be appropriated by, or assigned to the Panchayats as also grant-in-aid to the Panchayats from the consolidated fund of the State. The action taken on the recommendation of the Commission shall be laid before the Legislature of the State.

13. Audit of the accounts of the Panchayats to be done.
14. A State Election Commission has to be constituted for the superintendence, direction and control of the Panchayats at all levels. The State Election Commissioner, however, shall be removed in the manner and on the like grounds as a Judge of a High Court.
15. The Act is applicable to all States and Union Territories. Exemption is being granted to certain states and tribal areas and other territories from the application of the provisions of part IX of the Constitution and powers to the President and the Governor to modify the provisions of the IX in their application to Union Territories and Scheduled areas, respectively.
16. The existing laws relating to Panchayats which are inconsistent with the provision of the Act shall continue to be enforced until it is amended or repealed within one year. The existing Panchayats shall continue till the expiration of their terms unless they are dissolved by the competent authority.
17. Courts are not to interface in the electoral matters such as delimitation of constituencies, allotment of seats and election to any Panchayat. Petition challenging the election of any Panchayat can be presented to Besides these mandatory provisions the State Legislature has been empowered to have legislation in respect of a wide range of subjects, including on such matters as functions of the Panchayats and so on.

DEMOCRATIC DECENTRALISATION IN URBAN AREAS

India, like many other developing countries, has been experiencing rapid growth in recent decades. India's urban population, which was hardly 10 percent at the beginning of the 20th century, reached 26 percent in nine decades. At present, urban population is doubling every two decades. It is estimated that by 2025 about half of India's population would be urban. The Tenth Five Year Plan is predicted that India's urban population is expected to rise from 28 percent to 40 percent of the total population by 2020, placing increasing strain on the country's urban infrastructure.

From the very beginning, since independence, the urban local government received a stepmotherly treatment from those who stood for the cause of self-government at the grassroots level in India. Like the 73rd amendment, the 74th amendment also lays down the structure of urban local bodies; provides for their regular, free and fair elections; makes provision for reservation of seats for SC, ST and OBCs; fixes their term to five years; protects them against arbitrary dissolution, specifies their powers and responsibilities; and attempts to strengthen the fiscal base of the urban local bodies. It does two more things, which are not to be found in the 73rd amendment; that is that, besides elected, it also provides for nominated members for decentralised planning

In the 43rd year of the Republic of India, 1992 the Constitution (74th Amendment) was passed which came into force on 1st June 1993. Two important Committees, namely (1) Committee for District

Planning (Article 243ZD, (DPC) and Committee for Metropolitan Planning (Article 243 ZE, (MPC) have been constituted. The features are discussed below:

1. Constitutional status has been accorded to Urban Local Government bodies. Three tier structure has been envisaged, whereby there would be municipal corporations, for larger areas, municipal councils for smaller areas, and nagar panchayats for villages in transition to becoming towns. Since, “Local Government” is a state subject, the state legislatures have been left within their powers to define the details of the powers and functions of different units of urban government institutions whose broad outline only has been drawn by the Parliament.
2. Direct election to these Municipal bodies by the people in the manner as the elections are held for the Lok Sabha and State Assemblies has been provided. For the purpose of elections, the Municipal elections are to be conducted by the State Election Commission.
3. Reservation of one-third of seats for women including women belonging to Scheduled Castes and Scheduled Tribes is ensured.
4. The State Finance Commission would ensure financial viability of the Municipalities. Municipal funds have been augmented through taxes, tolls, duties and fees, grants-in-aid.
5. Urban municipal institutions of self-government have been endowed with power and authority to formulate and implement schemes for economic development and social justice on 18 subjects.
6. Developmental Committees, namely, (DPC) and Metropolitan Planning Committees have been constituted. Thus, planning in India has been decentralised up to the grassroots level.
7. For better proximity with citizens, wards committees have been constituted.
8. The 74th CAA and also the 73rd CAA (on Panchayats) have created local self-government institutions throughout rural and urban India with powers (29 for rural and 18 for urban) delineated, devolution, deliberative and executive wings of government created, authority and responsibilities defined, developmental committees (DPC, MPC) and Finance Commission constituted; and within each Municipality, Wards Committees and Zonal Committees have been constituted.

After the passing of the 74th Amendment Act, all the states of union were to enact/amend their respective municipal acts. This work was accomplished by 1994. The urban local Government institutions in all states were organised in their new forms with effect from 1994. Although, 74th Amendment of the constitution has granted sufficient autonomy to urban local government and those have been accorded constitutional status, these are not completely free from governmental control. The urban local government institutions work within the limits prescribed by the state Municipal Act which creates and governs them.

All the Committees prior to 73rd and 74th Constitutional Amendment advocated decentralized planning. All these efforts culminated into the presentations of two bills viz., 64th and 65th Constitutional Amendment Bills in the Parliament in the election year of 1989 for providing Constitutional status to the local government institutions in the rural and urban areas respectively. The two bills though crucial steps

towards decentralised planning were passed by the Lok Sabha but fell in the Rajya Sabha due to want of majority. Thus it is obvious that none of these attempts towards decentralized planning in the post-independence era (before the passage of 73rd and 74th Constitutional Amendment Acts) could satisfy the set of requisites the research team developed. Therefore, these efforts could not give desired results and the idea of decentralized planning remained a distant dream.

It was felt necessary to build up and strengthen the planning capabilities at the district and block levels. Accordingly, the 73rd and 74th Amendment Acts were enacted. With the PRIs and Municipalities setting constitutional status by way of the 73rd and 74th Amendment Acts respectively decentralized planning has got a new responsibility of formulation and implementation of the programmes of economic development and social justice. It may be said that now onwards there would be three-tier in the planning process, viz., the centre, the states and the Panchayats.

CONCLUSION

The potential of decentralization to be efficient and equitable depends on the creation of democratic local institutions with significant discretionary powers. But there are few cases where democratic institutions are being chosen and given discretionary powers. The ethos of democracy can find real nourishment only when power reaches the grassroots level. For the ordinary citizen, it is local democracy, which can have real meaning and significance. In a vast country where large masses are still unlettered, village panchayats and participative democracy can do wonders. If the aim is to establish a democratic society, where change is brought about by voluntary consent and willing cooperation and not by the force of arms, there may be no alternative to Panchayati Raj or Local Self-Government Institutions. In that sense, the most revolutionary measures in recent decades have been the 73rd and 74th Constitutional Amendments. It is hoped that with this Indian democracy could become a unique model for the rest of the world.

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