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DEMOCRACY AND DECENTRALISATION IN INDIA: A SOCIOLOGICAL PERSPECTIVE

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Abstract

Decentralisation has been at the centre stage of institutional reforms in both the developed and developing countries. The implementation of the reforms regarding decentralisation process is essentially changing the basic social relations and the place of the citizen in the governing of the community. The decentralisation aims to enable the citizens, either directly or indirectly, to be more involved in the decision making process. Democratic decentralisation as a form of governance thus expands the participation of historically excluded and subordinated groups in the business of decision-making processes. With the decentralisation of power, the institutions became more participatory and inclusive. The inclusion of disadvantaged sections through decentralised reforms ensured equality of political opportunities. It is in this background, this paper critically review the Democracy and Decentralisation of India – Accountability and Performance designed to include the historically excluded sections of society in the governing processes.

Key words: Decentralisation, Exclusion, Inclusion, Participation, Empowerment Democratic Devices, Federal Politics.

Introduction

Decentralization is a process of transferring power 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 provide more administrative responsibilities. Enthusiasm for, and experiments with, decentralization have swept the world over the past four decades. Theory strongly argues that decentralization should increase citizen voice and participation in the political process, and so make government more responsive and accountable to the governed. These intuitions have prompted a massive policy response across the globe, with an estimated 80- 100 percent of the world's countries experimenting with some kind of decentralization reform.

Decentralization is a widely used concept, and it is closely linked with democracy, development and good governance. Many research findings clearly demonstrate that decentralization provides an institutional mechanism through which citizens at various levels can organize themselves and participate in the decision making process. Local government is one form of a decentralized system which is affected by the transfer of authority or responsibility for decision making, management or resources allocation from higher level of government to its subordinate units. The role of local government varies from one country to another, but in every democratic society local government has some part to play. In most South Asian countries, rural authorities are characterized by a weak institutional capacity to deliver public services and promote local development.

Since the early 1980s, decentralization has re-emerged as a valued political and economic goal in most developing countries. According to a recent World Bank study, –out of 75 developing and transitional countries



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with populations greater than 5 million, all but 12 claim to be embarked on some form of transfer of political power to local units of government. Advocates of decentralization justify it on grounds of increased efficiency, more thorough going equity, and/or greater participation and responsiveness of government to citizens. Despite these claims, most decentralization efforts end up not significantly increasing the powers of local authorities or peoples. Decentralization has been defined as any act in which a central government formally cedes powers to actors and institutions at lower levels in a political administrative and territorial hierarchy. Devolving powers to lower levels involves the creation of a realm of decision making in which a variety of lower-level actors can exercise some autonomy. For a short statement on the degree of local autonomy in several developing countries, and the relationship of such autonomy to the colonial experience, Deconcentration (or administrative decentralization) is said to occur when powers are devolved to appointees of the central government. Political decentralization is different from deconcentration since powers in this case are devolved to actors or institutions that are accountable to the population in their jurisdiction. Typically, elections are seen as the mechanism that ensures accountability in political decentralization.

Most justifications of decentralization are built around the assumption that greater participation in public decision making is a positive good in itself or that it can improve efficiency, equity, development and resource management. By bringing government decision making closer to citizens, decentralization is widely believed to increase public– sector accountability and therefore effectiveness. At its most basic, decentralization aims to achieve one of the central goals of just political governance—democratization, or the desire that humans should have a say in their own affairs.

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.

Democratic Decentralization in India: An overview

Decentralized governance is a process which allows people's involvement in administration and development programmes. It remains significant for the realization of people-centred development and therefore, decentralized governance is a strategy for all people to enjoy equal rights, and is an instrument for building the capacity for economic development.

India, of course, is not alone in this process. Decentralisation has emerged as a dominant trend in world politics. In 1998, the World Bank estimated that all but 12 of the 75 developing and transitional countries with populations greater than 5 million had embarked on a process of political devolution. International comparisons of rural



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decentralization suggest Indian states are amongst the most politically decentralized, are at the level of other countries/states on fiscal decentralization, and are lagging on administrative decentralization (World Bank overview). Democratic decentralization is neither deconcentration nor delegation. It is devolution. A Task Force on Decentralization of the government of India (GOI) defines devolution thus –Devolution in the context of the Panchayats, means that when the authority in respect of a specific activity is transferred from the state to the local governments, the latter should have the prerogative of taking decisions in respect of planning and implementation of such activity. In fact functions, funds and functionaries are complementary to one another in the process of devolution of responsibilities and powers upon the Panchayats. GOI (2001): 5). Here local governance is seen as an integral element of the federal system and involves devolution of functions, funds and functionaries to Panchayats.

Many analyses of decentralization consider the transfer of powers in three sectors to be necessary for success. Manor, for example, argues, –If it is to have significant promise, decentralization must entail a mixture of all three types: democratic, fiscal, and administrative. These Political, administrative, and fiscal decentralization can appear in different forms and combinations across countries, within countries and even within sectors. Political decentralization is the transfer of authority to a sub national body. Political decentralization aims to give citizens or their elected representatives more power in public decision making. It is often associated with pluralistic and representative government, but it can also support democratization by giving citizens, or their representatives, more influence in the formulation and implementation of policies. This form of decentralisation is synonymous with democratic decentralisation or devolution. Fiscal decentralisation, entailing the transfer of financial resources in the form of grants and tax-raising powers to sub-national units of government. Administrative decentralisation, (sometimes referred to as deconcentration), where the functions performed by central government are transferred to geographically distinct administrative units.

The status of citizens and progress of the society to a large extent depends on the good governance at the grassroots level. Democratic decentralization at the grassroots level is envisaged as the most important strategy to make democracy meaningful and achieve greater goals of a responsive, corruption free, effective and transparent administration and delivery of services to the rural and urban population. Decentralization and development of local administration widely recognised an effective political instrument and means realisation of balanced and equitable development in Indian states. Decentralization of power aims at better and faster communication, involvement and commitment of the people in development, mobilisation of support and utilization of resources in a greater manner for national development, reduction in delay in decision-making, greater equity in allocation of resources and investments as well as reduction in apathy of administration to client. In this context, a 22 years after the 73rd Constitutional Amendment, it is universally and acutely realised that the process of democratic decentralization cannot be complete without devolution of adequate and rightful financial and administrative powers to the grassroots institutions.

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’.



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- 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. Singvhi 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.

Democratic Decentralization and 73rd Amendment Act 1992

When the constitution of independent India was written Panchayati raj institutions did not get a place in its main body; only a reference in the directive principles of state policy. Therefore, the state did not take both the Urban and rural local bodies seriously. The Indian states were functioning as a federation only at two levels- Union and States. Due to the indifferent attitude of the central and state governments towards the devolution of powers to PRI’s made no headway in the years after independence, though a lot of noise was made at every possible juncture.

Against this backdrop that on 15 May 1989 the Constitution (64th Amendment) Bill was drafted and introduced in Parliament. Although the 1989 Bill in itself was a welcome step, there was serious opposition to it. Though the Constitution Bill won a two-thirds majority in the Lok Sabha, it failed to meet the mandatory requirement by two votes in the Rajya Sabha. The National Front government introduced the 74th Amendment Bill (a combined bill on panchayats and municipalities) on 7 September 1990 during its short tenure in office but it was never taken up for discussion. By this time, all the political parties had supported a constitutional amendment for strengthening panchayats in their statements and manifestos and a pro-panchayati raj climate prevailed in the country. In September 1991, the Congress Party government introduced the 72nd (Panchayats) and 73rd (Municipalities) Constitutional Amendment Bills, which were passed in both chambers in December



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1992 as the 73rd and 74th Amendment Acts, and came into force in 1993.

This journey from the local self-government idea of Lord Ripon to the institutions of self-government concept in the 73rd Constitution Amendment, which took more than a century, has been described at some length to bring home the fact that today's decentralisation and local government in India is the result of an evolutionary process that a traditional and complex society has gone through because of internal compulsions, pressures and demands from the people, channelled through communities, civil society organisations, intellectuals, political parties and ideologies, people's movements, occasional interventions of the state (provincial) and central (federal) governments – and above all because of people's urge for participation in development and governance through democratically elected bodies.

The panchayati raj institutions in India have been ordained to empower people at the three appropriate levels but the aim has fulfilled to a greater extent with the promulgation of 73rd Constitutional Amendment Act 1992. 73rd amendment strengthens administrative federalism in order to facilitate and encourage delegation of administrative and financial powers from the states to the local bodies. Their administrative powers and to discharge their responsibilities, are entirely derived from legislation that will have to be passed by the states. Decentralization denotes the transfer of power and authority from the central government to local units of the government for the meeting of grass root peoples demand. The 73rd Amendment gives village, block and district level bodies a constitutional status under Indian Law. The more important features of the amendment are summarized below;

1. The act provides for a Gram Sabha as the foundation of the Panchayati raj system.
2. The establishment of three tier system of Panchayati Raj Institution (PRI), with elected bodies at village, block and district level, however, a States with population less than 20 lakh are not required to introduce block level Panchayat.
3. Direct elections to 5 year terms for all members at all levels.
4. Reservation of 1/3 of the seats for women and for backward classes. A state election commission will be created to supervise, organize and oversee Panchayat elections at all level. A State Finance Commission will be established to review and revise the financial position of the Panchayats on five year intervals and to make recommendations to the State Governments about the distribution of Panchayat funds.
5. The governor of a state shall, after every five years, constitute a finance commission to review the financial position of the panchayats.

It would be proper to assess the significance of Democratic Decentralization in India by analyzing the level of progress made by the initiative. Using the conventional classification of political, administrative and fiscal decentralization, the World Bank's three Volume study of Indian Decentralization ranks India among the best Performers internationally in terms of Political decentralization but close to the last in terms of administrative decentralization. M A. Oommen's Panchayat Finance and Issue concludes that the conformity acts have generally been an exercise in amending existing Panchayat legislation for the sake of satisfying the mandatory provisions of the 73rd Amendment. He raises the following concern; Village Panchayats have been delegated functions without proper administrative and financial support. Panchayats lack discretionary powers overspending and staff. States reserve the rights to assign or withdraw functions to and from the Panchayats by Executive Fiat. Panchayats lack autonomous budgeting powers. Still much work needs to be done including the removal of corruption to make more effective, the decentralization initiative, which has shown a respectable level



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of progress. To sum up we may say that, the most revolutionary measures in recent decades in the process of decentralization have been the 73rd Constitutional Amendments. According to S N Jha; The 73rd and 74th amendments are designed to promote self-governance through statutory recognition of local bodies. The latter are expected to move away from their traditional role of simply executing the programs handed down to them by the higher levels of government.

Summing Up

Decentralization is widely lauded as a key component of good governance and development. Decentralization and democracy may improve the chances for successful economic development. It is clear that an honest effort to alleviate poverty and promote sustainable development in India requires considerable decentralisation of government authority, well beyond the state level. The passing of the 73rd Constitutional Amendments in 1992 was a crucial step in this direction, identifying Panchayati Raj Institutions (PRIs) as agents of self-governance and giving them the responsibility for preparing plans for promoting economic development and social justice. While most states have ratified the 73rd Amendments in state acts and held elections, the quality of political, administrative and fiscal decentralisation varies widely from one state to the other. In general, states have not matched the functions devolved to local government institutions with the necessary administrative reforms, or by devolving financial powers. As a result, have neither the capacity to implement assigned functions – which remain de facto under the control of state administration – nor do they have the control on resources to make relevant decisions. In order to strengthening the decentralization process 73rd amendment must be more practical. All activities need to be identified and developed at the three levels of local government without duplication. This principle holds that anything that can be done at a lower level should be done at that level and not at any higher level. Government should ensure both fair and regular elections for local government bodies. Without proper popular representation, local interests would not be protected and local initiatives would not receive the required levels of support. Unnecessary interference by bureaucrats, political leaders and members of parliament must be stopped. The relationship between MPs and local government should be cooperative and complementary, not domination and subjugation.

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