

General Studies – 2 Topic: Issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

Decentralisation in India

1) Introduction

- Decentralisation involves the shifting of fiscal, political and administrative responsibilities from higher to lower levels of government.
- Mahatma Gandhi, once stated, "Independence must begin at the bottom ... it follows, therefore, that every village has to be self-sustained and capable of managing its affairs..."
- We need good decentralisation and participatory democracy system.
- Democratic decentralisation promotes inclusive growth through effective provision of public services.

2) History of decentralisation

- Village panchayats as institutions of governance existed for a long time; the founding fathers of the Constitution were not keen to empower them.
- Dr. Ambedkar was apprehensive that in the hierarchical society with highly skewed nature of asset and power distribution, vesting more powers at the village level would only perpetuate exploitation of the dispossessed.
- The Constitution placed local governance in the State List (Entry 5).
- 73rd and 74th Constitutional amendments were made to energise the local bodies in rural and urban areas to make them the institutions of self-government
- Schedules 11 and 12 were inserted into the Constitution detailing the indicative list of functions to be devolved to panchayats and municipalities by the State government.

3) Decentralisation in India

- Decentralization implies the devolution of state authority. Decision making capacity and resources are transferred from the centre to local level.
- Every great accomplishment in India was a result of local or sectoral initiative and leadership, delegation of power and devolution of resources with accountability.
- Success of ISRO, the milk revolution, green revolution, conduct of elections, disaster relief, all are products of delegation, local leadership and active and sustained participation of stakeholders.
- states today are stronger and more autonomous in a federal polity than ever before
- Decentralisation is vital to strengthen participatory democracy, facilitate responsive governance and enable public service delivery.
- Many of the powers that have been given to local bodies are delegated powers, and the State government continues to retain overall responsibility in this matter
- The local body is a channel for directing expenditure, but it has no discretion. The result is that money allocated may not get spent. If this is to change, then flexibility at the local level is essential
- Decentralisation can be regarded as an important means for addressing gender inequality and empowerment of women
- Decentralisation has increased women's representation and voice in our democracy.

4) Concerns

- In India, for our size and diversity, we probably have the smallest number of final decision-makers—the prime minister, the chief ministers and occasionally the district magistrate or the Supreme Court.

- Such a centralized system in a democratic milieu is bound to be dysfunctional.
- Democratic decentralization has never reached full fruition.
- Over-structured, underpowered, feeble and ineffective local governments.
- Constitution does not clearly assign the functions or sources of finance, but leaves it entirely to the discretion of the States.
- Constitutional framework does not prescribe any pattern, standard or model of decentralisation which again is left to the discretion of State governments.
- Most States have not complied with the requirement of having to appoint gram sabhas, ward committees, district planning committees and metropolitan planning committees.
- Local bodies do not have any independent revenues.
- There is also the problem of administrative capacity and interest groups resisting payment of taxes and user charges.

5) Need of the Hour

- It is important to have clarity in the assignment of functions and the local governments should have clear and independent sources of finance.
- States should comply with the constitutional provisions, particularly in the appointment and implementation of the recommendations of the State Finance Commissions

6) Policy Recommendations

- In order to transform present realities, it is imperative to strengthen decentralisation from below, so that voices of the poor could carry weight in village assemblies and ward council meetings
- The institutional design for decentralisation should take into account not only the developmental thrusts, but also the need to ensure local participation in decision-making
- it is time to strengthen the panchayats so that they can discharge the duties cast on them in the best manner possible
- The panchayats at the higher level have to act as coordinating bodies for the panchayats at the levels below
- The Gram Sabha should be encouraged to invite members of higher level panchayats, legislature and even the Parliament to participate in their meetings and articulate their needs in the presence of the invitees
- Another key element for the success of Panchayati Raj Institutions is the change of mindset from one that works for the people to one that works with the people
- Strengthened and responsive municipal organisations are necessary to ensure effective health and education programmes
- Training programmes that impart gender sensitivity to men hold the key to more enlightened policy, even at the micro-level
- Effective empowerment, devolution of adequate resources, and strong, independent local ombudsmen to enforce accountability.
- Decentralization is not merely for local governments; it extends to states and the empowerment of all kinds of stakeholders from cooperatives to schools, local housing colonies to self-help groups.