General Studies-2; Topic: Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

Local Self Governance

Introduction

- The 73rd and 74th constitutional amendments instituted panchayats and municipalities, respectively.
- These amendments mandated that State governments constitute panchayats and municipalities in every region.
- A third-tier of governance was instituted through the devolution of functions, funds, and functionaries to local governments.

Constitutional Reforms

- Since local governments seldom derive their authority directly from the Constitution, India’s constitutional reforms for decentralisation are exceptional.
- But municipal governments are often seen to be ineffective in addressing even the most basic needs of citizens, such as reliable water supply and walkable footpaths.
- Urban residents tend to blame “corrupt” local politicians for these civic woes.

Local self-governance

- Local self-governance is linked to the idea of subsidiarity and is typically grounded on two broad arguments.
- First, it provides for efficient provision of public goods since governments with smaller jurisdictions can provide services as per the preferences of their residents.
- Second, it promotes deeper democracy since governments that are closer to the people allow citizens to engage with public affairs more easily.
The 73rd and 74th amendments require States to vest panchayats and municipalities with the authority “to enable them to function as institutions of self-government”.

The core values that the amendments sought to entrench are that of deepening local democracy and meeting the ends of economic development and social justice.

They also mandate the regular conduct of local elections, provide for the reservation of seats for SCs, STs and women in local councils, and institute gram sabhas in panchayats and ward committees in municipal corporations.

Concerns / Challenges

- Local governments, especially municipalities, operate with limited autonomy and authority.
- This may be attributed to the limitations of the 74th amendment and the failure of State governments and courts to implement the amendment in letter and spirit.
- Limitations include the discretion given to the States regarding devolution of powers and levying of local taxes.
- State governments are reluctant to implement the 74th amendment as cities are economic powerhouses and controlling urban land is important for financing State governments.

Recent Incident

- The Patna High Court recently declared some provisions of the Bihar Municipal (Amendment) Act, 2021 as unconstitutional is path-breaking.
- The 2021 amendment had transferred the powers of appointment of Grade C and D employees of municipalities from the Empowered Standing Committee of the municipality to the State government-controlled Directorate of Municipal Administration.
- The court held that these provisions violate the 74th Amendment.

Local governments and federalism

- As India is undergoing a centralising shift in its economy and culture, there’s also been a renewed assertion of federalism.
- Local governments are, normatively and structurally, an integral part of the federal framework of the Constitution.
- Hence, debates on federalism should include larger discussions on how power should be divided and shared between governments at the Union, State, and local level.