



25 Years of Local Democracy in India

The editorial traces the historical development and present state of local democracy in India- Panchayati Raj Institutions (PRIs) and Municipalities.

The ‘Gram Sawaraj’ dream of Mahatma Gandhi and the ‘Power to the People’ exhortation of Rajiv Gandhi are the essence of true democracy. Twenty-five years of regular elections and the ever-increasing roles of panchayats in local development have contributed to their emergence as a formidable political platform for both national and regional parties. The implementation of all welfare programmes is routed through the panchayats. In fact, the panchayat head is the only elected representative in India who has executive roles as well. Panchayats and Municipalities enabling local democracy have constitutional sanction in India.

73rd and 74th Amendment Acts, 1993

- It's been 25 years since decentralized democratic governance was introduced in India by the 73rd and 74th Constitution Amendments, which came into force on April 24 and June 1, 1993, respectively.
- The 73rd Amendment to the Constitution (Part IX) has given constitutional status to the Panchayats, and has provided it with a substantial framework. It envisions the Panchayats as the institutions of local self-governance and also the universal platforms for planning and implementing programmes for economic development and social justice.
- The creation of lakhs of “self-governing” village panchayats and gram sabhas, with over three million elected representatives mandated to manage local development, was a unique democratic experiment.
- Article 243A gives constitutional recognition to the Gram Sabha as a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of the Panchayat at the village level.
- The 74th Amendment Act provided for the constitution (Part IXA) of three types of municipalities in urban areas depending upon the size and area.
- The Constitution provides for a complete institutional mechanism including reservation for women and formation of State Finance Commissions (SFCs) for local democracy.

Problems with Local Democracy in India

- **Inadequate devolution:** All states have not been forthcoming in giving Panchayats and Municipalities enough funds, functions and functionaries (3Fs). Functioning of local bodies is hampered by lack of interest in them by the states; devolution is uneven across states.
- **States violating Provisions:** From postponing the elections to the failure to constitute State Finance Commissions and District Planning Committees (DPCs), States have been seen to violate the various provisions of Parts IX and IXA.
- **Inadequate Infrastructure:** Insufficient staffing, office space, and infrastructure bottlenecks hamper the functioning of local bodies.
- Panchayats and Municipalities have not used their fiscal powers efficiently. Very few Gram Panchayats levy and collect taxes (on markets, fairs, property, business and so on).
- There was no real institutional decentralization except in the state of Kerala where local democracy has been very successful.

- Most States continue to create parallel bodies (often fiefdoms of ministers and senior bureaucrats) that make inroads into the functional domain of local governments. For example, Haryana has created a Rural Development Agency, presided over by the Chief Minister, to enter into the functional domain of Panchayats.
- Increasing allocations to Members of Parliament Local Area Development Scheme (MPLADS) which started in 1993, and their State-level counterparts, known as the MLALADS has further eroded local democracy and grassroots decision making envisaged by the Constitution.
- The 13th Finance Commission (FC) made significant steps to carry forward decentralized governance by **linking the grants to local governments to the divisible pool** via Article 275 besides taking various measures to incentivize the process of decentralization. The 14th Finance Commission enhanced the grant substantially but did not take the change forward and the 15th FC which will submit its report in 2019 is also unlikely to incentivize devolution to local bodies.
- Local government expenditure as a percentage of total public sector expenditure comprising Union, State and local governments are only around 7% in India as compared to 24% in Europe, 27% in North America and 55% in Denmark.

Gram Sabha functioning should be improved. It should fully participate in planning, implementation and performance review (social audit) of various schemes with the participation of all stakeholders including women and other vulnerable groups.

- **NOTE**

National Panchayat Day: It is celebrated on 24 April every year. It was on this day in 1993, that the 73rd amendment act had come into force.

- Panchayati Raj: The term was coined by PM Nehru who inaugurated the 3-tier Panchayati Raj in Nagaur (Rajasthan, 2 October 1959).