



Democratic Decentralisation in India

For Prelims: Panchayati Raj Institutions, 73rd and 74th Constitutional Amendments

For Mains: Democratic Decentralisation in India

Why in News?

It has been almost 30 years since the [73rd and 74th constitutional amendment Acts](#) were passed to facilitate democratic decentralisation in India, but very little and actual progress has been made in this direction.

What is Democratic Decentralisation?

▪ About:

- Democratic decentralization is the **process of devolving the functions and resources of the state from the Centre to the elected representatives** at the lower levels so as to facilitate greater direct participation of citizens in governance.
- Devolution, envisioned by the Indian Constitution, is not mere delegation.
 - It implies that **precisely defined governance functions are formally assigned by law to local governments**, backed by adequate transfer of a basket of financial grants and tax handles, and they are given staff so that they have the necessary wherewithal to carry out their responsibilities.

▪ Related Constitutional Provisions:

- **Local government, including panchayats, is a state subject in the Constitution, and consequently**, the devolution of power and authority to panchayats has been left to the discretion of states.
- The **Constitution mandates that panchayats and municipalities shall be elected every five years** and enjoins States to devolve functions and responsibilities to them through law.
- The **73rd and 74th Amendments**, by constitutionally establishing [Panchayati Raj Institutions \(PRIs\)](#) in India, mandated the establishment of panchayats and municipalities as elected local governments.

What are the Major Achievements of the Local Bodies?

▪ Rising Women Representation:

- The **proportion of elected women representatives has been steadily rising** since the enactment of the 73rd Amendment Act.
- Currently, **India has 260,512 Panchayats with 3.1 million elected representatives**, of which a record 1.3 million are women.
- While there is merely **7-8% representation in Parliament and State Assemblies for women**, an astounding 49% of elected local representatives (in states like Odisha it has crossed 50%) are women.

▪ Created Healthy Competition among Various States:

- The passage of the 73rd and 74th Amendments has **created healthy competition among various states regarding devolution** (the 3Fs: funds, functions, and functionaries).
- **For instance:**
 - **Kerala has devolved 29 of its functions to Panchayats.**
 - Rajasthan took the inspiration from Kerala to devolve many key departments such as health, education, women, and agriculture to PRIs.
 - Similarly, Bihar came out with the idea of “Panchayat Sarkar” and states such as Odisha have increased 50% seats for women

What are the Issues with Local Governments in India?

- **Insufficient Funding:** The money given to the local governments is inadequate to meet their basic requirements.
 - A number of conditions constrain the use of money, **including inflexibility in spending the allocated budget.**
 - There is little investment in enabling and strengthening local governments to raise their own taxes and user charges.
- **Infrastructural Challenges:**
 - Some of the **Gram Panchayats (GPs) do not have their own building and they share space with schools,** Anganwadi centres and other places.
 - Some have their **own building but without basic facilities** like toilets, drinking water, and electricity connection.
 - While **GPs have internet connections, they are not functional** in many cases. For any data entry purposes, panchayat officials have to visit Block Development offices which delay the work.
- **Lack of Staff:**
 - **Local governments do not have the staff** to perform even basic tasks.
 - Furthermore, **as most staff are hired by higher level departments** and placed with local governments on deputation, **they do not feel responsible to the latter;** they function as part of a vertically integrated departmental system.
- **Untimely and Delayed Elections:**
 - States often postpone the elections and violate the constitutional mandate of five yearly elections to local governments.
- **Downgraded Role of Local Government:**
 - Local governments are **merely acting as an implementation machinery rather than a policy-making body** for local development. Technology-enabled schemes have further downgraded their role.
- **Corruption:**
 - Criminal elements and contractors are **attracted to local government elections,** tempted by the large sums of money now flowing to them. Thus, forming a market chain of corruption operates, involving a partnership between elected representatives and officials at all levels.
 - However, there is no evidence to show that corruption has increased due to decentralisation.

Way Forward

- **Revitalisation of Gram Sabhas:**
 - **Gram Sabhas** and wards committees in urban areas have to be revitalised to achieve the objective of people’s participation in real terms.
- **Strengthening Organisational Structure:**
 - **Local government organisational structures have to be strengthened** with sufficient manpower.
 - Serious efforts should be made towards recruitment and appointment of support and technical staff to ensure the smooth functioning of panchayats.
- **Comprehensive Mechanism for Taxation:**
 - Devise a comprehensive mechanism for taxation at the local levels. Without local taxation, Gram Panchayats cannot be held accountable.
- **Funding:**

- The Ministry of Panchayati Raj **should monitor the release and expenditure of [Finance Commission grants](#)** to ensure that there is no delay in their release.
 - It should also be **ensured that grants are utilised in a proper and effective manner.**
- Panchayats should also be encouraged to **carry out local audits regularly** so that Finance Commission grants are not delayed.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q1. The Constitution (Seventy-Third Amendment) Act, 1992, which aims at promoting the Panchayati Raj Institutions in the country provides for which of the following? (2011)

1. Constitution of District Planning Committees.
2. State Election Commissions to conduct all panchayat elections.
3. Establishment of State Finance Commissions.

Select the correct answer using the codes given below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Ans: (c)

Exp:

- Article 243ZD of the 74th Constitutional Amendment Act, 1992 related to municipalities provides that every State at the district level shall **constitute a District Planning Committee**, which would be responsible for consolidation of development plans prepared by the Panchayats and the Municipalities through proposing a development plan for the district as a whole. Hence, 1 is not correct.
- Article 243K of the 73rd Constitutional Amendment Act, 1992 **mandates that superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Panchayats** shall be vested in a State Election Commission. Hence, 2 is correct.
- Article 243I of the 73rd Constitutional Amendment Act, 1992 says that at the expiration of every fifth year; the Governor shall constitute a State Finance Commission to review the financial position of the Panchayats. It will make recommendations to the Governor in matters of distribution and possible allocation/ appropriation of the net proceeds of the taxes, duties, tolls and fees between the State and the Panchayats and the grants-in-aid to the Panchayats from the Consolidated Fund of the State. Hence, 3 is correct. Therefore, option (c) is the correct answer.

Q2. The fundamental object of Panchayati Raj system is to ensure which among the following? (2015)

1. People's participation in development
2. Political accountability
3. Democratic decentralization
4. Financial mobilization

Select the correct answer using the code given below

- (a) 1, 2 and 3 only
- (b) 2 and 4 only
- (c) 1 and 3 only
- (d) 1, 2, 3 and 4

Ans: (c)

Exp:

- The most fundamental objective of the Panchayati Raj system is to ensure people's participation in development and democratic decentralization. Hence, 1 and 3 are correct.
- Establishment of Panchayati Raj Institutions does not automatically lead to political accountability. Hence, 2 is not correct.
- Financial mobilization is not the fundamental objective of Panchayati Raj, although it seeks to transfer finances and resources to the grass root government. Hence, 4 is not correct. Therefore, option (c) is the correct answer.

Q3. Local self-government can be best explained as an exercise in (2017)

- (a)** Federalism
- (b)** Democratic decentralisation
- (c)** Administrative delegation
- (d)** Direct democracy

Ans: (b)

Exp:

- Democracy means decentralisation of power and giving more and more power to the people. Local self governments are looked upon as instruments of decentralisation and participatory democracy.
- To examine the working of the Community Development Programme (1952) and the National Extension Service (1953) and to suggest measures for their better working, the Gol appointed a committee in January, 1957 under the chairmanship of Balwant Rai G Mehta.
- The committee submitted its report in November, 1957 and recommended the establishment of the scheme of 'democratic decentralisation', which ultimately came to be known as Panchayati Raj or unit of Local Self Government. Therefore, option (b) is the correct answer.

Mains

Q. Assess the importance of the Panchayat system in India as a part of local government. Apart from government grants, what sources can the Panchayats look out for financing developmental projects? **(2018)**

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