

## THROTTLED AT THE GRASS ROOTS

Relevant for: Indian Polity | Topic: Devolution of Powers & Finances up to Local Levels and Challenges therein - Panchayats & Municipalities

Democratic decentralisation is barely alive in India. Over 25 years after the 73rd and 74th constitutional amendments (they mandated the establishment of panchayats and municipalities as elected local governments) devolved a range of powers and responsibilities and made them accountable to the people for their implementation, very little and actual progress has been made in this direction. Local governments remain hamstrung and ineffective; mere agents to do the bidding of higher level governments. Democracy has not been enhanced in spite of about 32 lakh peoples' representatives being elected to them every five years, with great expectation and fanfare.

Devolution, envisioned by the 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. Above all, local governments are to report primarily to their voters, and not so much to higher level departments.

Yet, none of this has happened, by a long shot. Where did we go wrong? Was the system designed to fail?

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. This is regarded as a design weakness, but on closer look, is not one. Given diverse habitation patterns, political and social history, it makes sense to mandate States to assign functions to local governments. A study for the Fourteenth Finance Commission by the Centre for Policy Research, shows that all States have formally devolved powers with respect to five core functions of water supply, sanitation, roads and communication, streetlight provision and the management of community assets to the gram panchayats.

The constraint lies in the design of funding streams that transfer money to local governments. First, the volume of money set apart for them is inadequate to meet their basic requirements. Second, much of the money given is inflexible; even in the case of untied grants mandated by the Union and State Finance Commissions, their use is constrained through the imposition of several conditions. Third, there is little investment in enabling and strengthening local governments to raise their own taxes and user charges.

The last nail in the devolution coffin is that 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.

If these structural problems were not bad enough, in violation of the constitutional mandate of five yearly elections to local governments, States have often postponed them. In 2005, when the Gujarat government postponed the Ahmedabad corporation elections, a Supreme Court constitutional bench held that under no circumstances can such postponements be allowed. Subsequently, the Supreme Court rejected other alibis for election postponement, such as delays in determining the seat reservation matrix, or fresh delimitation of local government boundaries. Yet, in Tamil Nadu, panchayat elections have not been held for over two years now, resulting in the State losing finance commission grants from the Union government.

Successive Union governments have made a big noise about local involvement in a host of centrally designed programmes, but this does not constitute devolution. Indeed, the current Union government has further centralised service delivery by using technology, and panchayats are nothing more than front offices for several Union government programmes. The beaming of homilies over the radio to captive audiences of local government representatives does nothing to strengthen local governments.

Union programme design for cities is inimical to decentralisation. The 'Smart City' programme does not devolve its funds to the municipalities; States have been forced to constitute 'special purpose vehicles' to ring fence these grants lest they are tainted by mixing them up with municipality budgets. There cannot be a greater travesty of devolution.

Sadly, except for a few champions of decentralisation in politics and civil society, people do not distinguish the level of government that is tasked with the responsibility of delivering local services. Therefore, there is no outrage when the local government is shortchanged; citizens may even welcome it.

Are local governments as corrupt as they are alleged to be? Doubtless, criminal elements and contractors are attracted to local government elections, tempted by the large sums of money now flowing to them. They win elections through bribing voters and striking deals with different groups. Furthermore, higher officers posted at the behest of Members of Legislative Assemblies, often on payment of bribes, extract bribes from local governments for plan clearances, approving estimates and payments. Thus, a market chain of corruption operates, involving a partnership between elected representatives and officials at all levels. Yet, there is no evidence to show that corruption has increased due to decentralisation. Decentralised corruption tends to get exposed faster than national or State-level corruption. People erroneously perceive higher corruption at the local level, simply because it is more visible.

To curb these tendencies, first, gram sabhas and wards committees in urban areas have to be revitalised. The constitutional definition of a gram sabha is that it is an association of voters. Because of our erroneous belief that the word 'sabha' means 'meeting', we try to regulate how grama sabha meetings are held and pretend that we are strengthening democracy. Cosmetic reforms of the gram sabha by videography of their meetings, does little for democracy. Consultations with the grama sabha could be organised through smaller discussions where everybody can really participate. Even new systems of Short Message Services, or social media groups could be used for facilitating discussions between members of a grama sabha.

Second, local government organisational structures have to be strengthened. Panchayats are burdened with a huge amount of work that other departments thrust on them, without being compensated for the extra administrative costs. Local governments must be enabled to hold State departments accountable and to provide quality, corruption free service to them, through service-level agreements.

Third, we cannot have accountable GPs, without local taxation. Local governments are reluctant to collect property taxes and user charges fully. They are happy to implement top-down programmes because they know that if they collect taxes, their voters will never forgive them for misusing their funds. The connection between tax payment and higher accountability is well known, but we wish to ignore these lessons.

India's efforts in decentralisation represent one of the largest experiments in deepening democracy. Decentralisation is always a messy form of democracy, but it is far better than the operation of criminal politicians at the higher level who appropriate huge sums of tax-payer money, without any of us having a clue. We can keep track of corrupt local government

representatives; at the higher level, we will never know the extent of dirty deals that happen.

We have given ourselves a reasonably robust democratic structure for local governance over the last two decades and more. It is for us to give life to this structure, through the practice of a robust democratic culture. Be warned; if we do not tell our higher level governments to get off our backs so that we can better govern ourselves, they will not. It is as important to tell higher level governments to stay away as it is for us to hold our local governments to account.

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