
UNIT 1 CONCEPT, EVOLUTION AND SIGNIFICANCE OF DEMOCRATIC DECENTRALISATION

Structure

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1.0 LEARNING OUTCOME

After studying this unit, you should be able to:

- Understand the concept of Democratic Decentralization;
- Know the evolution and significance of Democratic Decentralization; and
- Describe the Democratic Decentralization pattern in India.

1.1 INTRODUCTION

The dawn of 21st century is marked by decentralized governance both as a strategy and philosophy of bringing about reforms and changes in democracies. These changes led to such virtues of transparency, responsiveness and accountability and ensures good governance. Today decentralization and democracy are the most significant themes in the development discourse. In the present context of rapid social change and development activities, debureaucratization and decentralization have been found to be much more appropriate to deal with contemporary trends of globalization, liberalization and privatization. In this scenario an attempt is made in this unit to discuss conceptual aspects and the significance of democratic decentralization as an institutional mechanism to govern rural and urban areas of the society.

1.2 CONCEPT OF DEMOCRATIC DECENTRALISATION

Democracy is considered as one of the best forms of government because it ensures liberty of thought, expression, belief, faith and worship, equality of status and opportunity,

fraternity as well as the right to participate in political decision-making. Participation and control of governance by the people of the country is the essence of democracy. Such participation is possible only when the powers of the state are decentralized to the district, block and village levels where all the sections of the people can sit together, discuss their problems and suggest solutions and plan, execute as well as monitor the implementation of the programmes. It is called the crux of democratic decentralization.

The words, “democratic” and “decentralization” form the key to the understanding of the expression “democratic decentralization”. The work “democratic” explains the nature and purpose of the concept as also its basic claims in an institutional set up. The word ‘decentralization’ is essentially indicative of the method to realize the end as contained in the word ‘democratic’. Decentralization means transfer of planning, decision-making or administrative authority from the central government to its field organizations, local administrative units, semi-autonomous organizations, local governments or non-governmental organizations. Different forms of decentralization can be distinguished primarily by the extent to which the authority to plan, decide and manage is transferred and autonomy is achieved in their tasks. In simple under decentralization authority is not concentrated at the centre, it is distributed to smaller administrative units.

There exist a difference between democratic decentralization and delegation. Delegation means the grant of authority from a superior to a subordinate, to be enjoyed not as a right but as a derived concession and that also to be exercised at the pleasure of the superior. The term ‘democratic decentralization’ on the other hand means grant of authority by a superior to a subordinate as a right to be enjoyed by the subordinate and not as a concession. Thus, ‘democratic decentralization’ is an extension of the democratic principle aims at widening the area of the people’s participation, authority and autonomy through disperson or devolution of powers to people’s representative organizations from the top levels to the lowest levels in all the three dimensions of political decision-making, financial control and administrative management with least interference and control from higher levels.

The expression ‘ democratic decentralization’ is to be distinguished from ‘administrative decentralization’. Democratic decentralization is wider than administrative decentralization. Democratic decentralization envisages association of more and more people with government at all levels, national, regional and local. Democratic decentralization stands for people’s right to initiate their own projects for local well-being and the power to execute and operate them in an autonomous manner. Administrative decentralization originated in the need for efficiency in terms of initiative, performance and speed of administrative personnel, particularly at the lower levels. Administrative decentralization means the right to freedom of implementing projects. It involves the right of the administrative personnel to do associated planning.

The term ‘democratic decentralization’ should also be distinguished from ‘democratic centralism’. Democratic centralism seeks to combine democracy with centralism. It is centripetal. There is transfer of authority to the extent of complete surrender and concentration to the top levels from the popular levels which form the base of the pyramidal structure. Democratic decentralization is centrifugal, which implies there is transfer of power from top to lower levels. The democratic principle finds a wider application in the concept of democratic decentralization than in the idea of democratic centralism. The underlying idea of democratic centralism is to widen the area of democracy, which may exist at the top by granting both authority and autonomy to lower

level representative bodies of the people. Further, democratic decentralization and local self-government are not one and the same. Though both aim at greater participation by the people and more autonomy to them in the management of their affairs, it can be said that democratic decentralization is a political ideal and local self government is its institutionalized form. Democratic decentralization is a plea to further democratize local self government to enable it to enjoy more authority, shoulder greater responsibility, take more initiative and experience greater autonomy in the management of the affairs of the local area. Decentralization is regarded as a necessary condition of social, economic and political development. It establishes social harmony, community spirit and political stability. Decentralization is not an end in itself, but it depends on the circumstances under which decentralization occurs. Democracy provides the best environment for nurturing its growth and realization.

1.3 EVOLUTION OF DEMOCRATIC DECENTRALISATION

After Second World War, the newly – formed nation-states adopted the growth-centered model for development. In this model, the state assured the moral and political responsibilities for the development of the society. It became gradually evident that the growth-centred model for development aimed only at economic growth and increased Gross Domestic Product (GDP) of the country. But, it could achieve these at great social and environmental costs. This development model had bypassed large sections of the society, leading to a greater disparity, further marginalizing the deprived sections. The special programmes initiated for the vulnerable sections failed to make an impact because the people were treated as mere ‘beneficiaries’ and ‘objects’ of development. World-wide discontent and disillusionment generated by this dominant model for development led to its severe criticism.

A crucial debate is on in developing countries regarding the degree of control that central governments, should exercise over development planning and administration. The past experience of planned development for the last 50 years in India and the results thereof have raised doubts regarding achievement of the welfare objectives, removal of poverty and social inequalities, economic growth with social justice, etc. There was disillusionment with the results of highly centralized planning. It resulted in economic inequalities, regional disparities and increased absolute poverty. Therefore, the basic premises of development theory came into question during the 1970s.

The growing realization among policy analysts that as government activities expand, it is increasingly difficult to plan and administer all development activities effectively and efficiently from the centre. Hence, local autonomy in making decisions of primary concern to the locality and greater responsibility for designing and implementing development programmes became a necessity. This revived interest in the notion of decentralization.

Participatory development has emerged as an alternative paradigm over the past two decades as a result of the criticism of the dominant model for development. Development would mean a process of change from the present situation to a better one, with deliberative interventions by citizens and institutions. New perspective of development stressed that along with economic growth, development of the quality of life of individuals, families and community should also be ensured. It can be feasible through greater people’s participation in decision-making, creating opportunities for productive employment,

access to consumer goods and basic services such as health, sanitation, education and communication. Development can be sustained if special efforts are made to systematically involve the deprived sections of the society in the process by taking into account their special needs. It can reduce inequalities and bridge the ever-widening gap between the rich and the poor. Participatory development strategy should also ensure that more people have access to and control over their resources.

The alternative participatory development paradigm necessitates creation of pressure from the grass-roots which can enable them to participate actively in planning, involve them in execution and monitoring and more equitably distribution of resources. People-centred development model make people active in development process.

Further, it is now realized that the upward shift of functions from the districts to the states and from the states to the union has not contributed either to the strengthening of the centre or to making planning more effective. Indeed it has had the opposite effect on both counts. The machinery of government has become excessively flabby at the centre as well as in the states. Planning has become so out of touch with ground level reality that is in danger of losing credibility. These developments have made political parties and scholars think in terms of reversing the upward trend, which unambiguously put means decentralizing functions from the union to the states and from the states to the sub-state levels. In addition, everywhere the leaven of democracy has started a process towards mass politics. People are beginning to demand a say in the running of their own affairs. It is this, more than the creeping decay of centralized governance that has impelled political parties to turn their attention towards decentralized governance. The major thrusts of decentralized governance are bringing administration at the door steps of the people and establishing direct relationship between the client and the administration. The local institutions, the private sector, and the civil society organizations, all play an important role in decentralized governance.

Post-Independence India adopted a democratic system of governance. Institutions of democracy in India in fact began to grow during the colonial rule. The provisions of democracy found their place in the Government of India Acts of 1909, 1919 and 1935. Following the deliberations within the Constituent Assembly, democracy was introduced in the Post-Independence India in 1950. In India, Mahatma Gandhi, Jawaharlal Nehru and Jai Prakash Narayan described democracy as the government that gives 'power to the people'. Gandhi said "True democracy could not be worked by some persons sitting at the top. It had to be worked from below by the people of every village". Democracy at the top could not be a success unless it was built from below.

In India the Panchayati Raj Institutions can set an example for the world for to emulate in the matter of democratic decentralization. On the first point of decentralization there are broadly three views. The Balwantrai Mehta Report favoured the block as being nearest to the people (1957). The Sukhamoy Chakravarty (Economic Advisory Council, 1984) Report on decentralization of planning considered even the district to be too small for proper area planning. The Ashok Mehta Report (1978) on the Panchayati Raj, however, categorically favoured the district because historically it had been the pivot of local administration for centuries and also because the requisite expertise for planning and related purposes could be mustered at this level and not lower. The Dantwala Report (1978) on block level planning and the Hanumantha Rao Report (1984) on district planning endorsed this view in essence. In political parties too thinking has crystallized on the district as the most appropriate level for first-stage decentralization from the state level.

The principle thrust of Balwanta Rai Mehata Committee report was towards decentralization on democratic institutions is an effort to shift decision centres close to the people to enable their active and continuous participation under local popular control. The Ashok Mehata committee's principal thesis was the functional necessity for decentralization of administration level closer to the people. Both Balwanth Rai Mehata Committee report and Ashok Mehata Committee reports can be considered as landmarks in the history of democratic decentralization in India. With the introduction of the 73rd and the 74th Constitutional Amendments, the decentralization has been democratized and the scope of democracy has expanded to include the women, OBCs and dalits at the grass root level. Prior to this the dominant social groups exclusively dominated the institutions of the local self-governance. This defeated the very purpose of democracy. Democracy has to be grounded in the reality of society. This view of democracy can be termed as the substantive democracy. In the past two decades, in India substantive democracy has found a significant place in the discourse on democracy.

1.4 SIGNIFICANCE OF DEMOCRATIC DECENTRALISATION

Today democratic decentralization is a global phenomenon. Decentralization should be seen as a theory of development, which requires a variety of institutions for empowering and uplifting the marginalized and the poor. It is expected to work for the building up of an administrative space at the cutting edge level where the felt needs of the poor could be ventilated. Decentralization is a prime mechanism through which democracy becomes truly representative and responsive.

G.Shabbir Cheema and Dennis A.Rondinelli, in their book *Decentralization and Development*, have enumerated the following advantages of decentralization:

- 1) Tailor-made plans as per the needs of heterogeneous regions and groups are possible.
- 2) It can cut red-tape.
- 3) Closer contact between government officials and local population is possible.
- 4) It can allow better penetration of national policies to areas remote from the national capital.
- 5) It will ensure greater representation of political, religious, ethnic and tribal groups in development decision-making that could lead to greater equity in allocation of resources.
- 6) Capacity of local institutions and their managerial and technical skills will develop.
- 7) Top management would be relieved of routine jobs and devote time to more important jobs.
- 8) It will ensure better coordination.
- 9) It will institutionalize the participation of the citizens and exchange of information.
- 10) It will offset the influence of the elite people.
- 11) It will lead to a more flexible, innovative and creative administration.

- 12) Local people can execute, monitor and evaluate better than the central agencies.
- 13) Increased political stability will be ensured by increasing the participation of the local people in decision-making.
- 14) It will also reduce the cost of planning and increase the number of public goods.

A new framework of decentralized governance for the society can be laid down by taking the following measures.

- i) Providing people the opportunities and the forums to articulate their views and perceptions;
- ii) Taking the points of service delivery closer to the peoples;
- iii) Strengthening the local bodies as self-government institutions.

Decentralization leads to the empowerment of the local people through deconcentration and devolution. Decentralized governance seeks to tap local initiatives and practices by involving grass roots organizations such as self-help groups. Representative democracy and participatory democracy both become possible through decentralized governance. Another important feature of decentralized governance is interactive policy making which leads to decentralized decision-making. Interactive policy is a process where government and non-governmental sectors such as private sector, non-governmental organizations, communities, grass roots organizations, pressure groups all participate in decision-making so as to influence issues and suggest alternatives. Therefore, decentralized governance is an alternative strategy of development, which is people-centred, participatory and bottom-up development mechanism.

Decentralised governance is good for the people. The people will have a better understanding of what the government does. It is a concept based on the right of the people to initiative and executes policy decisions in an autonomous manner. It is a more effective way meeting local needs. It also provides a mechanism responsive to the variety of circumstances encountered from place to place. Decentralize governance enable poor people to take part in politics, which is necessary for successful implementation of anti-poverty programmes.

In the context of the Third World, decentralized governance has special significance because the target group of development in the Third World is the poor people. The World Bank Report indicates that all about 12 of the 75 developing countries with more than 5 million inhabitants have implemented some form of decentralization, with varying degrees of financial and political power. Parallel to these developments establishing legal frameworks and institutional mechanisms for people's participation at the local levels have been developed in countries like Philippine, India, Honduras, Bolivia, Namibia, Uganda, Tanzania, Brazil and Nigeria. Many countries like India have embarked on constitutional amendments to strengthen the process of decentralization. The seventy-third and seventy-fourth constitutional amendments in India have sought to create a new tier in country's governance structure by giving constitutional sanction to panchayats and urban local bodies. The amendments provide a long list of functions to be devolved on the local self governments, both urban and rural. These amendments have institutionalized peoples' participation through gram sabhas and ward committees.

1.5 DEMOCRATIC DECENTRALISATION IN INDIA

Gross roots governance has been a major concern of the planning process in India ever since the introduction of Panchayati raj in 1959. The spirit of democratic decentralization that evolved over the years is being practiced only in a limited way. It is realized that development efforts in India did not address the issues of equity and to the development of the poor. Therefore, there is a need to redirect development efforts towards the poor and those at the gross roots. The 73rd and 74th Constitutional Amendment Acts have been major steps in the direction of decentralized governance in India. The 73rd Constitutional Amendment Act relates to introduce reforms in rural local bodies whereas the 74th Constitutional Amendment Act relates to bring reform in urban local bodies. These amendments have accorded constitutional recognition to rural and urban local bodies. The Acts aims at integrating the concept of people's participation in a formal way with the planning process on the one hand and the devolution of responsibility to the people themselves on the other. These acts have addressed the persistent problems of irregular elections, suppression, inadequate representation, insufficient devolution of powers, lack of administrative and financial autonomy, and inadequate resources.

- **Democratic Decentralisation in Rural Areas**

After independence, rural development forms the crux of India's development strategy. Rural development programmes aim at the improvement of the living standards of the rural poor by providing them opportunities for the optimum utilization of their potential through active participation in the development process. Development programmes have a better chance of success when the target group and the general public participate in the various stages of the developmental decision-making process. In order to improve the participation of rural people in the process of development and involvement in decision-making and decentralized planning, the government of India has made 73rd Constitutional Amendment in 1992 to provide constitutional recognition to Panchayati Raj Institutions.

The constitution through 73rd amendment, visualizes panchayats as institutions of local self governments, it is subjected to the extent of devolution of powers and functions to the will of the state legislature. For the first time, self-government is located at the Panchayat level. Locality has become the basis of planning. The gram panchayat is entrusted with the responsibility for planning that is done by the people through gram sabha. The amendment provides for decentralized governance at the district and even lower levels. It has created people-centred institutions at the district, block and village level. The amendment devolved a package of powers and functions, to Panchayati Raj institutions. The eleventh schedule lists out 29 subjects to be transferred to panchayat raj bodies. The Panchayat Raj institutions are responsible for the planning and implementation of programmes related to social justice and economic development.

The constitutional amendment has provided for the establishment of State Election Commission and State Finance Commission. With the establishment of these commissions in the states, there is a considerable improvement in the process of democratic decentralization in rural areas.

- **Democratic Decentralisation in Urban Areas**

India, like many other developing countries, has been experiencing rapid growth in recent decades. India's urban population, which was hardly 10 percent at the

beginning of the 20th century, reached 26 percent in nine decades. At present, urban population is doubling every two decades. It is estimated that by 2025 about half of India's population would be urban. The Tenth Five Year Plan is predicted that India's urban population is expected to rise from 28 percent to 40 percent of the total population by 2020, placing increasing strain on the country's urban infrastructure.

Municipal bodies like the panchayats are not functioning effectively as units of local government due to structural, functional and financial constraint. From time to time many committees and commissions are appointed to suggest measures to revitalize them. Almost all committees recommended strengthening the Urban Local Bodies (ULBs). To strengthen the urban governance, parliament enacted 74th Constitutional Amendment Act 1992. This Act provided constitutional recognition is a milestone in the history of Urban Local Bodies. This amendment not only provides a constitutional status to the urban local governments, but also a number of other measures are incorporated to strengthen their democratic functioning, resources and powers. This Act is intended to give a more focused thrust to decentralization and the creation of a democratic governance structure at the urban areas.

- **Democratic Decentralisation in Tribal and Schedule Areas**

Special provisions are made in the constitution through the Fifth and Sixth schedules to protect the interests of Tribals their autonomy and rights. The Fifth Schedule envisages notification of tribal dominated areas as Scheduled areas and the formation of Tribal Advisory Council at the state level. The Sixth Schedule provides for establishing autonomous district councils and autonomous regions empowered with legislative judicial, executive and financial powers.

The government of India has appointed a committee headed by Dileep Singh Bhuria to work out the details as to how structures similar to panchayati raj institutions can take shape in tribal and scheduled areas. The following are the main recommendations of the committee.

- **Gram Sabha**

Every habitation community to have a Gram Sabha which will exercise command over natural regions, resolve disputes and manage institutions under it, like schools and cooperatives.

- **Gram Panchayat**

Elected body of representatives of each Gram Saha, also to function as an appellate authority for unresolved disputes at lower level.

- **Block / Taluk Level Body**

This is the next higher-level body suggested by the committee. In addition to this the committee has suggested an elected body of autonomous district council at the district level with legislative, executive and judicial powers for tribal areas covered under the Sixth Schedule.

Bhuria Committee has also recommended the powers and functions of the three levels in details. The Committee also proposed in general terms that the scheduled areas and tribal areas should be vested with adequate powers to deal with the problems like growing indebtedness, land alienation, deforestation, ecological

degradation, displacement on account of industrialization and modernization, excise policy, alcohol and drug addiction, hydel and water resources etc.

In accordance with the recommendations of the Bhuria Committee, an Act was passed on 24th December 1996 extending the provisions of part-IX of the Constitution relating to the Panchayats to the scheduled areas.

Local self-government is one way to operationalise decentralized pattern of governance. A note worthy feature of the above constitutional amendments is an emergence of a new generation leadership at the local level from disadvantaged sections of the society. The hitherto denied fruits of democracy have been made available to weaker sections of the society. The 73rd and 74th Constitutional Amendment Acts have democratized the local self-governments at rural and urban areas and brought substantive democracy at local level.

1.6 CONCLUSION

Today decentralisation and democracy are the most significant themes in the development discourse. Decentralisation means transfer of planning, decision-making or administrative authority from the central government to its field agencies. Democratic decentralization is an extension of the democratic principle aims at widening the area of the people's participation, authority and autonomy through devolution of powers to people's representative organizations.

Today democratic decentralisation is a global phenomena. In India 73rd and 74th Constitutional Amendment Acts have widened the scope of democratic decentralisation both in rural and urban areas. These Acts have institutionalized people's participation through gram sabhas and ward committees. A note worthy feature of these amendments is an emergence of a new generation leadership at the local level from women and marginalized sections of the society. The Amendments have contributed to bring substantive democracy at local level.

1.7 KEY CONCEPTS

- Decentralisation** : Transfer of planning, decision-making or administrative authority from the central governments to its field organizations, local administrative units, semi-autonomous organizations, local governments and non-governmental organizations.
- Democratic Decentralisation** : It is an extension of the democratic principle aims at widening the area of the people's participation, authority and autonomy through devolution of powers to people's representative organizations from the top level to the lowest levels in three dimensions of political decision-making, financial control and administrative management. It stands for people's right to initiate their own projects for local well-being and the power to execute and operate them in an autonomous manner.
- Administrative Decentralisation** : The right to freedom of implementing projects. It involves the right of the administrative personnel

particularly at the lower levels to do associated planning for administrative efficiency.

Democratic Centralism : It seeks to combine democracy with centralism. It is centripetal. There is transfer of authority to the extent of complete surrender and concentration to the top levels from the popular levels.

1.8 REFERENCES AND FURTHER READING

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1.9 ACTIVITIES

- 1) Prepare a small note on local self-government institutions structure, powers and functions of your district.
- 2) Examine the implementation of XIth and XIIth the schedules of 73rd and 74th Constitutional Amendment Acts in rural and urban local governments of your state and prepare a report.