UNIT 5 ISSUES OF DECENTRALISATION*

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5.0 OBJECTIVES

After reading this Unit, you should be able to:

- Define decentralisation and specify the advantages of decentralisation;
- Examine the various socio-economic issues that are outlined for local governments in the 73rd and 74th Constitutional Amendment Act 1992;
- Discuss the role of local governments in addressing various social and economic issues;
- Bring out the maladies plaguing Panchayati Raj Institutions (PRIs) and the Urban Local Bodies; and
- Elaborate the ways to improve governance issues that affect decentralisation and centre-state-local relationships.

5.1 INTRODUCTION

The issue of decentralisation of local government attains special importance in the context of developing countries like India, because majority of the poor live here and the aim of decentralisation is to give them voice in the development process (Das, 2017). It is important that people participate in their own development and engage in meeting the basic requirements such as drinking water, health, education, sanitation, etc. In this context, decentralisation serves as a mechanism to empower people to participate in their own development and help them address various socio-economic issues. As noted by the Economic Review document of Kerala, decentralisation is expected to provide closer correspondence between the actual needs of the people and the provision that is made by governments to meet those needs. Thus, 'planning from below' and contextualised resource allocation for

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basic services would be more cost-effective and produce better outcomes (Government of Kerala, 2020).

In such a context, where decentralisation serves as an essential tool to address various socio-economic issues in an effective manner at the grassroots level, it is critical that we know about decentralisation and how local bodies, both at the rural and urban areas, are effectively able to use this mechanism to attain socio-economic development. In this Unit, we introduce you to the concept of decentralisation. The Unit throws light on the socio-economic functions that are described in the 73rd and 74th Constitutional Amendment Act 1992 for both the rural and urban local bodies. The Unit further discusses how socio-economic issues are addressed by the local governments by giving examples of various Indian States. It also examines the maladies that plague local governments and suggest ways to improve governance issues that affect effective decentralisation.

5.2 CONCEPT OF DECENTRALISATION

A recent OECD document on decentralisation regards decentralisation as a 'silent' or 'quiet' revolution and is among the most important reforms that has been initiated in the past 50 years. However, in the Indian context, decentralisation is not something that is new, and decentralisation in practice was visible through the way the local governments functioned in India since time immemorial.

Decentralisation is not a panacea for all the problems that a country faces, and neither is it an end in itself. Rather, it is a means to achieve the desired end results. For instance, it serves as a means to achieve larger goals of economic and social upliftment of the people. In other words, decentralisation is a tool to achieve the goal of development in terms of welfare and poverty alleviation programmes, literacy rates, infant mortality rates and life expectancy (Das, 2017). Decentralisation is thus helpful to achieve public sector efficiency, democratisation and political stability (OECD, 2019). Decentralisation of political and economic power is regarded a key element in the successful functioning of democracy in any country.

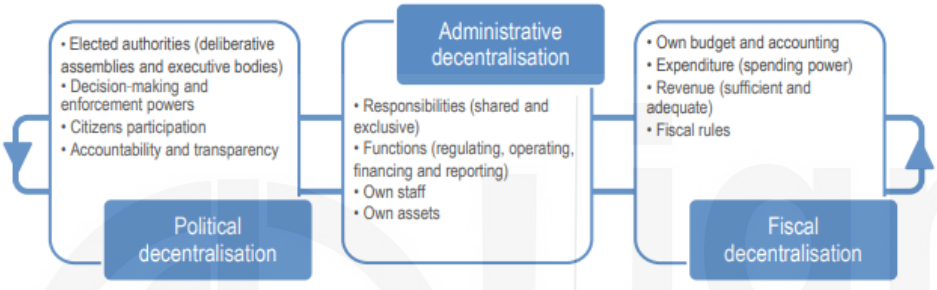
Decentralisation is defined in different ways and is applied in varying degrees in different countries. Decentralisation is defined as the transfer of authority, responsibility and resources through deconcentration, delegation or devolution – from the centre to lower levels of administration (Chakraborty, Chakraborty, & Mukherjee, 2016). According to a World Bank document, decentralisation is the transfer of political, administrative and fiscal responsibilities to locally elected bodies in urban and rural areas, and the empowerment of communities to exert control over these bodies (World Bank, 2000).

Decentralisation is also regarded as "a political process in which there is devolution of resources, tasks and decision-making power to democratically elect lower-level authorities, which are largely or wholly independent of central government" (Kalirajan & Otsuka, 2010). An OECD document on decentralisation regards it as "the transfer of political, administrative and financial powers and responsibilities from the central government level to the sub-national level (regional governments, municipalities, Panchayati

Raj, etc.), having some degree of autonomy" (OECD, 2019).

Based on these definitions it can be understood that there are three elements to decentralisation viz., political decentralisation, administrative decentralisation and fiscal decentralisation (Robinson, 2007a). Political decentralisation is regarded as being synonymous with the term democratic decentralisation or devolution, and in this type of decentralisation, powers and responsibilities are devolved to the elected local governments. Administrative decentralisation, on the other hand, is referred to as deconcentration, and in this type, the functions performed by central government are transferred to geographically distinct administrative units. Finally, fiscal decentralisation entails the transfer of financial resources in the form of grants and tax-raising powers to sub-national units of government.

FIGURE 1. POLITICAL, ADMINISTRATIVE AND FISCAL DECENTRALISATION



Source: OECD, 2019.

Thus, while political decentralisation focuses on transfer of powers from central to local authorities, administrative decentralisation focuses on transition of functional responsibilities from central to local governments and fiscal decentralisation aims at transforming financial relations between different levels of government (Sanusi *et al.*, 2017 *cited* in Chygryn, *et al.,* 2018). However, despite the existence of difference among these components of the concept of decentralisation, as a rule, they are implemented together to ensure positive synergistic effect and maximum benefits for all economic agents (Chygryn, Petrushenko, Vysochyna, & Vorontsova, 2018). These three elements are inter-dependent on each other and there can be no fiscal decentralisation without political and administrative decentralisation and the existence of one form of decentralisation without the other two becomes meaningless (OECD, 2019).

Decentralisation has been the preferred option of reform in many of the countries across the world for a variety of political, historical, and economic reasons. It is thus a necessary precondition for attaining social, economic and political development. It has various advantages, which are as follows:

- Decentralisation helps in establishing more of local democratic control, greater efficiency in public service delivery and accountability of regional and local development policies;
- It can bring about public sector efficiency, democratisation and political stability;
- Decentralisation yields both direct and indirect benefits and challenges. The direct effects of decentralisation include improvements in service levels, quality and efficiency of public services. The indirect effects of

decentralisation include faster economic growth, better stability of the society, direct outcomes of decentralisation such as better education, higher participation in political decision making (OECD, 2019).

- Decentralisation has the potential to support and expand citizens' participation by bringing government closer to citizens and by making government more easily accessible;
- Through decentralisation, effective local development policies can be carried out, as actors at the local level are in a better position to design local policies that respond to local needs;
- Decentralisation also serves as a mechanism to experiment with public policies. An innovative idea implemented at a particular unit, can have a spill over effect from such good practices, which can benefit not only local governments, but also the state and central government, when it provides the opportunity to be scaled up.

Though decentralisation has various advantages, in order to reap the benefits, the prerequisite for effective functioning of decentralisation is the functional autonomy of the local governments supported by appropriate devolution of financial resources. Without that, there will be horizontal and vertical imbalances between the expenditure needs and the available resources of the decentralised layer of the governance, which may hinder the developmental functions at the local level (Chakraborty, Chakraborty and Mukherjee, *op.cit.*).

5.3 DECENTRALISATION IN THE CONTEXT OF SOCIO-ECONOMIC ISSUES

Decentralisation is linked to various aspects of socio-economic considerations and it can contribute to increased social welfare of the citizens, in terms of addressing the needs of women, children, marginalised sections such as SCs and STs; improved social indicators such as health, education, etc.; and improved economic situation of the citizens by promoting employment, income generation, alleviation of poverty, etc.

Decentralisation that helps in attaining such socio-economic issues, is an integral part of state administration and is represented through territorial differentiation and dispersion (Bhattacharya, 1978). In political science and public administration, decentralisation has been discussed from the viewpoint of arrangement of government and there is arrangement of the government at the central, state and local levels. At the local level, differentiation and dispersal of units is made at the district, block and village levels for the rural governments. The unit of differentiation for the urban local bodies are the municipal corporations, municipal councils and the nagar panchayats.

In India, though local governments, both urban and rural local governments have been in existence since historical times, the decentralised mechanism lost its sheen ever since colonial times, and the structure and functions of local governments have mostly remained weak till the 1990s. The 73rd and 74th Constitutional Amendment Acts of 1992 were landmark measures in the history of local governance, which provided a Constitutional status to rural and urban local bodies respectively, to engage in their own socio-economic

development. With the passing of such Constitutional Amendment Act, certain provisions became mandatory for both the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs). Some of the key features of both the Acts are as follows:

- At the rural level, establishment of three-tier system of panchayat at village, block and district levels and at the urban level, establishment of nagar nigams (municipal corporation), nagar palika (municipal council) and nagar panchayats;
- Direct elections to panchayats and municipalities at all three levels;
- One-third of reservation for women and reservation to the marginalised communities such as SCs and STs at all three levels in proportion to their population in local bodies;
- Establishment of gram sabhas or village assembly as a deliberative body to decentralised governance;
- Establishment of state election commission in each state and union territories (UTs) to supervise, direct and control regular and smooth elections to panchayats and ULBs;
- Constitution of state finance commission, in every state/UT for five years to suggest measures to strengthen finances of PRIs and ULBs;
- Establishment of district planning committee (DPC) in every district to consolidate plans prepared by panchayats and municipalities in the district;

In Schedules 11 and 12 of the Constitution, about 29 and 18 functions that are considered appropriate for the panchayats and municipalities are entrusted to the local governments. Such functions entrusted to the local governments, have been classified here as the socio-economic functions and other functions, which are tabulated as below:

Table 5.1: Socio-economic and Other Functions of Rural and Urban Government

XI Schedule - Functions for Panchayats (Article 243G)	XII Schedule Functions for Urban Local Bodies (Article 243W)
Socio-economic Functions	**Socio-economic Functions**
• Drinking Water	• Planning for economic and social development
• Roads, culverts, bridges, ferries, waterways, and other means of communication	• Water supply for domestic, industrial and commercial purposes
• Rural electrification, including distribution of electricity	• Public health, sanitation conservancy and solid waste management
• Health and sanitation, including hospitals, primary health centers, and dispensaries	• Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded
• Maintenance of community assets	• Slum improvement and upgradation
• Rural housing	• Urban poverty alleviation

• Poverty alleviation programmes • Education, including primary and secondary schools • Technical training and vocational education • Adult and informal education • Libraries • Cultural activities • Family welfare • Woman and child development • Social welfare, including welfare of the handicapped and mentally retarded • Welfare of the weaker sections, and in particular, of the SCs and STs • Public distribution system • Agriculture, including agricultural extension • Land improvement, implementation of land reforms, land consolidation, and soil conservation • Animal husbandry, dairying, and poultry • Fisheries	• Provision of urban amenities and facilities such as parks, gardens, playgrounds • Promotion of cultural, educational and aesthetic aspects • Burials and burial grounds, cremations, cremation grounds and electric crematoriums • Public amenities including street lighting, parking lots, bus stops and public conveniences
Other Functions • Non-conventional energy sources • Minor irrigation, water management, and watershed development • Social forestry and farm forestry • Minor forest produce • Fuel and fodder • Markets and fairs • Small-scale industries, including food processing industries • Khadi, village, and cottage industries	**Other Functions** • Urban planning including town planning • Regulation of land use and construction of buildings • Roads and bridges • Fire services • Urban forestry, protection of the environment and promotion of ecological aspects • Cattle ponds; prevention of cruelty to animals • Vital statistics including registration of births and deaths • Regulation of slaughterhouses and tanneries

Through Article, 243 G and W, the Constitution empowers panchayats and municipalities to function as institutions of self-government for preparing plans and implementing schemes for economic development and social

justice. Though various socio-economic functions and other developmental functions are entrusted for both the rural and urban local bodies, the provision remains vague with respect to the way the responsibilities are spelt out on certain functions and how financing would be made and there is no clear-cut demarcation of functions between the local bodies and the State (Alok, *Ibid*.; Mathur, 2006).

In almost, all the states and union territories, there is execution of the socio-economic functions in varying degrees by the municipalities and the panchayats. The socio-economic functions carried out by local governments, depends upon the strength given by the concerned states in their State Acts for Municipalities and Panchayats. In states, where transfer of functions, along with transfer of adequate finances and functionaries are made, there is effective implementation of socio-economic programmes and schemes by the rural and urban local bodies.

In this regard, the decentralisation experience of Kerala, popularly known as the People's Plan, is of unique significance. Kerala has led a concerted effort for transferring powers, functions and institutions at one go to the third tier of governance – the Local Governments - accompanied by a simultaneous bottom-up initiative for local-level planning and development through the People's Plan Campaign. In carrying out the entrusted socio-economic functions, local governments in Kerala are engaged in timely preparation of plans, integration of plan and budget, timely implementation and better utilisation of funds, formulation of innovative projects, increasing allocation of funds to the productive sector, preparation of District Plans, etc. (Government of Kerala, 2020).

Check Your Progress 1

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

1. Define decentralisation.

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2. What do you mean by political, administrative and fiscal decentralisation?

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3. Enlist some of the socio-economic functions given in the Eleventh and Twelfth Schedules of the Constitution.

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5.4 ROLE OF LOCAL SELF-GOVERNMENT

As discussed in the previous sections, decentralisation of rural and urban local governments, helps in addressing various socio-economic issues that are faced by the citizens at the local level. It is for this reason that devolution of adequate powers and resources to the decentralised unit is stressed upon, for effective delivery of socio-economic functions such as citizen's welfare, gender concerns, education, health, employment generation, poverty alleviation, etc. In the current context, where there is emphasis on the sustainable development agenda, the local governments, both the urban and rural local bodies, have a major role to play in localising the various Sustainable Development Goals (SDGs). This Section throws light on some of the evidences of local governments in addressing socio-economic issues by discussing the cases and examples of different states. Some of the examples discussed here also shows how efficiency outcomes have improved as a result of decentralisation (Robinson, 2007a).

Citizens' Welfare

Decentralisation has a role to play in protecting the welfare of citizens in general and the interest of weaker sections in particular, such as women, SCs and STs, so that they get their fair share of public goods. In this context, reservation of the weaker sections in panchayat and municipality elections serves as an effective tool to safeguard their interests. Such reservation policy in local governments would increase their political participation. In West Bengal and Rajasthan, it was noted that women leaders of panchayats, who emerged from the reservation seats, laid their focus on those aspects that were beneficial for women, such as roads, drinking water, etc., rather than other areas, which are of least interest to women.

In the initial years, though women leaders of panchayats served as puppet candidates, in recent times, significant changes are visible, where women leaders have been able to make real impact on policy decisions. Similarly, it was noted in West Bengal that the needs of SC hamlets were addressed in a better manner with the presence of SC leaders (Chattopadhyay & Duflo, 2004). However, despite the success stories, there are certain challenges attached to it. Not all elected representatives are able to voice the preferences and priorities of the marginalised sections. In rural India, non-participation of the socio-economically marginalised in the decision-making process is quite evident (Echeverri-Gent, 1992; Gurtoo & Udayaadithya, 2014).

Poverty Alleviation

Decentralisation is regarded as a key element in reducing poverty. The decentralisation model followed in Madhya Pradesh has lessons to offer for poverty alleviation in India. In Madhya Pradesh, a plan has been worked out for decentralising urban development and the focus is being laid on developing cities across the state, rather than developing a few large model cities. Thus, focus on development of both rural and urban areas across the state, has reduced the levels of urban dominance in the state. Such a holistic approach to urban development eliminates the scope for regional bias and create employment generation at the local level.

It has been thus stated that urbanisation and rural-urban linkages, poverty linkages and good practices of government would help in poverty reduction (Sridharan, quoted in Raghavendra, 2014). While this is a positive case study of urban government, the rural government in West Bengal has implemented measures such as land redistribution, sharecropper programme (Operation Barga) and the popular mobilisation programmes, which has significantly benefitted the poor. Such measures have improved agricultural performance, leading to a faster growth in agricultural sector, causing a reduction in poverty (Crook & Sverrisson, 2001).

Gender Concerns

In addressing gender concerns, adequate representation to women in local body elections is regarded an effective mechanism, as women will be able to participate in their own development. However, decentralisation alone is not a sufficient condition in a society, in which there is discrimination based on class, caste and patriarchy (Mukhopadhyay, 2005). The experience of women in decentralised water governance in Maharashtra shows a mixed response, wherein, women suffer with addition of patriarchal impositions and while a hand few have been able to raise their voice, many have not had a say in water governance, but still they enjoy the public space, when they get a chance to attend *pani samiti* (water committee) meetings.

In Maharashtra, inefficiency in management of water for domestic consumption and irrigation purposes was addressed through participatory planning and inclusive decision making. For this purpose, the mechanism in place was the water committee for the former and Water User Association (WUA) for the latter. While there was adequate representation of women in *pani samiti*, their representation was quite marginal in WUAs. Though representation of women across caste groups were there in *pani samiti*, women from dalit castes were mostly silent in the meetings and very few upper caste women who were there in WUA, served as proxies and were not even aware that they were members of WUA. Presence of women was visible only in those samitis, where mobilisation of women was taken care of by civil society organisations. In places, where women were victims of patriarchy, they were even prevented from speaking out in public meetings in front of men. However, despite such drawbacks, there are instances, where women have come out and utilised the space to their advantage, overcoming structural constraints (Kulkarni, 2011).

Disaster Management

In order to deal with disasters effectively, the gram panchayat and urban local government in Kerala prepare the local Disaster Management Plans, which consist of components such as: local government profile; hazard and vulnerability profile; capacity and resources of the local government; response plan; and preparedness, mitigation and community resilience plan. In dealing with disaster situations, local governments are always in the forefront. In the aftermath of 2018 and 2019 floods, the local governments in Kerala, both the panchayats and the municipalities played a key role in rehabilitating people and providing timely relief measures. The staff of gram panchayats and municipal corporations were engaged in rescue and relief operations and used their funds to mitigate the disaster. They converted the

community centres into relief camps and ensured the maintenance of the centres with toilets, lights and sanitation facilities (Government of Kerala, 2020).

Response to COVID-19 Pandemic

Though many districts in different states did well in containing the corona virus, the Kerala example got the spotlight from the international community and also a special mention by the NITI Aayog. It was recognised that the decentralisation of powers and resources and women empowerment in Kerala were one of the reasons that helped Kerala in fighting against the corona virus. Some of the measures taken by the local governments to handle the pandemic were: setting up and managing community kitchens during lock-down; cleaning and disinfection activities; organising 'break-the-chain' social distance campaign and awareness programmes; providing accommodation, food and essential support to migrant labourers; coordination of home quarantine; distribution of free medicines; engaging of personnel in health institutions managed by local governments, etc. (Government of Kerala, 2020).

Urban Housing

Again in Kerala, in order to give recognition to the 'Green Homes', in each Urban Local Government, "Haritha Bhavanam" competition was conducted and the parameters for recognition was energy efficiency, waste management, and maintenance of green space. The competition also took into consideration aspects such as rain-water harvesting, kitchen garden, water disposal mechanisms and green energy among Pradhan Mantri Awaas Yojana's (PMAY) urban beneficiaries. A cash prize of Rs.10,000 was given to the best homes (Government of Kerala, 2020).

The above cited examples throw light on the way decentralisation is helpful in addressing the various socio-economic issues.

5.5 MALADIES PLAGUING PANCHAYATI RAJ INSTITUTIONS AND URBAN LOCAL BODIES

When decentralisation to local government is adopted in a particular country, there is no automatic assurance that prompts that execution of functions would be undertaken by local representatives (Chakraborty, Chakraborty, & Mukherjee, 2016). Lot of concerns, issues and risks are involved in decentralisation, which plagues both the PRIs and ULBs, some of which are discussed as follows (Chakraborty, Chakraborty, & Mukherjee, 2016; OECD, 2019):

- For both the rural and urban local bodies in India, the structure, legislations and institutions are in place both at the national level and across the states. However, in most of the states, decentralisation mechanism is not designed and implemented in an effective manner;
- Another major concern in decentralisation is the issue of elite capture by local political elites. In such a scenario, power is deeply contested and powerful social groups, control resources and dominate local

politics (Robinson, 2007b). When there is elite capture, power at the local level becomes more concentrated or elitist, and is applied more ruthlessly against the poor. The benefits of decentralised socio-economic programmes would be captured by local elite, which in turn would result in under-investment in public goods and services for poor (Chakraborty, Chakraborty and Mukherjee, *op.cit*.).

- Though various socio-economic and developmental functions are assigned to PRIs and ULBs, there is inadequate devolution of finances and functionaries to carry out the functions assigned to the local governments. When there is a mismatch between the responsibilities assigned and resources allocated, smooth delivery of services, programmes and schemes cannot be ensured; and
- Another concern of decentralisation is the overlap in roles and responsibilities of local governments with the responsibilities of state departments and units. Proper demarcation in roles or proper convergence is needed to ensure smooth functioning of decentralised unit.

5.6 WAY FORWARD ON ISSUES AFFECTING DECENTRALISATION

There have been examples of failures of decentralisation, which is due to reasons such as rigid bureaucracy, too much of centralisation, lack of capacity of elected representatives, lack of accountability, etc., due to which the socio-economic policies and schemes implemented at the local level are not delivered properly. It can be overcome by taking various measures. Dysfunctional decentralisation systems are part of the story behind the crisis of democracies and it is thus critical to find ways to make decentralisation systems more effective (OECD, 2019). Some of the ways to address various challenges are as follows:

Relaxation of central control

When emphasis has been laid on decentralisation with the entrustment of powers and responsibilities to the elected representatives at the local level, it is important to relax the central control. As highlighted by the OECD report 2019, decentralisation reforms involve a shift from a direct role in service delivery to one of enabling, advising and assisting, ensuring consistency, and facilitating the work of subnational governments. This requires building new capacity at central government level to cope with these new functions, which cover a large area of sectors. Impact of decentralisation on the central government are often underestimated. Failing to take full measure of this issue may be detrimental to the reforms, slowing down or modifying the reform process (*Ibid.*).

Integrating local government

In Kerala, integrated Local Self Government Department has been formed by integrating 5 departments, viz., Panchayats, Urban Affairs, Rural Development, Town Planning and Engineering departments, so as to ensure better coordination; strengthen local government system and ensure better service delivery. Similar measures can be undertaken in other states to avoid overlapping, ensure coordination and thereby strengthen local government.

Accountability

Accountability of local governments can ensure that the socio-economic issues are properly addressed. It is important that local government adheres to appropriate safeguards to ensure that it serves the public interest with integrity and thus local governments should be accountable to its electorate (Shah & Shah, 2006). Accountability is promoted through various ways: local government should abide by the citizens' right to know; and performance reports of local governments should be available in public domain (*Ibid.*). In addition, accountability of responsiveness of panchayati raj and municipality can be ensured by conducting periodic elections to the PRIs and ULBs and promoting regular social audits.

Capacitating local governments

In order for the decentralised mechanisms to function effectively, it is important that the elected representatives at the local level are capacitated enough to play the role expected out of them. It is important that the elected representatives of local government have the required economic, political and administrative capacities (OECD, 2019). Without such capacities, the elected representatives of local government will not be able to deliver the responsibilities assigned to them.

Proper devolution of functions, finance and functionaries

One of the major challenges that impact effective decentralisation or the functioning of local governments is the actual devolution of functions, finance and functionaries in practice, though it all exists in paper in terms of Acts, legislations and policies. Mostly, the local governments rely on the funds tied to various schemes. Though local bodies can engage in generating their own revenues, not all are engaged in generating own revenues. As observed by Alok (2006), the various dimensions of decentralisation, viz., legislative, political, fiscal and administrative are interwoven and have to be addressed simultaneously.

Citizens' participation

Decentralisation has the potential to support and expand citizens' participation by bringing government closer to citizens and by making government more easily accessible (OECD, 2019, p. 10). Local governments become more responsive to the needs of the citizens and take preferences into account in determining the type of services to be provided, the level of resources required, and the optimal means of ensuring effective delivery (Robinson, 2007).

Moreover, when there is participation of citizens in the local governance, there is more scope for addressing the socio-economic concerns of the people. For instance, in Kerala, a prominent social movement called Kerala Sasthra Sahithya Parishad – People's Science Movement, played a crucial role in shaping and implementing the People's Campaign for Decentralised Planning in the late 1990s (Robinson, 2007b,). To this day, citizens of Kerala seem to have wider participation in the local development agenda, because of which decentralisation measures of Kerala seems to be quite strong.

On the whole, to ensure smooth functioning of the decentralised units, it is not sufficient to just bring about the central legislation and make the states too come up with conformity Acts. It is equally important that enabling environment is created for the local governments, so that they engage in prompt implementation. Thus, to create such enabling environment, the central governments can encourage the state governments through an incentive or reward structure (Alok, *ibid*.). Such measure is visible in the efforts of the central government, wherein, every year on 24 April, which is regarded 'panchayati raj day', awards are given to best performing panchayats, gram sabhas and states that create such enabling environments for panchayats.

Check Your Progress 2

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

1. Explain how poverty alleviation measures have been undertaken by local governments.

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2. Discuss some of the challenges faced by the local governments.

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3. How can the maladies plaguing local governments be addressed?

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5.7 CONCLUSION

As noted by Robinson (2007), to make the most of decentralisation, it is not sufficient to ensure participation and accountability alone. In addition, it is important that attention is laid on political factors viz. commitment, leadership and mobilisation, institutional arrangements, financial resources, technical and managerial capacity. In addition, measuring and monitoring of performance of decentralised forms and roles of elected representatives is needed so that real gains are produced out of the decentralised mechanism, in terms of improved access and quality of services. In this Unit, we learnt about decentralisation mechanism and examined how effective decentralisation of rural and urban governments can lead to effective implementation of socio-economic programmes and schemes. In this process, there are various challenges that are faced by decentralised units and such challenges need to be overcome by addressing governance issues.

5.8 GLOSSARY

Deconcentration: It refers to the transfer of certain planning, financing and management tasks to local units of central agencies, without any inherent transfer of authority.

Delegation: It refers to the transferring of responsibility for decision making and administration of public functions to other organisations that have semi-independent authority, and though not wholly controlled by the central government, are accountable to it.

Devolution: It is the strongest featured form of decentralisation, that results in the transfer of powers, functions and finances to the local government in a way that the local government would be accountable to its voters rather than to the central or state governments.

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5.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check your Progress 1

1. Your answer should include the following points:

- Decentralisation is the transfer of political, administrative and fiscal responsibilities to locally elected bodies in urban and rural areas, and the empowerment of communities to exert control over these bodies.

2. Your answer should include the following points:

- While political decentralisation focuses on transfer of powers from central to local authorities, administrative decentralisation focuses on transition of functional responsibilities from central to local governments and fiscal decentralisation aims at transforming financial relations between different levels of government.

3. Your answer should include the following points:

- Article 243 G and 243 W of the Constitution discusses the powers and functions of rural and urban local governments.

- In the Eleventh Schedule, some of the socio-economic functions assigned for panchayats include drinking water, rural housing, poverty alleviation, education, women and child development, etc.
- Similarly, functions enlisted for the municipalities in the Twelfth schedule include planning for economic and social development, safeguarding interest of weaker sections, slum improvement, etc.

Check your Progress 2

1. Your answer should include the following points:

- Land distribution, sharecropper programme, popular mobilisation programmes are some of the measures taken by panchayats in West Bengal to promote agriculture and reduce poverty.
- On the other hand, in Madhya Pradesh, measures were taken to focus on development of both rural and urban areas across the states to prevent urbanisation and create employment opportunity at the local level.

2. Your answer should include the following points:

- Some of the key challenges faced by both the rural and urban local bodies include inadequate devolution of functions, finances and functionaries; domination by rural elites, overlap of functions, rigid bureaucracies, etc.

3. Your answer should include the following points:

- The various challenges faced by decentralised units can be addressed by focussing on governance issues and undertaking various measures such as relaxing central control; ensuring accountability, integrating local governments, capacitating local governments and promoting citizens' participation.