

## Grass Roots Democracy and Decentralisation

DR GEORGE MATHEW

I believe that for any action you need a knowledge base. Without intellectual discourse and sharing of ideas that cannot happen. And in this region, especially for democracy and all aspects of democracy, the variables involved in it, decentralisation, grassroots democracy, a lot more has to be done. And this is timely, and I once again congratulate the government of Bhutan and the UNDP for this unique programme.

My thesis is that grass roots democracy is the base. At other levels of democracy you are electing members to the state assembly or to the parliament, I may even say this is a super structure. Without the base, the structure cannot exist. And the second point is that grass roots democracy ensures power to the people. In all the previous discussions we have had on democracy, we have realised that power is going somewhere else. And sometimes it is going disproportionately, and where are the people? And where should the power go? And emerging from that point is that every village, especially in our South Asia region, in Asia, must become a little republic.

I remember the famous saying of Mahatma Gandhi 'Graham Swaraj' and that is the basic principle. In my presentation the first few minutes is about basic principles of decentralisation. I will say a few words about the theoretical and principles of decentralisation and grass roots democracy and then go to the case of India.

What is happening in India is also a success story. Because yesterday in the last session there was a statement from one of the participants saying that we would like to hear some case studies as well. I thought this may be an important aspect. On the basic principles of decentralisation, you will agree with me that functional, financial and administrative autonomy should be given to local governments.

The second principle is subsidiary. All that can optimally be done at the lowest level should be resolved at that level. It must be done at that

level. Only problems and issues that cannot be resolved should be passed to the higher levels. These principles of subsidiarity are very basic when we discuss decentralisation. The point is, every local government, local body must have a “role clarity” and it must be complimentary between different levels, that its functions of different tiers should not overlap. If they do, there will be conflicts.

The other point is the uniformity of norms and rules. It cannot be that one has more roles and the other has lesser roles. A uniformity is very essential. And the most important thing is maximum, direct participation of people. And one more point, is accountability. That is a continuous social auditing, the people have to be audited - and then absolute transparency in governments. And sometimes we think that by validating some powers we are decentralising. It is not. It is really devolution of powers that is decentralisation. Sometimes many functions are there. We want to decongest it, so we give something lower. That’s not decentralisation. Decentralisation means the local bodies must have the power to spend money, the power to collect money. And they must have the discretion in spending the resources, and they must have the power to hire and fire and control the staff. And the staff must be under the local governments. And finally, the direct accountability of these local bodies to the people whom they are representing.

And nowadays, when we talk about decentralisation we may have local bodies, but they have no discretion in spending money. Only scheme-related expenditure are given to the local governments. Staff is on deputation and they have no control over the staff. And they have limited or no power to raise resources and they have no direct responsibility over local affairs and this is not decentralisation.

For name sake, we do all these things and say ‘Oh, we have decentralised the power’. Now having said this, I would like to bring your attention to a historic change in India in 1993. It became part of the Constitution. That was the 73<sup>rd</sup> year of the Constitution amendment act. Yesterday, I was very interested to hear one of the speakers say that in this kingdom, the Constitution cannot be amended for decades. But in India, we have already amended the Constitution more than 100 times.

That is what is happening. Power to the people at the local government was the 73<sup>rd</sup> Constitution amendment.

Very quickly, I will just point a few issues brought to the forefront by this amendment. Gram Sabha or 'village assembly' got Constitutional status. All the voters in a village can come together and they can take decisions. And there are tier systems in a village. The village, the intermediate level block - and then the district. And the states, which have less than a two million people have no intermediate Panchayats. And reservation of seats and leadership positions for scheduled caste and tribes. Scheduled castes are the former untouchables of India. And today, according to the population in their area, they get representation in the local government up to the district level. Not less than 33% seats were reserved for women in 1993. Every five years there will be election. If one state delays an election, then people go to the court - the Supreme court or any court - and then elections will be held.

Independent state election commissions for every state are appointed by the governor and President of India. State finance commissions are to be set-up every five years to review the financial condition of the local bodies. So, what is the final definition of a local government? Power to be devolved upon Panchayats, so as to enable them to function as institutions of self government. This is Article 243(g) in the Indian Constitution. And nobody can violate this. I have extensively quoted Article 243(g) and it lists these institutions of self-government, and what should they do. They should prepare plans for economic development and social justice and they should have the power to implement schemes or economic development and social justice. Economic development, just not for one section but with social justice. So this is very important in the Constitution.

In India we have about eight percent of the world's population of five billion. And there you cannot have a law just like that passed by the parliament. It needs special sanctions. So these Panchayats got extensions to these areas called scheduled areas, and with extraordinary powers.

The Graham Sabha, that is the village assembly, has to decide whether anybody can do mining in this area or whether the forest produce can be taken away by somebody; the tribal community has to decide and the village assemblies. The powers are given. It is extraordinary in many ways. There are a list of 29 subjects given to the Panchayats from agriculture to rural electrification and 18 subjects are given to the municipalities, from urban planning to the regulation of slaughter houses to tanneries. Today, in India, we have 543 district Panchayats. Please remember, one district in India has an average population of 2 million people. We have 6,094 intermediate Panchayats and almost 252,000 village Panchayats and the number of people they are electing: in one sense, at the village Panchayat level, each elected representative has a constituency of 350 people, which is roughly 70 families, making India the largest and the most intensive democracy in the world.

So there are more than 252,000 Panchayats and about 28 Lakhs, i.e. nearly three million elected Panchayat members. And now there is a decision in India that 50% of the seats must be reserved for women. So far, it has been not less than 30%, so in that case we will have about 1.4 million women getting elected. In urban areas, we have 107 city corporations, 1,443 town municipalities and more than 2,000 Nagar Panchayats. Nagar Panchayats are those rural areas that are being transformed into urban centres. So what has happened in our system?

The third strata elects nearly 3.2 million members and at the moment more than one million are women; 800,000 are scheduled castes and scheduled tribes. They are occupying positions. They are not just getting elected. One third of the presidents or chairpersons of all these must be by these scheduled castes, or tribes, or women. That is also remarkable. So the result is what I call, a widening democratic base. Indeed, the democratic base has widened enormously, enabling horizontal planning and implementation of development programmes. Why horizontal? Because earlier it was vertical - from top to bottom.

Just to show the present structure, the Union of India and all our 28 states and the two union territories elected only 7,943 members plus the 4,508 members at the state level. So today, the third stratum - the district and below - is now electing 3.2 million people. So here comes

the point. Earlier it was from top to bottom, union to states, districts to blocks, blocks to village. And we used to say PM, CM, DM-Prime Minister to Chief Minister to District Magistrate. That was the system prevailing. And with these radical changes that have happened, you can now see the arrow going up. Village assemblies at the bottom or meetings at the municipal level and then power goes up to the states and from the states to the Union of India. This is how real it is.

I tell you, if a state government is not regarding the local governments seriously or not giving them powers, the state governments in the next election will lose power. Several governments have lost power because they did not take it seriously. And the states are now supported by the Union. Today, we have coalition governments. Parties are state-based parties. And if one state, West Bengal, withdraws or Tamil Nadu withdraws, or Maharashtra decides that they don't want to be part of it, then the Union of India, the government has to fall.

So in other words, the whole structure, from top to bottom is now from bottom upwards. There is another figure in this. In 2001, the Prime Minister of India wrote a letter to the Andhara Pradesh Chief Minister. He made a very important statement: 'Consequent to the amendment Panchayats are visualised as the third tier of governance in our federal polity. Increase the participation hitherto to excluded sections of the population. Women's involvement in public life through elections which, I call 'a brave new world for women'. Developing the thinking that democracy at the grass roots level is a necessary condition for strengthening democracy at the State and National Level. Popularisation of concepts of decentralised planning and people's participation in development. It is mandatory that the planning must begin from neighbourhoods. From neighbourhoods to the village, Panchayats up to the district and then goes to the states. Thousands of elected members are getting training in local governance, democracy and development. The Government of India has to invest enormously, a lot of money at the sources for training centres. We have now state training centres. Every district must have a training centre.'

Local bodies are the nursery for future leaders. If you analyse the background of the present members of the parliament today, around

150-160 members of the parliament elected recently have a local government background. They were elected and came up like that. There are many success stories of women in local government and the voluntary sector/civil society coming to the fore for strengthening Panchayats, grass roots democracy

There is an increased concern about corruption and the use of public funds. People are saying, 'Why are you spending so much money for repairing this road, for building this farm road?' They are coming together and asking questions. And in various states of India, innovative ideas are coming forward to combat corruption. Social audits are a big concept. The people's Plan Campaign, which began in Kerala, the ombudsman - state and district - and then regarding the Hindi *jan sunwai* - which means 'public hearing'. People came together to listen to this and finally the governance thing is demystified. Indeed, the demystification of governance is very important in governance.

I will just quickly go through a SWOT analysis: Strength-Constitutional Status, Constitutional Status for Stability and Continuity, Timely election, Representation for weaker sections, Framework for 4 "Fs" - Functions, Functionaries, Funds and most importantly Freedom. And these are given to the local governments.

And the weaknesses: lack of awareness about rules, bye-laws etc, lack of public awareness and vigilance and lack of accountability. Decision-making not yet broad-based. Rules and procedures not adequately framed in mini states. Influence of elite in village planning - elite capture - that's a very important point. Lack of orientation of officials for working with local governments. The officials are saying we shall work in the state capital, in the national capital, not in the villages. Lack of political will of political parties.

And the opportunities. People's participation is providing good governance at the grassroots level. Involvement of people in their village development planning. Resource mobilisation, cash, the kind of labour for local development, increasing the sense of responsibility in people for managing their affairs and, most importantly bringing

administration nearer to people for good governance, and taking the government to the doorsteps of the people. That is the most important.

But threats still remain: resistance by the existing government and traditional village set up do not welcome not this kind of change. Disparities of caste, the highly stratified hierarchy of India, the class system, the gender mentality. All these are the serious threats. Resistance at the state and national level by political parties and political leaders to share power. It is in their hands to pass the Constitutional amendments, but today when it comes to implementation, it's met with a "No!" because it is taking away their power. Resistance from the rural elites and dominating class to share power with disadvantaged groups. This is a very grim a reality. I wrote an article recently called "Power to People and it's Enemies'. There are enemies to the power to the people. They are political leaders, administrations, landlords, feudal elements and even contractors. They don't want to deal with millions of elected people. They want to deal with a few people, where commissions can be exchanged, where corruption is very easy.

The UNDP HDR Report (2003) on MDGs has a very famous statement, I quote: "The risk is that the Millennium Development Goals will be undermined by entrenched groups that resist policies re-allocating resources to the poorest, most marginal members of the society."

This is very true in the case of local governments in India too. To my mind, the risk is that local governments are being undermined by entrenched groups that resist policies re-allocating resources to the poorest and most marginal members of the society. This is a huge challenge today.

After this very pessimistic note, I will offer you one case of success. This is a success story of a state, which has a population of 30 million people. In 1996, the Government of Kerala decided, that is, after three years of the implementation of the Constitutional amendment, to devolve 35% of its 9<sup>th</sup> Plan Outlay for projects and programmes to be formulated and implemented by local governments. They called it 'untied funds'. You don't have to write notes on this and that; you simply decide what you

need the money for, and here is the money and the plans to be implemented by local governments.

As a result, strong legislative entitlements were given to the local governments. Supremacy of the elected body established beyond doubt in Kerala. Direct government control drastically reduced. Well-defined functional domains were started. Responsible governance features such as transparency. The Panchayat has a Citizen's Charter and you cannot violate that. And there is a Code of Conduct. They introduced this as a big bang approach. Functions, powers and resources were transferred at one go, not by instalments and increments. And the government became a facilitator.

Participatory planning was most importantly an entry point and they had a wonderful campaign to create a demand factor for decentralisation and all these 4F's of the decentralisation - Freedoms, Functions, Functionaries and Funds - were fully realised. And besides that, the local governments had the freedom to decide local priorities and prepare local plans. There was a reduction of government control over the local bodies and the strengthening and setting up of independent institutions: State Election Commission, State Finance Commission, and Ombudsman. In Kerala, the Ombudsman is most powerful. You can send a postcard as your case will be taken up by the Ombudsman. Now they are planning to have Ombudsman in 14 districts of Kerala. And then, there is a State Development Council headed by the Chief Minister and District Planning Committee are fully functional.

Human Development Services (primary and secondary, health, and school education), Local Economic Development (agriculture and allied sectors, traditional industries), poverty reduction and social justice *a priority for* scheduled castes, tribes, women and children. All these have gone through local governments. Social Security (pensions, care for the disabled, children and the aged). I am very happy to say that the social security system in Kerala is one of the best in India). Infrastructure (roads other than highways and major district roads, schools, and hospitals). The principle of work and worker going together with



control given to local governments. Redeployment of surplus manpower from development departments.

At one time 1,912 clerks and 2,300 professionals were transferred to local governments. And the control over the staff is with the local governments. The chairman of the local government will be writing the confidential report for these officials.

And for funds, there are taxes. Tax on property, professions, entertainment, advertisement and services *under local taxes*. Recently, I visited a village Panchayat in Kerala and their income was two crore rupees. And the license fees and rent went under *non-tax revenue*. And the devolution: stamp duty and motor vehicle taxes collected by the state and afterwards is given to the local governments. Untied grants and scheme funds. The accountability system is very, very effective. Transparency, social audits, Grama Sabha is very, very punctual and active and they ask questions. The Performance Audit is there, the Local Fund Audit is there, the Ombudsman above all, and the Appellate Tribunals.

Administrative reforms I have just mentioned; achieving good governance through transparency and the right to information - that is one thing which happens in India. This has been a very revolutionary step. Citizens, NGO's and professional participation in the functioning of local governments. Reforming office management systems. The village Panchayat I recently visited in Kerala had nine computers. Experts sit and work and all the records of that village are on those computers. Simplification and modernisation using information technology.

The Women Component Plan. Every plan in Kerala has a 10% reserve for women. Then we have a programme called the *Kudumbashree* - (Family epicentre of village prosperity). That is a unique model of gender sensitive poverty eradication. *Kudumba means family, shree means development- 'how would you develop families'*. Then we have the Anti-Poverty Sub Plan, a special plan for disadvantaged groups.

We have new initiatives of asset management, the flow of funds to most backward areas, enhanced support to the poor, wider coverage of minimum needs for infrastructure, good, replicable models in different sectors. Local governments have become good contribution-mobilisers.

I conclude by saying: The spirit of People's Participatory Planning (PPP) in Kerala is the mobilisation and involvement of people in local governance, cutting across political parties. This is the interesting point as Kerala is a state where there are political parties fighting - we have at least 25 political parties - but once they are elected they decide what will happen for the good of the village - religion and caste for the common cause of development and good governance.

The PPP has been characterised as the second most radical movement in Kerala after the land reforms. Kerala is one state that has implemented the land reform in the best way possible. Everybody has at least some land in Kerala. The Kerala experiment has been viewed as a model worth replicating and emulating. I say this because if you come to India and go to the villages and many states, you will find a very negative picture. Then you would ask, 'What is this decentralisation? What is this grass roots democracy? This is not going to work.'

But I wanted to say 'someday it will work'.

(Transcribed)