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REDEFINING RURAL LOCAL DECENTRALISATION: AN ANALYSIS OF INDIA'S ASYMMETRICAL FEDERAL UNITS

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ABSTRACT

Policies without a definite structure often plant hope in the eyes of the poor but fail to bear fruit in the long run. The actual working of Panchayats in India has been criticised for failing to meet the standards of the effectiveness of policy implementation, inclusiveness, and transparency. With PRIs as decorative ornaments and decentralisation, not quite the reality as the vision was, the federal structure of India further makes the implementation of policy reforms significantly difficult. The author uses the deductive approach which is substantiated by historical analysis to understand decentralisation. Therefore, this paper seeks to connect the dots between ineffective rural local governments and asymmetries in the federal structure of India. Additionally, the paper aims to act as a significant piece of literature that analyzes the trends in political-economic decentralisation in rural India and serve as a standpoint for further research.

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INTRODUCTION

The principle of decentralisation has always been surrounded by a sense of ambiguity. While some see it as an empirical concept, others see it as an ideal type that meets a set of normative criteria. We often get a mix of empirical and normative data, which makes the concept of devolution much more complicated. Further, the lack of substantial literature on the same aggravates the problem leading to inefficient rural local governments. The 73rd Amendment Act of 1993 aimed to empower Panchayati Raj Institutions with the powers - both financial and otherwise - to take charge of the rural population's development and social justice. As noted by Crook and Manor (1998), decentralisation can be understood as a political process whereby administrative authority, public resources and responsibilities are transferred from central government agencies to lower-level organs of government or to non-governmental bodies, such as community-based organisations (CBOs), 'third party' non-governmental organisations (NGOs) or private sector actors. The 73rd Constitutional amendment of 1992 is considered to have reinforced systems of regulation and decentralised governance. The one argument that has kept the concept of decentralisation afloat is that it makes the government more accountable and responsive, even for the ones at the bottom of the power structure. Devolution of power has always been a point of concern since it has been noticed that the centre directs the relatively powerless states to devolve their powers

to the three-tier Panchayats without itself devolving some of the powers that it currently holds to the states in accordance with the principle of subsidiarity. This absence of concurrent devolution by the centre to the states creates a situation where state governments are further weakened and circumscribed in their functions, but the centre continues to remain very powerful. According to Bahl et al. (2010), even though over 70 per cent of the Indian population benefits from the services provided by rural local governments, there is not enough information available about the funding mechanism that sustains them, leaving us with little to no knowledge about the expenditures and revenues of these bodies. The core claim of this paper is that decentralisation, as a constitutional amendment, alone will not always result in processes that are more efficient or accountable to local demands and desires. To support the aforementioned claim, the author proposes a hypothesis that the reason behind ineffective systems of decentralisation lies in worshipping symmetrical ideals of devolution in the asymmetrical federal structure of India. As defined by Saxena (2012), for the purpose of uniformity, asymmetrical federalism would be understood as a flexible type of union that grants special status to some federative units in the Constitution throughout the context of this paper.

Tracing the history of decentralisation in rural India

Historically, decentralisation is thought to be important in the Indian context because it blends in well with its political concepts of

governance. Furthermore, it is believed that decentralisation instils in people a better sense of group responsibility, making projects/schemes more viable and targets more attainable. Since the enactment of the 73rd Constitutional Amendment Act in 1993, different states have incorporated decentralisation in good governance to varying extents. It is noteworthy that decentralisation, as a constitutional provision, is just an outline of local governance systems and leaves wide spaces for the state governments to exercise discretionary power in the implementation of the same. Researchers acknowledge that it is a vastly recognised fact that political and economic autonomies are two primary conditions for decentralisation to work and one without the other indicates failure of the purpose of devolution. It has been observed that even though decentralisation has performed well for most states on paper, in reality, states have been unwilling to grant financial autonomy to the local governments. In the recent past, the situation has only worsened as the local governments have yielded reports of poor revenue generation leading to the fragile financial condition and increasing dependency of local governments on higher-level governments across India (Chattopadhyay & Chattopadhyay, 2012). Beyond the fiscal aspect, there are numerous noticeable hindrances in the functioning of Panchayati Raj Institutions (PRIs) in multiple states, including the structural pattern, composition, reservations, devolution of powers and functions, etc. It becomes essential to analyse the below-mentioned impediments, highlighted by the Human Development Resource Centre and United Nations Development Programme (2012), to better understand the reality of decentralised governance.

- a. The lack of detailed instructions for reallocating powers between different tiers of the Panchayati Raj Institutions leading to the word that the initial momentum to strengthen the local poor is lost.
- b. It's also worth reiterating that governmental divisions and systems aren't the same in every state. For the evolution of its current administrative and bureaucratic patterns, each state has its own distinctive history. Therefore, it is neither feasible nor desirable to have a uniform pattern for states across the country.
- c. A review of the provisions in the States' Acts reveals that bureaucratic control over the panchayats continues to be very strong. Even where direct bureaucratic control is not visible, the panchayats have been placed in such a position that the chairpersons have to make repeated trips to government offices located far away, for getting approvals and sanctions

The above-mentioned obstructions are more structurally rooted than operational, which indicates that Panchayati Raj Institutions in India are struggling to maintain virtues of transparency and accountability which are believed to be the sole bearers of the purpose of decentralisation.

Case Studies

To further substantiate the hypothesis, case studies of four states have been discussed in this section. The chosen states have a reported history of decentralised governance and face similar issues in terms of power and fiscal autonomy but have a stark difference in the impediments observed in the way to achieving ideal three-tier institutions. Contrary to the popular notion of Kerala being closest to an ideal example of decentralisation, the analysis brings forth unexplored reasons for flawed governance systems. The state of Jammu and Kashmir is an appropriate example of the power struggle and how asymmetrical federalism has been deep-rooted in the history of India as a federal state. The cases of Andhra Pradesh and West Bengal have been chosen to look beyond the typical tendencies of policy failure and analyse underlying disparities.

Is Kerala the ideal case of decentralisation in India?

John and Chathukulam (2003) note that, unlike other Indian states, Kerala has materialised the idea of their decentralisation campaign

year after year starting 1996 with the 'people's campaign for the ninth plan'. However, it is also significant to note that the dichotomy of theory and practice is the most striking in Kerala. Even though the state has been divided into Village Panchayats, Block Panchayats and District Panchayats, City Corporations and Municipalities, regulatory functions of the state such as revenue and law and order have not been decentralised to the local bodies. In this case, the negligible devolution of power by the centre has rendered the state weak and vulnerable, further damaging the idea of decentralisation as a whole. Moreover, when looking at the powers that the state holds, a dismal picture of the local bodies' operations can be drawn. In this picture, the state is struggling and being pulled by two ends; the centre and local bodies. Power in a decentralised system is the devolution of balanced synchrony of authority and financial autonomy with the latter visibly dictating the local bodies' actions. The quantum of funds made available to the local bodies as a proportion of the total and the degree of financial independence is a commonly recognised criterion of measurement. Funds amounting to 35 per cent– 40 per cent of the total development funds of the state are devolved to the local bodies based on objective criteria with relevant provisions in the annual budget of the state. This makes the Kerala situation concerning fiscal decentralisation quite better compared to other states in India. However, there persists a lack of sustainable sources of revenue generation for the Panchayats which stands as an indicator, both a cause and consequence of their performance. Additionally, given the high literacy rates of Kerala, the career opportunities in local government bodies are perceived as neither attractive nor prestigious. The level of education of representatives that do choose to work in Panchayats is drastically low when compared to the otherwise high literacy rates since most graduates wish to pursue their careers as political leaders rather than working in administration. The dissatisfactory quality of these representatives leads to unhealthy and unprofessional work environments. And this is a scenario in a state where the remuneration that Panchayat members get is exponentially more than most Indian states. The case of Kerala is an example of devolution implemented with central control leading to a lack of clarity in power dynamics, and failure in empowering chosen representatives. It can be concluded from Kerala's experience that all of these factors are crucial in determining Kerala's progress and understanding impediments that still persist in making the state the ideal case of decentralised good governance in the nation.

Power struggle from a gendered lens in Jammu and Kashmir as a state (before 2019)

According to Wani and Yasmin (2015), it is believed that Jammu and Kashmir's attempt at decentralised governance was relatively better than most Indian states, yet the state government always struggled to devolve its already limited powers and resources to lower levels. This led to a significant imbalance in the funding available to Panchayati Raj Institutions in the state, a common problem faced by Indian states under the umbrella of devolution. However, above all structural and operational weaknesses, the most pronounced issue visible in the J&K system of decentralisation is a lack of opportunities and relevant provisions for women to partake in Panchayats. To align its goals with the 73rd Constitutional Amendment Act of 1993, the J&K Government amended their Panchayati Raj Act 1989, thereby, providing reservations to women. Even though the Amendment of 2003 was a cornerstone development for women, it did not completely eliminate the impediments that obstructed women's path to leadership in local governments. The idea of inclusive decentralisation in J&K was met with an unfortunate failure in implementation. Reservations for women were limited to the position of the Panch (Ward Members) and not the Sarpanch (Head of the Panchayat), that too in the Village Panchayats only and not the other levels. Sadly, even after the elections of 2011, not more than 29 women won the election out of a total of 4128 Sarpanch posts, portraying a success rate of 0.70 per cent. Another cause for the low number of women present in representative positions is the presence of their uninterested, uneducated and inefficient male counterparts. Apart from contributing to the high level of corruption, the involvement of these lumpen elements dissuades women candidates

from contesting elections. Finally, it is safe to say that Jammu and Kashmir has been one of the few Indian states that experimented with decentralisation amidst a politically turbulent state environment. However, a gendered perspective to decentralised governance in the state paints a grey image of its progress. Further, beyond the common problems of devolution, the dilemma of overlapping functions of the state and the Panchayats make policy implementation an even bigger challenge to resolve.

Experience of West Bengal with Rural Public Finance

It is no hidden fact that little is known about the autonomous, fiscal sustenance of rural local governments in our country. Bahl et al. (2010) have tried to unfold layers of data to understand how local bodies function in the state of West Bengal, specifically in the fiscal context. The state government's revenue pool is shared by rural and urban local governments even though they function under different legislation which is well-defined, at least in theory, in the West Bengal Panchayat Act. Believed to be autonomous in every aspect, the allotment of expenditure for these local bodies is still done at the discretion of the state government. Since most funds that they have are received through intergovernmental transfers, the local bodies have limited expenditure and further limited fundraising power. Both of which critically determine the bodies' fiscal autonomy. Another policy issue that can be underlined in the case of West Bengal revolves around the size of rural local governments. A question often debated is whether smaller gram panchayats are ideal to operate autonomously or if larger districts form better units for the same. Yet we notice that the situation deteriorates as we go down to gram panchayats as they have even fewer expenditure responsibilities based on the assumption that the work they do doesn't have a significant impact on people's lives. So, the essence and goal of fiscal decentralisation are lost in the process. Taking note of all these points, there is an imbalance in the federal system of West Bengal when marked against a state that guarantees financial autonomy to its Panchayati Raj Institutions. The case of Bengal is the perfect example to showcase the treacherous path that stands before local government bodies before they can autonomously handle the spending of the states' rural population.

Andhra Pradesh: Deeper in the struggle of class and caste

In their research, Ramulu and Ravinder (2012), throw light on how Andhra Pradesh was one of the first states to take action towards the rightful implementation of the 73rd Constitutional Amendment Act of 1993 by means of the Andhra Pradesh Panchayati Raj (APPR) Act, 1994. For the longest time in Andhra Pradesh, the government restricted the powers and functions of PRIs. These restrictions only increased when the OBCs and citizens from other weaker and marginalised sections entered local governance systems. Over the years, there has been a substantial lack in the efforts of governments to make the process of decentralisation more meaningful, in order to facilitate the empowerment of its citizens and the improvement of public service delivery. This behaviour is not surprising in a state that has been governed largely by upper-caste and class representatives. Decentralisation in Andhra Pradesh has a running theme of caste and class bias that sets the focus aside from the other problems of devolution. It was only after 1986 that people from Other Backward Classes (OBCs) were accommodated in rural local bodies to alter the condition of the state at the grassroots level. Some major impediments that hampered the progress of the system at that time were (a) power captured in the hands of upper castes and classes, (b) domination of the ruling party, (c) corrupt bureaucratic practices, (d) lack of funds and requisite autonomy to carry out development work among other persistent issues. All of these point towards the fact that the reorganisation of PRIs in 1986 was nothing more than a disguise further disempowering them. This case successfully reiterates that the 73rd Amendment Act, which essentially allowed people from all backgrounds to share the political space, cannot alone ensure effective local governance. Finally, despite the shortcomings, a lot of progressive ideas have been tabled in the recent past by the state

government of Andhra Pradesh that once again ignite hope for a more inclusive future of decentralisation in the state.

Political Economy Analysis

In this section, the author has assessed the current situation from the political-economy context. The political economy analysis aims to look at the situation from a perspective of how things have fared over time under natural circumstances and by sidelining the normative or the ideal case scenarios that are often considered by policymakers. The cases mentioned in the previous section of the paper help us draw crucial inferences about the current scenario of decentralisation across India. Multiple pieces of research have highlighted that the state of Kerala has been the better performer in terms of decentralisation. However, Kerala's record still underlines a massive gap between theory and practice. The case of Kerala highlights multiple shortcomings of decentralisation initiated and implemented with centralised command. The opportunities offered to young literates in rural governance do not align with their interests as they are keen to seek power as political leaders but not handle administration. Contrary to the common notion regarding literacy, researchers have also argued that high rates of literacy in Kerala have not yielded expected results when it comes to rural local governance. Further, the cases of Kerala, Jammu and Kashmir and Andhra Pradesh indicate the importance of primarily resolving issues related to the devolution of power. Decentralisation can be truly achieved only if and when power is shared at all levels. Like in all states in India, this has not happened in these States too. An additional problem highlighted by the case of Jammu and Kashmir is the issue that women's participation in rural local governments has only been for the sake of reservation instead of them being considered as individual political stakeholders. In terms of fiscal autonomy, the case of West Bengal has highlighted the substantial lack of data to identify factors to effectively track the pattern of spending and revenue-raising and the relative impact of intergovernmental fund transfers. This case is an indicator of testing the feasibility of autonomous spending by local government bodies. However, a large number of functioning rural local governments would also be directly proportional to a larger budget which again is not aligned with the interests of the state government. In line with the observations of Chattopadhyay and Chattopadhyay (2012), the experiences of West Bengal and Kerala lay emphasis on the significance of a perspective that guarantees effective local governance, beyond goals of social redistribution in rural areas. Next, the case of Andhra Pradesh is the perfect portrayal of the monumental existence of rural local bodies as no meaningful steps have been employed to mobilise the PRIs. One major obstacle in the development of rural areas in the state has been the domination of the upper caste and class. A further nuanced lens is required to analyse the situation in Andhra Pradesh to see beyond other variables. In relative comparison, unlike Kerala and West Bengal, the government of Andhra Pradesh has only confined the powers of PRIs.

An analysis of stakeholders involved in the process of decentralisation has indicated a substantial lack of a systemic channel for devolution of powers and finances from the Union Government to the State Governments. However, one finding from the above-discussed cases that support the hypothesis of the paper is that an ideal case scenario cannot be kept in mind while aiming to strengthen decentralisation considering the multitude of asymmetries present in the federal structure. The view of the surface only highlights problems of power including financial autonomy but a nuanced analysis has called for attention to the underlying asymmetries between the states, starting from the issue of literacy in rural governance in Kerala, representation of women in Jammu and Kashmir, to class and caste-based distinctions in Andhra Pradesh to limitations on fiscal autonomy in West Bengal. It is also imperative to note that all the states considered above have still made some progress as compared to others like Uttar Pradesh and Bihar with no concrete records of rural decentralised governance. Even though similar, all of these cases highlight at least one new argument against the current scenario of state decentralisation which is because of how inherently different states are, geographically, culturally and socio-

economically. Owing to all of these asymmetries, a fixed practice to implement decentralisation successfully cannot be adopted.

DISCUSSION

India, as one of the most populous countries of the world, demonstrates how seemingly incompatible aspects such as developmental planning, consumer economy, and fiscal decentralisation can coexist. However, the need for concrete literature to analyse India's experience with asymmetrical federalism persists. The idea of India having an asymmetrical federal structure has not been acknowledged widely, let alone be connected with ineffective rural local governance. Therefore, through a historical analysis in the aforementioned sections, the author has highlighted how even if states are similar in certain geographical, political or economic factors, there are always a set of defined asymmetries in terms of language, culture, religion, literacy rates, gender-bias, etc. that make them distinct. The same reason calls for attention to the creation of state-specific models in the context of decentralisation to bridge the gap between the normative idea of devolution and the ground reality of our nation's rural poor. Hence, this paper questions the need for decentralisation as a nationwide policy in a country that is intrinsically extremely different. This paper broadly proposes the creation and systemic management of channels for tracking devolution of power and finance from the Union Government to the State Governments under a uniform pattern. Under this broad-spectrum approach, States can set forth state-specific guidelines, keeping in mind a curated set of provisions mandated by the Union Government. The decentralisation of roles among the state and the PRIs must be left to the brilliance of the local, taking into account all relevant problems and skills. The paper serves as a standpoint to initiate discussion on the same since if the basic structure and the feasibility of the principle of decentralisation are put forth in concrete terms, it is only then that problems at the grassroots can be identified and resolved.

CONCLUSION

While researchers constantly work to better understand decentralisation in explicit terms, it is important to also note that decentralisation as a constitutional construct alone cannot yield desired results. It is essential to establish workable linkages between the Union and State Governments to allow smooth transfer of funds and coordination of functions. Therefore, the concept of decentralised governance by democratic processes rather than administrative structures is deemed necessary and assertive action to curate a framework and work towards state-specific ideas and policies will play an important role.

State-specific provisions that State governments would have to comply with are bound to lead to effective governance strategies while overcoming structural imbalances in the power structure. The author has explored the history of decentralisation from the perspective of challenges faced by stakeholders and analysed cases of four typically different states of India. Furthermore, the chosen States have been analysed from the lens of political economy that can potentially aid in viewing the current state of affairs from a rather positive lens instead of comparing the same with the widely chosen normative ideals. Therefore, the paper successfully establishes the link between local governance ideals and structural imbalances in India's federalism and as an addition to the already present literature, provides a new perspective to assess the current state of rural local governments. As an initial step towards restoring the lost momentum to strengthen rural local governments, the paper encourages discussions on the proposed idea.

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