



# Failure Of Genuine Democratic Decentralization & Question Of Substantive Democracy In India

Dr. Sumeet Thakur

## Abstract-

Indian democracy is facing the challenge of deepening its democratic form of governance at the local level but presently our civil society, intellectuals and political class do not realize it. The 73rd and 74th constitutional amendments which were initiated with the purpose of empowering the local governance but this democratic revolution has been hijacked by the ruling elites governing the different states with the help of district administrative setup. Panchayats and Municipal governments are not really empowered to legislate and administer upon the subjects devolved to them by the constitutional amendments because the state are not willing to part with their powers and vested interests.

## Failure of Genuine Democratic Decentralization & Question of Substantive Democracy in India

A democratic form of governance cannot become substantive and participatory unless the decentralization of powers do not become its essential characteristics. Federalism and federal distribution of governance help in providing the constitutional, legal and administrative framework for the decentralization of powers. Federalism cannot be limited to the relationship of center and states rather local government is also the essential component of any federal structure. In the context of India both the economic reforms and local governance have been given a boost in the 1990s. The Constituent Assembly of India was not very enthusiastic about empowering local governance and therefore the Panchayati Raj institution was relegated to status of the Directive Principles of State Policy. Dr. Ambedkar and J.L. Nehru both were not very interested in the local governance because of their different ideological perspectives.<sup>1</sup> Dr. Ambedkar believed that villages are den of local dominant castes and local governance will perpetuate their dominance at the village level. Nehru also hated conservative attitudes of rural life and wanted to industrialize and urbanize India. This indirectly empowered the central government and states were reduced to the secondary status. But this also eradicated the possibility of genuine empowerment of local governments because at the state level the state legislatures and governments monopolized the power at the local level with the help of bureaucracy. The Second Administrative Reforms Commission has asserted that local self-governance cannot be improved until Panchayati raj Institutions are not endowed with an

<sup>1</sup> Rather Aqib, The Opinion of Dr. B.R.Ambedkar on Village Panchayats , Journal of Image Processing and Intelligent Remote Sensing , 20 November 2021

autonomous sphere where they can wield legislative, executive and judicial powers. It will not be possible until the size and powers of the administrative structure at the district level is not reduced and these powers have to be devolved to the local government institutions as per the 73th and 74th amendment. The powers of the district administration should be confined to the areas which do not intrude in the domains of the Panchayati Raj Institutions. In the context of devolved functions local government institutions cannot be kept under the control of bureaucratic apparatus without violating the spirit of the 73rd and the 74th constitutional amendment. This will be a violation of the vision of Gandhi, Lohia and Jai Prakesh Narayan besides depoliticizing the citizens by keeping them dependent on unelected officials.<sup>2</sup> Present state of Indian local governance has failed in imbibing the spirit of public participation and citizenship among the people. The main reason behind this failure is the over-bureaucratized nature of the local administration at the district and block level.

### **Principle of Subsidiarity-**

The Indian federation over the years has gradually witnessed gradual shifts of powers in favor of states. Adoption of liberalization and rise of regional political parties together has helped in giving more autonomy to the states but still this cannot be denied that the Indian Federal structure is tilted in favor of the Union. There is the need to further economically empower states so that they feel more empowered to perform their constitutionally mandated responsibilities. Indian federation cannot be complete without empowering the third tier of the federation which are the local self-government. The second administrative reform commission has exhorted that the principle of subsidiarity should be made the touchstone of decentralization. The present 73rd and 74th amendment do not clearly delineate the powers between the state government and local government institutions because the present local governments are not enjoying the real devolution of powers from the states. There is the need to ensure effective devolution of functions along with the capacity building of different tiers of local self- governments.

*The central idea of subsidiarity is that citizens as sovereigns and stake-holders in a democracy are the final decision-makers. Citizens are also the consumers of all services provided by the State. The citizen-sovereign-consumer must exercise as much authority as practicable, and delegate upward the rest of the functions which require economies of scale, technological and managerial capacity or collective amenities.*<sup>3</sup>

Subsidiarity can help in localizing the decision-making and decision is taken more nearer to the ground realities. This opens up the possibility of innovation and efficiency which will promote the spirit of self-reliance among the people. This will fulfil the possibility of ensuring participatory democracy at the grassroots. Decision making at the local level will sensitize the public about the tough decisions they as a community have to take to run their institutions.

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<sup>2</sup> Hannah Arendt, Stanford Encyclopedia of Philosophy, First published Thu Jul 27, 2006; substantive revision Mon Feb 12, 2024

<sup>3</sup>Department of Public Administrative Reforms & Public Grievances, Second Administrative Reform Commission, Local Governance pp.14-16.

## Democratic Decentralization & Present Local Governance-

While subsidiarity should be the overarching principle in restructuring governance, in practical constitutional terms it can be applied only through effective decentralization. It is in recognition of this, that the 73rd and 74th Constitutional Amendments were enacted in 1992. Most of the constitutional provisions relating to local governments are very similar to those pertaining to the States (SFC, SEC) with the significant exception that the Seventh Schedule of the Constitution remains unaltered. As a result, while the local government structure and attendant institutions are created by a constitutional mandate, the actual functions to be devolved to local governments are the responsibility of the States. Therefore, effective democratic decentralization from States to Local Governments should be the cardinal principle of administrative reforms. Decentralization should ensure that citizens should be given the clear understanding of the fact that what impact their voting and participation in the local bodies will have on the future of their lives. There should be a clear link between the fiscal responsibilities which will come only when local governments will be provided enough financial resources along with the responsibility to perform certain tasks. Local government should be given complete responsibilities along with resources to fund their programs which will help in instilling the virtues of fiscal prudence, resource mobilization and respect for the use of public money.<sup>4</sup> The SARC asserts that while understanding the importance of the local governance institutions the asymmetry of power between those who work in the organized sector and others who are in the unorganized sector should be recognized. They stressed that only 8 percent of India's workforce is employed in the organized sector and over 70 percent of them are the workers in the government and various other public sector undertakings. While approximately 90 percent of the workforce work in the unorganized sector. This tilts the government apparatus in the favor of these powerful sections of Indian society while the majority of citizens are left disempowered. Therefore if we wish to make governance apparatus an instrument of service to the common people then this imbalance of power among the people has to be taken into consideration. Present excessive centralization of district administration has left people with the feeling of helplessness. This disempowerment of citizens can only be eradicated if the governance process at the local level is transformed into a more participatory nature. The Local self-government if endowed with effective powers can definitely ensure promotion of public good and resist the abuse of authority. The commission insists if Indian democracy has to be substantive then the locus of power has to shift closer to the citizen which will ensure their participation, instill the feeling of vigilance and collective cooperation among them.

### Devolution and Democratic Decentralization-

Presently Indian political system has not been successful in enshrining the principles of subsidiarity and this has hampered the process of democratic decentralization in India. The 73rd and 74th amendment has only led to the formation of different levels of local government institutions, ensuring the regular elections and transfer of funds for different developmental activities. These local governments are reduced to the role of scheme implementing agencies rather than emerging as a unit of local self-government which exercises its legislative, executive and administrative powers. Devolution and decentralization is incomplete until the three Fs - Functions, Functionaries and Funding are established. Presently local governments are given functions but they don't have functionaries and funding. The Centre government has given the state government's complete responsibility to devolve the functions, functionaries and funding to the local self-governments. Devolution, to be real and meaningful, demands that local governments should be effectively empowered to frame regulations, take decisions and enforce their will within their legitimate sphere of action. Such empowerment should be clearly and unambiguously defined

<sup>4</sup> Dr. Surarapu Bixsham, Dr. Ram Manohar Lohia's Life and His Ideology of Four-Pillar State an Observation, IJCRT | Volume 3, Issue 2 April 2015.

by the Constitution and State legislatures. Even legislated empowerment remains illusory unless public servants entrusted with the discharge of responsibilities under the local governments sphere are fully and permanently under local government control, subject to protection of their service conditions. Only then is the responsibility of the local government commensurate with the authority. Finally, fiscal devolution to the local governments must meet two standards: the local government must be able to effectively fulfill its obligation; there must be sufficient room for flexibility through untied resources, to establish priorities, devise new schemes and allocate funds. Equally important, there must be both opportunity and incentive to mobilize local resources through local taxes, cess and user fees, subject to norms of financial propriety and accountability. While devolving funds to local governments, it needs to ensure that issues of regional equity – inter-state as well intra-state – and minimum entitlement of citizens across the country, the rights guaranteed to citizens under the Constitution .<sup>5</sup>

However, real empowerment should go well beyond what the State gives in terms of power and resources. Giving effective voice to local governments to enable them to negotiate with the State on a continuing basis is equally important. For instance, the Upper House in many federal countries is created as the voice of constituent States and gives them negotiating power. Corresponding provisions relating to legislative councils in the State need to be strengthened suitably to give a voice to local bodies.<sup>6</sup> The devolution package to local governments must not be based solely on the per capita norms and while funding local governments their ground realities and aspirations should be taken into consideration. Equally important is the building of capacity of local governments to discharge their functions effectively. Strengthening organizational and management capacity, constant training and human resource development activities, conversion of state agencies into expert manpower pools providing guidance and support on demand, strong federations, pooling of resources, talent and management practices, ability to attract expertise available outside government to meet the growing need for high quality human resources in public management are some of the crucial challenges in enhancing the capabilities of local governments. In its Report on “Ethics in Governance”, the Commission had observed “If the legislators are beholden to the executive, the legislature can no longer retain its independence and loses the ability to control the Council of Ministers and the army of officials and public servants”. An effective mechanism like empowered legislative committees is therefore needed to enhance the legislators’ role to give them an opportunity of exercising positive power for public good. These legislative committees are held by different departments and officials responsible and accountable for performing their constitutionally mandated tasks.

### **District Council & District Planning Committee - new power centers of Local Governance -**

Present Indian division of local government into rural and urban institutions has created a lot of trouble and anomalies. Because this type of bifurcation is not natural and therefore it creates raptures in the actual functioning of the local government institutions. There is the need to recognize the interconnection between rural and urban areas. **District Planning Committee & Metropolitan Planning Committees**

<sup>5</sup> Department of Public Administrative Reforms & Public Grievances, Second Administrative Reform Commission, Local Governance pp 17-18.

<sup>6</sup> Sunil Kumar , Empowering Local Governments in India’s Federal Structure, The Indian Forum, feb 26,2025

were envisaged to emerge as the institutions to establish coordination between rural and urban areas. In the last more than thirty years this institution has not taken roots in different states and states have created their extra constitutional authorities or parastatal bodies to promote urbanization in the rural areas. According to the SDRC these parastatal institutions are violating the powers of local governments and goes against the principles of subsidiarity. . *“Such proliferation of parastatals runs counter to the principle of subsidiarity and precludes effective citizens’ participation in the management of these services. The citizen is compelled to deal with a multiplicity of authorities to access even the basic amenities and services. The local functions of all these authorities therefore need to devolve on local governments, even as institutional mechanisms need to be devised to benefit from expert guidance.”*<sup>7</sup>

The 73rd amendment and 74th amendment demands the creation of a committee for district planning under article 243 ZD. There shall be constituted in every State at the district level a District Planning Committee to consolidate plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole. But presently the state government has hampered its genuine empowerment by either making nominated members or officials its chairperson or by pointing Minister, MP or MLA as its chairperson which hampers the organic growth of this institution. Similarly in the case of Metropolitan areas there is the provision of creation of a Metropolitan Planning Committee under article 243 ZE. Metropolitan Planning Committee to prepare a draft development plan for the Metropolitan area as a whole has not been working successful reason is that state government are not willing to give up their powers upon the lucrative real estate and urban planning to this local governance institution.

The Second Administrative Reforms Commission (2nd SDRC) has recommended that a **District Council** should be constituted in all districts with representation from rural and urban areas. The District Council should be empowered to exercise the powers and functions in accordance with Articles 243 G and 243 W of the Constitution. The presently existing **District Planning Committees** (DPCs) will be dissolved or they will have to become the advisory arm of the District Council. The commission recommended that meanwhile in accordance with constitutional provisions, DPCs should be constituted in all States within three months of completion of elections to the local bodies and this should be sole planning body for the district. There should be a district planning officer who will help and work under the DPC. The Second Administrative Reforms Commission is of the opinion that the post of **Deputy Commissioner** should be made subservient to the **District Council**. In the context of urban districts states have created different Urban Development Authorities for the town planning functions which have encroached on the domains and functions of the Urban Local Bodies. These urban authorities should become the technical or planning arms of the DPCs and ultimately of the District Council. There should be a provision of a dedicated centre in every district to provide inputs and communicative guidance to the local government institutions.<sup>8</sup> Presently the post of Deputy Commission (DC) has become the main hindrance in the path of democratic decentralization in India because this post along with other subordinate officials create a web of unelected and unaccountable structures which helps the state governments and Ministers in use local resources as per their own wishes. Due to the colonial legacy of justifying the superiority of the bureaucratic apparatus citizens are not able to see through this game.

<sup>7</sup> 2.6.3, Second Administrative Reform Commission.

<sup>8</sup> 3.7.5.6 Recommendations: The Second Administrative Commission.

## **Democratic Decentralization vs Domination of MLA & Ministers-**

Local governments in India are facing a resistance from the long tradition of centralization which has its roots in the colonial administration and in the early decades of the independent India. These strong vested interests which are the result of an accumulation of a long period of centralization of power has hampered the process of devolution of power. In the colonial period and during the early decades after independence bureaucracy was more empowered in running the local administration but subsequent democratization has led to the emergence of a new power center in the form of the Member of Legislative Assembly (MLA). This has definitely democratized the governance at the district and block level but this system has given birth to certain flaws. It would not be wrong to say the process of democratization has been stopped at the door steps of MLAs and district administration working under them especially if the MLA is of the ruling party. At times there can be conflict between local administration and the MLA if he or she belongs to the opposition party. In such a situation leaders of the governing party with the coordination of the local bureaucracy sideline the opposition party's MLA. They formulate a new power structure at the constituency level to siphon off the resources and this comes at the cost of empowering genuine local government at the grassroots level.<sup>9</sup>

The Second Administrative Reforms Commission (SASC) also asserted that Local MLAs have formulated such an unofficial power structure on the basis of local bureaucracy which allows them to behave like real executives. The local bureaucracies follow the writ of the MLAs due to the power of the state government on the transfers and posting of officials. These officials then provide access to government contracts and tenders in favor of the supporters of MLAs and this helps in ensuring the follow of political patronage at the local level. District and Block administration work under the influence of local legislators to the detriment of autonomy of the local governments. The state governments usually don't stop their legislators from intervening in these local institutions because legislators are the basis of state government formation. This is a serious violation of the constitutional mandate of legislators which is to focus on the task of legislation and raising the demands of his/her constituents.

## **MPLADS and MPLADS are violation Federal Structure and Local Self- Governance-**

Present functioning of Members of Parliament and Members of Legislative Assemblies local area development funds (LAD) has to be seen in the context of the constitutional mandated aim of democratic decentralization. The Ministry of Statistics and Programme Implementation in October 1994 is entrusted with the responsibility of implementation of Members of Parliament Local Area Development Scheme (MPLADS). Under the scheme, each MP has the choice to suggest to the District Collector for works to the tune of Rs.5 Crores per annum to be taken up in his/her constituency. Rajya Sabha members of the Parliament can also recommend works in one and more districts in the state which they are representing in the Rajya Sabha.

This scheme was started in 1993 when the constitutional amendment of 73rd and 74th was being formulated to ensure the process of democratic decentralization through the creation of the Panchayati Raj Institutions and Urban Local Bodies by devolving those subjects of local importance. The motto of MP

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<sup>9</sup> Sunil Kumar , Unshackle Local Governments from Bureaucratic Control , The India Forum, March 27, 2025

and MLA local area development schemes is also to create durable community assets at the consistency level especially dealing with drinking water , primary education , public health , roads and sanitation. All of these subjects have been developed to the local self-government under the 73rd and the 74rd amendment.<sup>10</sup> The MPLAD and MLALADS is not a statutory law but still this law is violating the constitutional provision given in the part IX and part IX -A Indian Constitution. **The National Commission to Review the Working of the Constitution (NCRWC)** has recommended the immediate discontinuation of the MPLAD scheme because it violates the spirit of federalism and distribution of powers between the Centre and the state. The 2nd Administrative Reforms Commission's Report 2007 also recommended ending the MPLADS but subsequently constitutional bench 2010 had validated the MPLADS. This judgement has dealt a severe blow not only to the recommendations of the NCRWC and 2ARC but more importantly to the constitutional scheme of democratic decentralization.<sup>11</sup>

The MLALAD has also hampered the process of democratic decentralization at the local level and it also along with MPLADS strengthened the hold of local bureaucracy at the cost of genuine empowerment of the local self-governance.<sup>12</sup> This bureaucratic apparatus is composed of IAS , Provincial administrators and other technical officials , this helps in ensuring the maintenance of the patronage system of the MPs and the MLAs at the grassroots. MLA Local Development Funds (MLA-LAD) are allocated by state governments to empower their MLAs to start various developmental works at the local level and the amount allocated varies between states according to their population and financial situation. In the context of Himachal Pradesh the MLA local area development fund (MLALAD) has recently increased for the MLA constituencies up to 2.10 crore per constituency in the financial year 2023-24. These funds were devolved to help the local communities form the negative impacts of flash floods which Himachal Pradesh faced.<sup>13</sup> Funds allocated through MLALAD are violating the constitutional subjects given to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (The ULBs).

### **Article 243 G and 243 W need to be Explicit in Empowering Local Governance-**

The 73rd and the 74th amendment has failed in making the article 243G and 243W unambiguous and the majority of the states have defined these articles as advisory in nature and they are reluctant to ensure the genuine democratic decentralization. States have not implemented these articles in spirit due to their reluctance to give up their control on the district administration. These articles are clear that local governments should be endowed with such powers and authority which will make them function as a genuine unit of self-government.

**The National Commission to Review the Working of the Constitution (NCRWC)** which was constituted to relook at the working of the Indian constitution in the past fifty years and this commission also looked into the working of the local self-government. The NCRWC has summarized that presently functions assigned to Panchayats and Municipalities are not exclusively devolved to the local governments

<sup>10</sup> Era Sezhiyan, A scheme under fire, Frontline Magazine, March 09, 2007.

<sup>11</sup> "For better use: On MPLADS funds" The Hindu, 09/04/2020.

<sup>12</sup> Kaushiki, Do we need the MPLAD Scheme prsindia.org, March 9, 2011.

<sup>13</sup> <https://himachaltonite.com> › himachal › increase-in-budget..accessed on 27 April 2025.

because the state bureaucratic machinery is not willing to part ways with these functions. The NCRWC asserted the phrase *the state may by law endow* should be substituted *state shall by law vest* in the article 243G & Article 243 W so that there should not be any confusion regarding the urgency of empowering the local government in becoming more autonomous and effective.<sup>14</sup> This will enable these local governments to prepare their own economic development plans and this will enable them to empower their community and ensure social justice.

The Second Administrative Reform Commission exhorts the central government to formulate a **Framework Law for Local governments**. This law should be formulated under Article 252 of the Indian Constitution similar to the South African Act and states should adopt this framework law on democratic decentralization.<sup>15</sup>

### **Formation of Legislative Council in all the states -**

The 73rd and the 74th Constitutional Amendment has created the third level of government for the local level for the democratic decentralization. Empowerment of local governance cannot be possible without giving them a stake at the State Legislature level and this will require the formation of the Legislative Councils. Article 171 which deals with the formation of the Legislative Councils which in their present avatar has failed in representing the local government and local issues in the state's policy formation. According to the NCRWC there is the need to restructure so that their majority of members should be elected from the elected representatives of the local bodies.<sup>16</sup> This will give members of Panchayat, Samiti, Zila Parishad and Municipalities opportunities to participate at the state level and raise the issues which local governments face in their functioning. This will also provide a platform to promote and ensure genuine devolution of the subjects devolved to the PRIs and the Urban Local Bodies. This will also help in protecting the financial, legislative and administrative autonomy of their tier of governance at the local level.

### **Question of the Financial Autonomy of the Local Self Government-**

The National Commission to Review the Working of the Constitution (NCRWC) has recommended that there should be a **separate fiscal domain** for Panchayats and Municipalities. Articles 243H and 243X should be amended making it mandatory for the Legislature of the States to make laws devolving powers to the Panchayats and Municipalities. There has not been a sincere effort on the part of the states to assign financial resources to the local government and restructure the state expenditure according to that. According to the Second Administrative Reforms Commission the State Finance Commissions (SFC) usually spend their majority of time collecting routine data from the local bodies which should have been the work of the state to collect this routine data. While the SFCs should have focused on the collection of much more significant data regarding the fiscal autonomy, revenue of dependency of the local government upon the states, the decentralization of revenue and expenditure between state and the local governments. The Second Administrative Reforms Commission (SARC) has pointed out that the SFCs all over India have limited their work to transferring resources to create local infrastructures rather than recommending fiscal transfer to aid the revenues of the local governance. The State Finance Commissions has failed to look into fiscal health and its impact upon the autonomy of local governance. The SFCs should also look into the adverse impact of grants on the fiscal autonomy and resource generation efforts of the local governance. The SARC has also pointed out that the state governments do not treat the SFCs with respect because the majority of members of the SFCs are bureaucrats who are already in the good

<sup>14</sup> The NCRWC, Department of Legal Affairs, 2002.

<sup>15</sup> 3.4.20 Recommendation: the 2ARC. Local Government.

<sup>16</sup> The NCRWC, Department of Legal Affairs, 2002.

books of the ruling state governments. There is the need to appoint experts from different fields like finance, education, law and judiciary.<sup>17</sup>

### Accountability of Local Governance -

Capability enhancement of the local self-government institutions through constitutional empowerment will lead to increase of resources and governmental transfers which will require the existence of a strong accounting machinery. This accounting machinery will have to follow rigorous accounting standards. Therefore there is the need to constitute **Audit committees** at the district level, which may be constituted by the State Governments to monitor the expenditure involved in the governance. This will ensure transparency and accountability in the conduction of local bodies. These committees must have independence, access to all information, ability to communicate with technical experts, and accountability to the public. For Metropolitan Corporations, separate audit committees should be constituted. Once the District Councils come into existence, a special committee of the District Council may examine the audit reports and other financial statements of the local bodies within the district. Such a committee may also be authorized to fix responsibility for financial lapses. In respect of the audit reports of the District Council itself, a special committee of the

Legislative Council may discharge a similar function. There should be a separate Standing Committee of the State Legislature for the local Bodies. This Committee may function in the manner of a Public Accounts Committee. A local body **Ombudsman** should be constituted on the lines suggested below. The respective State Panchayat Acts and the Urban Local Bodies Acts should be amended to include provisions pertaining to the local body Ombudsman. Local body Ombudsman should be constituted for a group of districts to look into complaints of corruption and maladministration against functionaries of local bodies, both elected members and officials. For this, the term 'Public Servant' should be defined appropriately in the respective State legislations.<sup>1819</sup>

Article 243J and Article Z provides for the audit of accounts of Panchayats & Municipalities respectively. State legislature has been provided overall powers to regulate and maintain the accounts of local governance. The observations of the Eleventh Finance Commission (EFC) has asserted the role of the Controller and Auditor General (CAG) of India in the accounts and audit of local bodies. The Eleventh Finance Commission has given the following recommendations for improving the accountability of the local governance.

“The Director, local Fund Audit or any other agency made responsible for the audit of accounts of the local bodies, should work under the technical and administrative supervision of the C&AG in the same manner as the Chief Electoral Officers of the States operate under the control and supervision of the Central Election Commission. The C&AG should prescribe the format for the preparation of budgets and for keeping of accounts for the local bodies. Such formats should be amenable to computerization in a networked environment. Local bodies particularly the village level panchayats and in some cases the intermediate level panchayats, that do not have trained accounts staff, may contract out the upkeep of accounts to outside agencies/persons. Audit of accounts of the local bodies be entrusted to the C&AG who may get it done through his own staff or by engaging outside agencies on payment of remuneration fixed by him. The report of the C&AG relating to audit of accounts of the panchayats and the municipalities should be placed before a Committee of the State Legislature constituted on the same lines as the Public

<sup>17</sup> The Second Administrative Reforms Commission, Local Governance, page 63.

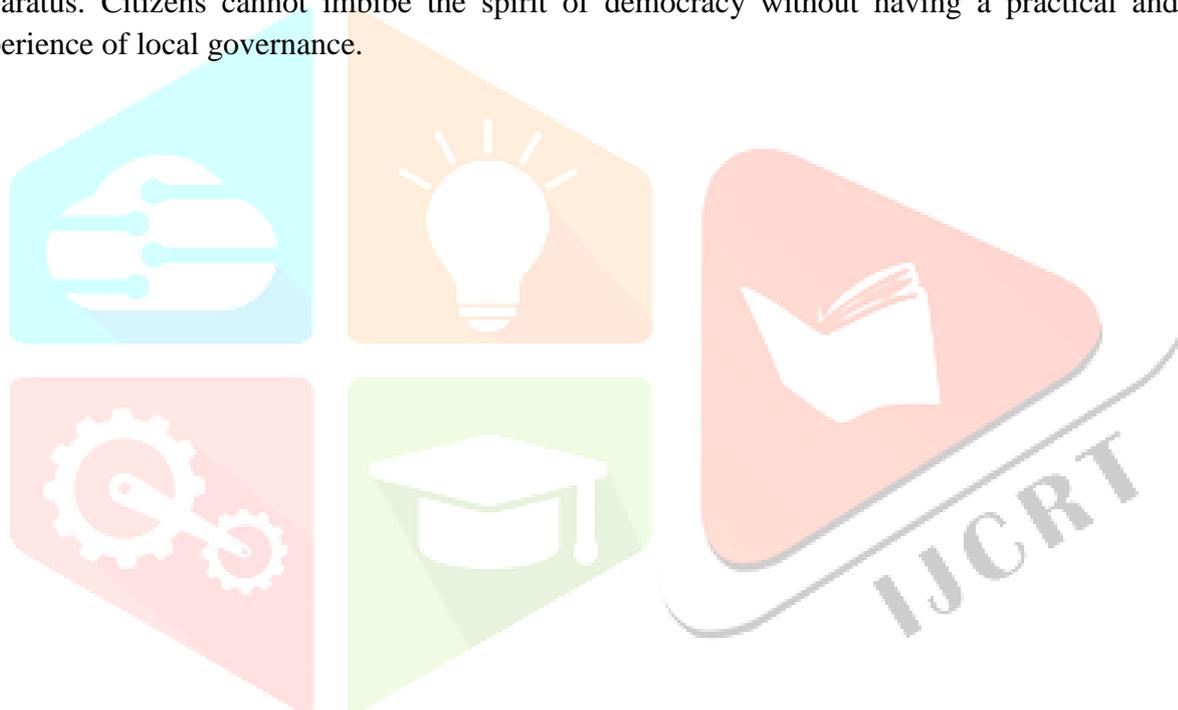
<sup>18</sup> The Second Administrative Reforms Commission, Local Governance, page 105-106.

<sup>19</sup> Sunil Kumar, Unshackle Local Governments from Bureaucratic Control, The India Forum, March 27,2025.

Accounts Committee.”<sup>20</sup> If the accounting and auditing standards of local government institutions are updated and improved it will help in making their functioning more transparent and accountable for the citizens who will participate in these institutions.

### Conclusion-

Indian democracy has not been able to establish effective democratic decentralization at the local level. The Indian federation has to strengthen its third and lowest level of democratic governance. Local Self Governments (Panchayats & Municipalities) have approximately 3.3 million elected representatives which also includes 1.5 million elected women representatives which are and can transform lives of millions of people by working them at the grassroot level. But presently Indian democracy has been limited to the national and state level (through 5000 MPs and MLAs) while at the local level powers are controlled by bureaucracies on behalf of the Ministers and MLAs of the state. It would not be wrong to assert that local governance is the very basis of Indian democracy and if local government is not empowered it will create serious legitimacy and governance challenges in front of the Indian democratic apparatus. Citizens cannot imbibe the spirit of democracy without having a practical and apparent experience of local governance.



<sup>20</sup> 18Para 8.19, Report of the Eleventh Finance Commission, June, 2000