1. It is important to improve economic democracy at the local government level to deliver local public service delivery effectively. Discuss?

Economic democracy is a system where people share their ownership and decision making over power with their community. They have no room for self interest. This promotes solidarity, cooperation, democracy and sustainability.

De-centralization

Decentralization is a major instrument that paves way for political, administrative and economy democracy.

India achieved its decentralization and inclusiveness by its 73rd constitutional amendment act, where creation of local self government empowered inclusiveness.

India's progress:

→ Though India achieved exceptionally good in political democracy, fiscal democracy is yet to be achieved.

→ About more than 100 million people live in poverty. ex: Fertilizer subsidies are benefits richer farmers than the poorer ones. Richer are growing richer and poor are growing poorer.

→ India's effort in implementing 3-tier system in local government village, block and district level played fair in <u>mitigating social inequality</u> and <u>promoted women's in economic framework</u>. But inspite of its economic inclusiveness it has backed with various setbacks.

<u>Challenges</u>:

→ Local government has <u>lesser say in design</u> and <u>implementation of schemes</u>.

→ Local government has <u>lower autonomy</u> when it comes to fiscal matters.

→ Despite State governments set aside 50% of total expenditure for development initiatives, it is used mostly for salary payments, interest etc.

→ Most importantly, the central government funds are skewed majorly towards richer states than the logging ones.

<u>Way forward</u>

→ Local government should have major participation in design and implementation of scheme.

→ Local government should have autonomy.

Thus local government level should have autonomy as they are the ones who work in grass root level. Thereby it is important to improve economic democracy at the local government level to deliver local public service delivery effectively.