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Discuss the structural problems that affect the functioning of local governments and suggest remedial measures for effective democratic decentralisation.

Decentralisation represents one of the largest experiments by India to deepen democracy. 73rd and 74th constitutional amendment act after much deliberation was enacted to give LOCAL GOVERNMENT to throttle grassroots. 25 years down the line, these units (Panchayats and Municipalities) have not been empowered entirely, remain structurally inefficient.

Structural hurdles to grass root governance

1) Laziness of state to set up local governance:-

A study for 14th Finance Commission by Centre for Policy research shows that all states have formally devolved powers in core functions. But, most of such states continue to postpone elections against the constitutional mandate. eg. In TN, elections of local bodies have not held for 2 years in a row.

2) Funds inadequacy:-

- Local governments both receive constrained grant amounts and have little taxation powers for meeting their revenue.
- The design of transfer is such that, the money is inflexible, inadequate to meet basic needs.
- Tied nature of funds implies 'One size fits for all approach', that may not be appropriate given diverse habitation, political, social history.

3) Bureaucratic oversight:-

- Staffs hired for local governments are from higher level departments on deputation.
- Thus, they act as a ^{mere} ~~major~~ state representative without responsibility to function. Even the sarpanch, block level officers seek interference from system that function as vertically integrated department.

4) Parallel bodies:-

Parallel bodies lead to power tussle and stalled development

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- This is evident from design of decentralisation in 'Mamlat Mission' where special purpose vehicle erode the revenue of municipalities and spirit of implementing policy.

5) Reluctance to collect taxes

Despite minimal taxation, governments are often reluctant to do so, due to fear of losing elections. Close nexus between constituency, political leaders act as deterrent, giving leeway for ruling state parties to overpower these decisions.

Local governments have been the bulwark of socio economic development across the world. Curbing such inadequacies is required to give teeth to decentralisation. In the light of NCRWC reports:

- 1) Mandating provisions for fiscal domain, taxation powers
- 2) Delinking state bureaucracy from local governments representative
- 3) Power of election commission of India to issue directions by amending Articles 243K and Article 243ZA.
- 4) Premature dissolution must require state legislature's hearing.
- 5) CAG standard auditing to prevent corruption

Further, empowerment of functions in BDA 2002, Environment Impact Assessment Councils, PESA acts as a morale booster for participation.

Ex: Empowered local bodies in Kerala have shown high socio-economic changes. Declaring them as 'institutions of self government' with exclusive functions would neutralize 11th and 12th schedules of constitution.