Chapter – I

INTRODUCTION
INTRODUCTION

“All Local affairs, of common interest, shall be administered and controlled by true practical institutions of Local Self Government” John Smith

“Local Self-Government denotes the right and the duty of local authorities to regulate and manage public affairs under their own responsibility and in the interest of the local population. This right shall be exercised by individuals and representative bodies freely elected on a periodical basis by equal, universal suffrage and their chief executives shall be so elected or shall be appointed with the participation of the elected body.”International Union of Local Authorities (IULA) Declaration 1993

Conceptual and Theoretical Framework

This chapter is devoted to the assessment of main theories and concepts underlying the study of Local self Government and Democratic Decentralisation. The discussion includes local government and local democracy, types of decentralization and the rationale for decentralization. Problems and prospects of decentralization are supplemented to make it livelier. The European Charter and World Charter of Local Self Government are given special importance because Russian constitution has incorporated many of its features relating to local self government. Four major systems of local government are also discussed to compare with the systems for a better understanding of local self government in Russia and India.

Local Self Government: The Sine-Qua-Non of a Democratic Political System

The wearer knows where the shoe pinches. Similarly local problems being local in character, scope and intensity are best tackled at the local level by local government (Pinto, 1987: 432). Local Government has been envisaged as an indispensable part of a democratic political system. It is often rightly stated that local government is a major instrument of political education, training for political leadership and nursery for civic virtues. In this age of globalization, Roland Robertson and Manfred Lange popularised a new concept known as Glocalization which simply means global localization. It is a way of adaptation to local conditions which indirectly symbolises to think globally and act locally (Robertson, 1992: 93). So local problems need local solution.
Local Government i.e., local self-government, builds democracy at the grass root level and makes for an enlightened and participative citizenry. It brings government nearer to the people, virtually to their door-step (Pinto, 1987: 432). It makes them active participants in a way which holds them responsible and accountable for the success or failure of the system.

Local Government, in its simplest sense, is government that is specific to a particular locality, for example a village, district, town, city or countryside. More particularly, it is a form of government that has no share in sovereignty, and is thus entirely subordinate to central authority or, in a federal system, to state or regional authority (Heywood, 2003: 166). This level of government is, in fact, universal being found in federal and con-federal systems as well as in unitary ones. However, what makes local government particularly important in unitary systems is that in most cases it is the only form of government outside the centre.

It would, nevertheless, be a mistake to assume that the constitutional subordination of local government means that it is politically irrelevant. The very ubiquity of local government reflects that it is administratively necessary, easily tangible and close to the people (Heywood, 2003: 166). Moreover, elected local politicians have a measure of democratic legitimacy that enables them to extend their formal powers and responsibilities (Stewart, 1983: 3-4). This often means that central-local relationships are conducted through a process of bargaining and negotiations rather than by dictate from above. The balance between the centre and the periphery is further influenced by factors such as the political culture (particularly by established traditions of local autonomy and regional diversity) and the nature of the party system. For instance, the growing tendency for local politics to be ' politicized', in the sense that national parties have increasingly dominated local politics, has usually brought with it greater centralization (Heywood, 2003: 166). In the absence of the kind of constitutional framework that federalism provides, the preservation of local autonomy relies to a crucial extent, on self-restraint by the centre. This tends to mean that the degree of decentralization in unitary systems varies significantly, both over time and from country to country (John S Reshetan, 1989: 216).
Local Government builds up public awareness and civic consciousness in the citizenry at large. At the same time, it enables the sons of the soil to assume the role of leaders and in that sense, enable them to find solution for their own problems effectively. Above all, it provides a vital foundation for democracy. Thus, one can believe that there is a necessary connection between local government and democracy; the nexus that is firm and final.

The Worldwide Declaration of Local Self-Government considers that local government is an integral part of the national structure. It is the level of government closest to the citizen and therefore in the best position both to involve the citizens in the making of decisions concerning their living conditions and to make use of their knowledge and capabilities in the promotion of development (Worldwide Declaration, AIILSG, 1988: 72). It recalls the principle recognized in Article 21 of the universal declaration of human rights that the will of the people is the basis of the authority of the government. It is at the local level that the conditions can best be provided for the creation of harmonious community to which citizens feel that they belong and for which they feel responsible (Worldwide Declaration, AIILSG, 1988: 72). The declaration emphasizes that strengthening local government strengthens the entire nation by ensuring more effective and democratic public policies. Decentralized decision-making reduces congestion at the centre and improves and speeds up government action, as it gives vitality to new institutions and increases the likelihood that services and amenities, once established will be maintained and expanded.

**Local Democracy and Local Government**

Local democracy is more than mere political participation. It is used comprehensively to refer to political participation as well as the actual working of local democratic political institutions such as Municipalities and Panchayats in India and Krai and Oblast in Russia and its impact on popular trust and confidence in those institutions. The Indian constitution and the recent amendment acts both (73rd and 74th) have defined both the panchayats (rural) and municipalities (urban) as 'self governing' institutions which indicates a democratic preference. Moreover there is an operational, i.e. strategic reason which begins with the distinction between local government and local democracy. One can have local government without local democracy but working local government democratically is harder and more difficult.
than elected democratically. Democratically running local government, and working it as truly self governing institution is quite challenging. Local government institutions to be elected democratically are not enough although that is a crucial criterion. What is more important is whether there is true participation in the making and implementation of decisions by the locally elected representatives who are supposed to represent a small constituency. One has to observe whether the people are in some way or other involved in the running of such bodies, and the extent of popular identification with such institutions.

Decentralisation

Decentralization involves the shifting of fiscal, political and administrative responsibilities from higher to lower levels of government. Throughout the world, countries have been enthusiastically embracing different aspects of decentralization, particularly during the past decade. Because the motivation and design of decentralization differ in each country, it is extremely difficult to arrive at a single notion of "decentralization" across countries (Aziz and Arnold, 1996: 9).

The term "decentralization" embraces a variety of concepts which can be carefully analyzed in a country and context specific agenda. Literally the term decentralization refers to the transfer of authority and responsibility for public functions from the central government to intermediate and local government organizations. As per the characteristics types of decentralization include political, administrative and fiscal decentralization. The above types of decentralisation can also appear in different forms and combinations across countries, within countries and even within sectors (Aziz and Arnold, 1996: 9).

Under appropriate conditions, all these forms of decentralization can play important roles in broadening participation in political, economic and social activities in developing countries. If decentralization works effectively it helps alleviate the bottlenecks in decision making that are often caused by central government planning and control of important economic and social activities. Decentralization can help cut complex bureaucratic procedures and it can increase government officials' sensitivity to local conditions and needs. Moreover, decentralization can help national government reach larger number of local areas with services; allow greater political
representation for diverse political, ethnic, religious, and cultural groups in decision-making (Arora and Goyal, 1995: 280-289).

Democratic decentralization and its various forms emerged during post-war period in the developing countries that gained independence from the late 1940s onwards. This is in no way indicative of the fact that the evolution of local self government started with post-colonial societies. A large volume of literature on the theoretical assumptions and formulations about local government is available in the writings of classical liberal theorists. John Stuart Mill, for instance came out with his formulation on the subject way back in 1861 in his classic work Representative Government. Mill was all for ‘local government’, the embodiment of democratic decentralization, for ‘it provides extra opportunities for political participation, both in electing and being elected to local offices, for people who otherwise would have few chances to act politically between national elections’ (Smith, 1985: 21). Prior to him, Alex de Tocqueville had written about the virtues of ‘town meetings’ in his monumental work Democracy in America (1835). More than a century later Wilson (1948), Langord (1953) and Moulin (1954) provided a range of European views on local government. From among British scholars Tinker (1954) and Maddick (1963, 1970) who wrote on Indian pattern of local government, tracing it’s evolution since the British period, deserve special mention.

In a recent report of the World Bank, decentralization is described as a powerful tool for achieving development goals in ways that responds to the needs of the local communities by assigning control rights to people who have the information and incentives to make decisions best suited to those needs and who have the responsibility for the political and economic consequences of their decisions (World Bank 2000-2001: 106)

Decentralisation entails the sharing of central governments with other institutions, especially those geographically separated or responsible for specific functions, or those given jurisdiction over specific physical location. Decentralization is defined as the “sharing of part of governmental power by a central ruling groups with other groups, each having authority within a specific area of the state” (Makumbe, 1998: 9). Fundamental elements in the decentralization process are power, authority and
responsibility, which start from the centre and then diffused to periphery (Kasfir, 1983: 25). Decentralization is also a process of subdividing the state's territory into smaller units and institutions. Power and authority are then devolved to them to perform certain prescribed administrative and political functions within their areas of jurisdiction. The same power sharing pattern may be replicated by these intermediate organizations to those below them. (Smith, 1985: 8-12)

Adding a developmental element to the definition of decentralization it connotes "the transfer of responsibilities for planning, management and resource raising and allocation from the central government". However consistent with other authors, one can link decentralization to the concept of subsidiary, which proposes that functions be devolved to the lowest level of social order that is capable of completing them effectively and efficiently. In a bid to give an all encompassing definition of decentralization, World Bank defines it as "the transfer of political, fiscal and administrative powers to sub-national units of government" (World Bank, 2000: 108). Strictly speaking, the term decentralization doesn't necessarily contain any democratic connotation, but it is used to impart a special meaning to the term. It is democratic in the sense that the source, from which the power is decentralized, has its democratic base and the body to which the power flows is also democratically organized. The meaning of democracy is that people may determine the whole process of rural and urban development, right from formulation of policies to implementation and evaluation. The rational behind this is that the people are sovereign and the government doesn't have huge resources to get the work done through the machinery. In brief democracy means the skill with which one can make use of potential energy for raising the standard of living of people and give them the due status and dignity (Goel and Rajnish, 2003: 8).

Therefore, in summation and compounding all the definitions discussed above, in its traditional form, decentralization entails the distribution of central government's political, fiscal, and administrative power, authority and responsibility to geographically dispersed, legally autonomous bodies of government. This is done in order to improve efficiency and effectiveness in service delivery at central and sub-national government level.
Types of decentralization

There are four types of decentralization, each of distinct form, but collectively make up the concept of decentralization. These types depict a hierarchical order based upon the extent of authority effectively transferred from the central government.

Deconcentration / Administrative Decentralization

Deconcentration means, "The sharing of power between members of the same ruling group having authority respectively in different areas of the state" (Mawhood, 1983: 4). According to Hyden, it is a power relationship within the same organization. The fundamental goal is to relieve the centrally positioned officials of the administrative onus by transferring some of this load to their colleagues in the periphery as a way of adapting central directives to the local conditions (Rondinelli, Nellis & Cheema, 1983: 14). This allows the central government to penetrate the grassroots without necessarily relinquishing authority.

Administrative decentralization seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of government. It is the transfer of responsibility for the planning, financing and management of certain public functions from the central government to field units, subordinate units or levels of government, regional or functional authorities (World Bank, 2000: 108). The three major forms of administrative decentralization are deconcentration, delegation, and devolution which have different characteristics.

Deconcentration is often considered to be the weakest form of decentralization. It is used most frequently in unitary states and redistributes decision making authority and financial and management responsibilities among different levels of the central government. It can merely shift responsibilities from central government officials in the capital city to those working in regions, provinces or districts. It can create strong field administration or local administrative capacity under the supervision of central government ministries (World Bank, 2000: 108).

Delegation is a more extensive form of decentralization. Through delegation central governments transfer responsibility for decision-making and administration of public functions to semi-autonomous organizations not wholly controlled by the central
government, but ultimately accountable to it. Government delegates responsibilities when they create housing authorities, transportation authorities, special service districts, semi-autonomous school districts, regional development corporations, or special project implementation units. Usually these organizations have a great deal of discretion in decision-making. Delegation redistributes authority and responsibility to local units of government or agencies that are not always necessarily branches of local offices of the delegating authority (Osmani, www.undp.org: 06).

A useful typology formulated by Turner and Hume looks at the nature and basis of the transfer of authority innate in any form of decentralization. Normally, decentralization is based on territorial considerations, with the aim of bringing authority geographically closer to both front line bureaucrats and to the public they serve. In less common instances, transfers can be made on a functional basis which results in transferring authority to specialized agencies. Thus, decentralization could either have a territorial or functional basis (Turner, M and D Hulme, 1997: 33-34). Across these two categories, the nature of authority transfer could be any of three manners: delegation within formal political structures, transfer within public administrative or parastatal structures, or transfers to non-state agencies. This classification yields the six forms of decentralization shown in Table 1.
Table No. 1.1: Forms of decentralization

<table>
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<tr>
<th>Nature of Delegation</th>
<th>Basis for Delegation</th>
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<td></td>
<td><strong>Territorial</strong></td>
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<tr>
<td>Within formal political structures</td>
<td>Devolution (political decentralization, local government, democratic decentralization)</td>
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<tr>
<td>Within public administrative or parastatal structures</td>
<td>Deconcentration (administrative decentralization, field administration)</td>
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<td>From state sector to private sector</td>
<td>Privatization of devolved functions (deregulation, contracting out, voucher schemes)</td>
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Devolution is a third type of administrative decentralization. It symbolizes the transfer of legalized elements of political power to local government institutions or to specialized or functional authorities. In addition to political authority, it involves fiscal authority (Osmani, www.undp.org: 06). These bodies are therefore vested with political power to discharge certain functions and responsibilities within their areas of jurisdiction such as the provision of social services. When governments devolve functions, they transfer authority for decision-making, finance, and management to quasi-autonomous units of local government with corporate status. Devolution usually transfers responsibilities for services to municipalities that elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions. In a devolved system, local governments have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. It is this type of administrative decentralization that underlies political decentralization.

In some countries, decentralization may create a geographical focus at the local level for coordinating national, state, provincial, district, and local programmes more effectively and can provide better opportunities for participation by local residents in
decision making. Decentralization may lead to more creative, innovative and responsive programs by allowing local "experimentation." It can also increase political stability and national unity by allowing citizens to better control public programs at the local level.

Centralization and decentralization are not "either-or" conditions. In most countries an appropriate balance of centralization and decentralization is essential to the effective and efficient functioning of government. Central Government must create or maintain the "enabling conditions" that allow local units of administration or non-government organizations to take on more responsibilities. Central ministries often have crucial roles in promoting and sustaining decentralization by developing appropriate and effective national policies and regulations for decentralization and strengthening local institutional capacity to assume responsibility for new functions (Bohra, 1996: 81).

The success of decentralization frequently depends heavily on training for both national and local officials in decentralized administration.

Fiscal Decentralization

Fiscal decentralization is essentially the transfer of expenditure responsibilities and revenue assignments to lower levels of government. A sub-national government, being closer to the people, is, in theory, more capable to meet citizen's preferences and demands in public goods and services compared to central governments (World Bank, 2000: 108). It refers broadly to efforts to change the distribution and resources available to local governments. Such efforts can take many forms, including transfers between levels of government, authorization of local borrowing, cost recovery, and changes to revenue sources available to local governments through taxes, user fees and contributions. Research generally supports that fiscal decentralization has been linked to a variety of outcomes. Among those are:

- Economic growth,
- Government size,
- Changes in public expenditure patterns,
- Fiscal imbalances,
- Governance, and
- Service delivery.
Political Decentralization

Political decentralization aims to give citizens or their elected representatives more power in public decision-making. It is often associated with pluralistic politics and representative government, but it can also support democratization by giving citizens, or their representatives, more influence in the formulation and implementation of policies. Advocates of political decentralization assume that decisions made with greater participation will be better informed and more relevant to diverse interests in society than those made only by national political authorities. The concept implies that the selection of representatives from local electoral jurisdictions allows citizens to know better their political representatives and allow elected officials to know better the needs and desires of their constituents (Bohra, 1996: 81). Political decentralization often requires constitutional or statutory reforms, the development of pluralistic political parties, the strengthening of legislatures, creation of local political units, and the encouragement of effective public interest groups.

Finally when we analyse above types of Decentralisation, we visualize that 1980s saw the beginning of a wave of decentralization that had swept across the globe in the following two decades. The factors account for this growing prominence of decentralization as both a reform program and category of analysis are as follows. One factor is that interest in decentralization had and still has varied roots, as seen in the strong ideological bent of much writing on decentralization. Figure 2 points to some of the aims typically associated with different types of decentralization reforms. These include 'economistic' interest in efficiency, classic 'leftist' concerns with participation and democracy and 'rightist' interest in reducing state intervention in the economy.
Chart: 1.1: A Spectrum of Ideological Underpinnings of Decentralization

Degree of Systematic Changes Required

Constitutional, Legal and Regulatory Framework

Constitution, laws and regulations codify the formal rules of the game by which a decentralized system is supposed to function. Structurally, the desirable architecture of these rules is quite straightforward: the constitutions should be used to enshrine the broad principles on which decentralization is to operate, including the rights and responsibilities of all levels of government; the description and role of key institutions at central and local levels; and the basis on which detailed rules may be established or changed; one or more laws should define the specific parameters of the intergovernmental fiscal system and the institutional details of the local government structure, including key structures, procedures (including elections), accountabilities and remedies; and a series of regulations associated with each law should interpret and describe in detail the practices and measures by which the related law will operate. Laws that deal with tasks that are shared between national and sub national governments should include sections on intergovernmental relations. To effect changes these aspects of degree of difficulty and locus of authority are important.
factors in determining where in the architecture particular aspects of the decentralization system are defined and the relative specificity of those definitions. The rigidities and flexibility established in this structure have important implications for the management of a decentralized system. As decentralization is a complex social experiment, a good case may be made for its flexibility in the ability to change the specificity of implementation instruments, while enshrining the political and philosophical principles in the Constitution and the operating structures in the laws. Treatment of key issues in the legal and regulatory framework will be shaped by the governmental system whether it is unitary or federal. Under some federal systems, for example, India and Canada, local governments are completely under the authority of the State/Provincial level governments. The Federal government is thereby limited in the relationships it may establish with the local level and must seek to affect local behavior and outcomes through the states/provinces. India is trying to establish a decentralized policy which is significantly complicated by this factor.

As with other key aspects of decentralization, the legal and regulatory framework will be tailored to country circumstances. Nevertheless, there are a set of issues this framework may be expected to address such as the classification of local governments within the tiers established under the Constitution, the broad organizational structures and their roles and responsibilities, terms of office, operating powers, procedures and limitations of the political leadership, distinct from the civil service, the degree of autonomy of personnel policies and administration of local governments, the taxing and fiscal administration authority of local governments, the borrowing authority and capacities of local authorities, the budgeting, expenditure management, accounting, auditing and reporting requirements, service provision and delivery authority and the mechanisms for citizen participation and voice (World Bank, 2000: 111-112).

The disconnection between the formal rules and actual practice, regularly observed in many countries, is itself cautionary about the design and implementation of legal and regulatory systems. Ambiguity and complexity create openings for conflicting interpretation and resulting confusion. One agreed source of interpretation is essential. Particular efforts to prepare and disseminate popularized versions of the legal and regulatory system must be a key part of the decentralization strategy. Complexity is often unavoidable especially at the level of instruments for implementation; however,
it helps if one instrument is not asked to do too much. This facilitates communication and implementation of the policy that the instrument is intended to support as well as monitoring of the effectiveness of the instrument in that role. Adjustment to the instrument and/or the policy also may be facilitated.

Comparatively, of the four types of decentralization, divestment and devolution denote the highest amount of power transferred to the local people; while deconcentration and delegation denote the least amount of power transferred. Therefore the last two are not very useful in the development of local governance because they don’t really encourage the local people to participate effectively in decision making process. Worse still, both the colonial and the one party regime use these types of decentralization to effectively suppress local people’s dissent against their systems. Consequently, these systems were transformed into instruments of oppression (Mawhood, 1983: 4)

**Rationale for decentralization**

The argument for decentralization revolves around a wider critique of central state planning (Johnson, 2001: 521-532) which stipulates that large and highly centralized bureaucracies prove to be an incompetent and potentially very unhelpful means for bringing development and for resource allocation in society. Scholars have advanced three arguments to support this claim: the first view maintains that centralized state entities lack information which addresses people’s genuine requirements and preferences. The second view argues that states lack flexibility to provide certain types of goods and services more specially those that require vast information. The state’s inherent fundamental principles of command and control, makes it different from the markets and voluntary organizations, which are more flexible. The third view contends that the unrestrained authority and inadequate incentives breed rent seeking behaviour among government employees (Osmani, www.undp.org: 06). Due to the above limiting characteristics of the state the creation of more decentralized state machinery is justified. It is widely accepted by scholars that more decentralized states are more transparent and react promptly to local demands and wishes. (Crook & Sverrison, 2001; paper no-130) Physical closeness not only makes it easier for local communities to hold local officials liable for their performance, but facilitates of accurate information about the periphery which could
be used for planning of resources. Decentralization is also beneficial to central government in the sense that it reduces workload and congestion at the central office. As a result, the central government responds quickly to public demands and the quality and the quantity of service improves. Much of the decentralization which has taken place in the past decade has been motivated by political concerns. Although the main reason for decentralization around the world is that it is simply happening, there are a multitude of issues that affect the impact of different types of decentralization on efficiency, equity and macro stability. In this regard, there is a growing body of literature examining the economic rationale for decentralization.

Politics is the driving force behind decentralization in most countries; fortunately, decentralization may be one of those instances where good politics and good economics may serve the same end. The political objectives to increase political responsiveness and participation at the local level can coincide with the economic objectives of better decisions about the use of public resources and increased willingness to pay for local services.

Problems of decentralization

Just as several positive aspects about decentralization, there are also negative ones, which may threaten the attainment of the anticipated benefits if not properly implemented. According to Smith, decentralization is inherently divisive and sectionalist in character and in its consequences: it threatens national unity and integration. Further he brands it as being anti-egalitarian because of its design that goods and services are provided at local rather than national level. At local level, decentralization is criticized as being oligarchic because it may benefit only a few at the expenses of the general population (Makumbe, 1998: 9). Consequently, autocratic governments are “likely to ensure that decentralized bodies are limited in their autonomy or they have limited local resources to allocate”. In the major developing countries, appointed officials rather than elected members make final decisions regarding the implementation of decentralization process which is a potent instrument for central government’s control over the public resources at local level (Makumbe, 1998: 11). By this kind of central control over local bodies decentralization can lower the quality of public services. Due to the shortage of appropriately qualified personnel, higher quality goods and services can’t be obtained at the local level.
Contrary to that at the central level skilled personnel are more readily available who can deliver better service (World Bank, 2002: 110).

Decentralization is not a panacea, and does have potential disadvantages. It can result in the loss of economies of scale and control over scarce financial resources by the central government. Weak administrative or technical capacity at local levels may result in services being delivered less efficiently and effectively in some areas of the country. Administrative responsibilities may be transferred to local levels without adequate financial resources and make equitable distribution or provision of services more difficult. Decentralization can sometimes make coordination of national policies more complex and may allow functions to be captured by local elites. Also, distrust between public and private sectors may undermine cooperation at the local level.

Decentralisation and Accountability:

There must be a mechanism by which one community can express its preferences and the concerned political authority should implement the preferences, so that there will be a credible incentive for people to participate. Simultaneously there must be a system of accountability on the basis of relevant information which can enable the community to effectively monitor the performance of the local government and react appropriately. Finally the structure of service delivery and inter-governmental fiscal system should be designed properly to support the political objectives.

Successful decentralization is closely related to the principles of finance following clear assignment of functions, informed decision making, adherence to local priorities and accountability. However, applying these principles in practice has not proven to be simple. Circumstances differ from country to country often in subtle and complex ways; consequently the policy and institutional instruments that establish decentralization have to be shaped to the specific conditions of individual countries.

Decentralization can be a way of improving access to services, tailoring government actions to private needs, and increasing the opportunities for state-society interactions. However sub national governments will only be effective when they have access to
the necessary human and financial resources to undertake the services they have been conferred.

**Arguments in favour of Decentralization**

These are the arguments in favour of Decentralisation by *Hans F. Illy*

1. Decentralization can be a means of overcoming the severe limitations of centrally controlled national planning by delegating greater authority for developmental planning and management to officials who are working in the field, closer to the problems. Decentralization to regional or local levels allows officials to desegregate and tailor developmental plans and programmes to the needs of heterogeneous regions and groups.

2. Decentralization can reduce enormous amounts of red tape and the highly structured procedures, characteristic of central planning and management in developing nations that result in part from the over concentration of power, authority and resources at the centre of the government in the national capital.

3. By decentralizing functions and reassigning central government officials to local levels, the official knowledge about local issues and sensitivity to local problems and needs can be increased. Closer contact between government officials and the local population would allow both to obtain better information with which one can formulate more realistic and effective plans or government projects and programmes.

4. Decentralization can allow better political and administrative 'penetration' of national government policies into areas remote from the national capital where central government plans are often unknown or ignored by the rural people or undermined by local elites, and where support for national developmental plan is often weak.

5. Decentralization might allow greater representation for various political, religious, ethnic and tribal groups in decision making that could lead to greater equity in the allocation of government resources and investments.

6. Decentralization could lead to the development of greater administrative capability among local governments in the regions and provinces, thus expanding their capacities to takeover functions that are not usually performed well by central ministers such as maintenance of roads and infrastructure and investments in areas remote from the national capital. It could also give local officials the opportunity to develop their managerial and technical skills.
7. The efficiency of the central government could be increased through decentralization by relieving top management officials from routine tasks that could be more effectively performed by field staff or local officials. The time released from routine administration would allow political and administrative leaders to plan more carefully and supervise more effectively the implementation of developmental policies.

8. Decentralization can also provide a structure through which activities of various central government ministries and agencies involved in development could be co-coordinated more effectively with each other and with those of local leaders and non-governmental organizations within various regions. Regions, provinces or districts provide a convenient geographical base for coordinating the myriad specialized projects that many governments in the developing countries are undertaking in rural areas.

9. A decentralized governmental structure is needed to institutionalize the participation of citizens in developmental planning and management. A decentralized government structure can facilitate the exchange of information about local needs and channel political demands from the local community to national ministries.

10. By creating alternative means of decision-making, decentralization might offset the influence or control over development by entrenched local elites, who are often unsympathetic to national development policies and insensitive to the needs of poorer groups in rural communities.

11. Decentralization can lead to more flexible, innovative and creative administration. Regional, provincial or district administrative units may have greater opportunities to test innovations and to experiment with new policies and programmes in selected areas, without having to justify them for the whole country. If the experiments fail, their impacts are limited to small jurisdictions, if they succeed, they can be replicated in other areas of the country.

12. Decentralization of development planning and management functions allows local leaders to locate service and facilities more effectively within communities to integrate isolated or logging areas into regional economies and to monitor and evaluate the implementation of development projects more effectively than can be done by central planning agencies.
13. Decentralization can increase political stability and national unity by giving
groups in different sections of the country the ability to participate more
directly in development of decision-making, thereby increasing their "stake"
in maintaining the political system.

14. By reducing diseconomies of scale inherent in the over concentration of
decision making in the national capital, decentralization can increase the
number of public goods and services and the efficiency with which they are
delivered at lower cost (Illy, 1994: 30).

The European Charter of Local Self-Government

The first initiative for any form of international recognition of the principles of
local autonomy was taken at the first General Assembly of the council of European
Municipalities in Versailles in 1953 (European charter of Local Self Government).
The "European Charter of Municipal Liberties" adopted on that occasion reflected its
proponents commitment for rebuilding post-war Europe on the basis of strong local
institutions enjoying a high degree of democratic autonomy. It took, however, until
the late 1970s for this call to be answered, with the preparation by the standing
Conference of Local and Regional Authorities of Europe (CLRAE), the official
representative institution for the local and regional levels of government within the
council of Europe, as a draft European Charter of Local Self-Government. This text
was formulated following the detailed study by a representative committee with the
assistance of a group of experts on constitutional law, on the legal basis of a European
convention, and was adopted by the CLRAE in 1981. Then it was referred to the
committee of ministers of the council of Europe for Action. Approval of the principle
of such a convention was secured from the fifth conference of European Ministers
responsible for Local Government in 1982, and the text proposed by the CLRAE was
then referred to a committee of senior officials of the member states for detailed
scrutiny. The end result of this scrutiny was the present text of the European charter,
which was drawn up in its final form as a European convention and opened for
signature in 1985. Article 3 of this final convention on European Charter of Local
Self- Government clearly elaborates the concept of local self government. According
to this article, the local self-government denotes the right and abilities of local
authorities within the limits of law, to regulate and manage a substantial share of
public affair under their own responsibility and in the interest of local population
(European charter of Local Self Government). This charter entered into force on 1st September 1988 upon its notification by four countries.

After that it was signed by 16 countries, and to the till date a further 18 signatures have been added. The charters have now been notified by 30 European countries, and it has been used as a major guideline by several of the countries of central and Eastern Europe. They have been admitted to the membership of the Council of European Charter in recent years and have incorporated the charter in their constitutions and their basic local government legislation. The principles of local self government are seen as an essential component of the council of Europe's fundamental principles of democracy, human rights and the rule of law. The signature of the European charter of Local Self Government, along with the European convention on Human Rights is, henceforth, a pre-requisite for accession by new member states. The European charter commits the parties to apply basic rules guaranteeing the political, administrative and financial independence of local authorities. It is thus a demonstration, at European level, of the political will to give substance at all levels of territorial administration to the fundamental principles of democracy upheld by the council of Europe since its foundation in 1949. Indeed it embodies the conviction that the degree of self-government enjoyed by local authorities may be regarded as a touchstone of genuine democracy. It specifies the need for a constitutional or legal foundation for local self-government which defines the concept and establishes principles governing the nature and scope of local authority's powers. Further, it provides for due procedures to be followed regarding boundary changes, for autonomy in relation to local authorities, administrative structures and access to competent staff and for proper conditions for the holding of elective office. Further provisions aim at securing a clear legal framework for necessary supervision of the acts of local authorities and at ensuring that they have adequate access to resources to match the tasks assigned to them, on terms which do not impair their basic autonomy. Finally, the charter covers the rights of local authorities to co-operate with others including internationally, and to form associations and provide for the right of recourse to judicial remedy for the protection of local autonomy.
The World Charter of Local Self-Government

This is an important and ambitious partnership project between the United Nations and the local levels of government. Its aim is nothing less than to draw up an internationally agreed, adaptable framework for the practice of local democracy, as a vital contribution to the improvement of People's living conditions in all continents and regions. This was the first United Nations conference on Human settlements. At the second United Nations conference on Human settlements- HABITAT-II held in Istanbul in June 1996, national governments committed themselves to the objective of decentralizing authority and resources. They also recognized local authorities as the closest partners of central governments and as essential in the implementation of Agenda 21 and Habitat Agenda (Towards World Charter of L.S.G.: 2). The preparation of the World Charter of Local Self-Government is the joint undertaking of United Nations Center for Human Settlements (UNCHS) and World Association of Cities and Local Authorities Co-ordination (WACLAC). UNCHS (Habitat) and WACLAC are united in believing that the underpinning of the recent and very welcome decentralisation and democratization trends in many countries, by the constitutional anchoring of local self government on the basis of internationally recognized principle, can make a contribution of crucial importance to the effective and sustainable implementation of the Habitat Agenda.

The World Assembly of Cities and Local Authorities held in Istanbul on 30-31 May 1996 on the eve of the Second United Nations Conference on Human Settlements (HABITAT II), called upon the international community to take steps “to draw up, in partnership with the representative associations of local authorities, a world wide charter of local self government setting out, for the guidance of all national governments and international agencies, the basic principles which should underlie any democratic local government system” (Towards World Charter of L.S.G.: 3). It urged that the basis of this charter should reside in the principles of subsidiarity and proximity, whereby decisions should be taken at the level closest to the citizens (municipality or town) and that only those tasks which the local level can not effectively carried out alone should be referred to higher levels. The debates at the World Assembly had focused a good deal upon the constitutional position of local authorities and their relationship with central governments in the discharge of their functions. In this context, the positive experience of the European Charter of Local
Self Government, adopted by the Council of Europe in 1985 as a European convention and now signed and notified by a large majority of the council of Europe’s member states, was strongly highlighted. The need for the development of national laws and regulations that clearly specify the role and responsibilities of local authorities vis-à-vis national governments and provide for effective decentralization and local democracy, taking into account the principles of autonomy, subsidiary and proximity, were also highlighted. In this context it was suggested that the experience gained in the implementation of the European charter of local self-government could be used as a basis for developing a global charter that would set out the key principles underlying a sound constitutional or legal framework for a democratic local government system.

The preparation of a world charter of local self-government figures among the aims specified in the constitution of the World Associations of Cities and Local Authorities Coordination (WACLAC). The structure set up by the ten international local government associations which had convened the World Assembly in response to the call made by that Assembly for an ongoing co-ordination to serve as the interlocutor and institutional partner of the UN and its specialized agencies WACLAC envisaged that such a charter would most effectively be drawn up in partnership with national governments through the United Nations machinery, with a view to the final text being promulgated as an official United Nation’s convention.

World Charter of Local Self Government is perhaps a mark of the universality and conciseness of the European charter’s provisions that there have been no moves since its adoption to alter the text, and that the charter has been signed and ratified by a significant number of countries including Eastern European transition countries which were not members of the council of Europe at the time of its drafting and so had no involvement in that process. The existence of the charter, even in the absence of formal enforcement capability, may be taken to an extent as a degree of moral pressure upon all European governments and it is certain that any major breach would receive extensive public attention in the CLRAE, and hence in the parliamentary assembly and the committee of Ministers of the Council of Europe. While the initial drafting of the charter was regarded by some as a somewhat theoretical exercise of limited practical relevance to the day-to-day conduct of central or local government
relations, recent history has proved the position to be otherwise. Few European mayors, and probably few European governments, would now question the value of having this internationally defined standard on the statute book as a constitutional safeguard of local self-government.

The universal nature of most of the principles in the European charter was recognized by the International Union of Local Authorities (IULA) in 1985 in the adoption at its World Congress in Rio de Janeiro of a World Wide Declaration on the Principles of Local Self-Government, the drafting of which had drawn heavily upon the European Precedent. In 1993, IULA’s Toronto Congress reaffirmed the text of the worldwide declaration with an updated preamble highlighting its relevance to the marked decentralization and democratization trends in many parts of the world. At the IULA world congress in Mauritius in April 1997, the experience to date with the European charter and the World wide Declaration was presented at a crowded plenary session intended to focus attention upon the first steps towards the world charter called for in Istanbul. The final declaration of that congress included a call to international organizations and agencies and national governments to work together with local governments and their national, regional and international associations and networks to develop and promulgate through the United Nations, a world charter of local self government and to pursue its progressive implementation in all continents through a world decade of local government (2000-2009). Prior to that, the European Section of IULA, the “Council of European Municipalities and Regions” in its conference at Thessaloniki in May 1996 just before to the World Assembly of Cities and the Habitat II conference in Istanbul, requested the international community to take decisive steps towards a “World Charter of Local Self Government” and thereby help establish an effective framework for the implementation of those tasks in international plans of action which must be dealt with at the sub-national level. The formulation of a world charter which is appropriate to the diverse circumstances and levels of development of all United Nation member states is inevitably a more complex undertaking than the formulation of a regional charter. Local Self-government needs to be seen in the global context as a vital component of the development process and of the commitment to decentralization policies made by the member states in the Habitat Agenda. However, there is some risk that this cause may not be aided by the elaboration of principles, which can not in practice be applied in situations of extreme
shortage of resources and infrastructure. On the other hand, the ready adoption of the European charter by many countries in transition which had played no part in its drafting and the acceptance by IULA and some other international associations of a worldwide declaration embody largely similar provisions, suggest that certain universal principles of local democracy can be validly defined and promulgated at the international level.

**Systems of Local Self Government**

**American Local Government**

The American constitution provides for a federal state with division of powers between the national (federal) and the state governments. Local government is a state subject. Each state has established its own system of local government depending upon history, experience and local conditions. Hence the nomenclature, organization and functions of the units of local government in USA differ from state to state. In other words heterogeneity is the characteristic feature of the American system of local government (Bombwalla, 2000: 308-311). Another such feature is a high degree of autonomy enjoyed by the units. In fact there are more autonomous than the British units of local government.

At present, the USA has the following units of local government

i. County

ii. City (Municipality)

iii. Town and the Township

iv. Special District

**County**

A county is territorially the largest unit of local government in the USA. The counties serve as agencies of the state government. They are administrative division of the state as well as the units of local government. The organization, powers and functions of these counties differ from state to state and in some states county to county.
City

A city is a unit of urban local self-government and is incorporated as a municipality. It can be compared to British Borough. It has a charter that is fundamental law which defines its organization, power and functions. The charter is granted to a city by the state legislature either under a special act or under general laws.

Town and Township

Town and township are the subdivisions of counties. They are principal units of local government in rural and semi-urban areas. The governing body of the town is known as the town meeting, which consists of all the eligible voters of the town. It generally meets once a year and elects board of chosen men and other official functionaries to carry out the local administration. It is in these towns that ‘direct democracy’ in operation can be seen.

Special District

Special district is a unit of local government which is established to provide one particular service. This device provides a specialized machinery to carry a specified functions and permits a high degree of flexibility in local government such districts cut across the jurisdiction of the regular units of local government-county, city, town and so on. They exist throughout the country covering both rural and urban areas (Bhagawan and Bhusan, 2001: 274).

The United States federal system has considerable decentralization of expenditure responsibilities to the states. However, substantial proportion of grants is conditional or is used to support mandated state expenditure programmes. This introduces some accountability to state executive branches that would otherwise not exist if the grants were unconditional. (Broadway and Watts 2004: 16). Today, federal budgetary grants account for approximately 20% of the revenues of the local and state authorities, each.

British Local Government

The British constitution provides for a unitary state. Hence all the powers of the government are vested in the single supreme central government. It can create or
abolish the units of local governments for administrative convenience. These units of the local government derive their authority from the central government. The statutes of the British parliament are the major source of authority; the other sources being the common-law of England and the judicial interpretations (Bombwalla, 2000: 308-311). The present system of local government in England was established in 1974 by the local government Act, 1972. The Act has created two-tier system for the metropolitan areas (conurbations) and three-tier system for the remainder (mixed urban and rural areas). The conurbations are divided into six metropolitan counties. Each metropolitan county is divided into metropolitan districts and their number is thirty-six in all. Similarly, the mixed urban and rural areas (rest of England) are divided into thirty-nine non-metropolitan counties. Each non-metropolitan county is divided into non-metropolitan districts and their member is 296 in all. Further, each metropolitan district is divided into parishes or towns. There is no difference between parishes and towns except that the chairman of towns is called as Mayors.

The system of local government in and around London has always differed from other parts of England. The London Government Act of 1963 established the present structures in 1965. Under the Act, Greater London became for the first time a clearly defined local government area (Bhagawan and Bhusan, 2001: 274).

Within this area lie the thirty-two London Boroughs and the city of London. The corporation of the city of London acts through three courts, namely the court of common council, the court of aldermen, and the court of common hall. However, the court of common council is the real governing body and enjoys both legislative as well as executive powers.

UK has always had a lower than average degree of decentralisation of its spending functions (Darby, Muscatelli and Roy 2002: 5). It is apparent that, although the UK's local government layer has a reasonable degree of autonomy, the sub-central levels of government in the UK controls a very small proportion of total taxation. UK relies mostly on grants and not on locally-raised revenues from taxes and fees (Darby, Muscatelli and Roy 2002: 13). UK relies less than others on non-tax revenues (13%). These are mainly fees and charges on consumers for local and state government services. In this the UK is ranked lower, not only compared to federal states, but also
compared with less-fiscally-devolved unitary states, such as Norway (17%). It is worth noting that devolution in the UK does allow the devolved authorities some margin to increase this reliance on non-tax revenues (Darby, Muscatelli and Roy 2002).

**French Local Government**

The French constitution provides for a unitary state. Hence all the powers of the government are vested in the supreme central government. It can create or abolish the units of local government or administrative convenience. The units of local government derive their authority from the central government. The most important feature of the local government is its high degree of centralization. In France, everything is centralized and local government units are controlled by the central government through the minister of interior, who is the final authority in this regard. Thus, the local government is neither autonomous nor self-governing. In fact, it is only local administration, not local self government. The units of local government are the agencies of central government for the purpose of local administration. Another feature of the local government is its rigid uniformity in two aspects—organizational pattern, and powers and functions. Throughout France, we find the same elective council, the same prefect, sub prefects and mayors, the same laws and police, the same school system and education.

At present, France has four types of local government units. They are:

i. Department
ii. Arrondisement
iii. Canton
iv. Commune

For the purpose of local government, the whole area of France is first divided into a number of departments. Each department is further sub-divided into a number of arrondisements. Each arrondisement is again sub-divided into a number of cantons. Each canton is finally subdivided into communes. The arrondisements and cantons are created only for administrative conveniences and hence are not the real units of local government. Therefore only departments and communes are the two real units of local government (Robert Elgie: 121).
In France, where fiscal autonomy is more limited and sub-central government (regions, departments and communes) rely for their funds on central government grants, the main grant (Dotation Globale de Fonctionnement) uses objective factors based on need (population, school population, tourist numbers, and fiscal capacity). Separate allocations are made for capital grants (Dotation Globale d’Equipement) which tend to match investment by communes and departments, supporting local initiatives (Darby, Muscatelli and Roy 2002: 28). The degree of fiscal autonomy enjoyed by the UK’s constituent nations and local authorities is still limited compared to that in other industrialized country like France.

Japanese Local Government

The organization, powers and functions of the local government institutions in Japan are determined by the constitution and the local autonomy law, enacted by the Diet in 1947. The Japanese constitution, though it retains the unitary system, prominently introduced the principle of local autonomy and grants extensive rights of self government to the local institutions. It makes the following provisions in this regard:

1. The regulations concerning organization and operations of local bodies shall be fixed by law in accordance with the principle of local autonomy;
2. The local bodies shall establish assemblies as their deliberative organs;
3. The chief executive officers of all local bodies, the members of their assemblies and such other local officials as determined by law shall be elected by direct popular vote within their several communities;
4. Local bodies shall have the right to manage their property, affairs and administration and to make their own regulations within the law;
5. A special law applicable only to one local body cannot be enacted by the Diet without the consent of the majority of the voters of the local area concerned (Heady, 1979: 213-223).

Looking at Japan’s fiscal system as a whole, while the majority of the expenditure are done at the local level, only very limited autonomy is available to local governments in their spending decisions. Also, on the revenue side decentralisation is limited, and the authority of tax base and rate determination lies with central government (Mochida 2008: 21). Central-local relations are regulated by the federal law. But the
federal legislation in Japan allows the central government to control local expenditure decisions through its discretionary powers by a large number of "delegated functions" financed by specific purpose grant. The ratio of local tax of local governments out of total revenue is 35.2 percent, which is not always low from the viewpoint of international comparison. Every local government is authorized by the Local Tax Law to levy and collect several kinds of local taxes. Final authority to levy local tax, however, is guaranteed by local ordinances and bylaws enacted by each local assembly. If a local assembly does not establish local ordinances and bylaws, the taxpayer has no obligation to pay taxes to the local government (Mochida 2001: 8).

**Survey of Literature**

The difficulty of any treatment of local self government is that there is no agreed definition of local self government and democratic decentralization process. Both local self government and democratic decentralization process are dynamic concepts with some ambiguities and flexibility which may be their strength. But to carry out research one needs to accept the importance of local self government and the shortcomings of centralized government. (Danny Burns, Robin Hambleton and Pauk Hogget, 1994.) The book describes the importance of local initiative and need to take into account the aspirations of the local people. It highlights the lacuna of central governments intervention in restricting the local initiatives. A new concept i.e. neighbourhood decentralization is described. It means decentralization below the local level authority. Again the book discusses a range of suggestions for revitalizing local democracy.

Similarly the evolution of concepts of decentralization and its current forms and frameworks are clearly emphasized by Stephen, B. Peterson (1999) in an article "Administrative Decentralization: Strategies for Developing Countries". He also highlighted various successful models of developing countries and its comparative negative and positive features. In the same way Hans F Illy (1994) forms a wide body of arguments in favour of decentralizing administrative system. He maintains that decentralization can be a means to overcoming the severe limitations of centrally controlled national planning by delegating greater authority for developmental planning and management to officials who are working in the field, closer to the problems.
Decentralization of powers and responsibilities to regional or local levels allows officials to desegregate and tailor developmental plans and programmes to the needs of heterogeneous regions and groups. J. D. Stewart (1971) describes and appraises the adequacy of management in local government to meet the needs and problems of changing environment. At a time when cities, towns and the areas around them face novel problems of an increasingly urbanized society, then the local authorities involved are subjected to new dynamics. In the past three decades the developing world has seen increasing devolution of political and economic power to local governments. Pranab Bardhan and Dillip Mookherjee (2005) have portrayed decentralisation as important element of participatory democracy. Decentralisation along with privatization and deregulation represents a substantial reduction in the authority of national governments over economic policy. The contributors to “Decentralisation and Governance in Developing Countries” examine this institutional transformation from comparative and interdisciplinary perspectives, offering detailed case studies of decentralization in eight countries: Bolivia, Brazil, China, Indonesia, India, Pakistan, South Africa and Uganda.

Some of these countries witnessed an unprecedented 'big bang' shift toward comprehensive political and economic decentralization: Bolivia in 1995 and Indonesia after the fall of Suharto in 1998. Brazil and India decentralized in an uneven and more gradual manner. In some other countries (such as Pakistan) devolution represented an instrument for consolidation of power of a non-democratic national government. In China local governments were granted much economic but little political power. South Africa made the transition from the undemocratic decentralization of apartheid to decentralization under a democratic constitution which provides a comparative perspective on the political and economic context within which decentralization took place, and how this shaped its design and possible impact.

The roots of Local self government in Russia can be traced back to eleventh and twelfth century. The earliest local self government in Russia was Veche. As it existed in Kievian Russia, the Veche was the crude form of direct democracy in which the heads of the household gathered as an assembly to decide the issues of local concern.
These institutions disappeared in most Russian towns with the Mongol invasion in the
thirteen century. So briefly the political cultures in pre-revolutionary imperial Russia
and Post-Revolutionary Soviet Russia can be described by the three principles:
autocracy, orthodoxy and nationality. Afterwards Lenin offered regionally based
nationality groups by recognising in form of “national statehood”, local self
government and “National self determination”.

Scholars and experts in the field of local self government in Russia argue in favour of
democratic decentralization process but the local self government lacks legitimacy in
Russia and continues in a transitional way. Everett M Jacobs (1983) edited a book on
Soviet local politics and government and described its crude form. Authors from
different countries were chosen to facilitate an interdisciplinary analysis of Soviet
local politics and government. The book contains different parts such as competence
function of soviet local government, Elections and aspects of Soviet local politics and
government. It discussed the bureaucratic and centralistic nature of Soviet system of
local self government, the extent of their independence and power and the nature of
public and mass participation in local organs. It focused about elections, structure of
power and functions of Soviet local election and norms of representations. The author
described some negative aspects of Soviet local politics and government in this book.
In the similar manner Jeffery W. Hahn (1988) provides a clear picture of grass root
level of Soviet Union. He examines the legislations of the previous thirty years which
expanded the functions of local self government within which the representatives of
the “Deputies” function. The book describes how citizens can communicate their
goals, problems and preferences to their deputies and in response how the Deputies
can response. It also examines the Deputy’s role in making decisions and shaping
policy.

But the local self government is described as the “sleeping beauty” of Russian local
communities by Peter Kirkow (1997) in his article ‘Local Self-Government in Russia:
Awakening from Slumber’. As an expert of local self government he delineates the
devolution of political power, after a decade of central state control, which is
considered as precondition for proper decentralization of Russian society. He
highlights decentralization and territorial self organization which enhance the
efficiency and responsiveness of political authorities to local demand. It describes
participation of local self government’s legislation, institutional arrangements, local finance, local property and land. Towards the concluding part he describes the problems that the local self government is facing and its possible solutions. In contrast Vladimir Gel’man (2002) in his article describes the problems and neglected side of the story of local self government in Russia which was hampered by the restrictions on the democracy imposed by centre and regions. Towards the conclusion he describes factors like limited and inconsistent democratization, ineffective people’s participation and formation of weak state which have contributed to the crisis of local government and its implications for social, economic and political development. Cameron Ross (2006) also describes the same as Vladimir Gel’man. His article is an evolution of Russian local government since the emergence of the Russian Federation as a sovereign state in 1991. The three major reforms of local government, in 1991, 1995 and 2003, are discussed in detail, showing how the notion of local autonomy and local government competences received recognition in the law of 1991, and how the principle of separation of local government from the administration of the state was enshrined in the constitution of 1993, even as representative bodies in local government were cut back. It goes on to describe the 1995 local government reform, which sought to provide an institutional basis for that constitutional principle but how this foundered in practice due to pressure from regional authorities hostile to local autonomy, how electoral considerations strengthened these demands. The reform of 2003 is analysed, showing its limitations and dangers from the point and the influence of the electoral cycle in strengthening the hand of regional opponents of local autonomy.

But the real picture of reform of local self government is described by John Gubbay (1995). He describes how the power at the centre of Russian state is divided and lacks legitimacy. Management in the region and territorial self organization are bureaucratic and depends on patronage and exchange of favour for its effectiveness. In these circumstances, the author argues for the design and implementation of reform programmes for civil service in local administration which is a brave endeavour. Beth Mitchneck (1995) investigates the increasing local economic development role of the Russian Local Government by analyzing central forces and local conditions that affect the geographic variation of two types of local government activity in a centrally planned economy: declaration of special economic zone status and declaration of
sovereignty. David Cashback (2003) examines Vladimir Putin’s reforms to Russia’s federal system since 2000. The initial rationale for the reforms was the need to strengthen the capacity of the central government after Boris Yeltsin had engaged in a controversial practice of negotiated federalism, granting federal units autonomy and asymmetrical rights and powers. Nevertheless, by focusing attention on two recent reforms passed in 2003, on regional government and local self government, the author argues that Putin’s vision of federalism overlooks some crucial aspects underpinning Russia’s federal system, namely the existence of ethno-national minorities and the benefits of negotiated autonomy arrangements as a way of accommodating minority nationalism. In the same way like David Cashback, Matthew Hyde (2001) describes Putin’s federal reforms and their implications for Presidential power in Russia. He highlighted regional elites as ‘brokers of Russia’s political future. Finally his approach to federal reform reveals that he sees centre-regional relations in terms of power struggle.

After all the above literature reviews are about Russian rural local self government where one can find out a brief description of urban local-self government and Moscow’s city government in the book ‘Moscow’s City Government’. It is a classic description of data system in Municipal administration from the very beginning up to 1985. The author describes the urban development, basic facts about the Moscow’s city government, organization of city government, long term and short term planning and economic development, personnel and Municipal services.

Archana Upadhyay (2006) had analysed elements of change and continuity, tradition and innovation co-existence and interaction in the context of contemporary Russian civil Society. Certain key patterns of Russian civil society continue from the soviet and pre-soviet periods and have proved to be major hurdles in the path of development of strong and vibrant democratic civil society institutions. The states intolerance of political opposition has repercussions on its long term stability clearly and contributes nothing towards prevailing insecurity.

Although decentralization in India started in 300B.C. during Kautilya’s period as mentioned in “Arthasastra”, the roots of local self government in India in modern times can be traced to 1687, when Municipal Corporation was set up at Madras with a
view to transfer the municipal burden of local administration to the local city council. The landmark experiments in local Government in India are Royal Charter 1820, Formation of Local Committees Act 1850, Lord Mayo’s resolution of 1870, Ripon’s resolution of 1881 and 1882, Bengal Municipal Act 1884, Bengal local Self Government Act 1885, Royal Commission on decentralization 1907, The Bengal village self Government Act 1919 and government of India Act 1935. But in the post-independence period the quest for the revival of villages in free India was supported by several innovations at institutions like Community Development Programme (C.D.P.) in 1952 and National Extension Programme (N.E.S) in 1953. The study focuses more on 73rd and 74th amendment and the subsequent development. The main features of the new features are a three tier system with Gram Sabha at the bottom and Zilla Parishad at the top, a separate system of Urban local self government, Clear cut provision about their composition functions and finances, reservation of seats for the weaker sections of society (SCs, STs and women), provision for election commission to conduct their elections and finance commission to review their financial position, audit of accounts etc.

The historical evolution of the local self government in India has been discussed in detail by Sriram Maheswari (1996) mentioned both rural and urban arms of Local government in India. After tracing the history of local government, he attempts to discuss the structure, personnel, finance and functioning of rural as well as urban local government and finally suggests ways and means of improving the system of local government in India. S.N. Jha and P.C. Mathur (1999) give a historical touch by comparing 64th and 65th amendment with 73rd and 74th amendment. They edited the volume which comprises of thirteen seminal essays which focus on dialectic between matters of local autonomy and demands of development. The book urges a concern for an understanding of the complex nature of decentralization, particularly in view of the enormous diversity of Indian society. The book delves deep into a notion of decentralization which allows for the co-existence of the national and local within the institutional framework of a divisional power. But Girish Kumar (2006) reconstructs the contemporary history of decentralization in India to understand its impact on democratic system. The author has delved deep into research about the Panchayati Raj System with reference to the experiences of four states like Maharashtra, West Bengal, Karnataka and Madhya Pradesh which represent three generation of
Panchayat. The author assesses the contribution of these local institutions in expanding the social base of democracy and in deepening the process of democratization at the local level. The author presents a comparative and detailed account of panchayat-centric democratic decentralization in these states. He covers a host of important issues including whether panchayats empower people and strengthen democracy at local level, the policy of reservation has created space for the weaker sections including women, and the people are satisfied with the performance of panchayats. D Bandhopadhyay, Saila K Ghosh and Buddhadeba Ghosh (2003) analyse historically the roots of the basic contradictions which have haunted the rural self governing institutions of India. These contradictions have been further sharpened by the 73rd constitutional amendment. Though the concept of self-government at the local level has been guaranteed by the constitution, it has been given less importance by practice by the ruling establishment. Institutional changes brought about by the 73rd amendment have helped create a space at the grassroot level for the contradictions to be challenged by disadvantaged sections. This might create demand for autonomy of panchayats to ensure responsive and accountable governance at the local level.

A broad perspective of rural local self government in India which constitutes one of the most underdeveloped segments of our political system is described clearly by S. Bhatnagar (1978). After a century of existence of these institutions, these institutions couldn't develop themselves to their full stature because of the common ailments like frequent suppression of their council, delayed elections, paucity of funds, poor personnel management and sluggish servicing. The author has tried to look into the system as a whole. Each individual aspect has individually dealt with and the various issues and problems emerging from its functioning have been carefully examined. Particular attention has been given to the rationale of the system, its structural variations, leadership pattern, personnel and financial administration and above all to its performance. Towards the end, the vital issue of rural and urban relationship has also been touched upon. T.N.Srivastava (2002) describes that in a parliamentary form of government urban and rural local bodies derive their powers, functions, authorities and responsibilities from the state government's legislation. This concept of a local self government, or rather, local government paves the way for a proper delineation of functions and powers of the latter, for the smooth flow of funds from the state
governments and also ensure community involvement in activities. It will thus help strengthen local bodies at the lowest level, rejuvenating a system that has dormant for two centuries. The Panchayati Raj Institutions (PRIs) are recognized as a suitable and effective institutional vehicle for rural development describes S.K. Singh (1992) in his book “Role of Panchayati Raj in India”. As institutional machinery, Panchayati Raj provides a statutory umbrella for decentralization and thereby contributes to the development of ‘social overheads’. The success of the endeavour in rural development depends upon the extent to which the Panchayati Raj institutions are made responsible for different stages of development efforts, for example planning, implementation, monitoring, resource utilization of human resources in the form of beneficiaries etc. The genesis, growth diversification, organization and functions of the three tier Panchayati-Raj system, prevailing all over India are clearly described by S L Goel and Shalini Rajnish (2003). They also discussed training and awareness generation, financial administration, personnel administration, people’s participation, women empowerment, planning for Panchayati Raj Institutions, role of NGO in PRI and how the state control over the PRI institutions. D. Bandhopadhyaya, Amitava Mukherjee, Mitali Sen Gavai (2003) talked about capacity building among the functionaries. They provide a roadmap to train functionaries of Panchayati-Raj Institutions using participatory learning methods.

The linkages between the Panchayats and state level politics are portrayed lucidly by Budhadeb Ghosh and Girish Kumar (2003). In their book they identify the political factors which have so far determined the course of decentralization in the country. The findings are based on the case studies of four states such as Maharashtra, Gujarat, West Bengal and Bihar. It also raises the serious questions about the capacity of the present political system to provide genuine support to the project of the decentralization and local democracy. R. K. Bharadwaj (1970) deals with the working of local bodies in India. He categories functioning of local bodies, organization of local services to deal with the implementation and execution of works, relations with central and state governments for their smooth working and financial aspect and its ways and means.

The 73rd and 74th amendments and the subsequent legislation bestowing significant decision making power to the Gram Sabha and traditional village Panchayats are
discussed clearly in the article of Medha Kotwal Lele (2001). These bodies are generally dominated by upper and rich caste people in the concerned village. In conclusion the writer argues how this has led to piquant situation. Ravindra Sharma (2005) describes about villages that have been functioning as community institutions with a significant autonomy in management of local affairs. But the advent of centralized structure of governance has created new challenges for reconciliation of local self government with large process of economic changes. Even when the union government embarked upon five Year plans, the necessity of decentralized governance was recognized by elevating village level Gram sabha to a constitutional status through the the Constitutional Amendment Act, 1993. Over a decade has passed since the momentous changes were effected and in this book an attempt has been made to assess the timeliness and thrust of these changes. The success of Constitutional Amendment Act 1993 depends, to large extent, upon the administrative bureaucracy. The present volume, accordingly takes stock of recent constitutional and institutional changes in decentralized management and changes in rural India. The 73rd constitutional Amendment Act endows PRIs with constitutional status. It constitutes a significant landmark in the evolution of the grass root democratic institutions in India. It ensures full freedom to plan according to local need and local Potentials. The comprehensive framework will truly transform the rural economy and will give a practical shape to people’s participation in the process of economic development with justice. With the above analysis Ratna Ghosh and Alok Kumar Pramanik (2007) portrays that Panchayat is an old conception in India and it is an earlier concept of democracy in the history of civilization. Now-a-days, PRIs have been proclaimed as the vehicle of socio economic transformation in rural India. The importance of Panchayat system has been emphasized by political thinkers and administrators of all ages.

The fiscal success of recent efforts towards strengthening and reforming rural governments in India through the process of rural decentralization that has taken place in order to evaluate how far the rural governments have effective control over expenditure is being evaluated by Sikha Jha (2002) in her article. The analysis is based on the budget data of rural government in seven Indian states during the decade of 1990s and present recommendation to make fiscal decentralization more effective. P. Geetha Rani (1999) analyzes the 73rd and 74th constitutional amendment acts, 1992
who had added a new dimension to fiscal federalism and decentralized public finance in the Indian federal system. The structure of intergovernmental fiscal relation will have to undergo significant changes. Their provisions relating to the creating of state finance commission (SFC) to rationalize fiscal relations at the sub-state level and make periodic fiscal corrections assume significance in this context. This article reviews critically the recommendations of five State Finance Commissions such as Karnataka, Kerala, Punjab, Rajasthan and West-Bengal, on fiscal devolution with reference to rural local bodies (Panchayati Raj Institutions). M. A. Oomen and Abhijit Datta (1995) discuss Panchayati Raj Finances in the context of the 73rd and 74th constitutional amendments. There are two papers in this volume which partially tries to fill the vacuum in India. The first paper reviews the existing structure of Panchayat Finance in a historical context, and discusses the important principles and problems of intergovernmental transfers in the Indian federal polity in the context of the constitutional amendments and recommendations of 10th Finance Commission. The second paper focuses attention on the conceptual and operational problems before the state finance commissions in relation to Panchayat functions and finance. Soumen Bagchi and Soumyadeep Chattopadhyay (2004) analyse the impact of decentralization on the mechanism for financing urban basic services in India, for which a decentralization index is constructed. Analysis reveals that developed states and larger cities and towns were the major destinations for domestic institutional funds and external assistance. The approach of full cost recovery and the imposition of strict financial discipline on state governments by the reserve bank of India will result in the further concentration of funds in these areas.

The ‘Local Government Finances in India’, which is an outcome of the proceedings of the National Conference, portrays that a meaningful democratic process must rest on the bedrock of vibrant local self-governing institutions and decentralized development planning at the grass root level. There has been growing interest in decentralized planning and administration arising out of disillusionment with the centralized approach. There is thus urgent need to make the local self-governing bodies viable. 73rd and 74th constitution amendments are a welcome step in the direction of restructuring local government finances in India. There are fourteen papers in this volume which examine the issues like the role of state finance commissions, the present status and future prospects of municipal finances, local resource mobilization,
municipal expenditure, grant-in-aid, reforms in municipal services charges, rent control and property tax base, non-tax revenue generation by local bodies, policy options for reforming local government finances. The book is also enriched by case studies from different states and useful data. M.A.Oomen (2006) envisages that after a decade of decentralized governance, the fiscal decentralized scenario is still disturbing. There is a decline in the percentage of local government expenditure in relation to the total government expenditure in major states. The revenue decentralization trend is also no better and the average rate of growth in the tax revenue in the Panchayati-Raj Institutions as well as the urban local bodies in most of the states has been negative. It renders the efforts to build autonomous local governments impossible. Pratap Ranjan Jena and Manish Gupta (2008) maintain that there is no national database on Panchayat finance in India, which limits any meaningful analysis of the revenue effort of Panchayats. Based on the field survey in the four states of Chatishgarh, Madhya Pradesh, Rajasthan, and Orissa the article studies the own revenue effort of rural local bodies within their statutorily defined revenue rights. The study finds that the assigned tax rights are not fully utilized by the Panchayats and the non-tax revenue is the dominant source of their own revenue. A comparison of own revenues of the Panchayati Raj institutions for 2005-06, based on survey results with those reports by the Twelfth Finance Commission for 2002-03 shows a huge difference between the two sets in case of per capita own tax in Madhya Pradesh and per capita own non-tax in Chatishgarh. The article is organized into three sections. Section 1 discusses the survey design and data collection methodology while section 2 provides the background to the revenue rights of Panchayats. Survey findings are analyzed in section 3 and final section 4 provides concluding remarks and suggestions.

T. M. Joseph (2007) makes a performance appraisal of the local governance mechanism in the first ten years of its mandatory existence. It throws light on the ideas behind these institutions, the challenges they face and the strategies to contain them. Attempting at understanding local governance the contributors deliberate on decentralization and development, people’s participation, the emerging paradigm, dynamics and challenges and emerging paradigms of local governance. Niraja Gopal Jayal, Amit Prakash and Pradeep K. Sharma (2006) portray the complexity of local governance, both rural and urban in contemporary India. It argues that there is more to
local governance then focus on decentralization. It illuminates some of the lesser known aspects of the interface between Panchayats and other institutions of local governance, whether district administration or parastatal agencies and civil society organizations. The essays stress the continued domination of bureaucracy and local elites over elected local bodies and the persistence of rent seeking in development works. The book also covers special attention to regional variations across states in the broader context of local governance, drawing out important comparative lessons. The book also looked at the relationship between the institutions at the local level and Panchayats, sectoral experiences in health and primary education, local governance in urban and rural setting, finally issues of transparency, representation, accountability in local governance. India has the experience of more than a decade of the working of decentralized planning and Panchayati Raj under the new dispensation envisages Mahi Pal (2008). At this juncture, it would seen opportune to take stock of the process that has taken place towards decentralized planning in terms of the issues as follows: whether the Gram Panchayat level in consultation with the Gram Sabha, going up to the district Panchayat; whether planning has been prepared with the involvement of the people, particularly women and marginalized sections; whether district constituted and what is their composition; whether spatial and temporal sequences of activities have been coordinated at different levels; whether adequate infrastructure in the form of planning machinery and requisite personnel are available at district and sub-district levels; whether proposals submitted by the Panchayats and Municipalities have been integrated with the departmental schemes with due regard to linkages and complementarities; whether projections were made and targets were set in right perspective by the Panchayats, Municipalities, and DPCs; whether costs and estimates for the projects included in the plans were prepared; whether the requisite basic planning skills for preparation of local plans have been imparted to elected representatives through training programme; whether adequate united funds have been developed to rural and urban local bodies for the implementation of local plans keeping in view the felt needs of local people.

The epoch making event of 73rd constitutional amendment act which had created a spurt of enthusiasm among all concerned is being assessed by G. Palanithura (1996). Intricacies involved in implementing the new system have been analysed length and breadth. In the course of the discussion in many forums, one can find out the
perceptions on the new panchayati raj system vary from individual to individual. A variety of interpretations has been given by the intellectuals, administrators, rural development functionaries and Gandhians. The moot question here is whether the people in the rural areas who are going to manage the institutions have been consulted so far in connection with the new system or not. As our founding fathers that had created the parliamentary form of government without consulting the people or their real representatives, the ruling elite at present is creating a new system of governance. Contrary to the established conventions, the author has invited the rural people’s representatives, leaders of voluntary organizations, Gandhian constructive workers to interact among themselves on the new panchayati raj system. Their views and ideas are realistic and operational in nature.

Wage employment programme is expected to generate employment opportunities for the rural unemployed and underemployed as well as creating social infrastructure facilities which are the pre-condition for sustainable economic growth. Therefore it is essential that such programmes are planned systematically and implemented properly through local institutions so that the goals are realized. The present book examines the role of Panchayati Raj Institutions vis-à-vis the implementation of one major wage employment programme called the NREP in two major eastern states of India: Bihar and West Bengal. It analyses the planning mechanisms, identification of problems, gaps and organizational constraints in the operational process. It also examines the performance of these two states with regard to the National Rural Employment Programmes since its inception. The findings would hopefully sensitize the policy makers in embarking upon similar programmes with scope for better implementation management in future. With the implementation of employment programmes the effectiveness of the PRIs also depend on the eleven schedule which was added to the constitution by the 73rd constitutional amendment which was described by Indira Rajaraman and Darshy Sihna (2007). They also analysed 29 lists of functions evolvable by the states for rural local bodies. States were free to set the speed and design of their approach to decentralization under the general framework of the constitutional mandate. Fourteen years on, a quantitative measure is attempted in this article of the extent to which functional transfers have been achieved through the budgetary transfer of funds, which respect to the fiscal year 2006-2007, in four states: Madhya Pradesh, Chatisgharh, Rajasthan and Orissa. The approach taken here is thus
radically different from that in official documents, where functional transfer to rural local bodies is dealt with in a purely qualitative manner, based on administrative notifications. Without any associated budgetary provision these don’t carry any operational significance.

Other issues of Local Government are described by various authors like Raghavendra Chattopadhyaya and Esther Duflo (2004) who describe that a necessary condition for efficacy of the reservation policy in panchayati Raj Institutions is that elected representatives have independent power and autonomy over and above not only the direct control of villagers, but also above the control of bureaucracy, party hierarchies and local elite. Two most important questions that must be asked to establish whether or not reservations make a difference for political outcomes and governance are (a) do panchayat leaders matter at all and (b) do they make decisions that better reflect the interest of their own groups? This article summarizes findings from a research project on local decentralization conducted on two districts of West Bengal and Rajasthan. The findings establish that reservation introduced as a tool to ensure adequate representation also assists in adequate delivery of local public goods to disadvantaged groups. Ahalya S Bhatt, Suman Kolhar, Aarathi Chellappa and H. Anand (2004) analyse that reservations for women and other deprived sections in the devolution of power to local governments give them an opportunity to participate in decisions pertaining to their priorities. An action research project, conducted in three phases, investigated in degrees of freedom available to women elected to self government bodies to determine local and macro fiscal policies. It demonstrated that women in self government don’t lack the capacity to direct fiscal policy, but have insufficient training to enable them to participate effectively in the budget process.

The growing distance between citizens and the representatives, they elect and the disenchantment of people with local government is of serious concern which is analysed by J B D'Souza (1999). The many pressure groups which have been arisen as a response to the situation can fill the gap only in a limited way. If we analyse particular states and their position then we can find out Maitreesh Ghatak and Maitreya Ghatak (2002) describe the experience of West-Bengal under the Panchayat system stands in sharp contrast with that of other states and, together with land reform, it has been credited for playing an important role in the impress economic
 turnaround of the state since mid 1980s. West Bengal is the first and the only major state to have had timely Panchayat elections on a party basis regularly every five years since 1978. However despite its pioneering status in terms of reforms of the Panchayat system, West Bengal lags behind several other states today in terms of devolution of power, finances and functions to the Panchayat. Also the extent of people’s participation in the planning process is significantly less compared to that of Kerala. This article studies a particular component of a set of recently introduced reforms of Panchayat system in West Bengal that is aimed precisely at addressing this concern: the introduction of mandatory village constituency (gram sansad) meetings. But Rashmi Sharma (2003) analyzes the success and shortcomings of the people’s campaign in Kerala. Although Kerala’s socio economic context and political culture have placed it in a unique position to realize the goal of democratic decentralization, and the campaign itself is a remarkable example of the state’s capacity for intelligent public mobilization, it was found that the plan implementation faced some major hurdles. On the basis of a case study conducted on the Palakkad district the author also looked at the actual follow-up events and the impact of political affiliations, staffing issues and lack of technical expertise on the course of project implementation. The article argues that the discourse on decentralization in Kerala also has relevance for the whole country because people’s campaign in that state has offered a new paradigm for participatory planning. The issues, it has thrown up can help to focus attention on what needs to be done to make decentralization a meaningful exercise in other states. S Mohanakumar (2002) analyzes that the People’s planning programme, launched in Kerala in 1997, heralded a new approach towards decentralized planning and the participation of people in development programmes, especially by women and backward classes. However, the UDF, which took over government in that time, had diluted many of the provisions of this programme, including funding, which may prove to be a setback to the functioning of this unique plan. Nandana Reddy and Damodar Acharya (2007) highlight the recent amendment to the Karnataka Panchayati Raj Act giving state legislators powers over the gram sabhas and panchayats not only takes away the latter’s right to choose beneficiaries for government funded programmes but also affects the right of rural voters to participate in local self government. Dayabati Roy (2008) analyse that decentralization of power and the institution of Panchayati Raj system in West Bengal have been expected to aid the disappearance of sub-alternate (or a state of powerlessness) by way of caste, class,
gender. On the contrary, an ethnographic investigation in a village Panchayat reveals that divisions between the elite and the subaltern continue to exist in a complex form despite grassroots democracy in the state.

After 10 years of the 73rd and 74th amendments, the third tier of rural local government and urban local government bodies remains no more than an agency and not even the sole agency of the state government argues Vinod Vyasulu (2004). He analyses this article on the basis of a field study. This is true in perhaps all of India’s states in both the rural and urban sectors. The 73rd and 74th constitutional amendments open up an opportunity to change the local government to local self government. This has yet to be realized. Some suggestions are also offered in the question relating to how it can be done simultaneously. Ramesh Ramanathan (2007) describes that Panchayat Raj Institutions for the rural areas created after great and prolonged struggle which have given rural dwellers their self governance structures and a fair degree of empowerment. Nothing similar has been done for urban dwellers. Participatory involvement of citizens in and accountability of local governance structure are almost totally absent in urban areas. The author discusses the work of a nongovernmental organization in which he is actively involved in attempting to create informal structure that seek to redress these shortcomings and offers a charter for more formally recognized structures that could be organized on a wider scale to give the urban dwellers a voice. Vyasulu (2002) again argues that there is a blind spot in Jean Dreze and Amartya Sen’s updated version of their earlier book India: Economic Development and Social Opportunity which has to do with the instruments of public action. Representative governance at the local level is something new in India after 1993 and Dreze and Sen, fail to appreciate the true nature of local self government as a key instrument of people’s participation. Aurellano Fernandes (2003) describes that ‘aggrandizer government’ in most states, continues to hold on to most powers, even as they have been formally devolved to local government through conformity legislations. Deficiencies in facilitating the potential of Panchayati raj persists at three levels – state, Panchayati raj Institutions and societal levels. Big government at the state level with a patrimonial perception of self and aggrandizer instincts has pushed the ‘self governance participatory model’ of the Panchayats to the periphery both at the level of discourse and praxis. This coupled with conceptual inadequacies, epistemic and operational constraints, poor finances, and political interference have
posed a serious challenge to the realization of the potential role envisaged for Panchayats in the 73rd amendment. If Panchayati Raj has to fulfill its foundational tenets of empowering the community, there is need to recognize the primacy of societal good over individual or political goals. PRIs have to transform themselves into community institutions fulfilling social contract with an all inclusive participatory planning and associational as essential methodologies.

Mumbai needs a different kind of governance, decentralized to a local level and run by individuals more clearly answerable for their local performance, rather than being run by ministers who have state wide responsibilities and constituencies advocates Vidyadhar K Pathak and Shrish B Patel (2005). This article describes the current planning procedures, and looks at a Canadian alternative based on the public participation, consensus building and devolution of local planning to local authorities. It also suggests that the Mayor-in-council system of governance successfully pursued in kolkata, might have produced a more effective response to disaster. Finally C. H. Hanumantha Rao (2005) discusses that India can learn a great deal from China in the matter of decentralization to the local level institutions. The decision making, implementation process, flow of foreign direct investment into rural enterprises and joint venture with foreign enterprises in China are commendable. Hence there is a need to promote exchange of visit and collaboration between India and China for mutual advantage.

A Brief Comparison of Local Self Government in Russia and India

- The Constitution of Russia in 1993 incorporated the Local Self-Government as an autonomous institution in chapter-viii where as the 73rd and 74th Constitutional Amendment Act 1992 makes Local Self-Government a constitutional body.

- Article-12 of the Russian Constitution states Local Self-Government as an independent body which doesn’t form part of the system of bodies of state power where as in India article-40 and 243G state that the state shall take steps for village Panchayats for the better functioning as an institution of Self-Goverment.

- The people of Russia autonomously resolve the questions of local issues of importance whereas in India the people’s representatives resolve the questions.
Chapter - I

- Article-130 of the 1993 Constitution states that Local Self-Government is exercised by means of referendum, direct forms of election and expression of will whereas in India Local Self-Government is constituted through direct as well as indirect elections.

- Local Self-Government is exercised with due consideration for historical and local tradition in Russia whereas in case of India there is no such constitutional provision.

- The composition and structure of Local Self-Government (both rural and urban) in Russia are determined by the people (Article-131) whereas in India it depends upon the state legislatures (243C & 243R).

- Article-132 of the Russian Constitution states that bodies of Local Self-Government manage municipal properties, formulate, approve, implement the local budget and levy local taxes and duties whereas 243-H and 243-X articles of Indian Constitution states that legislatures of state by law authorise the Local Self-Government bodies to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such provisions.

- As far as Article-133 is concerned Local Self-Government in the Russian Constitution is guaranteed by the right to judicial protection whereas in Indian Constitution Article 243-O states that courts can’t interfere in electoral matters except by an election petition.

- In India 73rd and 74th Constitutional Amendment acts provide a finance commission to review the financial position of the Panchayats and the Municipalities in each and every state whereas this provision is not found in Russia.

Significance of the Study

Above mentioned comparison can help both the countries to improve their systems of local self government. The systems of local self government of various countries can help Russia and India a lot. Russian policy makers can implement many of the constitutional provisions of India to improve the people’s participation in democratic process. India can implement the judicial power of local self government which is followed by Russian Constitution. In this way if one follows the findings of the study it will be help to the policy makers and research scholars who will be interested in further research.
Nature and Scope of the study

The proposed study seeks to go beyond the simple analysis of existing facts. It will try to examine and explain the instances then compare the system of local self government in two countries. As the constitution is the key in defining the role and responsibilities of various organs of the government, the institutional aspects of local self government obviously are the primary focus of the study. But an attempt will also be made to compare the dynamics of local self government of the two countries.

The experience of local self government in Russian federation is just over a decade old. In India though it is older but in its present form it came into being about a decade back. But the system of local self government in India is in a mature stage in comparing to the Russia one. While comparing the local self government in these two countries, the experience of other countries like UK, USA, France and Japan can also be taken into consideration for a better understanding of democratic decentralization process. Democratic decentralization came into special focus after the signing of the world charter of local self government a decade back. European Charter of Local Self Government was the founding stone of local self government all over the world. Although Russia has been legislating local self government (following European Charter of Local self Government) as a strong institution in federal set up, still the local self government lacks clear legitimacy, autonomy and finance to function properly. The time has come to make a study between institution and processes on the one side and issues of autonomy and finance on the other side in Russia and India. Both the countries can learn from each other’s experience and other successful countries experience of local self government.

Objectives

➢ To analyse the factors which led to the adoption of the system of local self government in Russia and India.

➢ To study the historical development and functioning of local self government system in two countries.

➢ To assess to what extent the framework of local self government has been able to fulfill the aspirations of people at grassroot level in the two countries.
To look at the emerging trends and challenges facing local self government in Russia and India.

To see how the two countries can learn from each other’s experience of local self government.

To attempt a general structure of grass root democratization through the comparative study of Russia and India.

To study the difficulties and prospects of local self government, contextualizing them in different socio political paradigm.

Hypothesis

- The absence of clear-cut constitutional provision regarding the powers and responsibilities and the inability of unwillingness of the federal government to come out of legislation, devolving real powers and adequate resources has hindered the growth of local self government in Russia, situation reminiscent of India before 73rd and 74th amendments.

- Open resistance by regional Governors to the implementation of local self government in their attempts to marginalise the powers and functions of local self government has practically subverted the local self government in Russia.

- The policy of federal and regional authorities of shifting their obligation (such as health care, infrastructure and recreation) to local government without transferring financial resources has created heavier burden on local budgets in Russia.

- The local administration in India suffers greatly because the financial and accounting system as prescribed by the state government is not followed strictly, leading to embezzlement, leakages and extensive underassessment.

- The higher financial autonomy in local self government and lower bureaucratic control from regional / provincial / state government would strengthen the democratic decentralization process not only in Russia but also in India.

Tentative Chapterisation

Introduction – It will discuss various concepts related to local self government and democratic decentralization.
Chapter- 1- System of Local self Government in Major countries: This chapter will discuss the various types of local government and local self government prevailing in major countries and their functioning.

Chapter-2-Evolution of Local self Government in Russia and India: This chapter will discuss the historical origin and factors which led to the adoption of local self government in Russia and India.

Chapter-3- Financial Autonomy of Local self Government in Russia and India: This chapter will delineate the gradual process of financial autonomy of local self government in Russia and India in a comparative perspective.

Chapter-4-Functioning of Local self Government in Russia and India: This chapter will examine the functional aspects of local self government in Russia and India in a comparative perspective. It will also analyse problems face by them.

Conclusion: The chapter will summarize the main findings of the study. An attempt will also be made to give some recommendations.