Chapter - 3

LOCAL GOVERNANCE SYSTEM IN INDIA AND KERALA: HISTORICAL BACKGROUND

3.1. Introduction

The present chapter of this study analyze the historical background and motivating forces of decentralization reforms in India and Kerala. A wide range of factors, act as ‘motivating forces’ to choose the policy of decentralization, and in designing the local government system in a country. Forces that motivate policy change toward democratic decentralization exist on a variety of levels and in a variety of forms (RTI,1997:4). Various factors influenced India in choosing the local government system as an important structure of political organization and democratic decentralization as a policy option to strengthen people’s participation in development planning and local governance. In India, several environmental conditions motivated to shape the decentralized system of governance, including the concern of the colonial rulers to a centralized regime and the vision of the nationalist leaders of Indian independence movement to strengthen self-governance of the villages.

The insights of Mahatma Gandhi on constituting and strengthening Panchayats is one of the prominent motivating forces, which also laid the intellectual foundation of local government system in the country. Perhaps the most enduring image of decentralization in India is Gandhi’s vision of village ‘swaraj’, in which universal education, economic self-sufficiency and village democracy would take the place of caste, untouchability and other forms of
rural exploitation (Johnson, 2003:16). After the attainment of independence some successful experiment of decentralization and local development have been undertaken by different state governments with the support of certain institutional forces, which include political will and commitment of the state governments and the innovative policies and actions. The state of West Bengal and Karnataka are examples in India during the pre-constitutional amendment period and Kerala is the promising example during the post constitutional amendment period. But in most cases, the institutions of local governments in India have been designed to serve the interests of the ruling elites and based on their political vision and not to serve the democratic interests of the people at the local level.

3.2. Local Government System in the Pre-British Period

India has a rich and long tradition of the functioning of local self-governing system and traditionally it is known as Panchayati Raj. The concept of local self-government is not new to our country and there is mention of community assemblies in the vedic texts (ARC, 2007:2). The history of decentralization in India begins with the panchayats, which comprised of five respected elders, who led and acted as the main interface between the villagers and higher authorities (Reghunandan, 2012:1). In India, during the traditional period, all institutions of political authority were structured in a feudal order and the village chieftains exercised enormous powers and influenced the life of the village community. The Greek Ambassador, Megastanes, who visited the court of Chandragupta Maurya in 303 BC described the city council which governed Pataliputra comprising six committees with 30 members (Ibid.:2). Such type of participatory institutional structures also functioned in South India. In the Chola Kingdoms, the village council together with its sub-committees and wards, played an important part in administration, arbitrated disputes and managed social affairs (Ibid.). In the tenth century book “Neetisastra” details of a village panchayat or elected body of the people have
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been given (Thankappan, 2000:1). These village councils exercised important functions such as, collection of revenue, assessing individual contribution and negotiating the collective assessment with the king’s representative. During the pre-colonial period, the social order of Indian villages have been directed and maintained by the Panchayats. Panchayats were held responsible for maintaining and governing village society in accordance with the socio-political norms of their times (Retnaraj, 2006:3). The panchayats in those days exercised large number of functions ranging from executive, administrative, financial and, even judicial functions.

In the pre-British India, both caste and village panchayats existed. Caste panchayats were concerned with issues related to ‘jajmani’, marriage and rituals and village panchayats consisted of elders of prominent household in a village (UNDP, 2000:5). Caste panchayats have been a predominant social reality of India, which dictated the organizing principles of polity and society (Retnaraj, 2006:3). Village panchayats consisted of elders of prominent households in a village (UNDP, 2000:5). The village panchayats were mainly undertaking the responsibility of adjudicating civil disputes related to rights in land and administered criminal justice. They also performed the regulatory functions related to the protection and maintenance of common resources like, gracing lands, forests and water bodies. In one way or other the village communities in India, during the pre-colonial period was self-sufficient and autonomous. Self-sufficient and self-governing village communities that survived the rise and fall of empires are an important element of any stylized description of pre-colonial India (Isaac and Franke, 2000:16). Perhaps, the local self-governments in the modern period are not an outgrowth or a natural extension of the traditional structure of political authority that existed during the traditional period. Moreover, these institutions were not democratic in the present sense of the word, though the system was part of the social and economic life of the people (Thankappan, 2000:1). These institutions mainly
served the interest of the upper caste and upper class sections of society. The interests of the depressed classes, the bonded laborers, the landless agriculture laborers and the like were not considered by the panchayat system that existed during these days.

3.3. Decentralization During British India

The modern local government system in India was established by the British colonial rulers. In order to serve the interest of the colonial rulers the first urban local government was formed in the town of Madras in 1687 (Isaac and Franke, 2000:16). Similar municipal bodies were created at Bombay and Calcutta in 1726 (ARC, 2007:2). These municipal bodies were basic units of administration and enjoyed large number of regulatory and judicial powers. The setting up of representative institutions at the local level in India resulted from the efforts of the British rulers to make use of the intelligent class of indigenous people in the governance process and to consolidate their political power in India. Local bodies were considered more efficient instruments for improving the sanitary conditions of the urban centres, an important task for the wellbeing of the European inhabitants and their troops quartered there (Isaac and Franke, 2000:16). Under the British, the panchayats started slowly losing their self-governing character and the traditional authority structure. The authority of the state began to be felt in the villages directly (Retnaraj, 2006:3).

Viceroy Lord Mayo’s resolution of 1870 is an important landmark in the evolution of local self-government during the British rule (Ibid.:4). With this resolution the British rulers enlarged the powers and responsibilities of the provincial governments and presidencies and local governments began to undertake large number of civic and development functions such as, local public works, health services, sanitation, education etc. Arguing for budgetary freedom for development functions to be performed by local bodies, Lord Rippon’s Resolution of 1880 stressed that the educative principle of training people to participate in representative institutions of government should not be subordinated to demands for efficiency in development activities (UNDP, 2000: 5).
In 1872, Lord Mayo introduced elected representatives for these municipalities and this was further developed by his successor, Lord Rippon, in 1882 (ARC,2007:2). With these Resolutions, the traditional panchayati raj system paved the way for modern local government system. The role of panchayats as institutions administering justice was eliminated by the British Raj (UNDP,2000:5). Legislation in 1860 such as the Indian Penal Code (IPC), Criminal Procedure Code (Cr.PC), Contract Act etc. along with Baden Powell’s schema for land revenue settlements supplanted the customary/traditional law (Ibid.). Collectorates and courts usurped powers of caste/village panchayats to establish rule of law (Ibid.). By the 1880’s, these urban municipal bodies had a pre-dominance of elected representatives in a number of cities and towns, including Calcutta and Bombay (ARC,2007:2). The network of local self-government was introduced in British India through a Resolution by the then Viceroy Lord Ripon on 18\textsuperscript{th} May 1882 (Bhogle,1977:18). A corresponding effective structure of rural areas came up with the enactment of the Bengal Local Self-Government Act, 1885, which led to the establishment of district local boards across the entire territory of the then Bengal province (Ibid:2). Subsequently, within five years large number of district boards became functional in other parts of the country.

The Minto - Morely Reforms, 1909 and the Montegue Chelmsford Reforms, 1919, when local self-government became a transferred subject, widened the participation of the people in the governing process, and by 1924-25, district boards had preponderance of elected representatives and a non-official chairperson (Ibid:2-3). In 1919, to ease the burden on imperial finances and bring to bear local supervision and vigilance on development activities, local bodies were re-legislated to life in other presidencies (UNDP,2000:6). Following the Government of India Act of 1935, popularly elected governments came to power in British India. However, the basic structure of the laws regulating the panchayats, municipalities and local boards did not
changed substantially. Several provincial governments enacted legislations on panchayats and municipalities between 1947-50 and these legislations carried over to the post-independence scenario and remain valid till the adoption of the new constitution in 1950.

3.4. Decentralization and the Nationalist Movement

The concept of Panchayati Raj attained wide attention during the period of the struggle for independence. The vision of Mahatma Gandhi on ‘Grama Swaraj’ deeply influenced the leaders of the national struggle for independence and there was a strong belief that village panchayats should be treated as the primary units of grass roots democracy. After the attainment of independence, the All India Congress Committee in a resolution in November 1947 clearly stated the objectives of the panchayati Raj system in India as follows:

Political independence having been achieved, the congress must address itself to the next given task, namely, the establishment of real democracy in the country and a society based on social justice and equality. This can only be realized when democracy extends from the political to the social and the economic sphere. Democracy in the modern age necessitates planned central direction as well as decentralization of political and economic powers, in so far as this is compatible with the safety of the state, with efficient production and the cultural progress of the country as a whole. The smallest territorial unit (the village) should be able to exercise effective control over the corporate life by means of popularly elected panchayat.

Gandhiji formulated the concept of Village Swaraj on the basis of his own ‘re-reading’ of Indian rural history (Tharakan, 2012:50). Gandhiji believed that the Indian villages were self-sufficient republics as described by some British administrators themselves (Umapathy, 1985:312). The village republic should be guided through voluntary disinterested service for the common good,
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contours of which can be delineated at the lowest level, through popular consensus or *Lokniti* and not through political contestation and majority decision making or *Rajniti* (Narayan, Jayaprakash, “Forward” in Dharamapal). Gandhiji has said very clearly that “Self-government means continuous efforts to be independent of government control, whether it is foreign government or whether it is national (Gandhi, 1925:276). There were serious criticisms leveled against the idealistic view of Gandhian Village Swaraj. One was that it conceived the village society on purely idealistic terms (Tharakan, 2012:52). It believed that in the past, Indian villages were autonomous self-governing ‘republics’, which were not affected by whatever institutions which were ruling ‘above’ them. It also believed that in the new dispensation such village councils or panchayats will be conditioned by communitarian ideas and ethical values of ‘adjustment, harmony and co-operation’. The latter situation could not be seen in operation in Indian villages empirically, either contemporaneously or historically. Another major objection was that the village panchayat, which were to be the basic unit of the new nation, is to be not elected by the basic democratic principle of one person one vote; but by consensus (Ibid.). There was no guarantee that the consensus will not be engineered and maneuvered by the existing dominant forces. (Ommen, 1978:653) has pointed out the Gandhian concept that “Life is conceived as harmonious and cooperative, not conflicting or competitive, everyone will be thinking for the community as a whole cannot be found in operation in Indian villages.”

Meanwhile there was another thinker, M.N. Roy who had made his own contribution to the concept of village government as village self-rule. His opinion in this regards was described as follows, “The people can have a hand in the government only when a pyramidal structure of the state will be raised on the foundation of organized local democracies….where as the Gandhian concept of local organization was social…Roy’s model is severely political; he
calls it “Organized Democracy” (Tinker, 1968:221). Jayaprakash Narayan who has directly contributed further to Gandhian thinking on local self-government of Gramraj, says that there is besides the “atomized and inorganic view of society’ an organic or communitarian view (Jayaprakash Narayan, “Forward” in Dharmapal:10). It should be noted that the earlier existing upsurge for decentralization emerging from Gandhian thought and from the national movement had already a decisive set back in the Constituent Assembly (Tharakan, 2012: 49)

3.5. Efforts to Strengthen Local Governments after Independence

Though the Gandhian concept of Village Swaraj was successful in attracting millions in to the national movement, it was not so successful in finding an important place in the Indian Constitution. (Ibid.:52). The argument that village councils (or panchayats) should become the base upon which other tiers of governance be built upon, was raised in the Constituent Assembly by Sriman Narayan and other Gandhians (Ibid.). It was opposed by many prominent leaders of the national movement as well as members of the Drafting Committee (Ibid). Dr. B.R. Ambedkar’s opposition to the proposal that the idea of voluntary consent be made the basis of government is well known (Dharmapal, 14-92). He opposed such a system on the ground that the village panchayat was a “sink of localism and a den of ignorance and narrow mindedness and communalism”. Dr. Ambedkar feared that strengthening of the Panchayats would naturally lead to consolidate the power base of the upper caste and dominant section of the landlords in the local governments and they would further oppress and exploit the deprived sections of the society. Gandhiji, on the other hand observed, “It is certainly an omission calling for immediate attention, if our independence is to reflect the people’s voice. The greater the powers of the Panchayats, the better for the people” (Harijan, December 21, 1947).
Equally well known was the opposition of Jawaharlal Nehru who thought the ideas emanating from Gandhi’s 1908-09 book have become by then “out-dated and unsuited to modern parliamentary ethos” (Mishra, 1998:209). In the ensuing tussle, the idea of Village Swaraj and panchayat got no place in the Constitution except being delegated to the non-justiciable Directive Principles of State Policy (Tharakan, 2012:52). Gandhiji conceived Panchayati Raj as an effective and potential system for development of the rural people and strengthening the productive sector in India. His concept was that every village should be a republic having powers and in an ideal democracy each individual has to participate in the decision making and implementation process (Thankappan, 2000:2). The question of the role to be assigned to Panchayat was obviously a subject for discussion and heated debate while drafting the Constitution of India.

The first draft of the Constitution did not make any reference to the Panchayats at all (Ramachandran, 1988:2). Ultimately in the entire constitution of India the reference to the local governments restricted its appearance at two or three places only, Article 40, List II (State List) of Seventh Schedule and Article 171 (Thankappan, 2000:2). Article 40 of the Directive Principles of State Policy laid down that, “The state shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government”. Schedule Seven of the Constitution placed the operationalization of this Article at the State List (list II), “Local government, that is to say, the constitution of powers of municipal corporations, improvement trusts, district boards, mining settlement authorities and other local authorities for the purpose of self-government or village administration”. While distributing powers between the Union and the states, the Constitution of India at Article 40 (Directive Principles of State Policy) vested local bodies and Panchayati Raj as a subject with the states but did not further elaborate on the relations between the states.
and this third tier of government (UNDP,2000:6). Local Self-Government Institutions are thus the creatures of the state legislatures and their continued existence and functioning depend on the decisions of the state government taken from time to time.

3.5.1. Various Committees and Commissions to Strengthen the Panchayati Raj System

Various commissions and committees have been meaningfully contributed to the designing of Panchayati Raj system in India. Perhaps the most important among these- particularly since independence –were the Balvantray Mehta Committee of 1957, the Ashok Mehta Committee of 1978, and the G.V.K.Rao Committee of 1985 (Jha, 1999:13). In order to strengthen people’s centric development administration through the Panchayati Raj system, the Centre in the early 1950’s launched the Community Development (CD) Programme. The First Five Year Plan also stressed the importance of people’s participation for rural development through local representative institutions. Though massive amount of financial resources flowed from the Centre to the NES Blocks, the development schemes did not produced significant results and which ultimately resulted in lack of people’s participation, bureaucratic control over development programmes and corruption. Based on the experience of the CD Programme, the National Development Council constituted the Balvantray Mehta Study Team in 1957. The Balvantray Mehta Study Team’s key recommendations were:

- The Government should divest itself completely of certain duties and responsibilities and devolve them to a body which will have the entire charge of all development work within its jurisdiction, reserving to itself only the functions of guidance, supervision and higher planning
- At the block level, an effective self- governing institution should be set up with its jurisdiction co-extensive with a development block
The Panchayat Samiti should be constituted by indirect elections from the Panchayats (Report of the Study Team, 1957:129).

The Balvantray Mehta Study Team submitted its report in 1957 suggested democratic decentralization of administration with Panchayats at the village, block and district levels. The Study Team also recommended for constitution of statutory elective local bodies with the necessary resources, power and authority devolved on them and a decentralized administrative system working under their control, which became the genesis of Panchayati Raj system introduced in the country (Hanumantha Rao, 2012:47). The committee thus recognized the compulsion of ensuring (a) accessibility of people to decision making process and (b) political and financial autonomy of the local bodies as a means to evoking enthusiasm about, and initiatives for, development effort at the grass root level (Aziz, 2000:3). This Report was enthusiastically endorsed by the Central Government and the first Prime Minister, Pandit Jawaharlal Nehru, lit a lamp on Gandhi Jayanti, 2 October 1959, in Nagore, the constituency of Minister S.K. Dey in Rajasthan, to signal the commencement of Panchayat Raj in the country, backed by laws prepared and passed by each State Assembly severally (Report of the Expert Committee, 2013:2). The significance and importance of Panchayat Raj system was well received by the nation and several states constituted PRIs in the late 1950’s and early 1960’s. By the 1960’s, Gram Panchayats covered 90 per cent of the rural population in the country, out of 4974 Blocks, Block Samitis were formed in 4033 Blocks and out of 399 districts in existence, 262 Zila Parishads were also constituted with varying degrees of actual power (ARC Sixth Report, 2007:4). However, once the initial enthusiasm had run its course, and particularly after the passing away of Prime Minister Nehru in May 1964, there was a gradual withering away of Panchayat Raj in many parts of the country (Ibid.:3).
But after the initial years of the working of the Panchayati Raj system, there was a period of stagnation and degeneration of the democratic functioning of the PRIs. During this period the landed rich and high caste took control of the system, turning the rural masses away from the new set up (Thankappan, 2000:3). The bureaucracy deliberately exploited the situation of lack of capacity of the elected representatives and hesitated to strengthen the democratic decentralization process in the PRIs. Political and bureaucratic resistance at the state level to sharing power and resources with the PRIs, is often cited as the single most important reason for the failure of the grassroots level democratic institutions in India.

The new Central Government led by Janatha party appointed another committee on Panchayati Raj headed by Ashok Mehta in 1977, to recommend measures to be taken to strengthen decentralization, both in planning and implementation. The Ashok Mehta Committee, which submitted its report in 1978, perceived a more comprehensive role for the PRIs such that they would “undertake democratic development management under conditions of rapid changes, continuous growth and sustained innovations in all aspects of rural life (Government of India, 1978:77). The Ashok Mehta Committee clearly suggested the establishment of a two tier PRI system by direct or indirect election with special representation to women, Scheduled Castes (SC) and Scheduled Tribes (ST). The Committee also recommended to provide adequate financial resources and an appropriate bureaucratic set up which are required to undertake development responsibilities vested with them. The Committee maintained a strong political vision that participation of people can be strengthened only though the PRIs having necessary powers and resources.

The Ashok Mehta Committee’s recommendations for democratic representation for people in the PRIs and adequate representation to women, Scheduled Castes and Scheduled Tribes emphasized the significance of
democratic and inclusive local governance system in India. The Committee also suggested the linkage between the PRIs and the state government through the representation of elected members of Parliament and Legislature to the local bodies located in their constituencies. The Committee also suggested to demarcate the functional responsibilities of the three different tiers of PRIs. The Zilla Parishad should be vested with the authority to plan for the district, and the Mandal Panchayats should be responsible for plan implementation and the administrative staff of the PR institutions should work under the supervision and control of PR institutions (Aziz, 2000:4-5). Ultimately, politically elected Panchayat councils were mooted by the Ashok Mehta Committee (Tharakan, 2012:54). Village level political contestation and comprehensive network of local level democratic institutions were accepted as part of local governments in the Committee’s report (Ibid.).

Among the measures recommended by the Ashok Mehta Committee were:

- The establishment of democratic bodies below the state level is an imperative from the political and socio-economic perspectives
- Transfer substantial quantum of powers from the State Government to the local bodies
- When they (State Governments) delegate the responsibilities for implementation to lower levels, they can concentrate on refining strategies of higher level policy making
- District should be first point of decentralization under policy supervision
- Grouping a number of villages to constitute Mandal Panchayats to facilitate the forging of necessary linkages with schemes for development of local points and growth centers
- The Block level Panchayat Samitis….would be converted in to non-statutory executive committees of Zila Parishats
• At the village level the people would be involved in Mandal Panchayats through the Village Committees (Ashok Mehta Committee Report, 1978:176).

The most important and innovative idea contained in the Ashok Mehta Committee report was for an amendment to the Constitution to give mandatory provision for the PRIs and to implement democratic governance at the grassroots level throughout the country. The recommendations of this Committee was useful and suitable to re-organize the Panchayati Raj system and to remove the shortcomings and defects with a view to enable these institutions to fulfill their future role (Ramachandran,1998:8). Thus, the Ashok Mehta Committee (1978) recognized the need for constitutional sanction and included in its report a draft constitution amendment bill formulated by 21 eminent citizens including E.M.S. Namboodiripad, S.K.Dey, Ramakrishna Hegde, Madhu Limaye, S.M. Joshi, and L.M.Singhvi (Chandrashekar, 2012:61). The major provisions in the draft bill were incorporated while drafting the Constitutional Amendment Bill in 1992.

Following the recommendations of the Ashok Mehta Committee Report, some State Governments enacted comprehensive legislations for setting up of democratic institutions below the State level. The most notable among them was the Karnataka Zilla Parishad, Mandal Panchayat, Gram Sabha and Nyaya Panchayat Act of 1982. (Ibid.:10). The Ashok Mehta Committee Report was widely discussed and the subjects of decentralization and district and local level planning are once again under intensive discussion throughout the country. By the end of the Sixth Plan, all States and Union Territories had somehow or other for the establishment of one or more Panchayati Raj Institutions except the states of Meghalaya and Nagaland and the Union Territories of Lakshdweep and Mizoram (Ibid.). A three tier system has been adopted in 12 States and one Union Territory, a two-tier system in four States.
and two Union Territories and only one tier system of Panchayats in four states and four Union Territories (Ibid.).

All the recommendations of these Commissions and Committees appointed by the Central Government reiterated the need for setting up of elected local governments at the sub-state levels and to lead the country towards political and democratic decentralization. These Committees also suggested the measures to be taken by the State Governments to confer powers on such bodies and ensuring financial resources to them. Based on the suggestions and recommendations of these Committees and Commissions, several State Governments enacted legislations to constitute Panchayati Raj Institutions and to enable these bodies to exercise powers and functions within the purview of those enactments. These Committees and Commissions were considered the limitations of the Indian parliamentary democracy, that below the state level it was not mandatory to have elected bodies. Constituting representative bodies below the state level was depending upon the discretion of the State Governments. Most of the State Governments did not expressed the political will to transfer powers and funds to the elected bodies at the district or local level. Moreover, the state level bureaucracy was reluctant to facilitate the decentralization process and setting up of accountable governments below the state level and the repeated attempts to strengthen Panchayati Raj institutions have not had much success till the Constitutional Amendments in 1992-93.

3.6. Constitutional Mandate for Local Governments in India

As mentioned earlier in this chapter that one of the greatest limitations of local government system in India was the absence of mandatory provisions in the Constitution to constitute Panchayati Raj Institutions and municipal bodies by the State Governments. In 1992, the 73rd and 74th Constitutional Amendments were enacted and gave recognition and protection to local governments. With these Constitutional Amendments the institutional
constraints of local bodies, as not part of the mandatory structure of government was eliminated and local governments became representative and democratic institutions in India. These two Constitutional Amendments paved the way for strong political and democratic decentralization in India. The experience of the history of decentralization in India clearly points out that the repeated efforts of the State Governments to strengthen PRIs have been defeated by the political elites and the bureaucrats at the state level. One major reason was the centralization tendencies and lack of accountability in the political process existed in our country for a very long time. The Central Government have taken sincere efforts to create strong, empowered and democratic local governments comprising panchayats, municipalities and similar other structures of governments through the 73rd and 74th Constitutional Amendments.

Rajiv Gandhi, as an ardent advocate of decentralization made an attempt to give mandatory provision to local governments in the Constitution and to strengthen grass roots democracy through the 64th and 65th amendments to the Constitution and he himself introduced the Amendment Bill in the Lok Sabha to provide constitutional status to PRIs. The attempts of central government to bypass the state governments and link itself directly to the local bodies in the initial versions of the 64th and 65th Constitutional Amendments in 1990 drew severe opposition from various quarters (Isaac and Franke, 2000:19). This effort on the part of the Central Government was severely criticized by the opposition and considered as an effort to weaken the State Governments of our country and exert control over them through the district collectors. The non-congress governments perceive that the centre is making a new onslaught on the constitutional role and the functions of the state via the proposed amendment (Chandrasekhar, 2012:60). Some senior opposition leaders and reputed journalists have commended the bill on the grounds that: (1) the bill enables the centre to enact legislation concerning panchayats when such a thing should be left to the state governments; (2) that it provides access
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for the centre to the panchayats, and (3) that the bill in its earlier version, had empowered the governor rather than the state government to dissolve the panchayats (Ibid.:60-01). Therefore, it is widely commented that the bill is an attempt on the part of the centre to weaken the federal system and to provide the basis for centralization of power, rather strengthening decentralization and local governance.

These amendments could not secure the requisite majority in the Parliament and became a failed attempt. Finally, after a series of consultation with the mainstream political parties, including the opposition it was generally agreed that the Constitution must provide for: (1) mandatory setting up of PRIs (2) holding of periodic elections to these bodies (3) provision of reservation for the weaker groups, and (4) audit of PRIs accounts (Ibid.:61). After being referred to a Joint Select Committee they were passed by the Lok Sabha and Rajya Sabha on 22nd and 23rd December 1992, as the 73rd and 74th Amendments (Tharakan, 2009:5). As a result of the political consensus on constitutionalization of local governments, rural and urban local governments attained constitutional status. These two amendments have been widely hailed as a landmark achievement in the history of democratic decentralization in India. The 73rd and 74th amendments, which incorporated many of the provisions of the earlier failed attempt was piloted through the legislature by a minority government, largely because of the recommendations of a Joint Select Committee that considered it prior to the introduction in Parliament (Raghunandan, 2012:3). Part IX (‘The Panchayats’) and Part IX A (‘The Municipalities’) are the longest and most detailed amendments made to the Constitution since its promulgation more than half a century ago (Mani Shankar Aiyar, 2012:123). If implemented in letter and spirit, the two parts hold the promise of a silent revolution that would dramatically alter the outlook for grassroots development through grassroots democracy by endowing power to the people, in both rural and urban India (Ibid.)
The 73rd and 74th Constitutional Amendments established a three tier representative system of rural and a single tier system of urban local governments at the sub-state level in India. In fact the Constitutional Amendments gave mandate to the Union and State Governments “to establish institutions of local self-governments (Oommen, 2005:222). Moreover, these amendments are to be considered as a serious effort on the part of Government of India to constitute local governments with the aim of democratization and empowerment of citizens. With these amendments the central government wanted to lay a strong legal framework for a participatory, representative and accountable local governance system throughout the country. These amendments mandated local governments to formulate and implement local plans suited to the local needs and preferences. At the same time, while redefining the role of local governments to plan for economic development and social justice, the Constitutional Amendments clearly stress the role of the state governments to realize this goal. Moreover, the power to decide local development initiatives is often highly dependent on a state apparatus that respects the autonomy of local political institutions (Johnson, 2003:vii).

The Constitutional Amendment Acts have created an enabling environment for democratic decentralization and participatory local governance in India. These amendments mandated direct local democracy and laid the strong legal foundations for self-governing institutions at the grassroots level. These constitutional amendments provided a concrete framework to redesign the structure of centralized and representative governance that independent India received as a legacy of its colonial past (Singh and Sharma, 2007:3). As the basic structure of representative democracy has been kept intact, sovereign control of key issues concerning social and economic development has been mandated to local governments (Ibid.). Along with representative system of local democracy, institutions of direct democracy like the Grama Sabhas have been established to ensure participation of the people.
in the decision making process and to hold the elected representatives accountable to the people. The Article 243- G of the Constitution of India stipulate that the Grama Sabha may exercise such powers and perform such functions at the village level as the Legislature of a state may, by law, provide. Article 243-E of the Constitution stipulate the sustainable existence of local governments and ensured a uniform five year term and in the event of any dissolution happens, elections will have to be held within six months. The constitutional protection of the tenure of local governments is of significant importance to ensure their autonomy and freedom from departmental control of state governments.

Another noteworthy feature of the Constitutional Amendment Acts (Article 243-D) was the representation of marginalized social sections such as, women, Scheduled Castes and Scheduled Tribes. One-third reservation of women in all the elected bodies of local governments and SC/ST representation in proportion to the population was ensured in the Constitution Amendment Acts. Incorporating these provisions in the Constitutional Amendment Acts shows the inclusive approach adopted in establishing decentralized democracy at the grassroots level. In order to facilitate the transfer of adequate financial resources to local governments, the Constitutional Amendment Acts (Article 243-I) included provision for appointment of State Finance Commission by every state government to decide on revenue sharing with local governments of different tiers. Another significant institutional arrangement created as part of the Constitutional Amendment Act (Article 243 –ZD) was the District Planning Committees (DPCs) in every district to facilitate local planning process and consolidate the local plans prepared by both the urban and rural local governments mandated by the Constitution.
The ‘Eleventh Schedule’ of the 73rd Amendment also identifies 29 subject areas over which Panchayats can legitimately have jurisdiction (Johnson, 2003:18). Many of these subjects – such as agriculture, minor irrigation, animal husbandry, small scale industries – focus on local economic development. Others – such as rural housing, rural electrification, transportation and other means of communication, maintenance of community assets – are concerned with the provision and maintenance of rural infrastructure. Some others like, education, health, sanitation, drinking water are concerned with public services. Others concerned with the targeted welfare benefits such as public distribution, poverty alleviation, women and child development, welfare of the weaker sections like, Scheduled Castes and Scheduled Tribes and social welfare.

It is very clear that these Constitutional Amendment Acts marked a new turn in the history of decentralization and Panchayati Raj system in India. All the legal framework to protect foundational principles of democratic decentralization and local governance such as, participation, representation, transparency, accountability, inclusiveness and responsiveness were well built in these Amendment Acts. The Constitutional Amendment Acts significantly contributed to establish certain enabling characteristics which are of obvious importance to transform and revitalize the functioning of local governments in India. These characteristics can be listed as follows;

- Strengthening institutions of representative democracy
- Innovation of Grama Sabha as an institution of participatory democracy
- Better representation of marginalized social groups
- Increased representation of women
- Increased participation of citizens and civil society organizations
- Strengthening measures of accountability and transparency
- Significant increase in the degree of fiscal decentralization
Emergence of developmental local governments
Strengthening measures of capacity building

The constitutional amendments established legitimacy to local
governments and created a strong enabling environment for the state
governments to enact conformity legislation and to devolve powers and
authorities to local governments. These amendments also create a legal
framework and administrative procedures for democratic decentralization.
Local governments being a state subject in Schedule Seven of the constitution,
any legislation reforming the structure of local government has to, ultimately,
be enacted at the state level (Chaudhari, 2003:5). The first task of the states was
therefore, to pass conformity acts, which either introduced new legislation or
amend existing legislation, to bring the state laws in to line with the provisions
of the amendment (Ibid.).

A look in to the status of implementation of the spirit of the 73rd and
74th amendments clearly reveals that most of the states passed conformity
legislations within the stipulated time frame. But the progress of
implementation of decentralization in most of the states is slow and tardy and
does not give a happy picture at all. Unfortunately, most of the state
governments in our country failed to express the political will to transfer
significant amount of powers, authority and financial resources to local
governments, except very few states like, Kerala, Madhya Pradesh, West
Bengal, Karnataka, Sikkim Etc. Most of the state governments are reluctant to
devolve financial resources to local governments at par with the amount of
developed political and administrative powers. The State Finance Commissions
have remained only advisory bodies, which churn out advice that is never
followed (Hamid, 2004:2). Almost all the State Finance Commissions asked
local governments to mobilize their own tax revenues and non-tax revenues to
meet their development needs, but these revenue sources still remain with the
state governments. In most cases, the recommendations of State Finance Commissions to improve the financial health of local governments have not been implemented by the state governments. Almost all the SFCs have asked for own tax-sources like stamp duty, motor vehicles, electricity, entertainment, profession etc., but they continue to remain with the state governments (Ibid.). Moreover, the large number of state governments have ignored the spirit of the constitutional amendments to implement decentralization and strengthening the Panchayati Raj system. This issue was very well discussed and pointed out by the Second Administrative Reforms Commission (ARC). Even after creating a strong enabling environment and legal framework through the Constitutional Amendments, the local governments do not become the epicenter of development planning or democratic governance or as self-governing institutions. Though the constitutional amendments intend to establish self-governing institutions at the grassroots level, they did not envisage any substantial regulatory or mandatory functions for the local bodies. Thus the ideal of democratic decentralization or democratic governments at lower level would continue to elude the Indian democracy despite the recent constitutional changes (Isaac, 1998: SPB).

Ultimately, the design and scope of particular reforms was left to the discretion of individual state legislature (Chaudhuri, 2003:5). With local governments being a state subject in Schedule Seven of the Constitution, any legislation reforming the structure of local government has to, ultimately, be enacted at the state level (Ibid.). The state conformity legislations strictly observed the mandatory provisions of the Constitutional Amendments, but most of the state governments have been reluctant to devolve powers and resources and to build capacity of local governments. The past experience of over a decade shows that creating structures of elected local governments and ensuring direct elections do not necessarily guarantee effective local empowerment and devolution (ARC, 2007:21). The State Governments,
legislators and civil servants are in general reluctant to effectively empower
local governments and what is implied by the spirit of the Constitution and
principles of democracy is often ignored (Ibid.:22). Only very few states in
India have made concerted efforts to translate the constitutional provisions in
to practice and to produce far reaching changes in local democratic governance
and development planning through empowering local governments. The efforts
for decentralization in Kerala provide a lesson for good practice of reforming
the institutional design of Panchayati Raj and local government system. The
democratic decentralization initiatives taken by the successive State
Governments during the last two decades have significantly transformed local
democratic governance and development planning process through local
participation. The Kerala model of democratic decentralization is widely
acclaimed as a successful practice in democratization of local governance and
development.

3.7. Local Government System in Kerala

Kerala has been a trend setter of implementing decentralization and
democratic local governance for the whole country during the last two decades.
The Government of India (GoI) has widely acknowledged its achievements in
decentralized participatory planning and transforming local government system
with innovative democratic institutions and practices. During the pre-73\textsuperscript{rd}
Constitutional Amendment period the progress of implementing the Panchayati
Raj system in Kerala was in no way different from that of any other Indian
states (Ramakant,2006:6). The initiative of the Left Democratic Front (LDF)
government to implement democratic decentralization project in Kerala was
not an accidental decision. Various motivating forces and a wide range of
factors influenced the policy makers of Kerala to choose decentralization as a
reform measure and policy option to strengthen the local government system.
The democratization and developmental potential of decentralization to ensure
participation of all sections of society in local governance was clearly accepted
by the first democratic government assumed power in Kerala in 1956.
After the formation of the Kerala state several attempts have been made to give a strong legal framework to the local government system. The political instability that existed in Kerala and the frequent change of governments and the dissolution of state legislative assemblies prevented the passing of the Panchayati Raj Act in Kerala (Ibid.). The first democratically elected government in Kerala strongly believed that democratic decentralization is the best possible alternative to de-bureaucratize governance and to ensure people’s participation. The intrinsic values of decentralization was clearly endorsed by this government in the appointment of the first Administrative Reforms Committee (ARC) in the state formed in 1957 under the chairmanship of E.M.S. Namboodiripad, the then Chief Minister of Kerala. The effect of decentralization and its modernizing potential to transform the social and political life of the common people was clearly internalized by the first democratically elected government, which influenced the whole process of deliberation of the ARC.

The legislative efforts on the part of the first democratically elected government to strengthen the Panchayati Raj system in Kerala was focused its attention to end bureaucratic domination at the district and local level and to strengthen people’s representation and participation in development decision making at the district and sub-district level. Traditionally, there were self-governing units at the village level in different parts of the state of Kerala, exercising different degrees of control over the lives of the people (Isaac and Vijayanand, 2000:147-160). The northern part of Kerala, Malabar was part of the Madras Presidency and even before independence there were some efforts on the part of the British colonial rulers to give self-governing powers to the Panchayats, including authority in matters of education, revenue and other development subjects (Namboodipad, 2009:9). There was no uniformity in the structure and functioning of self-governing units of political authority at the local level before the reorganization of the states and the formation of Kerala.
in 1956. The political and economic changes took place in the nineteenth century and the Gandhian ideals of the Panchayati Raj system as a system favorable to promote democratic rights and self-governance of the people vis-à-vis the bureaucratic interests, contributed significantly as an environmental force to influence the policy decisions to strengthen the local government system in Kerala. Decentralization is also influenced by the individual interests of the policy makers that control the governmental structures and other societal institutions (Minis and Vansant, 1997:5).

E.M.S. Namboodipad as the first chief minister of Kerala and a lead left political ideologue, strongly believed that democratic decentralization is an essential part of local development, because it facilitates the protection of interests of the working class and other common people. His writings and other intellectual contributions on decentralization acted as an important motivating force in all the legislative and policy reforms of decentralization in Kerala, during more than four decades after the formation of the state. The successive state governments in Kerala were forced to express the political will to implement decentralization reforms due to the continuous facilitative influence of this political personality. The intellectual contributions of E.M.S. significantly influenced in designing the policy framework and systems and procedures of decentralization in Kerala.

Various environmental factors positively contributed for designing the legislative framework of democratic decentralization and local government system in Kerala. Important among them are, the long tradition of public action for political and social development, social reform movements for democratization and modernization, associational life and multiple membership of people in different political, social, religious, occupational and civic organizations, strong sentiments and faith of people in secular political culture, vibrant democratic politics, cadre based political parties and voluntary organizations with grass-roots level formation, universal education and total
literacy, conscious reduction of social inequality, high density of press and media and its proximity to common people etc. have been positively contributed to create a strong legal foundation for democratic decentralization and democratizing local governance system in Kerala.

3.7.1. Local Government System in the Pre- Constitutional Amendment Period

The history of decentralization and Panchayati Raj system goes back to the emergence of the first democratically elected government in 1957 under the leadership of E.M.S. As a lead visionary and ardent supporter of decentralization E.M.S., when he became the first Chief Minister of Kerala maintained strong view on administrative reorganization of the state in the direction of ending bureaucratic dominance and strengthening democratization in administration. A serious debate regarding the role of the local bodies in the administrative structure of the state took place within the Communist Party after the formation of the 1957 ministry (Isaac and Franke, 2000:36). The first democratic government gave top priority to administrative reforms and constituted a committee on August 15, 1957 headed by Shri. E.M.S. Namboodiripad, the then Chief Minister, for examining the working of the administrative machinery, assessing the adequacy and suggesting measures for improving its efficiency (Ramachandran, 1988:11). E.M.S. strongly believed that the colonial legacy of bureaucratic dominance should have to be ended and strengthen possibilities of people’s raj through democratically elected and accountable representatives governments at the local level is the crux of administrative reorganization of the state.

The ARC clearly maintained the view that there is no meaning in continuing the same administrative system designed by the British rulers during the colonial period (Namboodipad, 2009:17). The administrative system should consider and protect the larger interests of all sections of the society,
including the poor and the deprived, other than the law order and revenue matters (Ibid.). Therefore, reorganization of administration in line with the principles of responsiveness, accountability and democratization and the reorientation of bureaucrats in conformity with these values will be the urgent need of the hour. The ARC have made all efforts to strengthen the democratic element and strengthen democratic culture in administration. The ARC strongly believed that the colonial ills of administration can be rectified through reorganizing administration in line with decentralization and strengthening representative governments at the local level and to change the dynamics of relations between elected representatives and bureaucrats (Ibid.:17-18). The ARC mainly dealt with the problem of decentralization of power at the Panchayat, Block and District levels and made concrete recommendations to ensure participation of the people in the implementation of development programmes at the grass roots level. The committee recommended the strengthening of panchayats in the state as viable units of administration and development in the state (Oommen,2009:18).

The Committee recommended that Panchayats, directly elected on the basis of adult franchise should be made the basic unit of administration at the village level and they should be entrusted with the responsibility formulating and implementing development work and ‘social service programmes’ lying within their sphere, by working as agents of Government (ARC Kerala,1958:50). They also suggested that “there should be a continuous search to effect greater and greater delegation of executive responsibility to the Panchayats and proposed that “in regards to development, the work at the Taluk level will consequently be mainly one of co-ordination of the activities of the Panchayats” (Ibid.). The ARC placed Panchayats as the epicenter of local development and established executive powers and authority of elected representatives. At the sub-district or taluk level, the ARC proposed to reconstitute the existing Block Advisory Committee in to Taluk Council and it
should be an indirectly elected body comprising the representatives of the concerned Panchayats, a co-opted women member and also of the officers of the development departments at the taluk level (as ex-officio members) with a non-official chairman elected by the members of the council and with Tahsildar as the convenor (Visalakshi, 1967:78). The ARC proposed an institutional system at the sub-district level with the chairmanship of a non-official to review the implementation of the development programmes at the Taluk level and provided an opportunity to the representatives of the people to suggest development needs of their locality or region.

As regards the representative institution at the district level, there was no consensus and divergent views among the members of the ARC (Ibid.). The different views of the two groups and the recommendations concerning the same were divided under two sections (ARC Kerala, 1958: 66-67). The first group suggested that there should be a non-official body at the district level, with the members of the Legislative Assembly from the district as ex-officio members, besides one member representing the Panchayats in each sub-district, and one member or two representing the Municipalities of the district, and the Collector being its chairman. According to the second group, the District Council should be constituted by direct election to be held simultaneously with the election to the Panchayats. Both the President and the Vice-President should be non-officials; but the secretary to the council should be an official while all the District Officers of the development departments would be members of the council without the power to vote (Visalakshi, 1967:78). This group suggested the creation of an elected representative government at the district level with real powers and authority. Following the recommendations of the committee, the Kerala Panchayat Bill (1958) and the District Council Bill (1959) were placed in the state assembly. The bills could not be enacted into law as the Ministry was dismissed by the Central Government and the State Assembly was dissolved (Ommen, 2009:18).
3.7.2. The Kerala Panchayat Act, 1960

During 1960 and 1961, when shri. Pattom A. Thanu Pillai was Chief Minister, the Kerala Panchayat Act, 1960, the Kerala Municipalities Act, 1961 and the Kerala Municipal Corporation Act, 1961 were enacted unifying the existing laws in the Malabar and Travancore –Cochin regions of the state and enlarging the functions and financial resources of local bodies (Ramachandran, 1988:13). The Kerala Panchayat Act incorporated several recommendations of the Balawantray Mehta Study Team (Oomen, 2009:18). The Panchayats were conceived as a political organization at the village level between the State Government and the people and they should be the institutional system through which the villagers come in to contact with the State Government. Large number of development responsibilities were entrusted to the Panchayats such as, control and supervision of elementary schools, public health and sanitation works, development of agriculture, animal husbandry and cottage industries.

The Kerala Panchayat Act, 1960 clearly points out that the staff now employed at the Panchayat level of the Government for these purposes will work under the control and supervision of the Panchayats (Ramachandran, 1988:14). In accordance with the Objectives and Resources the Kerala Panchayat Act as finally passed contained an impressive list of duties and functions (Section 57). The Act also provided that the Government could authorize the Panchayats to exercise other functions such as collection of land revenue, maintenance of survey and village records, collection of village statistics, supervision and control over Government Primary schools, medical, public health, child welfare, maternity institutions and execution of community development work including improvement of agriculture, animal husbandry, communication and village industries (Section 58). Over the years, however, while the Panchayats could exercise most of their compulsory duties, only very few, if any of the developmental functions were given to them and none of the
responsibilities contemplated in section 58 of the Act were entrusted to them by any of the Governments (Ramachandran, 1988:14). Despite the legal expansion of functions, for all practical purposes the operational domain of village panchayat was confined to traditional civic functions only (Oommen, 2009:18). The employees of the Panchayat and officials of the different departments were not accountable to the elected council and they were totally controlled by the concerned administrative departments.

As conceived by the ARC, the Kerala Panchayat Act 1960 entrusted large number of functions to the village panchayats. Village Panchayats everywhere, are found discharging a wide variety of functions which have, however, been broadly divided in to two categories viz, obligatory and discretionary, as can be seen in the concerned laws of the different states (Santhanam Committee Report, 1963:8). The scope and extent of functions assigned to the village panchayats by the Kerala Panchayat Act, 1960 are not confined to ‘civic functions’, but include “developmental responsibilities’ and other activities related to ‘social welfare’ of the local community. Therefore, the Kerala Panhayat Act, 1960 stipulate mandatory or obligatory functions (section 57), agency functions (section 58,59,60) and regulatory functions (Chapter V). Even though, the panchayats in Kerala faced several institutional constraints to discharge their responsibilities, including the lack of financial resources, the legal framework designed as part of the Kerala Panchayat Act, 1960 was adequate to do large number of responsibilities relevant to the life of people. However, the powers vested in the Panchayats are not commensurate with the duties and responsibilities assigned to them and as a result of this, many of the proposals even on trivial matters, have to be sent to higher authorities for their approval (Visalakshi, 1967:126). Though the Panchayat Act has provided clear provisions for devolution of considerable powers and authority on the Panchayats, the state government has never shown the enthusiasm and interest in framing necessary rules for enforcing the various
provisions in the Act and implementing the devolution in actual practice. On the other hand the state government and the line department concerned, hold rigorous administrative control over the Panchats through the officials, particularly in financial matters. It is quite clear that the Village Panchayats, as in any other states, are not self-governing institutions or autonomous political entities during these days.

Another noteworthy feature of the Kerala Panchayat Act 1960 was the provision of reservation of seats for Scheduled Castes, Scheduled Tribes and women. Section 7 of the Kerala Panchayat Act 1960 stipulate that,“where the number of electors belonging to Scheduled Castes and Scheduled Tribes in a Panchayat area is not less than five percent of the total number of electors in that Panchayat area, one seat shall be reserved in the Panchayat for Scheduled Castes and Scheduled Tribes. It was also provided in the Act that one woman member could be co-opted by the Panchayat over and above the number already fixed for it, in case no woman was already elected to the Panchayat (Kerala Panchayat Act, 1960). But in the amendment of the Kerala Panchayat Act, 1967 provision has been made for the direct election of a women for each Panchayat by reserving one seat for women (Visalakshi,1967 :88).

The head of the elected Panchayat council (President) has wide powers and responsibilities, though he has no real executive power and authority. The executive powers are vested with the executive officer of the Panchayats. The Kerala Panchayat Act stipulated certain powers and authority of the President and he has full access to and can deal with all records of the Panchayat and no official correspondence between the Panchayat and the Deputy Director and authorities above him may be conducted except through the President (Ibid.). The powers of the President to oversee the discharge of official functions of the Executive Officers and their Assistants are stipulated in the Kerala Panchayat Act, 160. It is, however, clearly discernible from the experience of the
working of the Panchayats in Kerala that many a Panchayat President has been finding it difficult to discharge his onerous duties and responsibilities in the absence of any real executive authority which has been vested in the Panchayat Executive Officer (and not in the Panchayat President) by the Panchayat Act 1960 (Ibid.:90). The Kerala Panchayat Act came into force from January 1, 1962. Based on the new Kerala Panchayat Act the first panchayat election in Kerala state was held by the end of 1963 and the new panchayats came into existence on January 1, 1964 (Oommen, 2009: 18).

Though, there was an elected council, the administration of the Panchayats had been highly bureaucratic. The executive authority of every Panchayat had been vested with the Executive Officer. He was not accountable to the elected council and the system of transparency and responsiveness was very weak. The Executive Officer has been entrusted with a wide variety of duties and responsibilities as well as powers (Visalakshi 1967:100). He was directly accountable to the Taluk and District level officials of the department concerned and other higher authorities. The elected head of the Panchayat council can only report the laxity or negligence on the part of the Executive Officer to the Deputy Director of Panchayats for necessary action. The Panchayat employees were also placed under the control of the Executive Officer and he is empowered to take disciplinary action against any Panchayat employee after a due process. One of the glaring features of Panchayat administration is the almost complete absence of training facilities for the staff (other than the Executive Officers) employed in various Panchayats in the state (Ibid.:114). The administrative system of the Panchayats was therefore, highly bureaucratic and democratic accountability has not been existed in the functioning of the Panchayats.

3.7.3. A Long History of Failed Attempts of Legislations

In 1964, the next government came to power headed by Shri. R.Sankar, introduced the Kerala Panchayat Union Councils and Zilla Parishad Bill in the
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Legislative Assembly (Ramachandran, 1988:14). This Bill was modeled in line with the recommendations of the Balvantray Mehta Study Team (1957) and incorporating an intermediate tier at the block level to do planning and rural development called Union Council and an advisory council called Zilla Parishad at the district level (Oommen, 2009:18). This Bill envisaged to constitute the block as the basic unit of planning and development with an elected Panchayat Union Council to design and implement development programmes at the block level. At the district level an advisory body, called Zilla Parishad was proposed with the Collector as the Chairman with official and non-official members. In order to establish linkage in development administration, the Bill proposed that the Chairman of the Panchayat Union Councils were to be members of the Zilla Parishad. The Zilla Parishad were entrusted with the responsibility to advice the State Government on matters related to decentralization and local authorities. The bill could not, however, be proceeded with as the Government fell within a few months (Ramachandran, 1988:15). After a long spell of President’s rule, following a general election a new ministry was formed in March 1967 under the leadership of E.M.S.

The new Government reiterated its commitment to strengthen decentralization and local government system and initiated to introduce the Kerala Panchayati Raj Bill in the state legislature in August 1967. This bill envisaged a two tier system of local governments at the village and district levels. The most interesting point to be noted here is that, the new Bill envisaged to create a democratically elected Zilla Parishad with executive functions and powers and some independent financial powers to mobilize tax revenue. This Bill also included clear provisions for the supervisory functions of the Zilla Parishads over the gram panchayats. The Bill was considered in detail by the select committee which took evidence in a number of places within the state and also conducted a study tour of Maharashtra, Rajasthan, and
Andhra Pradesh, with a view to learn how the concept of Panchayati Raj system was worked out and implemented in those states (Ibid.,). The select committee’s report was presented in the state legislature with a detailed note on March 26, 1969 by the then Minister for Local Administration. This too did not become law and it lapsed when the Assembly was dissolved in August 1970.

When C.Achutha Menon became the Chief Minister in October 1970, again efforts were made to create Zilla Parishads at the district level. In 1971 the Kerala District Administration Bill was introduced in the Legislative Assembly. Actually due to a variety of reasons it was left to the next government under A.K.Antony to enact a slightly modified legislation called Kerala District Administration Act, 1979 (Oommen, 2009:19). When it received the assent of the President on May 18, 1980 a new government under the Chief Ministership of E.K.Nayanar had come to power (Ramachandran, 1988:17). This Act was not implemented and the operational aspects of this legislation was not seriously worked out during the period of E.K.Nayanar and K.Karunakaran as Chief Ministers. This Act however was kept in cold storage for long due to several contradictions and problems in the law (Ibid.). It was generally felt that some serious efforts to amend the Act was inevitable before its implementation could be taken up (Ibid.:18). Following the general elections in March 1987, a new Government again headed by E.K.Nayanar came to power in Kerala and efforts were made to implement the District Administration Act, as clearly pointed out in the election manifesto of the Left Democratic Front (LDF) government. The LDF government made sincere efforts to establish a democratically elected and responsible government at the district level.

After the 1987 general election, the agenda of decentralization occupied a significant place in the discussion on Kerala development. The E.K.Nayanar Ministry appointed V.Ramachandran, the former Chief Secretary, as Special
Advisor to study the limitations and shortcomings of the existing legislations and make suggestions to take measures for democratic decentralization at the district and lower levels in 1988. One of the major tasks assigned to him was to facilitate the implementation of the Kerala District Administration Act and to overcome the difficulties of devolution of powers and functions entrusted to the District Council under that Act. The Government clearly felt the need for the importance of “political will” for decentralization and of fundamental changes in the attitude of the bureaucracy and without the changes in the political and administrative culture, democratic decentralization will not take place. Therefore, it was generally agreed that, a major decentralization reforms cannot be implemented without a major re-organization in the administrative system of the state. In his report entitled “Report on the Measures to be taken for Democratic Decentralization at the District and Lower Levels” V. Ramachandran clearly suggested the administrative arrangements to be made at the district and state level and clearly re-defined the roles of heads of departments. He has also suggested that a substantial number of employees have to be brought under the District Councils and they will have to work together under it. Their conditions of service and status as government servants will, no doubt, be protected (Ramachandran, 1988:iii). The state government however made only minimum amendments (Oommen, 2009:19).

3.7.4. Decentralized District Administration and District Councils

The LDF government took serious steps towards setting up district councils in the state and overhauling the local self-government system (Isaac and Franke, 2000:30). Elections were held for District Councils at the eve of 1990 and District Councils came into existence in February 1991. The LDF government also took the initiative for formulation of the Eighth Five Year Plan of the state with a clear vision on decentralization and the District Development Councils (DDC) and the Block Planning Committees (BPC) were assigned some responsibilities to submit their proposals in the
formulation of state sector schemes. A number of notifications for administrative restructuring and to transfer district level officers in different line departments to the district councils were issued by the state government. Unfortunately, the district level authorities including the district level officials did not have the capacity to formulate sound and viable proposals to be included in the state plan based on the specific development needs of the district. Only a few districts carried out the planning in the manner visualized in the State Planning Board guidelines (Ibid.:31). The increased volume of financial resources allocated as district plan outlay and implemented through district council shows the commitment of the state government to decentralization. The 1991-92 annual plan provided for an increased district plan outlay of Rs 2500 million to be implemented by the newly formed district councils (Ibid.:32). Though the Eighth Plan document had suggested a large volume of financial resources to the Panchayats, officials did not take any initiative to prepare the rules and guidelines for implementing them. The ministries concerned were not insisted the line department officials to do so and to facilitate the decentralization process. The LDF government was defeated in the 1991 elections and the new United Democratic Front (UDF) Government assumed power was not in favor of decentralization and strengthening local governments.

The Government that came to power in May 1991 in the state wanted to reverse the decentralization initiatives taken (Oommen, 2009:19). The UDF government made concerted efforts to weaken the district councils and withdrew all the powers and authority that had been devolved to district councils. As a result, the initiative for decentralized planning to formulate and implement district level schemes through district council came to an end during the Eighth Plan. The new Congress (UDF) government set out to undo everything that had been achieved in decentralization (Isaac and Franke, 2000:37). The offices and institutions that had been transferred were
taken back through a series of notifications and most of the powers were nullified leaving the district councils with only a few functions and even fewer resources (Ibid.:38). The short lived district councils were dissolved by the UDF government in 1991, and the first experiment of democratic district administration came to an end as a result of the hostile attitude of the state government towards decentralization.

3.7.5. 73rd and 74th Constitutional Amendments and State Conformity Legislations

The 73rd and 74th Constitutional Amendments opened up a new phase in the history of decentralization and local government system in Kerala, as in the case of other states in India. Establishment of a three-tier Panchayati Raj system became a mandatory obligation of all the states in India, even though it is not suited to the existing administrative and political situation of the state concerned. The Constitutional Amendment Acts stipulated to pass conformity legislations by the state legislatures within a period of one year from the date of getting the assent of the President of India on 24th April 1993. Most of the states delayed to pass the state conformity legislation and to create a legislative framework for the effective functioning of Panchayat and Nagarapalika institutions and to devolve powers and responsibilities to them. For several months the Congress government in Kerala took no action to pass the state conformity legislation. After the passing of the Constitutional Amendments for Panchayati Raj and Nagarapalika institutions, wide range of discussions on the need for state conformity legislations were initiated in Kerala by the academics, media and political leaders. The most important among them was the seminar organized by the Centre for Development Studies (CDS) on decentralization and Panchayati Raj (Namboodiripad,2009:114). The deliberations in this seminar throws light on different issues related to meaningful decentralization and empowerment of local governments as genuine self-governing institutions. Finally, in March 1994 in the wake of all-
round criticism from intellectuals, opposition parties and general public, the
government hurriedly introduced the Kerala Panchayati Raj Bill, with highly
restrictive provisions (Namboodiripad, 1993; Kannan, 1993). Only at the last
moment, on 23rd April 1994 the new Kerala Panchayat Raj Act was enacted by
the State Legislature. It is quite natural that, the hasty legislation at the last
moment created large number of shortcomings and internal contradictions in
the Act.

The state government have shown no political will to implement the re-
organized system of Panchayati Raj and to translate the spirit of the
Constitutional Amendment Acts in to practice. Many related acts, rules,
statutes and directives were yet to be implemented; a large number of them
were against the spirit of decentralization (Parameswaran, 2008:21). Other than
fulfilling the mandatory obligation of passing the state conformity legislation,
the state government have not taken any meaningful steps to strengthen the
local government system or decentralization in the state. There was no
significant change in the process and procedures of local administration till the
launching of the People’s Plan Campaign for participatory planning in 1996.

3.7.6. The Journey Towards Local Development: PLDP Project of
KSSP

The Kerala Sastra Sahitya Parishad (KSSP), a voluntary organization
committed to the popularization of science among the people of Kerala and
propagated the role of science in social revolution, supported decentralization
since its inception in 1962. Collaborating with the Centre for Development
Studies, the KSSP organized a major workshop on Decentralization of Powers
at Trivandrum in 1981. All the leading actors of the later People’s Plan
Campaign, including E.K.Nayanar, E.M.S. Namboodiripad, Dr.S.B.Sen and
Prof.I.S.Gulati were present in this workshop (Parameswaran, 2005:12). This
workshop discussed the importance of the strategy of empowering people to
handle responsibilities of local development and to take power. After that KSSP published a large number of books and booklets on decentralization and Panchayati Raj as part of the ‘kala jatha’ and annual conferences. All these publications covered different issues like, development problems of Kerala, decentralization of power, natural resources, human resources, pachayat level resource mapping, people’s participation in plan formulation and implementation, financial devolution to local governments etc. Prior to the implementation of decentralized planning in 1996, some initiatives for participatory local level development programmes have been started by the KSSP with the support of Centre for Development Studies (CDS). These programmes were carried out together by the local governments and the KSSP.

The KSSP was very much committed to undertake local development programmes with the participation of people and developing the technical skills of the common people. A project to prepare the Resource Atlas of 25 Panchayats was undertaken by the Integrated Rural Technology Centre (IRTC) of the KSSP together with the Centre for Earth Science Studies (CESS) (Ibid.:19). Several research and scientific organizations partnered with KSSP in resource mapping and other local level development programmes such as “group farming” called GALASA with people’s participation. The “group-farming” program was initiated by the left-coalition state government in 1989 with the primary aim of improving agriculture growth and self-sufficiency in Kerala (Veron,2001:601-617). In 1991, the KSSP launched the resource mapping program in collaboration with the Centre for Earth Science Studies (CESS) and with support of the state government. The program aimed at initiating more efficient and sustainable management of local resources. In doing so, it was intended that ordinary people would learn about their local resource potential and environmental problems, thus developing “land literacy” and environmental awareness. Both “group farming” and resource mapping were “participatory” programs initiated ‘from above’ . Local people were not
invited to define their own problems or determine the area of action; instead the programs reflected the perception of policy makers, social activists and scientists (Ibid.). As a consequence, these programs failed to gain the participation of farmers and agriculture workers; at best, they were able to mobilize volunteers from the middle class. Anyhow, the local level experiments initiated by KSSP have been deeply influenced the architects of the People’s Plan Campaign and designing institutional systems for democratic participation in local governance. They were possible because many of the planning techniques, appropriate technologies and organizational forms had been developed experimentally in numerous micro-development projects spread over earlier decades (Isaac and Franke, 2000:53).

The International Congress on Kerala Studies organized by the A.K.G. Centre for Research and Studies in August 1994 provided an opportunity to bring together scholars of all ideological manifestations discussed and deliberated on issues related to the development of Kerala and set the strategy for future policy decisions. One distinctive feature of the International Congress was its wide participation and openness (Ibid.:47). The Congress ended with a general agreement that Kerala is facing a grave development crisis which needs public action. Reorientation of the focus of planning towards strengthening material production and improvement in the quality of services required through overhaul of the sectoral policies that were being followed and a decentralized development strategy was more suited for the petty production sectors and for basic services (Ibid.:48). There is no doubt that, the International Congress laid the strong intellectual foundation for People’s Plan Campaign and democratic decentralization in Kerala.

In 1995 the Centre for Development Studies (CDS) at Trivandrum and the Timbergen Foundation of the Netherlands decided to collaborate with a research project related to the development of Kerala. As a lead voluntary
organization involved during the initial phase of discussions in shaping the project and the most experienced organization in local level planning and participatory development, the CDS sought the support of the KSSP. As an important opportunity to carry out action research in local development and participatory planning, the KSSP decided to partnered with this project called” Kerala Research Programme on Local- Level Development (KRPLLD) and undertaken action research in five Panchayats in 1996. Many scientists working in research institutions like, CDS, Centre for Earth Science Studies (CESS), Centre for Water Resource Development (CWRDM), Tropical Botanical Gardens and Research Institute (TBGRI), Kerala Forest Research Institute (KFRI) and so on were associated with the KSSP and so it could mobilize a fairly large inter-disciplinary team (Parameswaran, 2008:57-58). The KSSP considered that, this would be a useful opportunity to develop some practical models for participatory and sustainable development planning at the local level and seek to widen the base of people’s participation in the democratic process.

Among the various local level development experiments, Kalliasseripanchayat provided certain new lessons for moving from resource mapping to participatory local planning. The local CPI(M)- led panchayat expressed a willingness to cooperate fully with the experiment (Isaac and Franke, 2000:75). The organizational structure for democratic participation of all stakeholders and the participatory methodology in local planning was experimented and later fine tuned in Kalliasseripanchayat. The potential of voluntary action, the importance of creating new institutions for development, the problems of integrating the institutions of civil society with those of the government and the relation between politics and local development were also made evident (Ibid.:78). The Kalliasser experiment provided certain valuable lessons for micro level planning with people’s participation and the creation of a new synergy between local government and civil society organizations. It was not
accidental that, the lead practitioners of Kalliasseri experiment were latter became the lead policy makers of decentralized participatory planning in Kerala.

3.8. The People’s Plan Campaign and Democratic Decentralization

The Constitutional Amendment Acts created a favorable enabling environment for legislative reform and policy initiatives for strengthening people’s participation in local governance and development. It has also provided a strong legal framework for Grama Sabha as a grassroots level institutional structure to facilitate citizen interaction with local governments and to ensure democratic accountability of elected representatives and officials at the local level. The LDF government came to power in 1996, considered that this is the appropriate time to take the decision to decentralize local governance and development and to take meaningful efforts to implement the legal framework stipulated by the Constitutional Amendments. Such a strategic initiative was not born out of a single moment but has been the result of a fairly long debate and introspection within the left (Ibid.). The left in Kerala strongly believed that creation of political structures and representative institutions below the state level and to the district and lower levels will provide opportunities for participation of the common people including the poor in the decision making process which affect their life. At the same time, the left leaders, who have been working with the government and outside the government system were very much aware of the complexity involved in the decentralization reforms and the influence of the countervailing forces which work against decentralization.

Therefore, the LDF government decided to initiate a mass movement immediately after assuming power in the year 1996 to accelerate the process of decentralization with the support of a mass movement, popularly known as People’s Campaign for Decentralized Planning. The immediate agenda coined
by the LDF government to start this mass movement was to empower local governments and the people to prepare local plans in a transparent and participatory manner. The People’s Plan Campaign (PPC) created a favorable political environment towards political consensus on issues related to democratizing and decentralizing local administration with maximum people’s participation. The PPC was used as an instrument for implementing democratic decentralization in Kerala and for mobilizing people in the planning and implementation of local plans. Democratic decentralization in Kerala upholds people’s right to initiate their own projects and the power to execute and operate them and provides good number of institutional arrangements for community participation and public management of Local Self-Governments (Ramakantan, 1996:61). It was expected to facilitate local level development by mobilizing both people and resources to strengthen the productive base, especially in the primary sector by creating and maintaining public and collective goods such as in land and water management and agriculture extension (Kannan, 2000:92-97). It could also add to the already created, widely spread social infrastructure such as schools and health care centres and create appropriate ones for drinking water, sanitation and so on (Ibid.)

The LDF government believed that extension of parliamentary democracy from the central and state levels to the district and lower levels will open up possibilities for more direct participation of the masses in the day to day governance. Such grassroots democracy is favorable for mobilization and defence of the interests of the exploited and weaker sections. Therefore, the left in India has always adopted a position in support of such democratic reforms (Isaac and Franke, 2000). The left political parties strongly believed that decentralization is a useful policy instrument and development strategy to promote primary production sectors and engage the local community in the production process and to overcome the economic stagnation in the material production sectors in Kerala. The LDF government in mid August 1996 took
its landmark decision to devolve 35-40 percent of plan funds to local governments, with this decision the trust of local government representatives and officials increased considerably towards decentralization and participatory planning. The different stakeholders of local governments became confident that democratic decentralization can be used as an opportunity to solve some of their felt needs and the development problems of the people in their region.

3.9. The Committee on Decentralization of Powers and Efforts for Democratizing Decentralized Local Governance

The 1994 Kerala Panchayat Raj Act and Kerala Municipality Act indeed created a legal framework for decentralization and local government system in tune with the Constitutional Amendment Acts. As mentioned earlier in this chapter that the 1994 state conformity legislation was a hasty one and the Kerala Panchayat Raj Act and the Kerala Municipalities Act have large number of constraints to make local governments as genuine local -self governments and to make them accountable and responsive to the people. Some of the provisions of the 1994 Act are undemocratic and deadly against the spirit of decentralized democratic governance. Section 159 of the Kerala Panchayat Raj Act 1994 enabled the Government to remove the President, Vice-President or any member of the Panchayat from his office on grounds such as misconduct in the discharge of his duties, abuse of powers and persistent default in the performance of duties. This provision was more drastic than the power of the President of India to dismiss an elected State Government (Thankappan, 2000:11). The provision for dissolution of a Panchayat under Section 193 of the 1994 Act also was undemocratic and threatening to decentralization. Section 191 empowered the State Government to cancel any resolution or decision or action of the Panchayat, on any flimsy ground (Ibid.:11). There was no clarity on the administrative control over the staff of the transferred institutions by the Panchayat there was scope for friction between the Panchayats and the Government staff transferred to them.
The provisions relating to the Grama Sabhas were not exhaustive and they had not been given any worthwhile powers (Ibid.). Therefore, the Government of Kerala appointed the Committee on Decentralization (popularly called Sen Committee after its first chairman S.B.Sen) almost at the same time of launching of the PPC to recommend the necessary institutional reforms (activity mapping, performance audit, ombudsman, state development council, right to information, citizen’s charter etc.) and legislative framework for functional, financial and administrative autonomy (Oommen, 2009: 20). The Sen Committee laid down the key principles of devolution of functions which have been adhered to by government in practice (Vijayanand, 2009: 13). The committee followed a rigorous methodology in identifying the critical issues of decentralization and suggested legislative measures to make decentralization in Kerala more effective and meaningful based on certain principles. The most important principles listed by the committee are; autonomy, subsidiarity, role clarity, complementarity, uniformity, people’s participation, accountability and transparency. The focus of the committee was to create an empowered democratic system with effective systems of accountability and responsiveness.

The Committee on Decentralization of Powers has submitted detailed and clear recommendations to the Government about the inevitable transfer of employees, institutions and infrastructure facilities necessary for executing the responsibilities transferred to them (Guidelines for Managing Panchayat, 2005: 9). The Sen Committee also details the transfer of funds required for the maintenance and expansion of the above mentioned responsibilities. Based on the recommendations, the Government issued orders transferring various institutions and designations to the local bodies (Ibid.). Through the amendments introduced in 1999 based on the report of the Committee on Decentralization Powers, the above defective provisions in the Kerala Panchayat Raj Act and Kerala Municipalities Act were rectified and a radical restructuring was done in February 1999. The necessary rules were also made to
operationalize and implement the legislative measures of the local government system to strengthen decentralized democratic governance. The restructuring of Kerala Panchayat Raj Act and Kerala Municipalities Act were made on the basis of the experience of the implementation of the political and administrative decentralization during the initial years. This provided the strong legal foundation for the local government system in Kerala (Vijayanand, 2009:15). The amendments introduced in the Kerala Panchayat Raj Act in 2000 further strengthened the process of administrative, political and democratic decentralization and to make local governments as the third tier of governments below the central and State Governments. In 2000 the state legislature made a thorough amendment to 42 Allied Acts dealing with subjects which are in the functional domain of local governments and provided proper space for local governments in the legal structure of the state. With the help of the Consultative Committee, necessary rules for administering local governments were also formulated to systematize local governance and development process. Large number of rules such as Rules for Tribunal for Local Governments (1999), Rules for Ombudsman (1999), Rules for Standing Committees (2000), Rules for the Resignation of President, Vice-President and Members of Panchayats (2000), Rules for Constituting Management Committees to hospitals (2003), Rules for Preparation of Citizen’s Charter (2004), Rules for the Delimitation Commission of Local Governments (2005), Rules for Code of Conduct of Elected Representatives and Officials of Panchayats (2007) have been formulated to effectively implement the provisions of the Panchayat Raj Act.

Decentralization in Kerala also provided opportunity for local governments to take innovate efforts to systematize local governance and to introduce new management practices to improve the quality of service delivery functions of transferred institutions. Some of the Panchayats in Kerala took the initiative for systematizing local governance process with the support of
CapDecK programme. The initiatives of Karakulam and Nellanad Grama Panchayats in Trivandrum district deserve specific attention in this regard. These two Panchayats took a novel and unique attempt to make the local governance process more efficient and to effectively coordinate the functioning of Grama Panchayat and transferred institutions, improving the quality of delivery of services and for the effective institutional management with the participation of the people.

In order to make local administration more responsive to the expectation of the people, an effective Management Development Mechanism was innovated and practiced in these two Grama panchayats. As part of this innovative attempt, they have developed and publicized a Comprehensive Citizen’s Charter, People-oriented institutional management practices, issuing Local-Self Government Order (LSGO) and its implementation, panchayat level review and reporting system and dispute redressal system. These two Panchayats also issued Guidelines for the Local-Self Government Institution Service Delivery and Management. Such Guidelines were formulated in 13 different development sectors. These Guidelines issued on 6th June 2005, aimed at improving the quality of service delivery of institutions and officials of Panchayats with greater democratic accountability. During the last two decades a good number of local governments proved their capability to emerge as beacon developmental local governments and innovated some good practices in democratic local governance and development. The legal framework designed and implemented by the Government of Kerala provided the enabling environment and necessary condition for creating empowered and democratically accountable local governments.
3.10. Summary

A wide range of factors and forces contributed to choose the policy of decentralization and strengthening local government system in the country. During the British rule the concern of the colonial rulers to a centralized system of administration in a vast country like India, motivated them to experiment local government system with limited powers. The Gandhian vision of Gram Swaraj and self-governance of villages significantly influenced the nationalist movement and laid the intellectual foundation of Panchayati Raj system in the country. Strengthening village panchayats and ensuring people’s participation in development planning and local governance became one of the ideals enshrined in the constitution of independent India. After the attainment of independence, some successful experiments of decentralization and strengthening the Panchayati Raj system was undertaken by some state governments without the support of the central government or without sound constitutional provision.

The 73rd and 74th constitutional amendments paved the way for democratic decentralization and local governments attained constitutional entity. During the post-constitutional amendment period the initiative for decentralization and strengthening local governance in Kerala attained national and international recognition and Kerala became one of the promising democratic decentralization models in the developing societies of the world. The policy initiatives taken in Kerala during the last two decades significantly transformed the development planning process and initiated new democratic practices in local governance and development. The next chapter discuss the details of the policy framework, the institutional mechanisms and the systems and procedures designed and implemented with the objective of democratizing local governance and development in Kerala during the last two decades.