Chapter 2

DECENTRALIZATION AND DEMOCRATIC PERFORMANCE OF LOCAL GOVERNMENTS: CONCEPTUAL FRAMEWORK

2.1. Introduction

We have discussed the background and relevance of the study, the different research problems and relevant research questions related to various issues of decentralization and democratic local governance in the introductory chapter. The present chapter specifically examines the definition of the various concepts used in this study and a detailed discussion on the conceptual framework of decentralization and democratic governance at the local level. The design of this chapter is arranged into three sections which cover three different aspects of the study. The first section deals with definition of the major concepts used in this study, i.e. decentralization, democratic decentralization, democratic local governance, and democratic performance. The second section of this chapter discusses the various theoretical issues related to democratic decentralization and democratic local governance. The third section reviews the methodology and indicators adopted by various international agencies for assessing the performance of democratic local governments and also the key indicators used for assessing the democratic performance of local governments in Kerala.
2.2. Conceptual Definition

It is very difficult to give a single set of definitions for the complex dynamics of decentralization, democratic decentralization, and democratic local governance. Nor can any particular definition be completely adequate to capture the full meaning of these concepts. However, it is essential to define a common language to develop a framework, so we define and discuss the key terms as below.

Decentralization: Decentralization is a process of transferring powers to popularly elected local governments. Transferring power means providing local governments with greater political authority (e.g., convene local elections or establish participatory processes), increased financial resources (e.g., through transfers or greater tax authority), and/or more administrative responsibilities (USAID, 2000: 2).

Different Dimensions of Decentralization

The writings and research in the contemporary period explain decentralization in its four different dimensions; political, administrative, fiscal and economic. Even though these four dimensions are linked together, it is better to explain them separately for the sake of clarity and on the basis of their different purposes.

a. Political Decentralization is the transfer of political “authority” to sub-national governments. This transfer takes place through constitutional amendments and electoral reforms that create new (or strengthen existing) spaces for the representation of sub-national politics (USAID, 2009:10). Political decentralization or democratic decentralization aims to give citizens or their elected representatives more power in public decision making. It can be realized only in a truly pluralistic politics and representative government. Elections, for lower tiers of government are at the heart of this dimension. Political decentralization presupposes the transfer of functions and authority
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from central levels of government to local institutions that are based on local political representation. This means that local institutions to which tasks are devolved must be governed by locally elected representatives. This type of decentralization is sometimes referred to as devolution (Conyers, 1983; Mills et al., 1990).

b. Fiscal Decentralization is the transfer of fiscal resources and revenue generating powers, inclusive of authority over budgets and financial decisions, to either de concentrated officials and/or central government appointees or to elected politicians. Generally it comprises of public revenue (taxes, grants, borrowings…), expenditure (recurrent and capital), intergovernmental transfers (Matching grants for merit goods, grants to ensure minimum service level, and grants to correct externalities or benefit spillovers), and domestic borrowings (for stabilization, for long term capital projects….) (Chanie, 2007).

c. Administrative Decentralization is the transfer of responsibility for the planning and management of one or more public functions from the national government and its centralized agencies to sub-national governments and/or administrative units (USAID, 2009:15). Administrative decentralization also redistributes authority and responsibility of administering the human resource, material and financial resources for providing public services at different government levels. Administrative decentralization also includes mechanisms for working with higher, peer, lower levels of government or administration, as well as mechanisms for working with key non- governmental actors, such as traditional authority structures and private sector players (Ibid.). Administrative decentralization also directly influences the capacity of sub-national governments and administrations by strengthening the systems and procedures that allow these units to perform their assigned tasks. Administrative decentralization can take several forms:
De-concentration: transfers functions (such as decision-making, planning, and management of specific areas; health, education, or community development) to units of the central government that are distributed throughout the country.

Delegation: passes responsibilities to organizations that are accountable to the central government, but not entirely controlled by it, such as public corporations, housing authorities and regional development corporations.

Devolution: transfers responsibilities to sub-national units of government that have a specified degree of autonomy from the central government. Devolution is the most genuine form of decentralization which ensure autonomy, legitimacy and initiative from the lower tiers.

Disinvestment: transfers responsibilities or functions from the public to the private sector—whether to community groups, NGOs or private business. This transfer can take different forms including “contracting out”, “public-private partnership” or full privatization. In a study of “democratic decentralization” (Work, 2002) or “market decentralization” (Rondinelli, 2002) including privatization or “disinvestment” within the definition of decentralization is controversial. Manor excludes privatization for two reasons; first, because it involves a transfer of responsibilities outside of the sphere of government. Second, because, the private firms involved are often themselves very large, so that privatization often involves a shift of power and resources from one major, centralized power center to another (Manor, 1999).

d. Economic Decentralization/ Market Decentralization deals with the most complete forms of decentralization—privatization, and deregulation from a government’s control. This form of decentralization shifts responsibility of functions from the public to the private sector, which usually is accompanied by economic liberalization and market development latter at a higher stage (USAID, 2009).
The purpose and sequence of implementation of these different forms of decentralization vary from country to country based on the intention on the part of the national or sub-national government and the commitment and political will to strengthen the democratization process at the grassroots level. These different dimensions of decentralization also very well shows the extent to transfer autonomous powers and resources to the local governments by the central government on the one hand and the willingness and commitment of the local governments to ensure participation of the people in the decision making process and practicing the principles of accountability, transparency and responsiveness on the other.

**Democratic Decentralization**

Democratic decentralization is the development of reciprocal relationships between central and local governments and between local governments and citizens (Barnett, Minis and Sant, 1997). It addresses the power to develop and implement policy, the extension of democratic processes to lower levels of government, and measures to ensure that democracy is sustainable. Democratic decentralization incorporates both decentralization and democratic local governance (Ibid.).

The political dimension is especially critical for democratic decentralization, because it reconstitutes the state in a democratic way. It provides a process at the local level through which diverse interests can be heard and negotiated and resource allocation decisions can be made based on public decisions. Genuine political power sharing is a key element often missing in the political dimension of decentralization. Authorities beyond the local level must be persuaded or influenced to support the legitimization and empowerment of local governments (USAID, 1997:3). In a genuine democratic decentralization, local governments create a large number of institutional structures to ensure democratic participation of the people and make use of the
rich social capital of non-governmental organizations to discharge the powers and responsibilities in the most legitimate manner.

**Governance**

Governance is the process by which public policy decisions are made and implemented. It is the result of interactions, relationships and networks between different sectors (government, public sector, private sector and civil society) and involves decisions, negotiation, and different power relations between stakeholders to determine who gets, what, when and how. The relationships between government and different sectors of society determine how things are done, and how services are provided (UNDP, 2000:5).

**Local Governance:** Local governance is governing at the local level viewed broadly to include not only the machinery of government, but also community at large and its interaction with local authorities. Local governance covers the processes and mechanisms for citizens and groups, including civil society organizations to articulate their demands and express their choices with local governments and protect their legal rights and obligations.

**Democratic Local Governance:** Democratic local governance is the process of governing democratically at the local level, viewed broadly to include not only the machinery of government, but also the community at large and its interaction with local authorities. (use of the term “local” refers to all sub-national levels of government (USAID, 2000:2). Democratic local governance is autonomous levels of local government, vested with authority and resources, that function in a democratic manner. That is, they are participatory, accountable, responsive and transparent, and involve citizens and institutions of civil society in the decision-making process.
Democratic Performance

Democratic performance is understood as the delivery of democratic values and efficacy of government. Assessment of democratic performance is useful to get an understanding how far democratic governments achieve in practice the values to which they subscribe in principle. Democratic governments have certain intrinsic values such as, representativeness, participation, accountability, transparency, responsiveness, equity, inclusiveness etc. These values are to be taken as the ‘democratic indicators’ that have come to constitute barometers of democratic performance in academic circles. But none of the existing democratic indices are perfect, because problems are associated with different concepts of democracy (Bosin, 2007:11).

2.3. Theoretical Framework on Decentralization

There is no single definition adequate to capture the complex dynamics of decentralization. The word “decentralization” has been used to refer to many different meanings to describe different institutional reforms. To the public finance economist, decentralization usually means fiscal decentralization. Reforming the intergovernmental fiscal system is usually the first priority. To the political scientist, decentralization usually means a set of policy issues, a focus on who has authority and responsibility. The political scientist tends to focus on the structure of power and authority and how it is wielded. To the institutional economist, decentralization usually involves getting an incentive system in place so that individual behavior meets expectations. To the sociologist, decentralization usually means, participation, and the role of informal organizations and community groups is a major focal point. The urban planner or economist may stress yet another element- decentralization as a strategy for enhancing local economic development. Finally, the civil society expert sees decentralization as a path to democratic local governance (Camille, Henry and Jerry,1997 :2).
Over the last five decades massive amount of literature that covers different aspects of decentralization and experience of implementing decentralization in different parts of the world has emerged. The international aid agencies and multi-lateral development agencies, including the UN agencies significantly contributed to enrich the literature on decentralization and evaluation or policy research in these areas. The academics and consultants have also provided meaningful contribution to strengthen the theoretical understanding on decentralization and related areas. The body of writing of decentralization is now so wide ranging, diverse, and substantial that it is tempting to conclude that a careful review of its content could generate useful guidelines for designing and implementing strategies in the 1990’s (Cohen and Peterson, 1999). The wide range of literature in this area covers academic studies, research reports, evaluation and assessment reports, official documents published by the government, materials produced by capacity building institutions on best practices in decentralization and local governance and intervention strategy documents prepared by international aid agencies. The focus of attention of these literature greatly depend on the objective of those who have prepared these materials. In the early 1960’s, the focus was primarily on decentralization as an administrative approach for local level governance in the post colonial era (Maass, 1959; Hicks, 1961; Humes and Martin, 1961; Maddock, 1962; Aldefer, 1964). During this early phase of the writings on decentralization all these works focused on the administrative aspect of decentralization and the changing relationship between central government and local governments.

In the early 1980’s the research focus in the area of decentralization has shifted and the potential of decentralization in development particularly, poverty alleviation, outreaching local government services to the poor and enhanced quality of service delivery outcome was widely discussed. The UN agencies and other multi-lateral aid agencies promoted decentralization during
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this phase. (Rondinelli, Nellis and Cheema 1982; Cheema and Rondinelli, 1983). During this period the United Nations development agencies also paid increasing attention in the area of decentralization.

In the next phase of decentralization in 1990’s the focus was shifted to the political aspects particularly, political stability and citizen participation in local governance. The political aspects of decentralization, seeking to understand whether decentralization of any form or type can stimulate the emergence of good governance, constrain sub-national ethnic conflict, promote democratic practices, facilitate the growth of civil societies, and increase the privatization of public sector tasks (Cohen and Peterson, 1999). The most important works calling for attention to political dimension of decentralization are generally found in academic studies focused on sub-national ethnicity and democratization (Zartman, 1994; Picard and Zariski, 1997). The focus of decentralization today, including the vision of the World Bank, is not reducing the size and scope of the state, but to create effective and capable states and sub-states and local governments to accelerate the process of development so as to maintain political stability and legitimacy.

In the ongoing period the focus of study of decentralization and local governance is centered round on issues related to democratic governance, capacity building, enhancing quality of service delivery outcome and performance measurement. The UN development agencies and other multi-lateral agencies carried out good number of studies with the help of independent consultants of consulting agencies to document the country experiences and innovative practices of decentralization and democratic local governance (Munawwar and Nickson, 2006; Reid, 2004; UNDP, 2008; UNDP, 2009; IDEA, 2008; USAID, 2000).
Decentralization is an ambiguous term but may generally be seen as “the transfer of authority to plan, make decisions or manage public functions from the national level to any organization or agency at the sub-national level” (Mils et.al., 1990:89). However, decentralization takes different forms and involves different institutions and functions of government. Decentralization, following two forms: functional and territorial, is the transfer of power, authority, responsibility, resources and functions from the central government to regional and sub-regional structures, sectors or to the private sector (Solomon, 2008). This is believed to increase the chances of opportunities and potential to transform the social and political life of the people with innovative ideas and knowledge available with the community and deliver better results to promote the life and livelihood of the people and to bring qualitative changes in development and governance process. Cheema and Rondinelli (1983:24-5) define decentralization as: “a process of state reform composed by a set of public policies that transfer responsibilities, resources or authority from higher to lower levels of government in the context of a specific type of state”. This definition primarily considers decentralization as a process of state reform for delivering better outcome and place no role to the private sector or deregulation of the state system as part of this reform.

Decentralization may be generally defined as referring to political and administrative reforms that transfer varying amounts and contribution of functions, responsibilities, resources, and political and fiscal autonomy to lower levels of state (eg. Regional, district, or municipal governments of decentralized units of the central government. Decentralization is also linked to new forms of interaction between a variety of institutional actors (including NGOs and community groups) at the local level, often characterized as partnerships (Reilly, 1995; Work, 1995; Evans, 1997; Rondinelli, 1981; Smith, 1985; Conyers, 1986; Manor, 1999; Furtado, 2001; Rondinelli, 2002; Work, 2002). Decentralization is also defined as “any act in which a central
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government formally cedes powers to actors and institutions at lower levels in a political –administrative and territorial hierarchy” (Mawhood, 1983; Smith, 1985 and Ribot, 2001).

The central idea involved in the policy of decentralization is the transfer of powers and responsibilities and resources from the higher tier of government to the lower tiers and to strengthen the legitimacy and trust of the lower tier political organizations for better results. It does not mean that transfer of powers, responsibilities and authority to lower tier of government is not simply to rolling back or to ease burden on the part of the central government. Decentralization has certain larger objectives to strengthen the capability of the lower tiers to innovate new systems and procedures suited to plan and implement development policies in accordance with the felt needs and priorities of the community. The decentralization programmes demand active participation of the people and civic engagement in the decision making process, which affect their day to day life and the strategic development of the society at large.

The transfer of powers and responsibilities and resources, both human and financial to the lower tiers exert compulsion on them to develop requisite capacity to exercise these powers and responsibilities and to build increased legitimacy and trust of the people. The decentralized system of governance opens the chances of emergence of a new set of elected representatives who are more closer, accessible, accountable and responsive to the people. The different institutional structures created as part of decentralization enable people to effectively influence the decisions of these elected representatives at the local level. In a decentralized system of governance the public officials of different administrative and development departments working with local governments are exercising their powers in an accountable and responsive manner due the close monitoring on the part of the elected council at the local level.
Decentralization is about restructuring the power relations in the society, i.e., shifting power from the central government to the local level and from local government to the grass roots level organizations and people. Decentralization is about power and is, therefore, fundamentally a political process (USAID, 2000:7). Decentralization initiate a process of political and administrative transformation, and leads to restructuring of the power relations. Largely for this reason, then, decentralization is a long, usually difficult, process that requires extraordinary incentive to enact and implement (Ibid.). Decentralization has attained wide currency and acceptance in the contemporary period and it is deeply rooted in its potential benefits, rather than any fascination or sentimentality. The benefits include, political education, training in political leadership, accountability, responsiveness, improved decision-making and inter – organizational co-ordination, and the promotion of competition among local governments (Smith, 1985:18-30). Decentralization is essentially a process of political change and transformation. From a political perspective, decentralization is considered as a key strategy for promoting good governance, greater pluralism, accountability, transparency, citizen participation and development (Crook, 1994:340).

2.3.1. Decentralization and the Principle of Subsidiarity

Decentralization operates in a state system based on certain fundamental principles. Modern decentralization tends to use subsidiarity as one of the organizing principles. The principle of subsidiarity has its origin in catholic social thought (Henkel, 2002). Subsidiarity works in a decentralized system not in the form of a hierarchical organizational structure, but it works like a partnership in which different levels of government works symbiotically in order to enhance citizens’ participation and effective delivery of services. The community has to undertake large number of governance and development responsibilities to promote common goodness without the technical or financial support of the local governments. According to that principle, public
responsibilities should be exercised by those elected authorities, which are closest to the citizens (UNHABITAT, 2007:4). The principle of subsidiarity allows autonomy to local authorities to develop a point where they can be effective partners with other spheres of government and thus contribute fully in the development process and the basic rationale is decisions should be taken at the level appropriate to the type of decision-international, national, regional or local (Ibid.). In the democratic decentralization process, Kerala has conceived and effectively implemented the principle of subsidiarity in devolving functions and powers to different levels of local governments and also retaining and holding powers by the state government. The Committee on Decentralization of Powers (1997) strongly believed that what can be done best at the local level should be done at that level and not at a higher level and identified subsidiarity as one of the fundamental principles of decentralization in Kerala.

2.3.2. Decentralization and Participatory Democratic Governance

Democracy is a more or less successful multi-dimensional process- an interaction between large numbers of crucial factors and actors in different contexts aiming at political equal popular control of public affairs (Tonquist, 2009:15). Representative democracy has its institutional constraints to promote the intrinsic means of democracy, including the capacity to use social capital of the people and to generate equal political popular control over the government. Eventhough, the representative democracy promote the institutions and values of constitutionalism, rule of law, equal civil and political rights and popular sovereignty, democratic representation through election, people do not get adequate opportunity to emerge as a civic community. Democratic decentralization opens the new political sphere for civic engagement through civil society organizations and other forms of popular participation and direct democracy.
Decentralization gives the local governance system the opportunity to become increasingly democratic (Beetham, 1996:30) argues that local governance has the potential to democratize because of its greater capacity for ‘responsiveness’ and ‘representativeness’. For example, elected councilors may be more accessible and have greater incentives to recognize local demands, and a wide range of representation is likely especially of women and ethnic minorities. (Blair, 2000:21) also argues for the potential of local governance to democratize, through its promise that ‘by building popular participation and accountability in to local governance, government at the local level will become more ‘responsive to citizens’ desires and more effective in service delivery’. His view of democratic local governance strongly supports increased accountability of elected representatives and public officials to the people.

Democracy is a much contested concept, yet Beetham and Boyle (1995:1) succinctly identify the two core democratic principles as ‘popular control’ over collective decision making and ‘political equality’ in the exercise of that control. Clearly these two principles are realized most effectively in small groups or associations, that is where direct popular control enables each person to speak and vote. In larger associations, including the nation-state, popular control must be exercised more indirectly through the selection of representatives, but with question arising as regards how effective that control is and how equally distributed it is among different groups of citizens (Beetham et.al., 2002:14). A further point stemming from this definition is that “democratization is not an all-or- nothing affair”, rather it is a matter of degree, with associations realizing the principles of popular control and political equality to a greater or lesser extent (Beetham and Boyle, 1995:2).

The representative democracy has several limitations. Democracy deficits have emerged within constitutional and institutional arrangements as well as in political practices (Tornquist, 2009:1-13). The democratic deficits of
representative democracy are clearly visible in poor governance, under representation and lack of political participation of the people. The poor and the underprivileged sections of society are alienated from the political process and loosing their faith in the democratic order and naturally, they become frustrated with lack of trust and influence. The interests of the common people are not considered in formulating public policies and financial resources are not allocated based on their priorities. In order to overcome this democratic deficits, three major explanations have been offered in the contemporary discourse. The first suggestion is that it is not a failure of the model of democratization as such but of its implementation (World Bank, 1997; UNDP, 2002). The benefits of democratization are not reaching to the grass roots level and the delivery outcome is very poor. The second and the radically different explanation is that, the problem is less about the design than insufficient condition for liberal democracies, narrowly defined in terms of freedoms and fair elections (Tornquist, 2009:1-13). The third explanation is based on the argument that the development of democracy has been de politicized (Harris et.al., 2004).

Tonquist (2009) points out the chances of the crisis of democratization and the most significant one is de politicization of democracy. This crisis can be effectively countered through popular participation and opening up of new institutions and structures and alternative democratic processes. Tonquist (2009) argue that the root causes for the crisis of democratization are neither poor application of the mainstream model (emphasizing the elitist pacts and institution building in return for more privatization and self-management) nor that democracy is premature due to the lack of significant preconditions. Rather, the more fundamental dilemma is the de-politicization of democracy and the fact that the paradigms are unable to conceptualize the problems and options involved (Tonquist, 2009:13-33). In spite of disputes, political theorists agree on aims of democracy in terms of popular control of public affairs on the
basis of political equality. Similarly, there is rather general agreement that this aim presupposes equal rights to participation, the authorization of representatives and officials and their representation of the people, which in turn calls for responsiveness and accountability, transparency and some basic solidarity among people (Ibid.).

There is obviously a long history of discussion about the attributes of democracy and democratic governance. During the course of the past half century, most attention in this regard has focused upon four basic attributes. These include, the conduct within a country of free and fair elections; the existence of a reasonably well organized and competitive party system; a delineation of, respect for, and protection of basic civil liberties and human rights within the society; and the encouragement, support of and active participation of a vigorous civil society, and in particular strong interest groups (Dahl, 1982). Democracy and democratic system are significantly important in the context of decentralization, particularly in the context of the current wave of democratization. How is it connected to the present topic under study? Huntington’s writings about democracy create a very strong linkage of decentralization with democracy. According to Huntington (1993:6), Democracy, as a source of government has been defined in terms of sources of authority for government, purposes served by government, and procedures for constituting government. Saying this, Huntington elaborates definition of his choice which is based on the latter, procedural definition:

[T]his study defines a twentieth century political system as democratic to the extent that its most powerful collective decision makers are selected through fair, honest, and periodic elections in which candidates freely compete for votes and in which virtually all the adult population is eligible to vote. So defined, democracy involves the two dimensions- contestation and participation……It also implies the existence of those
civil and political freedoms to speak, publish, assemble, and organize that are necessary to political debate and the conduct of electoral campaign (Ibid. :7).

2.3.3. Democratic Decentralization

Effective decentralization is a key tool for strengthening democracy (USAID, 2000:8). Strengthening democracy at the local level can help to strengthen democracy in the nation as a whole. It can help define the role of government and clarify the relationship between government and citizens (Ibid.). Democratic decentralization is the development of reciprocal relationships between central and local governments and between local governments and citizens. It addresses the power to develop and implement policy, the extension of “democratic” processes to lower levels of government, and measures to ensure that “democracy is sustainable”. Democratic decentralization incorporates both decentralization and democratic local governance concepts and processes (USAID, 2009). The democratic decentralization concept used in this study greatly generated from this theory. Democratic local governance provides enough space to build partnership with the community and some of the developmental functions are managed by the people themselves with the facilitative support of the local government.

Not all decentralization is a genuine sharing of power, however, not all decentralization is democratic (Camille, Henry and Jerry, 1997:5). As well, democratic governance at the local level needs attention for several reasons. Various sections of society, particularly weak or vulnerable groups, have the greatest incentive to participate in decision making at the local level because local decisions most directly affect them. Also, they can have ready access to local decision makers, in contrast to national leaders who may be located in a distant city. Information about the working of government can be more easily
communicated to citizens at the local level, establishing a clear link between participation and outcome (Ibid.).

2.3.4. Decentralization and Democratic Participation

The fundamental principle of decentralization is that the citizens get opportunity to participate in the decision making process at the local level. This increased participation leads to democratization and greater ownership of the people in the day to day management of local government affairs. Participation through inclusiveness and empowerment of citizens shall be an underlying principle in decision-making, implementation and follow-up at the local level (UNHABITAT, 2007: 2). Local governments in a decentralized system provide, either through the constitution or through national or sub-national legislation, create appropriate institutional arrangement to facilitate popular participation and civic engagement in decision-making process at the local level. The inclusive political and social policies of the national or sub-national government may also include special legislative provision for ensuring the participation of socially and economically weaker sections and women in local governance. The opportunity for participation facilitate people to express their choice in developmental decision making and implementation. Democratic local governance also provide large number of social accountability measures which ensure participation of people and make local democracy more accountable and transparent. With a view to consolidating civil engagement, local authorities should strive to adopt new forms of participation such as, neighborhood councils, e-democracy, participatory budgeting, civil initiatives and referendum in as far as they are applicable in their specific context (Ibid.).

It is widely recognized that representative democracy has its own institutional constraints to ensure participation of all sections of society in the policy formulation and implementation. Representative government has significant limitations and indeed there is a substantial body of literature which
critiques representative government as best “indirect democracy” (Carson and Martin, 1990:40). Much of the literature proposes replacement of representative systems with various forms of direct, deliberative or participatory democracy (Pateman, 1982; Barber, 1984; Cohen, 1989; Benhabib, 1996; Mansbridge, 1999). In a representative democracy the power structure is highly vertical and there is uneven distribution of political power. In most cases representative democracy serve the interests of the privileged and affluent sections and exclude the interests of the common people. There is very little opportunity to give citizen input to the developmental or governance decisions and to protect the interests of all sections of society. Decentralization, on the other hand change the dynamics of power sharing and facilitate a horizontal system of exercising political power. The different institutional structure created by the decentralized system bring the community closer to the people and open the potential of community consultation and participation in decision making process. Gaventa and Valderrama (1999) discussed a more active role for citizens through direct participation in public matters. Such an approach is concerned with transformation that go beyond the traditional notion of the public sphere and representative democracy, and challenge the boundaries between the public and private in favor of more “direct’ forms of democratic engagement.

Citizen participation is a much broader concept that goes beyond the transition from a representative to direct democracy. Citizen participation imbibes a new notion of citizenship with certain civic rights. The practice of direct democracy extends citizens’ political participation beyond the electoral process and draws on community participation- in identifying local priorities, planning and implementing programmes- to position citizen as a key decision-makers as well as implementing agent and beneficiary, in local governance processes (Cornwall and Gaventa, 2001). As citizens, people have the right to suggest development proposals and demand to earmark sufficient resources to
implement the project and monitor the development outcome of local
governments. The participation of people as client or beneficiary people can
monitor the cost and quality during the time of implementation and enhance
benefits. This new understanding of citizen participation substantially
increased the space for non-governmental organizations to engage in public
policy decisions of local governments. ‘Decentralization’, therefore, and
‘participation’ seem to go hand in hand. And as Crook and Sverrison say;

[T]he tendency to conflate decentralization with democratization and
enhancement of participation at the “Community” level...underlies the current
belief amongst advocates of decentralization that it will lead to greater
responsiveness to the needs of the poor’...(for)...In so far as the majority of
the population in developing countries are both poor and excluded from
national elite or ‘high politics’, then any scheme which appears to offer greater
political participation to ordinary citizens at the grass roots seems likely to
increase their ‘voice’ and hence(it is hoped) the relevance and effectiveness of
government’s department outputs (Crook and Sverrison, 1999).

Decentralization also facilitate people to effectively participate in the
decision making process with adequate information. In a decentralized system
of governance records and information should be maintained and in principle
made publicly available not only to increase the efficiency of local authorities
but also to make it possible for citizens to enjoy their full rights and to ensure
their participation in local decision making (UNHABITAT, 2007:3).

Citizen participation enhances the quality of democracy through the
democratic deliberation process happen in the micro level institutional systems
facilitated by local governments. The Role of citizens is fundamental for the
continual improvement of the performance of democratic institution, and, not
least, for the very survival of democracy. The local governments are the most
effective window for people’s political participation in development and
governance process. The International IDEA has very well stated that “without citizen participation, and the rights, the freedoms and means to participate, the principle of popular control over government cannot begin to be realized (IDEA, 2008: 11).

At present, the ideals of people’s participation is not achieved in the full sense of the concept in most of the democratic countries of the world. Various practical problems and systemic issues act as hindrances to achieve this goal. Considering this situation, the World Bank developed a new definition and stated that participation is “process through which stakeholders influence and share control over development initiatives and the decisions and resources which affect them” (World Bank, 2007). Participation any way, help to change the dynamics of power relations between the elected representatives and the people, articulate their development priorities and choices, exert influence on the decisions of the representatives and change their attitudes. Under the theory of democratic decentralization, people’s participation has much significance and the scope of people’s participation contributes to broaden the democratic base of local governments. Democratic decentralization opens new avenues for meaningful participation in the developmental and governance decision of local governments such as, participation in planning, implementation and monitoring of local plans, influencing the budgetary decisions and allocation of resources based on the needs and priorities of the people, involvement in the mobilization of physical (voluntary) and financial resources, and involvement in strengthening systems and processes of social accountability. To make participation of the people efficient and effective there are certain conditions that require attention: the relation of power, the level of community based organizations and institutional arrangements to realize their participation, participatory knowledge and skills of communities, political will of the rulers and consciousness of the people, community motivation and capacity to participate, sufficiency of resources at local levels to enable the communities to actively participate in the programme (McGee, 2000).
2.3.5. Decentralized Governance and the Civil Society

Almost all democratic theorists from John Stuart Mill to Robert Dahl have emphasized that responsiveness and accountability of the government to the citizens is the key characteristics of democracy. The theory of effective democratic governance established that, “As the proportion of non virtuous citizens increases significantly, the ability of liberal societies to function successfully will progressively diminish“ (Galston,1988: 1281) The successful functioning of a democratic government relied greatly on the enlightened citizenry and an empowered civic community. The evidence based research conducted in Italy Robert Putnam empirically proved that the performance of democratic institutions is determined by its social, economic and cultural surroundings (Putnam,1993:3). Putnam very well proved that the quality of democratic government and the institutional performance is determined by the character of civic life. With empirical evidence Putnam positively co-related the effect of civic engagement on the prospects for effective and responsive government. Almond and Verba also empirically explored the question of the success of democratic government and the influence of ‘civic community’. Citizenship in a civic community is marked, first of all, by active participation in public affairs (Putnam,1993:87). A genuine democratic system and its institutional settings create a congenial environment for the civic community to contribute for the common goodness. Interest in public issues and devotion to public causes are the key signs of civic virtue (Walzer,1980: 64).

The civic community protects equal rights and demands equal obligations for people of all social sections and promote their political participation. Participation in a civic community is more public spirited than that, more oriented to shared benefits. Citizens in a civic community, though not selfless saints, regards the public domain as more than a battle ground for pursuing personal interest (Putnam,1993:88). The dynamics of relations in a civic community is horizontal, bound together by reciprocity and co-operation
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rather than vertical of authority and dependency. The relationship between leaders and the civic community is guided by the principle of responsiveness. In a civic community citizens get an environment to actively participate in public affairs as virtuous and trustworthy citizens. Putnam also pointed out that civil associations contribute to the effectiveness of stability of democratic government, it is argued, both because of their “internal” effects on individual members and because of their “external” effects on the wider polity (Ibid.:39).

Decentralization provide large number of opportunities to widen and deepen the existing democratic system through partnership with civil society organizations and promote civic virtues. The civil society refers to all not-for-profit groups outside government such as community groups, non-governmental organizations, labor unions, indigenous peoples’ organizations, charitable organizations, faith based organizations, professional associations and foundations…(Mulugeta,2012:52). Civil society articulate the interests of the particular social groups and collective interests of the community and try to influence the public policy decisions of the governments at different levels, including local government. In recent decades, civil society organizations emerged as a potent social capital which can contribute positively towards strengthening democratic deliberations and to ensure social accountability of the government, through social mobilization and advocacy campaign. Diamond (1994) conceptualized civil society as:

The realm of organized social life that is voluntary, self-generating, autonomous from the state and bound by a legal order or set of shared rules. It is distinct from society in general in that it involves citizens capacity collectively in a public sphere to express their interests, passions and ideas, exchange information, achieve mutual goals, make demands on the state and hold state officials accountable.
This conceptualization clearly points out that as autonomous entities civil society organizations can function free from the control of the state, articulate the interests of the community through awareness campaign and exert pressure on the government in the decision making process and promote common goodness. As an institutional system outside the authority domain of the state, civil society organizations can criticize the government and expose wrong deeds on the part of government, including corruption. Therefore, civil society organizations function as one of the potential institutional mechanism to promote the collective interests of the people in the decentralized democratic system. Therefore, civil society plays several democratic roles, such as curbing authoritative state power, developing pro-democratic attitudes, creating alternatives to political parties, and strengthening independent media and fosters the dissemination and exchange of information leading to social change and economic reform as well as the development of socio-economic interests that mitigate traditional political polarities (Diamond, 1994:5-7).

The relatively recent concept of social capital added to local development and governance is quite noteworthy in the discussion on decentralized democratic governance. Popularized by Robert Putnam in his work on Italy and, later, America social capital refers to “features of social organization, such as networks, norms and trust, that facilitate co-ordination and co-operation for mutual benefit (Putnam, 1993). For Putnam social capital promote reciprocal relations among people in a community and create network of relations between them. Social capital also facilitates information flows for mutual benefit and trust and accelerates the socialization process leading to social development. Putnam’s original observation and Italy correlated strong social capital with ‘civic engagement’ and the performance of government. In this later sense, social capital can also contribute to democratic and sustainable governance (Putnam, 1995: 65-78). While the relationship between civil society and local government is very clearly reinforcing and mutually
beneficial to both parties, there are also some paradoxes in such relationships and become a heated issue of political debate. Political parties have a general feeling that their traditional space is shrinking with the high level presence of civil society organizations in the local political sphere.

The democratic decentralization in Kerala provides new lessons of direct democracy and contribute to make use of the social capital of non-governmental organizations, community based organizations, voluntary organizations, trade unions, professional associations etc. in the decentralized development planning and local governance. The social mobilization and awareness campaign organized as part of decentralized planning and the different instruments of social accountability crafted at local government level created new network of relations among people. These platforms are of significant importance to promote people’s participation in local level policy decision making and influence the government to articulate their interests. The conceptual understanding on civic community, civil society and social capital is extensively used in this study of the effect of decentralization on democratic local governance in Kerala.

2.3.6. Decentralized Governance and Democratic Accountability

Democracy is a system of government in which governors are answerable to the governed and the public support to the government authorities is determined by their performance. In a decentralized system of government, there are greater chances of making authorities accountable and responsive to the people at large. The accountability mechanisms provide a central link between formal decentralized institutions and citizens, the core relationship in democratic local governance. These accountability mechanisms prevent the authoritarian style of exercising powers by the elected representatives and bureaucrats in local governments. In fact, the creativity and beauty of democratic decentralization is maintained by the effective
functioning of social accountability mechanisms. The dynamics of both the horizontal and vertical autonomy keep the decentralized system functional and stable. Even in well established democracies, higher level governments have the right to ensure that basic standards are maintained in the delivery of key local services and that legality requirements are met on electoral processes, fiscal responsibility and procurement (USAID, 2009:8). Moreover, decentralization may also involve horizontal accountability relationships [between elected councilors and local civil servants, and among sub-national departments], which are critical for effective performance (Ibid.).

Decentralization provides opportunity to make local governments closer, proximate and accessible to all sections people in the society. The existence of local political venues makes it easier for ordinary citizens to participate and exert influence in the decision making process. When power is brought closer to the citizens, the political process becomes more tangible and transparent and more people can become involved (Hadenius, 2003:1). The different channels of power sharing and decision making opened to the people also act as channels of social accountability system in a decentralized system of governance. Therefore, it is widely recognized that the local government accountability can be achieved only with the active participation and support of the people at large. The civil society organizations or non-governmental organizations can take a lead role to empower the people and to make use of the various social accountability institutional systems for enhancing government responsiveness and delivery outcome.

The meaningful presence of civil society organizations make local governments more publicly answerable to their development policies and programmes. The local government authorities are forced to increase public transparency of all governance operations. In decentralized governance the citizens and the community can monitor and review the implementation of development policies and programmes. The policy advocacy role of a potent
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civil society further increases democratic accountability of local governance. The decentralized system also makes governance process more visible and transparent to the citizens and the community, including the civil society organizations. Public transparency is therefore a crucial precondition for effective democratic accountability (Scholte, 2004:217)

Along with massive devolution of powers and responsibilities to local governments, efforts have been made in Kerala to innovate new instruments of accountability and strengthen the existing systems. Since, substantial amount of financial resources have been devolved to local governments effective functioning of systems of accountability, both horizontal and vertical, acquire special importance. There is an in-built social accountability mechanism in the formulation and implementation of local plans with the different institutional mechanisms associated with each stage of the planning process through participation of the people. The openness and transparency developed as part of the planning process itself is an effective mechanism for accountability in the decentralized system of governance. As part of decentralized democratic governance, large number of accountability mechanisms have been designed in fund allocation and its utilization, prioritization of development projects, decision making process at local governments, provision for supervision of the authority of officials by the elected representatives, delivering different services by local governments, keeping of records and files etc. Above all the social accountability measures through Grama Sabha, social auditing and publishing the Citizen Charter are effective instruments to ensure accountability of local governments. These social accountability systems at the grass roots level are supported with clear cut rules and guidelines issued by the state government.
2.3.7. Decentralization and Inclusive Development

Avramov (2002) characterizes social exclusion as;

[A] condition of deprivation, that is manifested through the general disadvantages facing individuals of social groups due to accumulated social handicaps. It is experienced by people as the overlapping of objective deprivation with their subjective dissatisfaction with life chances due to inadequate means and limited access or poor participation in several of the most important domains of human activity …Exclusion is as a rule associated with social stigmatization, blame and isolation, which translated to slow esteem, a feeling of not belonging and not having been given a chance to be included in society. Exclusion as a social process is the denial of access to opportunity and social rights to particular individuals or groups of individuals. Social inclusion as positive praxis, on the other hand is the process of opportunity enhancement for building or re-establishing social bonds by facilitating the access of all citizens to social activity, income, public institutions, social protection and programmes and services for assistance and care (Avramov, 2002:26-7).

Social and political inclusion of marginalized social groups is a fundamental principle of democratic governance. In India governance and development are exclusively for a class of people and as a result the poor, women and Dalits are marginalized in getting due access to governance and information related to development (Palanithurai, 2009:50) Fair and adequate representation of various socially excluded groups is a necessary condition, not a sufficient condition for inclusive governance. National planning systems in India have historically relegated women to the margins of development resource allocation processes (Jain and Sujaya, 2004:2). Decentralization promote fair representation of these social sections along with empowerment
and participatory provisions of the decentralized democratic system in Kerala provided opportunities for greater participation of the marginalized and disadvantaged social groups in the decision making process at the grassroots level. Generally, these marginalized social groups are the most poor and deprived social classes. The affirmative action to ensure representation of these disadvantaged sections do not produce intended results, even though much better than the previous position. However, despite statutory and administrative efforts to provide political space to such communities. Panchayats have not been able to take effective measures to compensate for economic and social deprivation of marginalized people (UNDP, 2008:52). In places where the grip of the dominant caste over the social system is very strong, many elected officials from weaker communities is even worse (Ibid.).

Some studies describe that decentralization has positive impact on poverty reduction and pro-poor service delivery outcome of local governments. Crook and Manor (1998:301) argue, for example, that decentralization in Karnataka has improved the political participation and government performance, but, they say “Even (this) the most successful of our cases (Karnataka, Bangladesh, Ghana, Coted’ Ivoire) showed very little evidence of having been particularly responsive to ‘vulnerable groups’, the poor and the marginalized”. The opportunities of representation and participation of the marginalized social groups in the local government council and in other democratic institutional platforms help them to translate their felt needs and democratic rights into improved allocation of resources and enhanced delivery outcome. The meaningful presence of the marginalized social groups, including women, substantially strengthens their capacity to share information and prioritize the felt needs of the community while taking development policy decision. In general, decentralized governance can be a very important element in the facilitation of active participation of marginalized social groups and to

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1 Interview with Prof. P.K. Raveendran, Director, IRTC Palakkad at Njarakkal on 29-01-2014.
formulate and implement inclusive social development policies. The more decentralized government is, the more opportunities are provided for social and political inclusion of the marginalized social group². Local government policy and administrative practice can profoundly impact pro-poor and pro-inclusive development programmes and its implementation.

The effect of inclusive development and governance has also great potential for maintaining political stability, social security and legitimacy in a decentralized democratic system. The legitimacy of public bodies may be considerably boosted by the greater involvement and influence of ordinary people due to greater ‘proximity to politics’ that decentralization entails (Bhattacharya, 1994). This tends to strengthen the participation of the socially and politically excluded groups in the development and governance process. The greater awareness, participation and social mobilization of the excluded groups can also strengthen social accountability of the elected representatives and public officials who are directly involved in designing and implementing developmental programmes³. The increased access to information on these development programmes beneficial to the marginalized social groups enhance delivery outcome and this in turn accelerate the process of inclusive development.

The democratic decentralization program in Kerala brought about strong linkage between social inclusion and decentralization. The social and political inclusion of the marginalized social sections was considered as one of the most important aims of democratic decentralization. As part of decentralized planning concerted efforts have been made to ensure the representation of the marginalized social groups in the different institutional systems related to local governance and development planning. Enhancing access to participatory structures and access to resources are the key facilitating

² Interview with Dr. M. P. Parameswran, Leader of the KSSP at Trissur on 16-02-2014.
³ Interview with Prof. P. K. Raveendran, Director, IRTC Palakkad at Njarakkal on 29-01-2014.
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strategy adopted by the decentralized planning and governance project in Kerala for inclusive development. The chances of interaction of the marginalized social groups as an integral part of the civic community is strengthened through out the process of democratic decentralization. Access to basic infrastructure facilities, access to enhanced quality of services and access to employment are yet another focus of the policy of inclusive development adopted by local governments as part of democratic decentralization.

The goal of these development policy priorities of local governments has been to reduce poverty and deprivation of these excluded social groups. As such, the hope is that democratic decentralization will do more for addressing the dehumanizing effect of poverty and deprivation of the excluded social groups. Other than some studies on the effect of decentralization on enhancing political participation of the marginalized social groups, no empirical study on the inclusion of the excluded communities in local governance and development took place in Kerala. Effective policy making in the realm of social, political and economic inclusion therefore, requires careful attention on the part of state and local governments and implement the development programmes more effectively and efficiently and enhance the empowerment and capability of these deprived social groups.

From the very beginning of democratic decentralization campaign in Kerala, deliberative efforts have been made to make decentralized planning and local governance more gender sensitive. Gender equity was made one of the explicit objectives of the decentralization process and it was mandated that every project under the local plan should have a gender impact assessment (AKG Centre for Research and Studies, 2005: 94). Over and above, every LSG has to earmark at least ten percent of their plan fund exclusively beneficial for

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4 Interview with Sri.S.Nazarudeen, Former General Secretary, Grama Panchayat Association at Kollam on 25-02-2014.
women. It has been widely accepted that, provision of creating employment opportunities for women is an important inclusive development strategy of local governments and local governments should have to allocate adequate financial resources for development of women. Understanding the patriarchal structure of the Kerala society, specific provisions have been included in the local plan formulation guidelines to ensure at least one third of representation to women in all decision making bodies at the grass roots level. Focusing on gender friendly development and the need for their meaningful empowerment to make them visible in the social and political life of Kerala, the self-help movement of women through “Kudumbasree” was organized. It is generally recognized that, the social capital generated and mobilized in Kerala through “Kudumbasree” is another innovative contribution of democratic decentralization in Kerala.

Democratic decentralization in Kerala also focused to remove the social and economic backwardness of the scheduled castes and the scheduled tribes people (Dalits and Adivasis). These two communities that have failed to partake fully in the remarkable social sector achievements that generally characterize Kerala’s development process (Ibid.:89). These two communities are the most deprived and disempowered communities who suffer all the consequences of social exclusion in Kerala. In spite of the affirmative action and positive discrimination on the part of the state and local governments they do not have the minimum basic amenities and occupational mobility. The extent of political representation have been enhanced to these excluded communities in local governments, but failed to make use of this potential opportunity for achieving correspondent benefit due to the development challenges faced by them, including lack of capability to raise their voice and needs in the decision making institutional systems related to decentralized democratic governance in Kerala.
2.3.8. Decentralization and Civil Service Reforms

Civil service reform is another significant principle to be followed in a genuine decentralization process particularly in exercising the service delivery functions. In order to meet the increasing demands of the people and to match with the high level of expectations of the people, local governments should have to deliver services better, manage resources more effectively and also support other general outcome goals. Reform of the civil service, therefore, is the process of modification and amendment of the existing rules and regulations suited to the decentralized political and administrative system. In order to achieve better delivery of the expected outcome, decentralized system of governance needs a more efficient, dedicated and performing public officials. The elected representatives of local governments should also follow a strategy of motivating the public officials within the environment of social accountability created by decentralization. When civil service functions and structures are decentralized, existing bureaucratic patterns must be reorganized and roles and accountability are to be shifted. This issue was also addressed by the Committee on Decentralization of Powers and large number of meaningful measures have been taken as part of reorganizing the administrative system suited to the design of decentralization in Kerala.

As part of the civil service reforms large number of channels of communication between citizens and public officials at the local level have also been created in Kerala. Decentralization and the new environment of civil service reform also intensify the need for increased capacity building of elected representatives and public officials in the changing system of new roles and shifting of accountability. In order to create a better working relationship between elected representatives and civil service, and also to create a better local government and community interaction, capacity building is the most

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5 Interview with Sri. S.M.Vijayanand, I.A.S., Secretary, MoPR, Government of India at Ernakulam on 19-02-2014.
important contributing factor in decentralized governance. The committee on Decentralization of Powers also gave strong recommendations for institutionalizing the capacity building efforts to achieve the goal of civil service reforms and better outcome of local governments.

2.3.9. Empowerment, Capacity Building and Democratic Local Governance

Effective working of a decentralized system need an empowered and enlightened citizenry. Decentralization endow large number of new responsibilities to the people and the community at large. Based on the principle of subsidiarity the community and the people themselves can do lot of development responsibilities for the better delivery outcome and promoting the livelihood opportunities of the people, including strengthening the productive sectors of the economy. Some studies have already proved the positive impact of decentralization on political participation, efficient allocation of resources, democratic governance, and enhanced accountability (Martinez-Vazquez and McNab, 2003). Decentralization has also empowered the citizens, heightened their awareness of the different conditions of responsibilities, delivered coordinated services closer to the people, promoted creative local resource mobilization and increased responsiveness of public investment to local popular demands (Emorut, 2006).

The successful implementation of decentralization programme embodies effective capacity building of all stakeholders of local governance. The requisite capacity building of the key functionaries involved in policy planning and implementation related to local governance is of significant importance. Effective decentralization requires that sub-national administrative units or governments have adequate capacity to use their authority and autonomy to be responsive to local people (USAID, 2009:8). Decentralization has tremendously increased the expectations of the people on efficient delivery outcome of local governments. If sub-national officials are unable to deliver
functions that local residents expect from them, the potential benefits of decentralization are unlikely to be realized (Ibid). In a democratic decentralization process the capacity building of elected representatives in the local government council is of paramount importance and they directly involve and take the lead in the development policy formulation and implementation. Most of the elected representatives are amateurs and they do not have sufficient experience and expertise in local development and governance process. Since large amount of executive powers are vested with them they should have the capability to maintain the legitimacy of the system and to oversee the functioning of the bureaucracy and to ensure the effective functioning of the vertical accountability system.

Decentralization and local governance also serve to create numerous training grounds for the development of democratic skills and practice. As noted earlier, beginning with Rousseau, students of democratic governance have observed that local government provides not only a stepping stone to higher office, but also serves as an initial training experience in democratic decision making and the process of negotiation, compromise and the like, which are necessary elements in ensuring democratic governance. (Rosenbaum, unpan, 048927).

As mentioned earlier, the democratic decentralization in Kerala was started as a campaign led programme for decentralized planning with maximum participation of people. The government of Kerala transferred significant planning responsibilities to local governments and every local government has to prepare an annual plan observing the provisions of the guidelines issued by the state government. This is the mandatory responsibility of local governments to get their annual plan grant (devolved plan share) from the state government. It is also mandated that local governments have to prepare and implement the plan through a participatory process of democratic

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6 Interview with Sri.T.Gangadharan, President All India People’s Science Network at Trissur on 7-02-2014.
deliberation at different institutional levels. The decentralized participatory planning process demands building capacity of key local government functionaries and other stakeholders, including the ordinary people to a considerable extent. The state government initiated action towards transferring properties associated with the 29 subjects listed in the 11th schedule of the Constitution of India and also for transfer of officers to local governments (Tharakan, 2009:7). Along with administrative devolution, steps have been taken to transfer massive amount of financial resources to local governments. As a result of the political decision taken by the state government to initiate democratic decentralization through a participatory process, the task of capacity building and training became enormous.

The approach and strategy of capacity building to democratic decentralization is different from the traditional capacity building interventions undertaken by the government organizations. The capacity building as part of democratic decentralization was perceived as a process of transformation towards a deliberative democratic system. Deliberative democracy needs to develop the deliberative capacity of the people and other functionaries in a democratic system. Therefore, democratic decentralization process and the PPC have adopted a strategy of deliberative capacity building. Deliberation invokes a ‘talk-centric’ aspect of democracy (Chambers, 2003:308). The architects of democratic decentralization strongly believe that capacity building of the elected functionaries and the voluntary workers of the non-governmental organizations is significant to de bureaucratize the local governance and development process in Kerala. Moreover, democratic decentralization relied on the strategy of social mobilization for the democratic and administration transformation of local governments and to exert pressure on the state political system for consolidating participatory planning and democratic local governance. In this process of transformation the civic community has a greater

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7 Interview with Dr. K.N. Harilal, Former Member of the State Planning Board at Trivandrum on 19-01-2014.
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role to play and their capacity building is therefore, quite significant. Deliberative capacity is instrumental in democratic transition, and crucial to democratic consolidation and deepening (Dryzek, 2008:17).

In order to effectively implement the deliberative capacity building strategy, the State Planning Board (SPB) and later Kerala Institute of Local Administration (KILA) designed a decentralized cascading training implementation system for ensuring enormous coverage. Various levels of functionaries and elected representatives from different types and levels of local government had to be trained not once but several times (Tharakan, 2009:8). Consequent to the recommendations of the Committee on Decentralization of Powers, the training and capacity building responsibility was shifted from the SPB to KILA and KILA was designated as the nodal institution for capacity building of local governments. The government of Kerala approached the Swiss Agency for Development and Cooperation (SDC) to collaborate and support their efforts in capacity building for democratic decentralization and to consolidate the gains of decentralized planning and democratic governance in Kerala. The project Capacity Development for Decentralization in Kerala (CapDecK) was supported by the SDC for developing a comprehensive capacity building strategy and programmes for local governments and implemented by KILA from 2000 to 2010.

During the period of institutionalization of decentralization (Tenth and Eleventh Plan) the CapDecK project significantly contributed to strengthen democratic decentralization in Kerala. The CapDecK project positively contributed to develop KILA into a nodal organization by broadening its base and developing a strategy for capacity development (Ibid.:20). The decentralized training system has institutionalized to a very great extent and KILA has attained the institutional capacity to manage a decentralized system of training delivery during the last one and half decades. The Local
Government Associations has attained legitimacy and recognition as a lead actor in formulating policies related to decentralization and local government reforms.

Capacity building is not a one shot affair and continuous efforts and strategic intervention are needed to make democratic decentralization sustainable. Sustainability of the democratization process in development and governance largely depend on the sustainable and deliberative capacity building. The present study also focuses on assessing the effect of the capacity building initiatives in to the democratization process of local governance and the critical gaps existing in designing and implementing deliberative capacity building programmes for achieving the goals of deliberative democratic governments at the grass roots level in Kerala.

There are some serious criticisms leveled against decentralized system of government based on the experience of the study of implementation of decentralization in some countries of the world. Some writers (Crook and Manor, 1998:302) pointed out that decentralization raises a narrow national feeling which ultimately leads to secession and fragmentation of the state. They mention that narrow minded nationalists may manipulate the system and impose their narrow thinking on the people and exploit/misappropriate scarce resources (Ibid.) This argument and line of thinking comes from a situation of lack of effective systems of participation, accountability, transparency and responsiveness and also lack of trust on the part of the community to monitor the actual practice of governance and development in the decentralized system. As mentioned earlier in the introductory chapter that decentralization is not a sufficient condition for development and governance reforms, it is only a necessary condition and the designing and implementation of other facilitating factors determine the success of decentralization.
Another argument against decentralization is that autonomous governments may abuse their power exceeding the distribution of authority and responsibility, in such a way that it negatively affects macro-stability and threatens the unity of the nation (Mulugeta, 2012:40). Of course, there are chances of exercising powers and authority in the illegitimate manner and chances of emergence of a new group of political and administrative elites who have no accountability to the people and the community, and with their own agenda of patronage driven-politics, rather than rule-driven legitimate politics. This type of threat in the decentralized system of governance can be curbed only with strengthening the institutions and processes of democratic decentralization and participatory governance. This discussion naturally leads us to the different dimensions of decentralization and the significance of democratic decentralization. In fact the real decentralization involves the devolution of both the responsibilities and the resources needed to carry out required functions to relatively independent and autonomous sub-national authorities that are accountable principally to the citizens of their region and/or community (Rosenbaum, unpan, 048927).

2.4. Decentralization and Local Governance

According to Stoker “Local governance can be defined as a process in which governance outcomes depend on the interactions of a complex set of institutions and actors drawn from, but also beyond, local government” (Stocker, 1998:19). This definition points out that governance is a dynamic process directed towards change and transformation. Another important feature is that of governance promoting network of reciprocal relationships between and among various organizations and institutions within the government and it also promoting a new pattern of relationship of state and civil society interaction. Thirdly, the civic community can undertake large number of functions with legitimacy free from the control of the state. In addition, governance also implies the existence of large number of deliberative forums.
Some political theorists argue that governance is a synonym for government (Taylor, 2002:35) From the 1990’s onwards, particularly with the attainment of wide recognition to decentralization as a policy alternative for political transformation, the concept of governance began to be used at the local level. In the context of local government, governance means community-centric or people-centric governance or democratic governance. Citizens as individuals or part of the community as collectively and non-governmental organizations are actively participating in local governance. Local governance in general, provide large number of opportunities to strengthen local governance, participatory democracy and people-centric development planning.

Local governance creates an enabling environment for the civil society organizations and other non-state actors to strengthen their networks and partnerships and enhancing citizen participation in local decision making process. In this sense, local governance enhance participatory democracy and accelerate the process of involvement of citizens and the community in development planning and its implementation. Therefore, local governance strengthen participation of the people in implementation and monitoring and evaluation of development programmes.

In fact, concern about decentralization and local governance is not a new phenomenon. Two and half centuries ago, the French philosopher, Jean Jacques Rousseau, observed that swiss cantons served as vehicles for the preparation of their citizenry to engage in democratic governance (Rousseau,1920:80). Even more relevant is the assessment of democratic governance in the, their newly formed, United States by another great French writer, Alexis De Tocquelle, who focused upon the importance of local governments and civil society in terms of development of democratic institutions in the country. Local governments broaden the scope of democracy and strong local governments are important elements in the development of
democratic societies. Since the 1960’s, those concerns have resulted in growing attention being paid to issues of decentralization, and especially to the relationship between decentralization, local government and democratic institution building, by both practitioners and scholars of government reforms (Rosenbaum, unpan, 048927). The different international economic development agencies such as, the World Bank, and UND, as well as some regional development agencies (such as the Inter-American Development Bank), have in the past several years energetically promote for the strengthening of local governments and decentralization of the national governments, in spite of their centralist strategies of development.

Today, local governments play a constructive role in a society as an agent of change and development (Alam and Nickson, 2006:1). Local governments can very well protect the interests of the people of a particular locality, and promote the welfare and happiness of the people. The individual citizen develop a sense of concern to others and maintain a reciprocal relationship and become closer to each other. The local community can innovate and strengthen useful institutional structures to improve their lives. Local governments also act as source of support for advancing the decentralization policies of the national, state or sub-state level governments. Strengthening the capacity of local governments is therefore, a necessary condition for strengthening decentralization and democratic governance. Reforms to bring about decentralization are now perceived as essential elements of the devolution of responsibility to elected local governments, in order to facilitate the transition to ‘good governance’ and to ensure that the public sector responds to the needs and aspirations of both rural and urban people (Ibid.:2). The significance of strengthening local governments is clearly observed that many of the difficulties encountered in implementing projects and programmes for the benefit of the poor people can be met by strengthening local institutions through devolution and promoting popular participation in
development process (Cohen and Peterson, 1994:4). An important benefit of decentralization initiative is that it can create more responsive, efficient and accountable local governments. Local governments can reflect and translate the desires and needs of the people and provide better services and allocate resources in accordance with the needs of the people more efficiently. Local governments enhance the participation of the people in conceiving the locally relevant programmes and projects and implement them with maximum public participation.

The positive effect of decentralization on improving the quality of service delivered by local governments is widely recognized. Genuine devolution of democratic decentralization results to transfer of different service delivery institutions such as, health care institutions, child care institutions, schools, care homes etc. to local governments. Local governments can formulate service delivery policy and implement them with the participation of the people. The social capital of various civil society organizations can effectively be utilized by local governments to formulate and implement service delivery plan and enhance service delivery outcome. Another argument supportive to decentralization can be grouped under the rough heading of “efficiency”. Decentralization is advocated on the grounds that lower levels of the state (or in the case of privatization, private firms) can administer services or engage in development efforts more effectively and efficiently than the central state because they are closer to the people who use the benefit from them (IDRC, 2003:6). Proximity is supposed to allow for greater responsiveness as a result of better access to information about local preferences, needs and conditions (Smith, 1985:28). Decentralization produces the outcome of improved service delivery by better matching of public services to citizens’ needs and preferences and increased innovations, as problems are solved at the local level and as success are disseminated (Drick and Omar, 2006:5).
However, the notion that improving participation through decentralization will necessarily lead to improvements in people’s well being is not entirely consistent with documented evidence. A recurring theme that emerges from a sizeable body of literature is the relatively weak correlation that exist between democratic decentralization and poverty reduction (Crook and Manor, 1998; Manor, 1999; Blair, 2000; Golloba-Mutebi, 2000; World Bank 2000; Severrison, 2001). Despite great strides at developing power to local, democratically elected local bodies, decentralization in Colombia and the Philippines appears to have achieved little in the way of reducing poverty and improving regional disparities (Crook and Severrison, 2001: 37-39).

Greater participation in local government affairs will improve the quality and reach of government services, particularly ones aimed at improving the lives of the poor and politically marginalized groups in society (deSouza, 2000). For proponents of democratic decentralization, a central challenge of improving the delivery of public services become one of ‘crafting’ (Ostrom, 1990) institutions which can maximize participation in political life.

In recent years, decentralization has been used as a tool to make government more efficient and accountable: efficient because it is thought that local government are more cognizant of or ”in touch “ with the varying needs of different localities; accountable because they are structurally and geographically “closer” to the citizens who can monitor them and because they deal with issues that are often more tangible and commonplace (USAID, 2000:47). Decentralizing government or localizing government does not guarantee that the government will be democratic and accountable.

In true decentralization not only transfer powers and responsibilities but staff and resources. In practice, no decentralization can work if responsibility is transferred without the resources necessary to exercise it or at least the practical authority to raise the resources (USAID, 2000:47-8). In this respect,
local government has the potential to enhance the realization of democratic principles, given that the selection of representatives and decision making structures are on a smaller scale, more open to influence and effective participation.

2.5. Decentralization and Democratic Local Governance

Democratic local governance is an autonomous levels of local government, vested with authority and resources, that function in a democratic manner (RTI, 1997:3). Local governments are free to exercise their powers and responsibilities vested with them and design developmental programmes suited to the local needs with legitimacy and implement these programmes with maximum delivery outcome. Democratic local governments can monitor the effectiveness of programme implementation through their own arrangement and there is no control or supervision from higher tiers of government. Democratic local governance rely more on citizens and their democratic participation in the decision making process. The extent of participation of the people and the civil society ensure transparency and accountability in democratic local governance. Democratic local governance looks beyond local government administration and service delivery to institutions and structures that enable people to decide things and to do things for themselves (Ibid.). The various institutional mechanisms function with the active involvement of citizens and the civic community ensure fair political competition between different groups, transparency, and accountability. The process of local governance is based on democratic norms and behavior, it is done with openness and through democratic deliberations, conflicts are negotiated and decisions are taken through consensus and based on the principle of rule of law.
Democratic local governments enjoys high degree of administrative autonomy and freedom to take decisions within the functional jurisdiction identified by the legal framework. Local governments should have the ability to enjoy administrative autonomy to exercise its democratic responsibilities within the domain of their functional jurisdiction. Then only local governments would be able to respond local needs effectively. Democratic local governance beyond local government administration and service delivery to institutions and structures that enable people to decide things and to do things themselves. It emphasizes the presence of mechanisms for fair political competition, transparency, and accountability, government processes that are open to the public, responsible to the public, and governed by the rule of law (USAID, 1997:3). Democratic local governance is, in turn, local governance carried out in a responsive, participatory, accountable, and increasingly effective manner.

Decentralization disperses power and authority, it also creates additional civic space to the citizens and to the civic community. By generating more centers of political and administrative power, there are inevitably more venues in which civil society- community organizations, interest groups, business associations, labor unions, the media etc. – can develop and find sustenance. This is extremely important in terms of the building of democracy, in that it contributes significantly to the creation of non-governmental centers of authority and power within a society (Rosenbaum, unpan 048927). Such centers of power, particularly when they operate responsibly and independently of government control, served to hold government accountable. Decentralization is worth while only in so far as it deepen democracy and expand the scope and depth of citizen participation in public decision making (Heller, 2000). Expanding the depth means incorporating subordinate groups in to public politics. Expanding the scope means bringing a wider range of social
and economic issues into the authoritarian domain of politics (shifting the boundary from the market to the demos (Heller, 2000).

Democratic local governance is often people-driven or civil society driven, rather than public administration driven steered by the elected representatives of public officials at the local level. Along with devolving powers, democratic local governance enhance its efforts to design appropriate procedures and processes suited for a genuine democratic system at the grassroots level. The political power devolved to local governments are further extended to citizens and their associations, including civil society organizations. The dynamics of power distribution between local governments and non-governmental organizations is highly reciprocal and local governments believe in genuine power sharing and building partnership with citizens and the civic community. In democratic local governance, various sectors of society, particularly weak or vulnerable groups, have the greatest incentive to participate in decision making most directly affect them (RTI, 1997:5). Democratic local governance facilitate informed participation and all governmental information are accessible to the people.

The internal management system in a democratic local government is more open and continuous interaction takes place between or among various actors, particularly the elected representatives and public officials. Certain democratic norms guide the interface between these to key actors and their authority is mutually accepted, recognized and respected. Democratic local governance demands an empowered and educated citizenry to discharge the democratic responsibilities vested with them. The citizens and the civic community are the moving force in democratic local governance and they have a decisive role in determining the policy outcome of local governments. Citizens should have the capability to influence policies and participate in the developmental decision making process. Local governments and the state
system, therefore, have to take the initiative to build the capacity of the people and strengthen the reciprocal relationship between local governments and citizens. The focus of capacity building initiative in democratic local governance therefore, are citizen participation, accountability and transparency and responsiveness of government, democratic rights and responsibilities of citizens, inclusive and sustainable development, enhancing quality of service delivery, improvement of quality of life of the poor and deprived social groups, planning and implementing development policy etc. Democratic local governance aims and guide a process of change in the entire governance system more democratic. The democratic decentralization initiated in Kerala aims to fulfill the twin objectives of decentralization on the one hand and democratizing local governance on the other.

2.6. The Kerala Experiment of Decentralization and Democratic Local Governance

Kerala has provided a unique model for strengthening and deepening local democracy by innovating new grassroots level institutions and practices. The democratic decentralization process created a new public sphere through social mobilization and effectively used the social capital of the civic community for transforming the development planning and local governance process. Democratic decentralization in Kerala started as part of a political project with the support of the enthusiasm of people of all sections of Kerala society. Kerala’s decentralization experiment lies between the liberal interventionist perspective and the radical populist views (Rajesh, 2013:31). It has more similarity with radical populists and Marxist approaches of decentralization, which adopted the path of social movement kind of decentralization from below (Ibid.). This also shared some elements of committarianism in the element of empowerment of marginalized groups,

8 Interview with Dr. Jose Chathuakkulam, Director, Centre for Rural Management at Kottayam on 12-02-2014.
through a deliberative democratic process (Wright, 2001). Kerala’s effort of
democratic decentralization through People’s Plan Campaign provide new
lessons of social mobilization and massive awareness building, with clear
vision for creating a participatory democratic local governance system. This
has also created a new paradigm shift in development planning and
implementation with the participation of the civic community and with the
social capital of the civil society.

The popular project of decentralization in Kerala created synergy of
the state and civil society at the grass roots level and accelerated the
democratization process in development planning and local governance. New
systems and processes have been innovated and strengthened to create a state
with strong grass roots level democratic footing through the process of
democratic deliberations and horizontal level power relations among different
social sections. The rich social capital developed as part of long years of
democratization process and the strong organizational support of working class
politics were supported as the instrumental force for such social mobilization.
The development history of Kerala and discourses on a new paradigm of
people’s centric development acted as facilitating environment for democratic
decentralization and significantly contributed for its success.

Democratic decentralization in Kerala has attempted to empower local
governments to undertake the functional responsibilities devolved by the
constitutional act and the legislative measures taken by the state government.
Kerala’s People’s Plan Campaign was an attempt to create a state with strong
grass roots democracy through the process of empowered deliberative
democracy (Rajesh, 2013:31). The PPC was the instrument through which
grassroots level democratic participation of all social sections have been
ensured in the development planning process and its implementation.
Democratic decentralization has been presumed to possess the potential for
nurturing a useful state civil society synergy through mass mobilization (Isaac and Franke, 2000:6). Kerala has used the democratic potential of decentralization to make local governments more effective and accountable in delivering better outcome to the common people. The social mobilization process undertaken as part of the PPC meaningfully contributed to transform local governments into institutions of empowered deliberative bodies. The democratic decentralization project was designed in Kerala an opportunity to widen and deepen democracy at the grass roots level. The extent of autonomy enjoyed by local governments and the fiscal decentralization measures taken by the state government enhanced the sense of ownership of elected representatives and other key stakeholders in local democratic governance. Different sections of the society identify their meaningful role in articulating their needs and participating in the decision making process which can improve their lives and their communities.

The positive civic conditions of decentralization, the facilitating environment created by the PPC and the affirmative policy decisions of government of Kerala helped to break the centralized bureaucratic development culture and facilitated the marginalized social groups to involve in the democratic decentralization campaign. The increasing representation of the marginalized social sections such as, women, scheduled castes and scheduled tribes in the elected councils of local governments and in other important decision making bodies produced positive results in the participation of these sections of society. The massive awareness and empowerment generated by the PPC also significantly helped to the social and political inclusion of these marginalized social groups and to strengthen their interaction with the civic community and local governments.

The civic and political engagement created by the PPC transformed the traditional relationship between local governments and the society. Local
governments became more accountable, transparent and responsive to the needs of the people and these intrinsic values of decentralization became pre-requisites for democratic local governance and development planning. A radical transformation of the development culture of the state is a necessary pre-requisite for successful participatory decentralization (Ibid.:11).

The changing role of local governments and the massive devolution of powers and responsibilities vested with them demand systematic capacity building of key functionaries and other stakeholders. The elected heads of local governments are endowed with important executive authorities and the entire elected representatives became part of the executive functions. The development responsibilities of almost all line departments at the grass roots level have been transferred to local governments as part of democratic decentralization in Kerala. Therefore, development of professional management skills and technical capability in planning and implementation become the urgent need of the day. The political leadership of local governments have legitimate power to oversee the functions of the local level officials and to make them accountable in discharging their responsibilities. The grass roots level institutional structures associated with development planning include large number of voluntary experts and activists and they are also associated with local governments in different capacities to carry out the functional responsibilities of local governments. Strengthening the capability of these non-formal actors is also significant to strengthen the quality of development planning and local governance. The efforts for democratic decentralization also demand capability building of the citizens at large. Leonardo Avritzer views democratization as the construction of a democratic public sphere and introduces the concept of participatory public which involves the formation at the public level of face to face deliberation, free expression and association (2002:52). Participatory public reserves the right to monitor the administrative implementation of their decisions. Here comes the importance
of massive awareness building and empowerment of the people to make them capable to participate in the decision making process at the grass roots level. Therefore, capacity building is also become an important issue in the process of democratization of development planning and local governance.

2.7. Assessing the Democratic Performance of Local Governance

As I have clearly stated in the introductory chapter, this study focus on assessing the performance of democratic local governments in Kerala, specifically looks in to the issue of the implementation of the principles and practices of decentralization and local governance in the last two decades. This study also examine the critical challenges faced by local governments in the development planning and democratic local governance process and suggest policy options to resolve these constraints and strengthen democratic local governance in Kerala. In the assessment of decentralization and democratic local governance in Kerala, the present study is influenced by the contributions of several international institutions such as, International Institute for Democracy and Electoral Assistance (IDEA), United States Agency for International Development (USAID), United Nations Development Programme (UNDP), Research Triangle Institute (RTI) etc. and made use of the framework developed by them for assessing the effect of decentralization on the performance improvement and quality of local democratic governance in Kerala.

State of Local Democracy Assessment Framework (SOLD) developed by International Institute for Democracy and Electoral Assistance (IDEA):
The framework is organized around four pillars; citizenship law and rights, representative and accountable government, civil society and popular participation and democracy beyond the state. The focus of this framework is fundamental principles of democracy and the mediating values related to these principles (IDEA,2008:8). This framework is specifically developed to assess
the quality of democracy that linked to domestic processes of democratic reform at a macro level. The key democratic principles that form the basis for the assessment framework are: popular control over decision makers and the political equality of those who exercise that control (Ibid.:10). The framework also derives seven mediating values from these two democratic principles; participation, authorization, representation, accountability, transparency, responsiveness, and solidarity (Ibid.:11). The framework used by IDEA as such is not used in the present study. As I have already mentioned that this framework is developed to assess the quality of democracy in different countries at different stages of democratization and this is not a framework specifically developed for assessing the quality of local democratic governance. Even though, some of the assessment parameters are equally useful to assess the effect of decentralization on the democratization process at local level in Kerala and also to reflect on the democratic achievements and deficits exist in the democratic reform and draw lessons from this assessment.

Framework of United States Agency for International Development (USAID): Framework developed by the Centre for Democracy and Governance of the United States Agency for International Development (USAID) is another most significant contribution in the assessment of decentralization and democratic governance, which attained international recognition. The document developed by USAID entitled Decentralization and Democratic Programme Handbook Local Governance (2000) is a practical guide to assess the extent of decentralization and democratic local governance. This handbook also present a conceptual and strategic approach to democratic local governance. Even though, this handbook was prepared as a practical guide to USAID officers who have been involved in the task of developing programme activities in the areas of decentralization and democratic local governance as part of USAID donor support, it can also be used as a framework to assess democratic local governance. The five key parameters of
Democratization presented by this framework are; consensus, rule of law, competition, inclusion and good governance. These parameters are applicable to both the assessment of democratic governance from the most central to the most local. As far as enlarging the scope of local democratic governance is the objective of the democratic decentralization in Kerala, I find that among these attributes, participation, inclusion, accountability, transparency and capacity building are the most important indicators useful to assess the democratic performance of local governments.

**UNDP Oslo Governance Centre’s Tool for Assessing Local Governance:**

UNDP Oslo Governance Centre has developed a useful guide to assess local governance and to identify potential gaps and constraints in local policy implementation (UNDP, 2009). This document also discusses the question of the assessment of local governance and clearly listed the multiple purposes and reasons for assessment as follows:

- To identify potential gaps and constraints in policy implementation
- To identify specific capacity development needs and to monitor the results of capacity building efforts
- To formulate change plans and solicit donor or peer assistance for improving specific aspects of local governance
- To engage civil society and private sector in local governance
- To provide an objective account of achievements of local elected leaders (especially at times of re-election) and thus building accountability (UNDP, 2009:7).

This guide book clearly described the rationale and usefulness of assessing local governance and pointed out that assessment in general can be an important tool for systematizing information and data on local governance issue in particular or on the quality of governance in general. Furthermore,
assessment provide a foundation for evidence based policy making and can empower reformers within local government and civil society to mobilize public opinion for reform (Ibid.). This document focused on four areas in terms of measuring local governance; local governance, decentralization processes, local democracy (Ibid.:8). Each area has identified an exhaustive list of assessment indicators. Among them, the researcher find some of the appropriate and adequate indicators suited to the focus of the research area, research problems and objectives of the study are identified and used in this study.

**Research Triangular Institute (RTI), Sweden** also developed Decentralization and Democratic Local Governance Sample Performance indicators to assess democratic local governance based on its strategic objectives and design consideration of democratic decentralization. The most important among them are:

- Legal reforms to devolve power for administrative, financial and political decentralization
- Increasing local government’s ability to act
- Increasing local government accountability, transparency and responsiveness
- Enhancing role of civil society
- Improving quality of life
- instituting constitutional and legal reforms to devolve powers to local structures, increasing local governments’ ability to act (financial and human resources, organization, authority), increasing local government accountability, enhancing role of civil society, and improving quality of life (RTI, 1997:13).
Democratic Decentralization Goals and Objectives of Kerala

The assessment of the performance of local democratic governance made in the present study also make use of the objectives identified by the democratic decentralization by the Committee on Decentralization of Powers and the objectives listed by two of the lead policy makers of democratic decentralization in Kerala such as Thomas Isaac\textsuperscript{9} and S.M.Vijayanand\textsuperscript{10}. These objectives are also useful to develop the indicators to assess the effect of decentralization and democratic governance at the local level. The principles of decentralization enunciated by the “Committee on Decentralization of Powers” (popularly known as Sen Committee, after its late chairperson Dr. Satyabrata Sen) are; autonomy, subsidiarity, role clarity, complementarity, uniformity, people’s participation, accountability, and transparency (Interim Report of the Committee on Decentralization of Powers, 2006:4-5).

The objectives of democratic decentralization is beautifully described by Thomas Isaac (2000) as “Appropriate institutions and opportunities, but also necessary capabilities have to be created at the lower levels in order for ordinary citizens to participate in the decision-making, implementation, monitoring and sharing of benefits and responsibilities of government activities”. The desired objectives of democratic decentralization are;

- To provide maximum opportunity for the direct participation of people in daily governance
- To bring about a transformation in the attitudes of the participants (people) and to generate a new civic culture
- To empower local governments as institutions of self-governance
- To strengthen the production sectors and to improve the productivity and accelerate the process of economic growth

\textsuperscript{9} Former Member of the State Planning Board, GoK in charge of Decentralization
\textsuperscript{10} Former Principal Secretary, LSGD, GoK. and Present Secretary of MoPRD, GoI.
• To strengthen service delivery sectors and enhance quality of services at the local level through community participation
• To eradicate the islands of absolute poverty and ensure greater gender justice in the development process
• To promote the development of marginalized social groups including, scheduled castes and scheduled tribes and fisher folks
• Increase the capacity of local governments to formulate and implement local plans and to exercise the powers and responsibilities vested with them in a more transparent and responsive manner.

Another lead practitioner of democratic decentralization reforms in Kerala (Vijayanand, 2001) listed the important specific objectives of decentralization in Kerala include:

• To improve the quality of investment by allocating resources for priorities fixed by people
• To facilitate emergence of local solutions to development problems through improved planning, better implementation, use of traditional knowledge and technology
• To exploit local production possibilities
• To enable people’s participation leading to better vigil in execution of programmes followed up with better upkeep of assets
• To unleash public action resulting in a demand-led improvement in the delivery of development and welfare services

Based on the analysis of the above discussed methodologies for assessment of the performance of decentralization and democratic local government, the following indicators are used in the present study for assessing the principles and practices of decentralization and democratic performance of local governance in Kerala;
Decentralization and Democratic Performance of Local Governments: Conceptual Framework

- Citizen participation and engagement of civil society in the process of development planning and implementation
- Political and social inclusiveness of marginalized groups and their participation in local governance and development process
- Democratic accountability, transparency, responsiveness and information availability in local governance
- The internal management system and democratic relations among different actors and effective interface between elected representatives and officials
- Capacity building for effective local governance and better targeting of service delivery

As part of assessing the principles and practices of decentralization in Kerala the following key democratic principles are used as indicators for assessing decentralization and democratic local governance in Kerala in this study;

- Participation of the citizens and the community in decentralized development planning and implementation
- Social and political inclusion and participation of marginalized social groups
- Accountability, transparency and responsiveness in local governance
- Strengthening the internal management system and democratic relations among various actors particularly, elected representatives and public officials
- Capacity building and training for different functionaries of local governments
2.8. Summary

The discussion on the conceptual framework and theoretical understanding in this part of the thesis throws light on the significance of assessing the practice of democratic decentralization programme in Kerala for the last two decades. This chapter gives more in depth understanding on the concept of decentralization and democratic local governance and the most important intrinsic values involved in this political transformation. The definition and meaning of various concepts used in this thesis also help to operationalize these concepts in the context of the present study. The detailed theoretical discussion is useful to establish linkage between the theoretical understanding and the translation of these various principles/characteristics of decentralization into practice in Kerala and form strong foundation for the empirical assessment. The theoretical discussion on decentralization also help the researcher to identify the most appropriate indicators for assessing the performance of decentralized development planning and democratic local governance in Kerala based on evidence based empirical data. The theoretical discussion strongly confirms that decentralized development planning and democratic local governance has great potential to strengthen the democratization process at the local level and can produce qualitative changes in the public sphere. The citizens as individuals or as part of the civic community or as members of the civil society organizations can positively contribute to enhance the quality of local democracy and legitimacy of local governments. This will naturally leads to empower and capacitate different sections of the society to play a creative role so as to achieve political stability and social security. In short, decentralized development planning and democratic local governance accelerate the process of democratic deepening and strengthen the trust of the people to local governments. This discussion also helps formulate an understanding that there are certain pre-conditions for the success of decentralization. One important pre-condition is the supportive environment and the high degree of central state capacity (Heller, 2000) to
coordinate different levels of government and the community at large and a well developed civil society. The enabling environment is quite favorable for Kerala to fulfill all the ingredients of a decentralized democratic governance system.

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