

Decentralisation & Separation of Powers

iPolicy, Hyderabad
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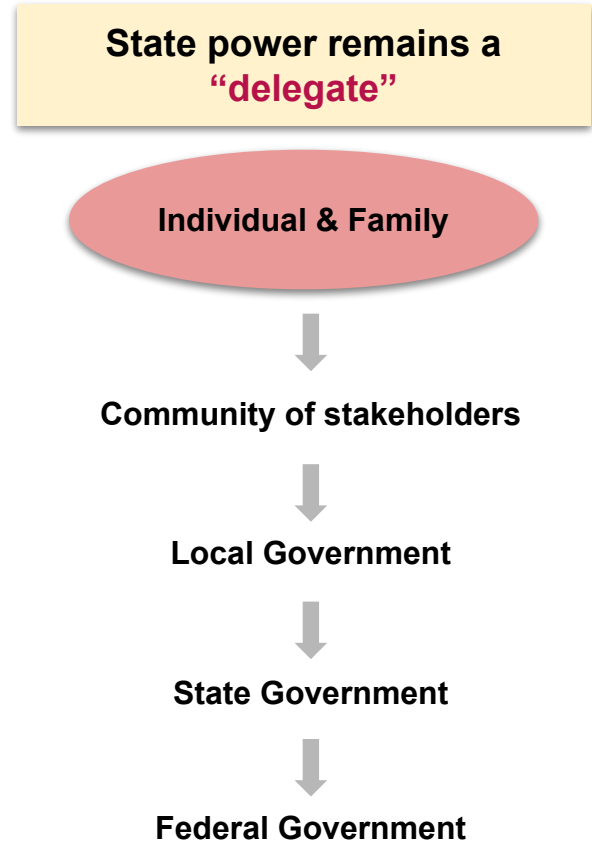
“The best school of democracy and the best guarantee for its success is the practice of local self-government.”

– Lord Bryce

Principle of Subsidiarity

- Any issue that can be handled locally, at a level **as close to the citizen as possible**, should be done locally.
- Only when it is not feasible should it be delegated to a higher level of government.
- **The farther removed state action is from the citizen, the higher are the chances that the state will not function in the best interests of the citizen.**

For instance, deterioration of public school education in the erstwhile state of Andhra Pradesh.



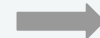
India – High Degree of Centralisation

- Highly centralised system of governance – partly because of the **colonial legacy** and partly because of the traumatic experience of **the partition** at the time of independence.
- **Accountability has been eroded** leading to inefficiency and corruption in almost every sphere of government.
- **Constitution envisages transfer of 29 subjects** ranging from education and healthcare to agriculture to local governments.
- In reality, **states are extremely reluctant to let go if any of their powers.**

73rd & 74th Amendments to the Constitution

- Together, the amendments are **about 7,700 words long**, which is more than the entire American Constitution (4,700 words).
- **Article 28 of the German Basic Law** mandates powerful, democratic, autonomous and self-reliant local governments in just over 100 words.
- Key provisions regarding powers & functions are **vague and feeble** (Articles 243G & 243W).
- Most States took full advantage and created **local governments devoid of any substance.**

Current local governments



Over-structured

Underpowered

Consequences of Over-Centralisation

No link between:

Vote



Public Good

Taxes



Services

Authority



Accountability

Inefficient & corrupt **service delivery**

No avenue for **leadership** to rise

No proper **political recruitment**

Shri R.S. Bharathi's work in Alandur Municipality provides an example of how effective local governments can be if these links are clearly established.

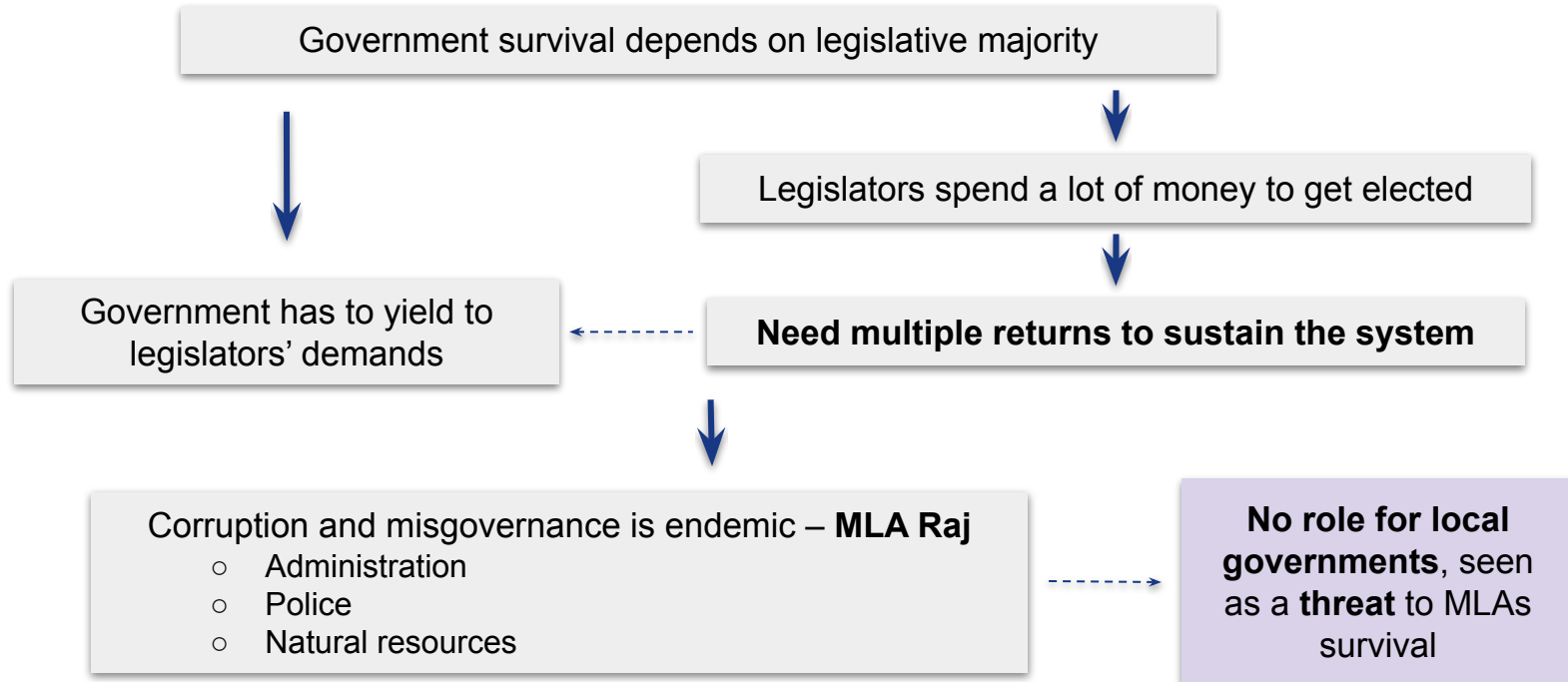
Vote becomes a purchasable commodity and populism becomes endemic

What can be done now?

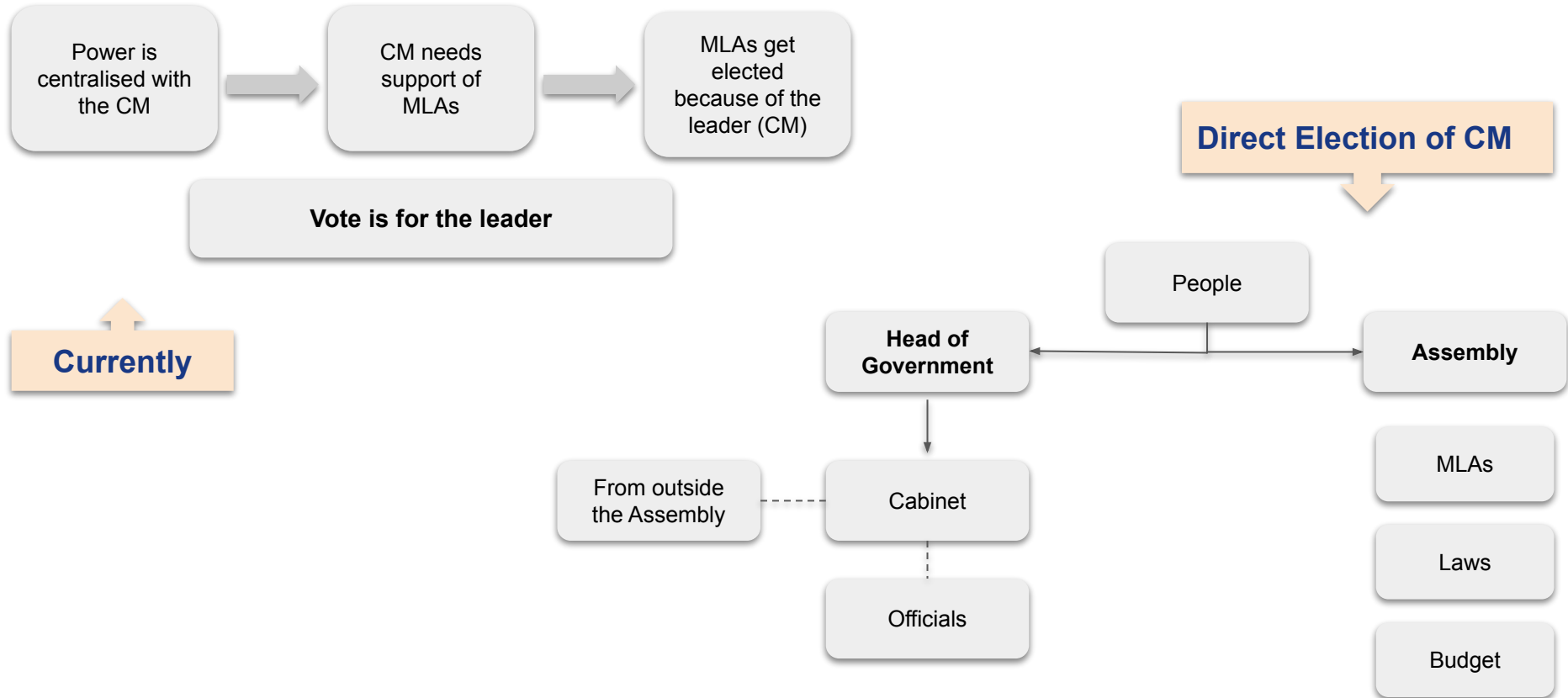
- **Incorporate Schedules XI and XII into Schedule VII of the constitution**
 - Constitutionally devolving powers and responsibilities to local governments
- **Urban local governance – evolve a separate governance architecture for cities with population exceeding a million (about 61 cities¹)**

Westminster Model of Government

- Vast energy expended in **survival of the government**
- MLA – “**Disguised Executive**” of the constituency & “**MLA Raj**”



Altering Incentives – Direct Election in States



From a vicious cycle to a virtuous cycle...

- **Stability of government** is assured as it is not dependent on MLAs' support.
- Executive is **free from vested interests**; no scope for interference in general governance by MLAs.
- Can appoint **competent ministers** from a wide pool, excluding legislators.
- **Increased democratisation** as tenure of a Chief Minister can be limited to two terms.
- **Local governments** can be strengthened which will further eliminate the need for populism.
- **Illegitimate expenditure** during election will come down.
- Appeal of the MLA office will fade.
 - MLA has **no “disguised executive” role**; political fiefdoms become irrelevant.
 - Those with merit and ambition will become **leaders in the local governments**.

Empowerment, beyond politics & government



- Democracy is incomplete if citizens have no right to **articulate their views**, and **organise, persuade & pressurise governments** to pursue a course of action according to their beliefs.
- There are generally two kinds of pressure groups:
 - a. Those **representing economic interests of discrete clienteles**; and
 - b. Those that do not represent any specific client but **pursue larger causes they believe in**
- Non-profit groups pursuing non-economic interests have generally enjoyed higher **public acceptance & legitimacy**.
 - However, the **National Rifles Association (NRA)** in the US is an example where this distinction is not applicable. NRA is an example of a seemingly rights-based organisation backed by profit-seeking corporates.

Deepening Democracy

Facilitating a constructive role for various interest groups

Strict **regulation** – registration, monitoring & transparency – for groups representing specific economic interests

Recognition that policy choices are legitimate areas of political contention, to be decided by the **people's mandate** as far as practicable

No denigration of the **political process** or undermining the **democratic legitimacy** of elected governments

Obstructive methods of civic engagement & paralysis should be given up

Pursuit of reforms through **systematic & constructive engagement** to persuade elected governments

Institutional checks & balances to be preserved at all times, in every organ of the state

“Nowhere has democracy functioned well without a large measure of local self-governance”

– Friedrich Von Hayek
in “The Road to Serfdom”