

Citizens' Report on Governance and Development 2010

Executive Summary

National Social Watch

Governance is a development issue and good governance is a key requirement for effective and inclusive development. Governance is about the way decisions are made in villages, towns, cities, provinces and countries. For those in government, it is the *exercise of authority* to manage the affairs of a constituency. While the government normally has the final say when it comes to public policies, programs, laws and regulations, it is not the only player. Citizens, civil society organisations and the private sector also have a role to play. Governance is about how the government, civil society and the private sector work together. Governance tells us *how* the government functions, *who* is involved in the policy process and *what* the effects, both positive and negative, of political activity, are distributed in a society. *where*

Development is “the process of enlarging peoples’ choices to live long and healthy lives, to have access to knowledge, and to have access to income and assets: to enjoy a decent standard of living.”¹ Reflecting on the elements of governance in a country can tell us a great deal about the people’s options, their access to knowledge and opportunities. Each of the elements, and good governance itself, can be understood to be both a means and a goal of development. Assessing governance and its elements will lend insight into how development efforts are succeeding (or not succeeding) in securing choices for the people the government represents. *Citizens’ Report on Governance and Development* is an effort to understand the process and institutions of governance in India and its implications for development.

After more than six decades of independence and state formation, India is faced with serious development challenges. These challenges are aggravated by the recent global financial crisis and climate change. India’s recent growth performance has been impressive and the

country remains one of the fastest growing economies in the world.² However, there is an alarming inter and intra-state disparity that challenges the development in India. Two major developmental challenges of India are maintaining rapid growth while spreading the benefits of growth more widely and improving the delivery of core public services. These are the two areas where India has been frequently failing, even after continuous efforts. The current government, in its second term, aims to achieve a rapid expansion in economic growth while also giving every citizen a sense of partnership in economic processes, welfare programmes and developmental activities. It places special emphasis on ensuring equality of opportunity for individual advancement and social upliftment of all sections of Indian society.³ In this report, we aim to examine how far these objectives have been met by interrogating the four key institutions of governance.

While the deadline for achieving Millennium Development Goals (MDGs) is approaching, India is far from achieving the goals. One-third of the Indian population is still living in poverty. Almost two decades of basic education programmes have expanded access to schools in India⁴, but the quality of education remains poor resulting in low literacy level (66 per cent). Most of those deprived of primary education are from marginalised social groups. The challenge is reach to 8 million children and to ensure that they remain in schools till they complete elementary education, and at the same time improve the quality of education. Even though serious efforts like Women’s Reservation Act are being made, ensuring gender equity, women empowerment is still a major concern for India. Health services in India are also considerably pitiable. The government sector is understaffed and underfunded, poor services at state-run hospitals force many people to

visit private medical practitioners. National policy lacks specific measures to achieve broad stated goals. Particular problems include the failure to integrate health services with wider economic and social development, the lack of nutritional support and sanitation, and the poor participatory involvement at the local level. In this context, it is essential for India to improve the delivery of core public services such as healthcare, education, power and water supply to all citizens. This means empowering the citizens to demand better services through reforms that create more effective systems of public sector accountability. *Citizens' Report of Governance and Development* is an effort in that direction. The report aims to assess the governance and development process in India and inform the citizens so that a debate can be generated and public sector accountability can be ensured. With this objective, the Report attempts to evaluate the four key institutions of governance, namely the Parliament, the Judiciary, the Executive and Local-Self Government. We look at the health of these institutions, their constitutional responsibilities, how far these responsibilities are met, what are the implications for inclusive development and why these institutions fail.

PARLIAMENT WATCH

The title of the Parliament section encapsulates the issues which face the Indian Parliament in terms of three challenges of 'Representativeness', 'Responsiveness' and 'Responsibility'. In this light, the present section is divided into five sub-sections looking at various aspects of the functioning and performance of the parliament for the year 2009.

Functioning of the Parliament: Conducting

The first section indicates the existing health of the Indian Parliament by examining and establishing some worrying trends in the way in which the Parliament functions and conducts its business. The section notes that disruptions leading to unscheduled adjournments have become the biggest bane of Indian Parliament. In contrast to the 14th Lok Sabha, the initial

session of the 15th Lok Sabha was quite peaceful. In fact, in the short session of over seven days, there was neither a single adjournment nor disruption, the opposition benches stayed calm and allowed smooth functioning of the House. However, it was business as usual in the monsoon session which followed where Issues like rise of petroleum prices, the Indo-Pak Prime Ministers' meet at Sharm-el-raised the temperatures on both sides, forcing adjournments. As a result, 23 hours and 45 minutes in the Lok Sabha and 9 hours and 30 minutes in the Rajya Sabha were lost. The winter session was worse hit, witnessing a lost over 30 per cent of its scheduled time in Parliament, while the Rajya Sabha lost nearly 13 per cent of its scheduled time. For the first time in recent years, on 30 November 2009, Lok Sabha witnessed the shocking collapse of the question hour when 28 members in whose names the starred questions were listed, played truant. Despite the Lok Sabha sitting for 64 days in the year and Rajya Sabha for 63 days, the number of bills passed saw a decline from 47 in 2008 to 41 in 2009. The time devoted to legislative business has been showing a continuous declining trend and the 15th Lok Sabha is no exception to this. Both the houses of the Parliament have spent less than one-fifth of their total time on legislative business. In 2009, 27 per cent of the bills passed in the Lok Sabha were done in less than five minutes. Only 17 per cent of the bills took over three hours of discussion. It is also interesting to note that the number of MPs participating in the discussions on legislations have come down, from 11.5 per Bill in 2008 to just 8.8 in 2009.

Inside the Parliament: The 15th Lok Sabha So

The second section gives a bird's eye view of what happened inside the Parliament in 2009. Starting with the re-election of the United Progressive Alliance government, the section notes that for the first time since 1971, a government returned to power under the same Prime Minister and after completing its full term in office. The other significant feature of the newly formed 15th Lok Sabha was that for the first time after 1991, the

leading party in the government had more than 200 seats in the Lok Sabha with the Congress winning 207 seats. Last the Congress had won more than 200 seats was in 1991. Another major landmark, which Dr Manmohan Singh rightly dubbed as a 'historic moment', was the election of a woman as the Speaker (Meira Kumar) of the Lok Sabha.

The Opposition benches also acquired some new gloss as some of its leading lights which had been out of the Lok Sabha returned to add glamour as well as punch. BJP leaders like Sushma Swaraj, Jaswant Singh, Yeshwant Sinha to name a few, and Janata Dal (U)'s Sharad Yadav, occupying the opposition benches in the Lok Sabha, meant that much more challenging days ahead for the Government.

It was evident right from the beginning of the new House that issues like price rise would be a hot topic and virtually in every one of the three sessions during the year, it found echo in both Houses, in the form of discussions, calling attentions and also during zero and question hours. The Monsoon session however proved to be the most productive one. With both the Railway and general budget being presented for the year, the session acquired new meaning. The session also witnessed very important legislations being passed including the momentous Right to Education Bill. If the Right to Education Bill was a major achievement of the UPA-II then the Judges (Declaration of Assets and Liabilities) Bill, 2009, known as the 'Judges Bill' turned out to be a major embarrassment. The Law Minister Veerappa Moily introduced it in the Rajya Sabha, hoping to get it passed without a hitch, but had to face ignominy when he was forced to withdraw it.

Even as the early part of the session was dominated by the budget and its fall outs, the visit of Prime Minister to Sharm-el-Sheikh in Egypt, midway during the session, his controversial meeting with the Pakistan Prime Minister, Yusuf Raza Gilani, and the subsequent statements, created a furore in the Parliament. While the foreign policy, especially related to Pakistan had occupied the Parliament's time considerably, the looming drought and expected failure of monsoon also caught the attention of the two Houses, quite a bit. By the time the

Winter session began, some new issues and some old ones surfaced, resulting in some stormy days when both Houses remained paralysed and emotions ran high. Starting with the concern showed to the farmers on the sugarcane pricing issue, which resulted in both Houses of Parliament being stalled on the first day itself, the stormy scenes continued throughout the 21 day session.

The leak of the Liberhan report in the media right at the beginning of the session, resulted in turbulent disruptions. The Rajya Sabha witnessed some of the ugliest scenes ever witnessed when the BJP and Samajawadi Party members almost came to blows on the floor of the House.

Amid all this high drama witnessed during the session, the government however managed to push through over a dozen bills, most of them without a discussion, and while the Houses were witnessing unruly scenes. Unfortunately it has now become a tradition for all governments, which has resulted in the Parliament itself coming under question.

Performance of the Members:

Who is the Best Performing MP?

This year, the report decided to look into the actual performance of the MPs in as objective terms as possible. After much thought and discussion, a methodology was evolved, which is path breaking on its own, to assess the performance of the MPs within the House. For the first time in the Indian Parliamentary history we have been able to evolve this method, which has assisted in rating the MPs purely based on their performance in the House. This should encourage the MPs in future to perform better. In this pioneering exercise, we decided to assess the performance of the MPs in the 14th Lok Sabha, which came to an end in mid-2009. Parameters, which are based on Social Watch's perception of vital role of the Parliament in governance and development, were evolved to evaluate as objectively as possible, the performance of all the 545 MPs and see where they stand. SWI holds that the Parliament is supposed to formulate effective policies, as well as keep a tab on the working of the government, as the union government is major spender of the national

funds. Being the highest deliberative institution, we believe that policy making role of an MP should be pronounced as state and sub-state level legislative bodies can take care of implementation and accountability dimensions. The allocation of points to different parameters has been done keeping in mind these guiding concerns of the SWI.

The study decided to look at these four parameters, and short listed the top 25 members under the four categories, attendance, participation in debates, number of questions asked and number of private members' bills (PMBs) proposed. For arriving at the final result of who were the best 10 performing MPs in all these four departments, we decided on weightage to each of the five parameters on a total scale of 10. The MPs were ranked on this scale of 10, in which questions amounted to 1.25, supplementary questions to 1.75, debates to 3, attendance to 2 and Private Members Bills to 2.

The final outcome was quite revealing. It went on to prove the fact that the performance of the members inside the parliament has almost no bearing on their popularity or otherwise among their electorate. Among the top 10 performers in the 14th Lok Sabha, only four have managed to return to the 15th Lok Sabha, and most of the 10 have hardly ever been on national news networks. It is also interesting to note that among the top 10, all major political parties are represented. The pointers from this analysis raise serious questions about both the parliamentary performance of the members, as well as the centrality of such performance in the broader political process especially the electoral process.

Conflict of Interest

This section looks at the issue of conflict of interest by establishing some patterns and by providing some clues to solve this predicament that the Indian Parliament is facing for quite some time, especially in the recent years when the industrialists and businesspersons have been increasingly getting into both houses of Parliament. Their presence in the various standing and other committees and their

potential to influence decision making has also been a matter of concern.

In the last 10 years or so, one has witnessed an exponential growth in industrialists, businessmen or others from allied communities getting elected to the Lok Sabha, as well as occupying the hallowed precincts of the Rajya Sabha. This growth is also reflected in the astonishing growth of members in both Houses of Parliament.

Since we had 15th Lok Sabha elected in the middle of 2009, the section looks at the composition of the members profession-wise (those who have declared themselves to be 'Industrialists', 'Businesspersons', 'Traders' and 'Builders'). The findings were startling: 128 out of the 543 members in the Lok Sabha, it emerged, belonged to one or more of these four above mentioned categories. This means about 25 per cent of the strength of the Lok Sabha belong to the industrialist/trader/businessperson/builder category. A similar list was compiled for Rajya Sabha, where the number of members belonging to the four above mentioned categories number 25 out of the total strength of 245, including 12 nominated members. A more modest 10 per cent, compared to the 25 per cent in the Lok Sabha. Though there is no intention to jump to any conclusions on this basis, about any conflict of interest, the potential can never be undermined. Some specific cases of conflict of interest have been cited from both the houses.

The viewpoint of the Members of Parliament on the issue is highlighted in the section, as an alternate opinion from inside the Parliament.

The working of the Parliamentary Committees

This section while acknowledging the growing importance of the Committees and their role in legislation, also looks at some systemic problems in terms of the committee's functioning and performance. It is noted that the government's response to the Reports generated by Standing Committees is at best lukewarm; only 53 per cent recommendations were accepted in 2005-06, while in 2006-07 this was 53.56 per cent. From 10th Lok Sabha onwards, there has

been a steady increase, from 1.4 per cent in the 7th Lok Sabha to 25.3 per cent in the 12th Lok Sabha and finally 68.84 per cent in the 14th Lok Sabha. The process is becoming more consultative as various stakeholders including the state governments are presenting their case or on the behest of a committee.

The figures are not very encouraging if we look at the average attendance of the 16 Standing Committees in the Lok Sabha. In 2005–06, the average attendance was 42 per cent (13 out of 31) which increased marginally to 45 per cent (14 out of 31) in 2006–07. In most of the committees, the average attendance was ranging from 14–16 members. Out of 18 committees, only six committees, i.e., one-third of them could register the attendance of 50 per cent and more. On an average each committee spends 182 minutes to approve a draft, in many cases it is less than 120 minutes.

The section also describes the emerging trends in the committee system in the 15th Lok Sabha and gives out some concrete recommendations such as the need for strict rationalisation of the committee system especially in terms of their tenure, reduction in the number of members in the Standing Committees and the Financial Committees to 20, using Business Advisory Committee (BAC) as a platform for coordination in more effective way, opening of deliberations and examination of witnesses to the public and dedicated research staff for each committee. The section also points out that the Standing Committees, while scrutinising the bills, should be like the Select Committee/Joint Select Committee in terms of procedure and reporting.

POLICY WATCH

A systematic and thorough review of policy initiatives of the government provides us a useful window to view the state's will as well as its capacity, both political and administrative, to design and formulate viable and effective public policies. Examining such contours of public policy also provides a unique lens to evaluate the administrative capacity of the state to effectively carry the policy initiatives in terms

of its reach and delivery. In this light, a bottom up perception of the policies provides a view from the other end of the spectrum, i.e., at the very end of the delivery chain.

While the current crises in the implementation of the key policies continue to plague the administrative apparatus, some new challenges have emerged at both the national and global level, such as the financial crisis, price rise and climate change. The policy section examines the health of the executive by evaluating public policy response in the key sectors of health, education and agriculture. The policy response of the government in tackling emerging challenges in terms of price rise and climate change is also discussed. Accountability, transparency and effectiveness remain the fulcrum of our analysis and understanding of the entire public policy apparatus.

To what extent the existing and emerging patterns in public policy in the country have been able to address the issues of growth and equity? Are these policies specifically directed towards the millions who are still in the periphery? How inclusive is our public policy in its design and implementation? These are some of the searching questions we have attempted to answer in the current section.

With the objective of providing an informed input in the public domain especially to the civil society, policy makers and citizens, this review of policy is divided in four sections. The first section provides an overview of fiscal issues and maps out the patterns in public expenditure especially on the social sector. The second section evaluates the current policies around the sectors of health, education, agriculture and rural development. The third presents a comprehensive picture of the emerging issues of climate change and price rise by critically examining the policy response to smoothen out these emerging challenges. Finally, the last section looks at the implementation of the Right to Information Act (RTI) within the whole gamut of accountability and transparency, a pre-requisite to effective administration.

The realities of emerging patterns in the current public policy paradigm belie the objective of 'inclusive growth' and fail to address the issues of growth and equity. While the public

expenditure in key social sectors are still largely insufficient, the flagship programs themselves have not been able to fine tune themselves to myriad problems of implementation at the grassroots. A prudent fiscal policy and an effective administrative apparatus would facilitate in turning these flagship programs into reality. Paradoxically, the crisis in agriculture deepened with the plight of the farmers while the rise in the prices of essential commodities has continued unabated. Climate change has added to the challenge, which is not only a standalone problem, but has a multi-dimensional effect on other sectors as well. In this light, there is an urgent need to mainstream the climate issues in the public policy priorities. Right to Information heralded as the most powerful and potent tool to ensure administrative accountability has no doubt empowered the citizens and this can be seen in the growing number of RTI applications. However, in addition to some inherent systemic problems, there have been attempts to dilute the spirit and content of the Act.

There is an urgent need to make the policy process more participatory starting from the formulation right up to the implementation. The recent People's Mid Term Appraisal of the 11th Five Year Plan by civil society organisations is a case in point. The state has to reorient its policy direction in order to fulfil the global commitments made in form of the Millennium Development Goals and its own commitments in the 11th Five Year Plan.

JUDICIARY WATCH

The section is divided in two parts and deals with specific cases, issues and proposals on judicial accountability and reforms. A critical overview of the judiciary is undertaken by looking in depth at the key issues such as, transparency and judicial corruption, proposals of the Law Commission of India on restructuring of courts, law reforms for the 'have-nots', and on mending practices of lawyers. It also includes new proposals of the Ministry of Law and Justice on judicial reforms, and regulation of the instrument of public interest litigation by the Supreme Court.

The issues in judicial corruption and transparency discussed in the first part bring to light

instances in 2009 for which the judiciary was in the news almost every day, and on many occasions for wrong reasons. A range of verdicts and decisions discussed at length in the first part above, takes us through some of these controversies. Justice Saumitra Sen, Justice Dinakaran, and 'cash at the door of judge' scam made repeated appearances in the newspapers. The conduct of the Supreme Court itself on the judges' assets declaration and the Justice Dinakaran controversy was questionable. One may also add here that it is also dangerous to see the entire issue as a limited controversy around a one judge. The Supreme Court had observed in ringing words in 1991 that a judicial scandal around a single dishonest judge (unlike a scandal involving a legislator or an administrator) can potentially endanger the foundation of the state. Corruption at the level of lawyers also emerged as an issue during a sting operation by NDTV where when two Senior Counsels at the Delhi High Court were shown, as part of a 'Sting Operation', being involved in influencing and winning over a witness for one of the parties to the litigation. On this issue, the Supreme Court took up the opportunity to observe on media reporting and commenting in a matter sub judice before court. It held that media cannot be left free to deal with a sub judice matter as they please. However in the present matter, the telecast was held to be in the larger public interest, which served as an important public cause. It, in no way interfered with or obstructed due course of any judicial proceedings, rather, it was intended to prevent an attempt to interfere with or obstruct the due course of law. The Court also noted at some length the general erosion of professional values among lawyers at all levels and impressed upon the immediate need to arrest and reverse the trend, lest it would have very deleterious consequences for administration of justice in the country.

The role of some of the judges of the Delhi High Court along with the bodies like the CIC needs acknowledgement and appreciation by the civil society. On 6 January 2009, the Central Information Commission (CIC) upheld the request of a public individual for the supply of information concerning the declaration of

personal assets by the judges of the Supreme Court. In an appeal before the Delhi High Court, the Central Public Information Officer, Supreme Court of India was quick to question the correctness and legality of the said order. However, in a landmark verdict delivered on 6 September 2009, Justice S. Ravindra Bhat of the Delhi High Court ruled that the Central Information Commission was correct in its order dated 6 January 2009. In the subsequent appeal, a three judge bench headed by Justice A.P. Shah of the Delhi High Court, in a verdict delivered on 12 January 2010, held that the judgment delivered by Justice Bhat in September 2009 was correct, thus confirming and amplifying his findings. Meanwhile, in a separate case before it, the CIC held on 24 November 2009, that the appointment of judges was a 'public activity' which the Supreme Court could not withhold from disclosure. In this light, each of the verdicts are discussed in detail in view of their far reaching importance.

The second part of the section maps out a range of positive pronouncements by the High Courts and the Supreme Court in the last one year, on areas of civil liberties, social and economic rights, environment and development, and on issues regarding rural and urban self governance. A review of some of the key cases of the year gone by show that there has been a range of positive pronouncements by the Supreme Court and the High Courts in areas of civil liberties, social and economic rights, environment and development, and on issues in rural and urban self governance. Together they tell a story that the judiciary continues to play its vital role as a guardian of rights and of order in society. Indeed some of the judges, and in particular, Justice A.P. Shah from the High Court of Delhi, wrote some landmark judgments throughout the last year but what the story of the cases discussed above hide is that some of these cases are occasioned primarily due to judicial pronouncements of the past remaining unimplemented. This trend had motivated the chairperson of the Law Commission of India to write to the Union Law minister while forwarding the 223rd Report of the Commission to the Ministry in April 2009. He said:

Various laws have been enacted to eradicate poverty: some of them directly deal with them and some of them indirectly. Nevertheless, their tardy implementation makes us lag behind in effectively dealing with the problem... We are of the view that the Union and the State Governments should accord top priority to implementation of the judgments rendered by our Supreme Court in their letter and spirit in order that the lot of the have-nots is ameliorated.

A mapping of key verdicts of the Supreme Court and the High Court show that the courts have been accessible to a range of public issues. However, this also is not the whole truth. It has been pointed out in first part of the review that research has established that in 2008, the Supreme Court received 24,666 letters, post-cards, or petitions asking for its intervention in cases that might be considered public interest litigation. Of these, only 226 were placed before judges on admission days, and only a small fraction of these were heard as regular hearing matters. The rest were rejected. Numbers may not reveal all but they do suggest that the jury is out on the accessibility of the Supreme Court on public interest issues today. The trends also point to the imperative of understanding the instrument of Public Interest Litigation better. There is a need to understand the various distinct traditions within the Public Interest Litigation jurisprudence resulting from the different categories of public interest issues brought in the higher courts. Such an understanding is central to evolving a more nuanced and effective approaches on the issues and concerns around public interest litigation in future.

The section also highlights the positive role of Committee on Judicial Accountability and some senior and respected lawyers, which should also not be lost sight of. They infused hope and optimism. Some of the new proposals of the Ministry of Law and Justice are also potentially far reaching, though a touch ambitious. Articulation of a National Litigation Policy and proposal to create of a National Arrears Grid deserve a close follow up especially in the light of pendency cases in all the high courts. The trends show that some of the 'bigger' High Courts have huge problems of pendency, for example, the High Court of Allahabad. Out of the total pendency of over

40 lakh cases in all the 21 High Courts, almost one-fourth is from one single court, i.e., the High Court of Allahabad. It is interesting to note that the same High Court that has the largest pendency also has the largest vacancy of judges as on 15 February 2009. The total pendency in all the high courts on 31 December 2009 was more than 40 lakh cases (40,76,837 to be exact).

LOCAL GOVERNMENT WATCH

Decentralised local governance is frequently promoted as a solution to the failure of centralised development and as an alternative mode of local development, not only in India, but globally. It is assumed that decentralised local governance would facilitate effective people's participation, an enhanced degree of transparency, and ensure greater accountability, which in turn will lead to effective and competitive delivery of services at the local level. The underlying argument is that centralised planning has been relatively unsuccessful in the delivery of developmental goals as it failed to consider local issues and contexts. Grassroots institutions and local people have a better understanding of local issues and context, so they can manage local development better and make development inclusive.

In recent years, however, decentralised local governance has become a fluid and flexible discourse that can be utilised by different ideological interests. Interpretation of the concept is wide enough to include informal community-based participatory initiatives, micro-privatisation, public-private initiatives and formal grassroots institutions of governance. The local governance section of this report focuses on the formal aspect of the concept, i.e., the local government. The previous five editions of *Citizen's on Governance and* had focused on different aspects of formal local governments in India. The reports analysed the institutional structure, performance, accountability, level of decentralisation and governance process.

This report focuses on three key institutions, the State Election Commission, the State Finance Commission and the District Planning Committee (the 3Cs), responsible for ensuring effectively functioning local governments the

Mahatma Gandhi Rural Employment Guarantee Act, the National Rural Health Mission, and the Jawaharlal Nehru National Urban Renewal Mission, implemented at the local level by local government institutions. The report also interrogates the quality of delivery of basic services at grassroots levels. The objective is to assess the effectiveness of local governments in India, make some policy recommendations for improvement of the same, and improvement in quality of service delivery at grassroots level.

The report finds that level of decentralisation and its effectiveness varies across states due to the difference in the efforts of state governments towards strengthening local governance. Since decentralisation is defined by the Constitution as a state subject, states have pursued varying strategies to empower local governments. The institutions for ensuring effective local governance are established in all states, but their strength, capability and thus effectiveness could be challenged. Though the Centrally Sponsored Schemes have made various provisions to empower the institutions of local governance and given them a key role, it has hardly empowered the local government institutions due to weak devolution at the state level. On the other hand, the outcome decentralisation in public service delivery has a pitiable result and again varies across states. Though decentralised public service delivery has been effective in improving the access to services, the quality of services is still to be improved. In an ideal world, the institutions of local governance could assume their constitutionally mandated role of 'planning for economic development and social justice' and function as institutions of self government without outside help or support. However, in the real world, a lot more has to be accomplished on the road of devolution, capacity building and animation of local governance processes for realising the Constitutional ideals. The journey until now has been modest; it must continue with vigour.

The chapter on local governance concludes that the state of decentralisation and (formal) local governance is far from effective. There is a long way to go before decentralised local governance can produce real gains for the marginalised sections of the society. In its

current form, decentralisation in India seems to be a tool for reinforcing central control in local governance. The belated action to activate local government in India after more than half a century of the country's independence through the 73rd and 74th Constitutional Amendments, has had a limited success mainly due to opposition from the states as also because of the limited scope, bureaucratic drafting and faulty method of functional and financial devolution. The main shortcoming of these amendments was the political strategy to empower local government from outside the Seventh Schedule. This has not worked and any future attempt to energise local government must, of necessity, start from restructuring the Seventh Schedule to conform to the ethos of a multi level governance system through an open system of reform.

There is a dire need to bring in clarity in decentralisation, i.e., clarity in responsibilities delegated and need to be delegated to the local government institutions, matching devolution of finances and administrative autonomy to meet with the responsibilities. Empowerment of not only local government institutions but also the other institutions responsible for making local governance effective is required to gain the real benefits of decentralisation for the poor. In its current form, decentralisation and local governance serves to the interest of a small group of well-off as it promotes rent-seeking. The problem is not only in the implementation, but also in design of local governance in India. The institutions of local governance, like many other public institutions in India, are designed in a way that they serve perverse interests and endorse rent-seeking. Thus, improving local governance in India would require breaking down the nexus of perverse interests, bringing in radical changes, and probably, institutional shifts.

LOOKING AHEAD

Review of the four key institutions of governance (the parliament, the executive, the judiciary and the local government) indicates some progress forward but there are numerous problems in the working of these institutions, especially with regard to ensuring that the benefits of development reaches all sections of population and all regions of the country. While there are pockets of achievements, a large section of the poor and the marginalised remain neglected. These sections of population will be able to see some value in democracy and governance when they impact their lives.

The continued evaluation of these institutions and processes will go a long way in putting these burning issues and complexities in context.

NOTES

- 1 As defined by UNDP in Human Development Report, 1990.
- 2 In 2009, India's nominal GDP stood at USD 1.243 trillion, which makes it the 11th largest economy in the world. If PPP is taken into account, India's economy is the fourth largest in the world at USD 3.561 trillion, corresponding to a per capita income of USD 3,100. The country ranks 139th in nominal GDP per capita and 128th in GDP per capita at PPP. With an average annual GDP growth rate of 5.8 per cent for the past two decades, India is one of the fastest growing economies in the world.
- 3 The Prime Minister, in a foreword to *UPA Government Report to the People 2009-*.
- 4 The number of out of school children decreased from 25 million in 2003 to an estimated 8.1 million in 2009. 2010
- 5 Parliament: Challenges of Three R's— Representativeness, Responsiveness and Responsibility. and