

**Kannur Declaration
by the Seminar on Democratic Decentralisation
organized as part of the Fifth International Congress on Kerala Studies**

We are gathered here in Kannur after seventy-five years of the adoption of the Constitution of India and thirty years since the enactment of the 73rd and 74th Amendments to the Constitution. The Panchayati Raj and Nagarapalika Acts have been in force and practice in every state of India, with inevitable regional variations in the extent and effectiveness of devolution. It is important that we take stock of the experience so far and chalk out new directions for advance of democratic decentralization. Since federalism and democracy are part of 'basic structure doctrine' of the constitution, it is time we took upon local government as part of the basic structure of the constitution.

Elections to local governments have been held on a regular basis and institutions like the State Election Commission, State Finance Commission and those of similar nature are in place in most of the States. Devolution of powers, funds, functions and functionaries have definitely improved since the 73rd and 74th Constitutional Amendments. Yet another positive development has been the increasing devolution by the Union Finance Commissions, to a scale, which perhaps, was not foreseen thirty years back. The UFC has acknowledged the role of local governments in development, service delivery and governance. The reservation for women, SC and ST has had a positive impact in safeguarding their interests and improving their status. It is also heartening to note that a system for local planning by drawing out local government level development plans – annual and five year - has started to evolve in different regions. It is important to note that this is happening at a time when the country has moved away from the system of formulation of five-year plans.

Local governments have also performed well in many areas. Though not as elaborate as Kerala has attempted, local governments have evolved as important agencies for development and service delivery. Many examples and experiences of good practices are now available from different parts of the country. Attempts to mainstream innovative development interventions through policy and programs are also taking place. The role of local governments during the COVID pandemic and various disasters in different parts of the country are also noteworthy. Needless to add, the experience has not been uniform across the country and even within the individual states.

But we note with concern that some states have failed to comply with the constitutional provisions for regular elections, state finance commissions and PESA. Caste and gender discrimination is also proving to be major hindrance to participatory democracy. Barring a few states like Kerala, Karnataka and Tamil Nadu, the evolution of the Panchayats and Nagarapalika institutions to the level of local governments or institutions of self-governance has not been realized. The DPC is non-functional in many states. It has to be activated to monitor local plans and prepare integrated district plans. The institution of Grama Sabhas have weakened over time and they must be strengthened. The social audit and transparency must be emphasized. The capacity development support has been inadequate. It is in this context, the disengagement of Government of India from institutions such as NIRD&PR is inexplicable. The central funding for Ministry of Panchayati Raj is grossly inadequate. Local governments are still being treated as mere subordinate and implementing agencies for development departments, devoid of autonomy or role in decision making.

This is also a time when the federal characteristics of the country are being challenged and imperiled. Adequate devolution to the states cannot be divorced from devolution to the local governments. Autonomy of the states is under threat. Fiscal transfers to the states and fiscal autonomy are getting curtailed in a systematic way. Even in local government activity, which is a mandate of the States, these are slowly being controlled and directed by the Government of India. The Union Government is even imposing additional conditions for the release of money to LSGIs other than those recommended by the UFC which is contrary to the spirit of the constitution.

This Seminar on Decentralisation and Local Governance comes out with this declaration emphasizing the need for further strengthening democratic decentralization as envisioned in the 73rd and 74th Constitutional Amendments. We need to work actively to ensure that the third tier of governance will become full-fledged local governments that goes beyond the representative democracy and enables people to participate directly in governance and development.

The participants in the Decentralization Conference of the Fifth International Congress of Kerala Studies call upon every citizen and activist committed to democratic decentralization to resist the centralization tendencies noted above. Greater autonomy to states and greater autonomy to local governments are intrinsically connected. One-size-fits-all approach needs to be changed with respect to centrally sponsored programmes and devolution of funds from

UFC. Activity mapping of schemes should be undertaken so that there is greater role clarity. State governments must be pressurized to ensure greater devolution of funds, functions and functionaries to local governments. The recommendations of the Expert Committee on Leveraging Panchayat Raj Institutions (2012) on local level planning continue to be relevant even today.

It is also important that we work towards strengthening local governments and this requires a wider network of people at the local, state and national levels who would consistently advocate for strengthening local governments. This seminar declares to develop such a network across the country.

States like Kerala, Karnataka and Tamil Nadu who have been performing better in terms of democratic decentralization and local governance need to move further, addressing new challenges and aspirations. We emphasize the need for creating good models and practices to drive forward the decentralization process and capacity building. In the context of climate change, local action plans for disaster management must be devised. The challenge of rapid urbanization requires integrated urban planning, involving the urban continuum. Despite limitations, the process of democratic decentralization has created greater democratic spaces at the local level, enabling popular interventions to strengthen local governance and local development. The conference calls upon everyone to resist centralization tendencies and explore and devise alternatives to intervene at the local level.