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Empowering Local Governments in India’s Federal Structure

Sidestepping the Delimitation Challenge

By: Sunil Kumar

Panchayats and municipalities are rarely given their due as the third pillar of federalism. The challenges posed by the delimitation of parliamentary constituencies can be side-stepped by strengthening the powers of local governments, and making them viable units by redrawing their boundaries.

As 2026 approaches, the debate around the impending delimitation of India’s Lok Sabha and Vidhan Sabha constituencies gets more strident. While political scientists and public policy analysts have tried to lay out the nuances of democracy, delimitation, and federalism before readers, the political class has joined the debate by exhorting residents of their states to produce more children for the benefit of the nation.¹ These statements reflect their disquiet over the “power asymmetry” between the bigger and more populous northern states and southern states becoming more pronounced if a delimitation exercise is undertaken on the basis of a population to representative ratio alone.

Analysts seem to be mindful of the power asymmetry among states and their suggested solutions depend on how much weight they assign to equality of representation and the decline in the population to representative ratio in some states. Some have suggested increasing the number of seats in the Lok Sabha to around 848, ensuring that the representation of no state or union territory becomes less than what it is now while reforming the powers and functions of the Rajya Sabha (Alam 2024). Others have argued for freezing the number of seats in the Lok Sabha and increasing the number of seats in state legislative assemblies so that the power asymmetry among states will not be aggravated (Rangarajan 2024). Yet, all analysts are agreed on the need to work out a “fair” solution in the spirit of federal accommodation.

The role of local governments, which are closest to the people, in providing critical services, transparency, and accountability in a democracy has been widely acknowledged.

One common theme in these suggestions is the understanding that Indian federalism has two components—the union and the states and union territories. The question to be raised now is whether it is time to look upon urban and local governments as the third cog in the federal wheel, especially after the 73rd and 74th Constitutional Amendment Acts of 1992 empowered local self-governing bodies in rural (panchayats) and urban (municipalities) areas, respectively? And, if yes, whether strong local governments hold the key to solving the apparently vexed and potentially disruptive issues related to the working of democracy and federalism in this country.

The role of local governments, which are closest to the people, in providing critical services, transparency, and accountability in a democracy has been widely acknowledged. The 73rd and 74th Constitutional Amendment Acts have provided the constitutional backing to local governments, which was lacking despite panchayats being mentioned in Article 40 of the Constitution as one of the Directive Principles of State Policy. Today it is widely recognised that local governments are an integral part of the multi-level governance structure in the country, though local governments figure on the state list.

Democracy and federalism were included as a part of the Constitution’s “basic structure” in the Supreme Court judgment on the Kesavananda Bharati case on 24 April 1973. This implies that local governments are also part of the basic structure, although the Supreme Court has not yet explicitly ruled on this issue.

India takes pride in being the biggest democracy in the world with nearly 3.3 million elected representatives in rural and urban local governments—about 45% of them women. A policy research paper published by the World Bank titled “Two Hundred and Fifty Thousand Democracies: A Review of Village Government in India” (2024) best captures the path-breaking changes that are happening across the country after the passage of the 73rd Constitutional Amendment Act.

The deepening of democratic roots can best be fostered at the local government level where direct democracy is feasible to some extent—in the working of gram sabhas or ward sabhas, and in the “right to recall” in the panchayati raj laws of some states. Likewise, area sabhas incorporated in the municipal laws of several states (based on the union government’s model law for enhanced participation

of citizens) provide a strong institutional arrangement for the local government being accountable to voters.

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Democratic decentralisation can be seen through the prism of the “subsidiarity principle”, where it is held that a decision-making authority is best placed (a) where responsibility for outcomes will occur; and (b) in the closest appropriate proximity to where the actions will be taken that will produce the outcomes. So, several scholars believe that federalism in India needs to be “wider”—where states are given greater powers in more fields—and “deeper”—where local governments are further empowered to serve the people they are closest to (Bhattacharya et al. 2022). This is the most optimal way of ensuring that governments serve the people effectively and remain accountable to them while preserving the union. Increased devolution of powers and finances to the panchayats and municipalities would strengthen participative democracy at the grass-roots level.

It should be evident by now that whether the number of Lok Sabha seats is increased to 848 or not, there is no way a Member of Parliament (MP) can satisfactorily render “constituency service” to his electors. What MPs are now doing ought to be done by ward members and councillors of local self governments. To expect an MP to do what 3.3 million elected representatives to local governments cannot do is, to put it mildly, counterproductive.

Apart from an MP having to maintain several offices in his or her constituency, it has also contributed to a huge increase in the budget of the Members of Parliament Local Area Development Scheme (MPLADS) in the last 30 years. The sum allocated for local area development has increased from Rs. 5 lakh per MP for a year in 1993 to Rs.5 crore per MP every year since 2017-18. Most of the works done under the MPLADS is in the domain of local governments. The same is the case with the Member of Legislative Assembly Local Area Development Scheme (MLALADS) in different states. These two schemes have only served to weaken local governments and win political mileage for incumbent MPs and MLAs before elections.

If it is agreed that electors expecting “constituency service” from MPs and MLAs is unreasonable, an important argument for increasing the number of Lok Sabha seats loses its weight. For citizens, it is the quality of governance at the local government level that matters the most. Having effective ward members and councillors who live in their midst can guarantee good governance for citizens much better than MPs or MLAs.

Here, it would be illustrative to consider the case of the House of Representatives in the United States. Initially, the US constitution provided for one representative for every 30,000 population. As the population grew rapidly, the US Congress capped the number of seats at 435 through the Apportionment Act of 1929. Since 1929, the House has remained at 435 seats, with seats reapportioned among the states after each decennial census to reflect population shifts.

In the interim, the population of the US has grown almost three times—from 122 million in 1929 to about 334 million today. Yet, the functioning and effectiveness of the US Congress has not been poorer. So, an increase in population is itself not enough to justify increasing the number of seats in the Lok Sabha.

The likely scenario is that Census operations will commence in 2025 (with or without a caste census) instead of waiting till after 2026 as stipulated by the 84th Constitutional Amendment Act of 2002.

If we look at the role of MPs, they are expected to raise issues concerning their constituents in the Lok Sabha, and to intelligently use various parliamentary rules and procedures to draw the attention of the government and force it to take appropriate action. They are also expected to keep the government on its toes by asking probing questions, raising issues, participating in parliamentary debates, working on various parliamentary committees, and ensuring that laws are carefully framed and legislated. Ensuring that the executive remains accountable to the legislature is also their remit. There is, however, nothing to suggest that the working of the Lok Sabha is going to improve by having a larger number of MPs.

There is another twist in the tale. If the number of Lok Sabha seats are not increased and 182 seats are reserved for women (33% reservation in accordance with the 128th Constitutional Amendment Act, 2023), male representation would decline from the current 467 seats to 363 seats. That could cause a lot of heartburn in MPs whose seats get allotted to women. So, increasing the number of Lok Sabha and MLA seats following a fresh delimitation would help protect the existing male bastion to an extent. It may also help in securing political support cutting across party lines for Constitution amendment bills that would necessarily have to be moved.

The present tendency is towards centralisation of power in New Delhi, especially after the Covid-19 pandemic. The likely scenario is that Census operations will commence in 2025 (with or without a caste census) instead of waiting till after 2026 as stipulated by the 84th Constitutional Amendment Act of 2002. The Census figures will be available in 2026, and a delimitation commission will be constituted to complete its task by 2028. This will make it possible to conduct the Lok Sabha elections in 2029 in constituencies demarcated by the delimitation commission. The body will also reserve one third of the seats for women, apart from those for Scheduled Castes and Scheduled Tribes, based on the Census figures.

The ruling dispensation has veered around to the view that a new class of “beneficiaries” and “women” can be targeted and that this will offset the effect of caste divisions among voters. A fresh delimitation will also provide an opportunity to cut certain groups to size in constituencies where they wield “disproportionate” power based on their number alone.

An increase in the number of Lok Sabha seats is expected to favour the ruling dispensation the most. Everything will be done in the name of strengthening democracy and federalism in the country, and it will be done in a “constitutional” way. If “one nation, one election” also materialises by then, it would be the proverbial icing on the cake.

Thus, there appears to be no logical reason for increasing the number of Lok Sabha and state legislative assembly seats other than political expediency. This is likely to open a struggle for political influence in populous and less-developed Hindi-speaking states, further straining the political and social fabric. There is absolutely no need to increase the number of seats in the Lok Sabha and state assemblies and the freeze can be made permanent, as has been done in the US. A delimitation exercise can be undertaken to delineate the seats which will be reserved for women as provided by the 128th Constitutional Amendment Act.

To garner the support of states, their legislative assemblies could be granted the power to mandatorily set up delimitation commissions for local government after every census.

The next step would be to introduce a comprehensive Constitution amendment bill to further strengthen urban and rural local governments. The first step would involve rationalisation of urban and rural local governments with a view to making them viable administrative and financial units even while strengthening their democratic governance and accountability structures. This would call for making a provision in the Constitution for setting up an independent delimitation commission in every state, which will determine the boundaries of all gram panchayats and the wards within them, of block and district panchayat constituencies, and of town areas, municipalities, and municipal corporations and the wards in them. The boundaries of area sabhas or mohalla sabhas will also be delineated by the delimitation commission.

To garner the support of states, their legislative assemblies could be granted the power to mandatorily set up delimitation commissions for local government after every census. A time limit for all states initiating and completing this exercise could be stipulated in the Constitution. The existing provisions related to the delimitation commission, where the power of Parliament is only to approve the report and not amend it, and to keep it outside the purview of judicial review, could be extended to state assemblies.

The development of an extensive network of rural roads under the Pradhan Mantri Gram Sadka Yojana (PMGSY) in the last 23 years, impressive strides made in improving digital connectivity, and increased prosperity in rural areas have made physical distances somewhat less daunting. With a sharp rise in the number of tractors and motorcycles in rural areas, distances can now be covered in a matter of minutes rather than hours. The increased mechanisation in agricultural activities is symbolised by the use of drones to spray pesticides, and all this has brought about dramatic changes in farmers’ mindsets.

There is also the need to expand the Seventh Schedule of the Indian Constitution to include a Local Government list, which could incorporate the subjects currently mentioned in the Eleventh Schedule (which deals with panchayati raj institutions) and the Twelfth Schedule (which pertains to municipal governance). Additional subjects such as control over fire brigades, traffic police, and local transport could also be entrusted to local governments. They could also own and manage public lands within their jurisdiction, including effecting changes in land use. This list is illustrative and not exhaustive.

The power to legislate on subjects in the Local Government list could remain with the state but rule-making powers must be granted to local governments. This would ensure that the elected representatives in local governments have a say in managing their affairs.

Strong, responsive, efficient, and responsible local governments would go a long way towards addressing the governance deficit in India. Citizen-centric governance must become the key feature of local governments in India.

The next most important provision could be the setting up of a Consolidated Fund of Local Government and granting local governments a share of the goods and services tax (GST).² These would entail the transfer of specialised manpower from state departments to local governments. Substantial powers will also be transferred to local governments in addition to funds, functions, and functionaries. In my view, implementing this proposal has the potential to accelerate the process of strengthening local governments to a short period of, say, five to 10 years.

Since local governments are an integral part of the multi-level federal governance structure in the country, it is imperative that a democratic governance structure cover an entire state. No part of a state can be carved out outside the jurisdiction of a local government, whether rural or urban. Exceptions such as industrial townships (Article 243 Q) must be dispensed with, and suitable democratic governance structures must be introduced, whether in Noida in Uttar Pradesh or the Electronics City in Bengaluru.

Democratic and federal ideals should not be dispensed with in the name of order and efficiency. If certain exemptions have to be granted to industrial townships, the guidelines must be clearly specified and there should be a definite time frame stipulated in the Constitution. The return of the zamindari system through the backdoor and an abdication of state powers to private entities should not be permitted to happen.

Strong, responsive, efficient, and responsible local governments would go a long way towards addressing the governance deficit in India. Citizen-centric governance must become the key feature of local governments in India. And this would considerably reduce the burden on MPs and MLAs to provide services to citizens, leaving them free to focus on their primary task of law making and exercising control over the executive. A strong system of checks and balances, a clear separation of powers among all organs of state, and multi-level governance structures hold the key to a functional democratic and federal system based on rule of law in India.

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The views expressed are personal.

Footnotes:

1 News reports quoting Andhra Pradesh Chief Minister N. Chandrababu Naidu published in Indian Express on 21 October 2024 and Tamil Nadu Chief Minister M.K. Stalin in the Hindustan Times on 22 October, 2024.

2 This was articulated by Vijay Kelkar, former Finance Secretary and Chairman of 13th Finance Commission, in his BPR Vithal Memorial Lecture at the Centre for Economic and Social Studies, Hyderabad, on 1 December 2023.

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