DAILY CURRENT AFFAIRS

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THE PANCHAYATI RAJ MOVEMENT IS IN DISTRESS

The panchayati raj movement is in distress

The special discussion in Parliament on the 75th anniversary of the Indian Constitution has long passed. While several salient aspects of the Constitution and policy directions adopted by previous governments were highlighted, one heard very little on a vital aspect of governance in India.

The 73rd amendment to the Constitution, passed in 1992, is one of the landmarks of India's journey as a constitutional republic, establishing the panchayati raj system. However, the momentum towards deepening local governance in India has stalled. Big shifts in both technology and society are threatening to make panchayats irrelevant, unless we are prepared to rethink their role. The 73rd amendment initiated the process of institutionalising decentralisation in rural India. The three-tier system, at the village, block, and district levels, with a regular cycle of local elections and 50% reservation for women, Scheduled Castes, and Scheduled Tribes, kicked off a movement that took democracy to the grassroots, thus emphasising the importance of local representation and inclusion in political leadership.

There is one bright spot

Panchayati raj elections are now keenly contested in many parts of the country. There have been many success stories – possibly the most notable of them being the scale of women's participation in leadership (nearly 14 lakh elected women representatives). The Constitution also mandated State Finance Commissions to recommend the quantum of funds that should flow to local governments as well as the administrative mechanisms by which it should take place. Various social sector programmes are now implemented through local governments, particularly gram panchayats (village-level local government).

Why then is the panchayati raj movement in distress? There are several reasons such as a decline in public participation, overdependence on centrally sponsored schemes, and politicisation through the engagement of political parties, which are equally important factors behind the steady decline of panchayats even in pioneer States such as Kerala.

But one must look at the longer-term systemic factors that have affected the evolution of the panchayati raj movement in India. Panchayats now operate in a very different development paradigm from when they were originally introduced, and there is now a real risk that the spirit of the panchayati raj movement will die.

Suvojit Chattopadhyay

is an international development professional with experience across Africa and South Asia, and has a specific interest in decentralised governance

Panchayats now operate in a very different development paradigm

A decline, the big shifts

Let us look at four such big shifts.

First, administrative decentralisation has plateaued. In order to function effectively, State governments need to devolve staff to local governments and cede administrative control. Similarly, the flow of untied grants that flow to local governments needs to increase to enhance autonomy in local decision-making. Having made an initial set of reforms, the sense one gets is that there is no momentum. A report in 2022 by the Ministry of Panchayati Raj showed that less than 20% of States have devolved all 29 subjects listed in the Eleventh Schedule of the Constitution.

Second, in practical terms, panchayats have been forced to cede fiscal autonomy over recent years. Direct transfers to panchayats increased from ₹1.45 lakh crore under the Thirteenth Finance Commission (2010-15) to ₹2.36 lakh crore under the Fifteenth Finance Commission (2021-26). At the same time, there has been a significant reduction in untied grants, from 85% in the Thirteenth Finance Commission to 60% in the Fifteenth Finance Commission. Further, these direct transfers are being used by the central government to marginalise State governments in the name of efficiency, while the tied grants give them more control through central government functionaries and central scheme guidelines.

Third, the larger reason is a reimagination of the welfare state in India that has taken root over the last few years, an overt reliance by political parties on cash transfers of various hues to woo the electorate. And since these were delivered primarily using the Jan Dhan-Aadhaar-Mobile (JAM) platform, the role of gram panchayats as intermediaries for beneficiary selection or grievance redress has reduced significantly. For example, the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme, which disburses ₹6,000 annually to farmers, operates through direct transfers without the active involvement of panchayati raj institutions. While efficient, this model reduces the local accountability that panchayats traditionally provided.

Fourth, is the rapid urbanisation that India has seen in recent decades. In 1990, nearly three-quarters of India lived in rural areas. This has now decreased to around 60%, and is going down steadily. The consistent trend of urbanisation has meant that the policy focus of development has shifted to India's cities and towns. Municipal reforms, both of governance and financing, is the main priority of today.

Ways to revive the system

As highlighted, it is evident that over the last decade, the view from the top is increasingly one that treats panchayats merely as last-mile delivery instruments for social sector schemes in rural India. This view of local governance is not conducive to a revival of panchayats in the country.

Of course, electoral politics at the panchayat level and the representation and the power that comes from winning will not allow panchayats to wither away very soon. But local governance in rural India needs to be revived in substantive terms as 94 crore Indians still live in villages. Over 45% of the population is still engaged in agriculture. Rural India – call it Bharat if you will – cannot be overlooked.

With advancements in technology, citizen engagement in local planning, decision-making and accountability processes will deepen. A networked panchayati raj system could play a vital role in bridging the rural-urban divide, for instance, by supporting safe and dignified internal migration, and also supporting both migrants and their families that stay behind.

Another area towards which the role of panchayats could be focused is to play a role in enabling water conservation and renewable energy generation at scale. Panchayats can reclaim their role in the management of common property resources, bringing to bear a mix of scientific practices, traditional knowledge and public finances. Panchayats can also play a key role in implementing community-based disaster risk management programmes, integrating early warning systems, disaster-resilient infrastructure, and capacity-building for residents.

We need to look further out and talk more to people. In order to reestablish the momentum behind local governance reforms and to support what is still a significant proportion of India's population that lives in its villages, we need to adopt a new vision for panchayati raj in India.

- ❖ The **75th-anniversary parliamentary discussion of the Indian Constitution** overlooked a crucial governance aspect: **the stagnation of the panchayati raj movement.**
- ❖ While the **73rd amendment in 1992 empowered local self-governance** through decentralisation, grassroots democracy faces systemic challenges today.

Key issues include:

1. limited administrative decentralisation,
2. reduced fiscal autonomy with more tied grants,
3. the diminishing role of panchayats in welfare delivery due to direct cash transfers (e.g., PM-KISAN), and
4. the shift in policy focus towards urban areas.

To revive the panchayati raj system:

1. India must promote local participation,
2. leverage technology for citizen engagement,
3. involve panchayats in water conservation, renewable energy, and disaster management, and
4. develop a renewed vision for rural governance to bridge the rural-urban divide.

TRANSACTIONAL TURN

Transactional turn

India must push back against the U.S. and safeguard its interests

Prime Minister Narendra Modi's visit to Washington last week was brief but packed with headline-generating developments. The visit came less than a month after U.S. President Donald Trump was sworn in, making Mr. Modi the fourth world leader to hold bilateral meetings with him, following the leaders of Israel, Japan, and Jordan, all close U.S. allies. The joint statement issued afterwards outlined a range of substantive discussions. While many announcements focused on India's purchases of American goods and investments in the U.S., they managed to avoid some of the tough measures many had anticipated. Both sides launched 'Mission 500' ($500 billion in bilateral trade by 2030) and initiated discussions on a free trade agreement, with phase one of the draft expected this year. Mr. Trump announced an increase in Indian purchases of U.S. energy, oil, and defence equipment, moves expected to help balance the $45.7 billion U.S. trade deficit within the total $130 billion goods trade. Additionally, there was agreement on a new umbrella framework, COMPACT, or Catalyzing Opportunities for Military Partnership, Accelerated Commerce & Technology for the 21st Century, to streamline cooperation across key sectors. They also rebranded the Biden-era Initiative on Critical and Emerging Technologies (iCET) as Transforming the Relationship Utilising Strategic Technology (TRUST), focusing on semiconductors, quantum computing, and AI, with a commitment to developing an AI infrastructure road map this year. A significant moment came when Mr. Trump announced his approval of the extradition of Tahawwur Rana, involved in 26/11 attacks, to India for trial.

Once the dust settles on Mr. Trump's unconventional remarks and Mr. Modi's rare engagement with the media in this format, India must assess the broader takeaways from this visit. The positive optics and their camaraderie signal a strong foundation for India-U.S. relations over the next four years. There is also clear continuity in key areas of strategic partnership, including Indo-Pacific engagement and the Quad, with Mr. Trump's planned visit to Delhi for the Quad Summit later this year expected to reinforce these commitments. However, economic discussions, trade, energy, nuclear cooperation and defence are likely to dominate the India-U.S. agenda, giving the relationship a transactional turn reminiscent of Mr. Trump's first tenure. There is not much evidence that Mr. Modi's visit significantly softened Mr. Trump's stance on imposing counter-tariffs and reciprocal taxes or influenced a more humane approach to the deportation of undocumented immigrants aboard military flights. These could present challenges for the Indian government going forward. As India engages with the new U.S. administration, it must carefully assess its own interests, assert its position where necessary, and push back when required to safeguard its strategic and economic priorities.

❖ **Prime Minister Narendra Modi's recent visit to Washington,** shortly after U.S. President Donald Trump's swearing-in, **focused heavily on trade and strategic cooperation**.

Key outcomes included:

1. the launch of 'Mission 500' (targeting $500 billion in bilateral trade by 2030),
2. discussions on a free trade agreement,
3. increased Indian purchases of U.S. energy and defence equipment, and
4. the introduction of the COMPACT framework (Catalyzing Opportunities for Military Partnership, Accelerated Commerce & Technology) for cross-sector collaboration.
5. The extradition approval of 26/11 accused Tahawwur Rana was a notable announcement.

- While the **visit projected strong ties and continuity in Indo-Pacific engagement and the Quad, it also highlighted a more transactional shift in relations, emphasizing economic and defence deals**.
- Challenges like
  1. potential counter-tariffs,
  2. immigration issues, and
  3. reciprocal taxes remain unresolved.
- Moving forward, **India must assertively safeguard its strategic and economic interests while navigating the evolving dynamics of this partnership.**

INTERPRETING THE RECENT BANGLADESH-PAKISTAN THAW

Interpreting the recent Bangladesh-Pakistan thaw

The bitter legacy of the 1971 liberation war, where Bangladesh split from Pakistan, has long steered the nature of ties between Dhaka and Islamabad. However, recent bilateral engagement between the two sides demonstrates Dhaka's intent to diversify its foreign policy trajectory in the subcontinent. Since August 2024, after the fall of the Sheikh Hasina government following a student-led revolt, there have been several meetings between Muhammad Yunus, the Chief Adviser to the interim Bangladesh government, and Pakistan Prime Minister Shehbaz Sharif. In contrast, the absence of any engagement between Mr. Yunus and India's Prime Minister Narendra Modi sheds light on this shifting equation.

The ousting of Ms. Hasina set the stage for a potential recalibration in the region – one that is likely to unsettle New Delhi. During Ms. Hasina's 15-year tenure, bilateral relations remained strained, partly due to her family's historic grievances against Pakistan's ruling class. Her close alliance with India likely emerged as a key factor for the continued frosty ties with Islamabad in the following years. Tensions between Bangladesh and Pakistan peaked in 2016, with both countries expelling diplomats.

Recent developments

However, under the leadership of Mr. Yunus, there has been a strengthening of ties. Some key and recent developments underscore this. For instance, Bangladesh hosted a high-level Pakistani military delegation in Rangpur, located close to the strategically crucial Siliguri Corridor. This was followed by a rare visit by Lieutenant-general S.M. Kamr-ul-Hassan, the Bangladesh Army's second-in-command, to Rawalpindi to meet with Pakistan's Army, Navy, and Air Force chiefs. Dhaka has also announced the resumption of direct flights to Islamabad and also participated in Pakistan's Aman 2025 naval exercises in the Arabian Sea (February 7-11), which included the deployment of a major Bangladeshi warship to Pakistan for the first time in over a decade.

Aishwaria Sonavane

is Research Analyst, Pakistan Desk at the Takshashila Institution

With the count of hostile neighbours growing, India needs to be both vigilant and constructive in its ties with Bangladesh

Despite the apparent warming of relations, can these interactions translate into meaningful outcomes? Or will they remain symbolic with little tangible impact?

The ground realities

While Mr. Yunus has watered down Dhaka's demand that Pakistan to apologise for the "1971 genocide" to one merely seeking a "resolution of the issues", Dhaka will face challenges in managing public opinion. A significant number of Bangladeshis still view the separation from Pakistan as a bedrock of their national identity. Without addressing this deeply ingrained historic grievance in the psyche of Bangladeshi society, substantial diplomatic progress appears unlikely in the long term. This remains especially true should Islamabad continue to frame the 1971 war as an Indian conspiracy rather than acknowledging it as a separatist movement that was a product of an expression of Bengali identity and in response to the excesses of the government in West Pakistan. In addition, from a strategic and economic perspective, a partnership with Islamabad will offer limited gains for Dhaka, particularly given the misalignment between the economic realities of both countries. The geographical separation of Bangladesh and Pakistan by Indian territory is further likely to create connectivity and political hurdles for smooth trade.

As India closely monitors the situation, the diplomatic manoeuvres will be perceived as Pakistan's efforts to counter New Delhi's faltering influence in Dhaka after Ms. Hasina's ouster. Interestingly, these dynamics also coincide with India's unprecedented pivot of warming relations with the ruling Taliban in Afghanistan, a traditional ally of Pakistan. Indian Foreign Secretary Vikram Misri met Mawlawi Amir Khan Muttaqi, the acting foreign minister of the Taliban government, in Dubai, in January, which is the highest level of interaction between both sides ever since the group took control of Afghanistan in 2021.

The outline of New Delhi's approach

With the count of hostile neighbours now growing, which includes the Maldives and Nepal's increasing alignment with China, does New Delhi have a new cause for concern?

India's approach to Bangladesh should be grounded in an understanding of the economic and geographical realities. Despite the evolving nature of Dhaka-Islamabad ties, Bangladesh will find it challenging to adopt an overtly anti-India stance, given its geographic proximity and economic dependence on India. India remains Bangladesh's leading trading partner in the region. In 2023, Indian exports to Bangladesh were $11.25 billion, while Bangladesh's exports to India stood at approximately $2 billion in 2023. Many of these imports, particularly raw materials, are crucial for Bangladesh's industries.

That said, India must remain vigilant: first, there is scope for an axis involving Bangladesh, China, and Pakistan, and second, on the issue of security in its northeast States. India must clarify its red lines with Bangladesh in critical areas such as terrorism, weapons trade, joint military drills, and maritime security. While remaining firm on these issues, New Delhi should also constructively engage with Bangladesh, laying an emphasis on people-to-people contacts, cultural exchanges, and developmental projects. Both countries must also continue their cooperation on the critical issues of border trade and smuggling, water sharing and refugee concerns. Maintaining this momentum will require New Delhi to proactively address prevailing anti-India and anti-Hindu sentiments in Bangladesh as well as capitalise on its economic engagement to reinforce its ties with Dhaka. Maintaining a constituency that is favourable to India within Bangladesh remains crucial for long-term strategic stability.

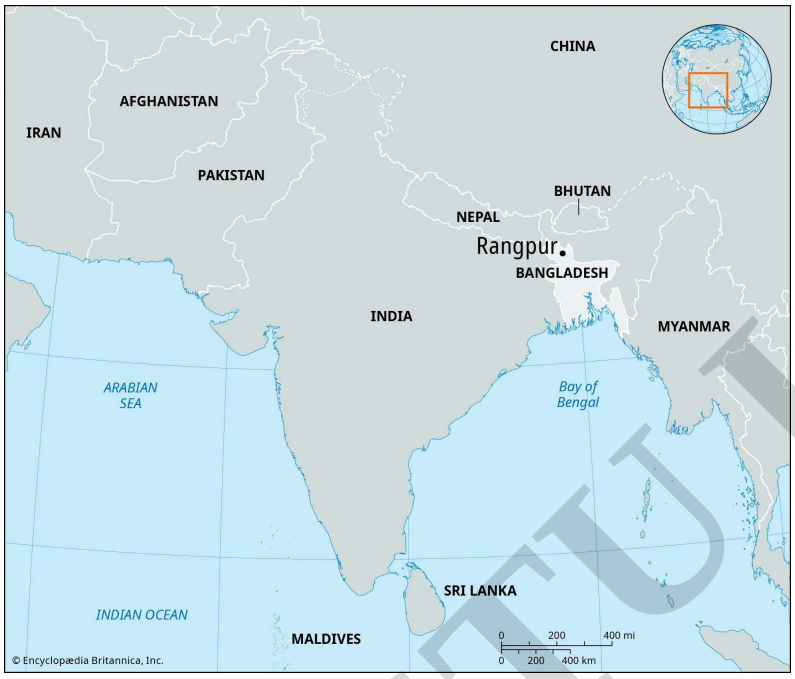
Background:

- **The legacy of the 1971 liberation war,** when Bangladesh separated from Pakistan, **has long influenced Dhaka-Islamabad relations.**
- However, **recent interactions suggest Bangladesh is rethinking its foreign policy, particularly with Pakistan**.
- Since the fall of Sheikh Hasina's government in August 2024, Bangladesh's interim Chief Adviser Muhammad Yunus has met with Pakistan's Prime Minister Shehbaz Sharif several times, while there has been no engagement with Indian Prime Minister Narendra Modi.

Recent Developments:

1. **Military Cooperation:** A **high-level Pakistani military delegation visited Rangpur**, near India's Siliguri Corridor. Bangladesh's Army Deputy Chief, also visited Rawalpindi to meet with Pakistan's military leadership.
2. **Aviation and Naval Ties: Direct flights between Dhaka and Islamabad resumed.**

- **Bangladesh also participated in Pakistan's Aman 2025 naval exercises,** deploying a warship after more than a decade.



Challenges to Deeper Ties:

- **Historical Grievances:** Many Bangladeshis still view the 1971 war as central to their national identity. Pakistan's portrayal of the war as an "Indian conspiracy" rather than an expression of Bengali identity hampers reconciliation.
- **Economic and geographic factors limit the practical benefits of a closer relationship** with Pakistan, especially given India's geographic presence between the two countries.

Implications for India:

- India sees these developments as part of Pakistan's strategy to counter New Delhi's influence in Bangladesh, especially after Ms. Hasina's departure. The situation also unfolds alongside India's increasing engagement with the Taliban in Afghanistan.

India's Strategic Response:

1. **Recognize Economic Ties:** Bangladesh remains economically dependent on India, with bilateral trade heavily favoring Indian exports.
2. **Monitor Security Threats:** India must be vigilant about possible military or extremist activities in its northeastern states.
3. **Strengthen Diplomatic Engagement:** Focusing on people-to-people connections, cultural exchanges, border cooperation, and developmental initiatives can reinforce India-Bangladesh ties.
4. **Address Sentiments:** Counter anti-India narratives within Bangladesh to sustain a friendly constituency in the country.

INDIAN OCEAN REGION IS WITNESSING A SHARP CHURNING, SAYS JAISHANKAR

Indian Ocean Region is witnessing a sharp churning, says Jaishankar

Suhasini Haidar
MUSCAT

External Affairs Minister S. Jaishankar spoke to Bangladesh Foreign Affairs Adviser Touhid Hossain in Muscat on Sunday, in a meeting aimed at defusing tensions and addressing "challenges" between New Delhi and Dhaka over attacks on minorities and the continued stay of former Prime Minister Sheikh Hasina in India.

Mr. Jaishankar, who was attending the eighth Indian Ocean Conference, warned of a "churning" in the region. He met his counterparts from a number of countries, including Foreign Ministers Arzu Deuba Rana of Nepal, D.N. Dhungyel of Bhutan, Vijitha Herath of Sri Lanka, Abdulla Khaleel of the Maldives, and Abbas Araghchi of Iran, those of Mauritius and Brunei, and his Omani co-host Syed Badr Hamad Al Busaidi.

In a statement, the Bangladesh Ministry of Foreign Affairs said the two leaders had noted that a number of regular bilateral exchanges had been held between the two countries in the past few months and a meeting of border guards is expected this week.

"The [Foreign Ministers] hoped that various border-related issues would be discussed and resolved during the meeting. Both sides recognised the challenges the two neighbours are facing in terms of bilateral relations and discussed about the necessity to work together to address those," the statement said.

Regional ties: External Affairs Minister S. Jaishankar with his counterparts during the 8th Indian Ocean Conference in Muscat. ANI

Mr. Jaishankar, who last met Mr. Hossain in September 2024 on the sidelines of the UN General Assembly, said the "conversation was focused on [the India-Bangladesh] bilateral relationship, as also on BIMSTEC [Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation]".

The reference to BIMSTEC is significant as the next summit of the regional grouping will be held in Bangkok on April 2-4, and Prime Minister Narendra Modi and Bangladesh Chief Adviser Muhammad Yunus are expected to attend.

'Coordinated flotilla'

Addressing the IOC's inaugural session, which included Ministers of more than 25 countries, and is co-hosted by the Ministry of External Affairs this year with the Oman Ministry of Foreign Affairs and organised by India Foundation, Mr. Jaishankar said the Indian Ocean was witnessing a "sharp churning" due to developments in West Asia and the Indo-Pacific, calling for a "coordinated flotilla" to develop the region.

"In the Middle East/ West Asia, there is a serious conflict under way with the potential for further escalation and complication," he said. "At the same time, longstanding issues are being revisited, sometimes with a radically different approach," he added, in an oblique reference to U.S. President Donald Trump's statements on Gaza, where he has proposed moving nearly two million Gazans to Egypt and Jordan, and the U.S. taking charge of redeveloping the area that has been bombarded by Israel.

The proposal has been rejected by most countries in the Gulf region, including Oman.

Speaking in another session, Iran Foreign Minister Abbas Araghchi took aim at the U.S. over Mr. Trump's recent executive orders to impose "maximum pressure" on Iran and reviewing all sanctions waivers, including the waiver for Chabahar port.

In his speech, Mr. Jaishankar said India had a number of initiatives to help promote cooperation in the Indian Ocean region, citing India's $4-billion package for Sri Lanka, and vaccine donations, while being a "first responder" during natural disasters such as earthquakes, oil spills and other crises in the IOR.

After a meeting with the Sri Lankan Minister, Mr. Jaishankar said India ws "committed to the economic recovery and progress of Sri Lanka".

- **8th Indian Ocean Conference - Muscat by India Foundation**

Background:

- The **Indian Ocean Conference** was launched by the **India Foundation** in **2016** in **Singapore** with participants from **30 countries**. Over the past **eight years**, it has become a key forum for discussing regional issues and promoting cooperation under the **SAGAR (Security and Growth for All in the Region)** initiative.

- The **8th Indian Ocean Conference** held on **February 16-17, 2025**, in **Muscat, Oman**, in partnership with Oman's **Ministry of Foreign Affairs**. This year's theme is **"Voyages to New Horizons of Maritime Partnership."**

Indian Ocean Concerns:

- Addressing the Indian Ocean Conference (IOC), Mr. Jaishankar **warned of significant geopolitical changes in the region due to conflicts in West Asia and tensions in the Indo-Pacific.**
- He also highlighted **India's contributions to regional stability**, including a **$4-billion aid package to Sri Lanka,** vaccine donations, and disaster relief efforts. He reiterated India's commitment to supporting Sri Lanka's economic recovery.
- Iranian Foreign Minister criticized the U.S. for its "maximum pressure" policy and the review of sanctions waivers, particularly concerning the Chabahar port project, which is crucial for India-Iran cooperation.
- S. Jaishankar met Bangladesh Foreign Affairs Adviser Touhid Hossain in Muscat t**o ease tensions between the two countries.**
- Mr. Jaishankar engaged with foreign ministers from neighboring countries like **Nepal, Bhutan, Sri Lanka, Maldives, Iran, Mauritius, and Brunei.**
- The talks also emphasized the importance of BIMSTEC, with its next summit scheduled in Bangkok from April 2 to 4, which both Prime Minister Modi and Bangladesh Chief Adviser Muhammad Yunus are expected to attend.

PYQ's

Q.1 Which of the following statements about the Indian Ocean Conference is correct?

1. It was launched by the India Foundation in **2016** in **Maldives**.
2. It focuses on promoting regional cooperation under the **SAGAR** initiative.
3. The **8th Indian Ocean Conference** is being held in **Colombo, Sri Lanka** in **2025**.
4. The theme of the **2025 conference** is **"Maritime Cooperation for Regional Stability"**.

Select the correct answer using the code given below:

(a) 1 and 2 only
(b) 2 only
(c) 1, 3, and 4 only
(d) 2 and 4 only

Answer: (b) 2 only

Explanation:

- Statement 1 is incorrect: It was launched in **Singapore**, not **Maldives**.
- Statement 2 is correct: It promotes cooperation under **SAGAR** (Security and Growth for All in the
- Region).
- Statement 3 is incorrect: The **8th conference** is in **Muscat, Oman**, not **Colombo, Sri Lanka**.
- Statement 4 is incorrect: The theme is **"Voyages to New Horizons of Maritime Partnership"**, not **"Maritime Cooperation for Regional Stability"**.

Q.2 The term *"Mission 500"* recently seen in the news is related to:

(a) A clean India project to clean 500 cities in one year.

(b) A target of achieving $500 billion in bilateral trade by 2030 by India and the United States.

(c) A collaborative space exploration program between India and Russia.

(d) An agreement between India and Japan to boost infrastructure development.