Decentralisation and the Role of Panchayati Raj Institutions in Rural Development: A Study of Ladakh

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One of the key tools identified to empower grassroots democracy, enhance participation and make rural development process more responsive to the needs of communities is decentralization. The Panchayati Raj Institutions (PRIs) have been one of the most prominent institutional frameworks for decentralization and rural development processes in India. However, the existence of decentralized institutions does not necessarily imply effective delegations of authority and involvement in decision making processes. With this in mind, the present study tries to examine the function of Panchayati Raj Institutions (PRIs) in rural development and enhancing rural governance in Ladakh. The present paper discusses the contribution of PRIs (Panchayati Raj Institutions) to decentralise development in Ladakh, a mountainous frontier region with unique social-cultural, environmental and administrative attributes. PRIs operate under a specific dual government system with the introduction of Ladakh Autonomous Hill Development Councils (LAHDC), since the bifurcation of Jammu and Kashmir into Union Territory of Ladakh in 2019. In this way, significant questions are raised about what decentralisation looks like on the ground. In this regard, the study would try to explore how the PRIs of Leh and Kargil perform with special focus on their role in decision making, planning of development and execution of development activity and their sensitiveness to community needs. The study design is exploratory and descriptive with qualitative and quantitative approach. The key sources of data are fieldwork (situational observation) and secondary sources of data (documents, policies and literature search), and also from Panchayat representatives, and other field stakeholders, through interviews. This study investigates the role which PRIs are playing as an institution of participatory governance, resource mobilization and service delivery in an area with high altitude topography, which has high incidence of scattered settlements and has pre-existing customary institutions such as goba institutions. The study argues that the success of decentralized governance in the rural areas hinges not only on the establishment of the Panchayati Raj Institutions but also on their effectiveness to engage in developmental activities. In the study it is argued that while PRIs

have provided opportunities for local involvement and development planning, the influence of PRIs is constrained by the fact they co-exist with LAHDC, fiscal and administrative independence, and institutional capacity.

Keywords: Rural development, Panchayati Raj Instititions, Ladakh, Governance, Participation

Introduction

The 73rd Constitutional Amendment Act 1992 aimed at bringing democratic decentralisation to India through constitutional recognition of three-tier (village, town and district) Panchayati Raj, which sought to shift planning and implementation of rural development to the elected local bodies. The Amendment, apart from introducing new Part IX in the Constitution and Eleventh Schedule which listed the twenty-nine subjects of local concern, went on to make Panchayati Raj Institutions (PRIs) constitutional and not just statutory (Jha 2000). The basic idea behind this was cogent; make decisions closer to the people who are affected; make them locally held accountable, participatory, and well empowered (Ghazala; Rao 2013). Since then, 30 years have passed, and the degree of fulfilment of this promise is highly variable from region to region and is less attributable to the constitutional design per se than to the particular administrative, political and historical contexts of PRIs.

Ladakh is a case in particular that is instructive, but little studied. Once a part of the former state of Jammu and Kashmir, Ladakh became a Union Territory of India without legislative powers in August 2019 as part of the reorganisation of the state. Such a shift changed the institutional environment in the area in ways that have yet to be fully explored. Rural local governance in Ladakh is not just conceived within the framework of a single tiered system of PRIs, but within the framework of a dual system where PRIs in the form of Halqa Panchayats, established under the Jammu and Kashmir Panchayati Raj Act, 1989 work alongside the Ladakh Autonomous Hill Development Councils (LAHDC) of Leh and Kargil, which has their origin in the year 1995 (Leh) and 2003 (Kargil) and have been consolidated under the Ladakh Autonomous Hill Development Councils Act, 1997. Under this Act, the Council is considered as the District Planning and Development Board for the district, which under the Panchayati Raj Act 1989, would be an elected body at the district level (Singh 2022). LAHDC, in other words, is not a parallel/supplementary body but it takes the place of the district tier of Panchayati Raj governance system itself.

This partnership has become rather more important than ever since 2019. Now LAHDC will have direct relation with the Union Territory administration and the Lieutenant Governor while the intermediate state government has been removed. LAHDC's role has been consolidated with subsequent changes: In 2018, the State Administrative Council issued a resolution to enhance LAHDC's powers including to give directions to panchayats and place government workers assigned to work under the transferred subjects under the control of LAHDC. The Union Territory administration, in a move publicly condemned by the two leading civil society organisations in Ladakh, the Apex Body Leh (LBA) and the Kargil Democratic Alliance (KDA) as being a move to divide political power at a time when a single, constitutionally protected Union Territory-level government under a customised Article 371(1A) remains under talks with the Centre, has recently introduced into the five new districts formed in Ladakh under the new framework, the LAHDC framework. Unlike the now-standard three-tiered system of rural development that can be referred to the context of mainland India, this multi-layered system, now under contention, gives Ladakh a unique identity. Much of the current literature on decentralisation and rural development in India is voluminous but based upon evidence in mainland states, with little interpretation as to how devolution works in hill, tribal and border Union Territory contexts where local government has to exist and in the case of Ladakh, formally exist, along with a regionally autonomous council. Whether the LAHDC arrangement enhances or diminishes the ability of bodies at the panchayat level to deliver development in rural areas, or whether it has a negative unintended consequence of limiting their autonomy and curbing the participative spirit of the 73rd Amendment, is an empirical question that this paper interrogates. In this context, the current paper explores the working of PRIs in the delivery of rural development across Ladakh as a whole, and, specifically, the functional and fiscal autonomy of Halqa Panchayats vis-à-vis LAHDC and how this autonomy has developed in the post-2019 Union Territory phase. The paper is based wholly on secondary sources, which include the statutory and legal documents governing the relationship between PRI and Ladakh, documents pertaining to the implementation of rural development schemes, Mahatma Gandhi National Rural Employment Guarantee Act(MGNREGA), Pradhan Mantri Gram Sadak Yojana(PMGSY) and the Jal Jeevan Mission, government review and budget documents and civil society/policy commentary addressing governance debates in Ladakh after 2019.

Decentralisation and Panchayati Raj: The Broader Framework

There are theoretical arguments for democratic decentralisation, which are based on the concept that local governments are closer to their citizens and thus are likely to know their needs better and be able to respond to them in an efficient way. The 73rd Constitutional Amendment Act, 1992 is often considered as the game-changer in the Indian context as it provided for the first time a three-tier Panchayati Raj framework of Gram Panchayat, Panchayat Samiti and Zila Parishad and also accorded a statutory status to the Gram Sabha as the basic unit of rural governance. The Amendment is based on the fundamental principle of self-governance of villages as provided in the Constitution's Directive Principles of State Policy in Article 40 (Sarma ; Chakravarty 2018). As far as the concept of PRIs is concerned, a mountain of recent literature considers PRIs as the institutional fulcrum of participatory democracy and rural development in India; indeed, the 1992 Amendment has made the Panchayati Raj a legally reinforced instrument of decentralised democracy, with regular elections, women and marginalised groups representation, State Finance Commissions and a more powerful Gram Sabha.

PRIs in Hill and Tribal Contexts

The literature pertaining to PRI functioning in similar hill and tribal areas elsewhere in India is particularly relevant, although not directly related to Ladakh, as a hill, tribal majority, border region. In the more usual context of decentralised development, such literature tends to portray rural development as a means of enhancing the economic, political and social lives of geographically and administratively peripheral populations, and emphasise that it is the devolution of power and resources to the grassroots - and not the merely constitutional imperative for the establishment of elected bodies - which will determine whether decentralised development is truly a benefit. All of this work is relevant to Ladakh, because it highlights that the hill and tribal governance situations always differ from the mainland ones which the majority of the literature in the field of PRI seems to be focused on. But it doesn't carry its analysis to institutional setups such as those in Ladakh, where the district-tier planning function is officially delegated to an autonomous council at an intermediate level.

Current research fails in that there is no literature available here. The majority of existing research and analysis about Ladakh’s institutions of governance centers on LAHDC,

its origin in the 1995/1997 Acts, its statutory power with respect to district planning, budgeting, and taxation, as well as its more recent involvement in the political discourse regarding extension of the LAHDC framework across all seven Ladakh districts by 2026 without proper consideration of the way in which such council-based power affects, supplements, or limits the operation of Halqa Panchayat within rural development service delivery within the Union Territory as a whole. Studies on autonomous councils of the kind identified by LAHDC have also acknowledged that unlike Councils enjoying the constitutional protection of the Sixth Schedule, these Councils have no constitutional protection, being structurally similar to other statutory Councils.

Institutional and Legal Framework

The Panchayati Raj Structure in Ladakh

The elected body of governance in Ladakh is called the Panchayati Raj Structure.

The panchayat system in Ladakh is based on Jammu and Kashmir Panchayati Raj Act, 1989, which establishes the three tier panchayat structure with Halqa Panchayats (HP) at the grassroots, Block Development Councils (BDC) at the Block level and District Planning and Development Board (DPDB) at the district level. Halqa Panchayats (HPs) are directly elected entities in charge of planning and implementation of sanitation, water supply and other subjects, devolved to it, at the local level within a rural development scheme. However, the truly important aspect is that in Ladakh, the district-tier function under this Act is not carried out by an independent and elected DPDB. Its relation to Jammu and Kashmir Panchayati Raj Act, 1989, it has been enacted as a 'District Planning and Development Board for the District' and it continues to perform the duties and exercise the powers under the Jammu and Kashmir Panchayati Raj Act. The crucial difference between the pattern of governance in Ladakh and the pattern of governance in the rest of India is this single point: the Ladakh is decentralised, the LAHDC is the decentralisation tier – it is not alongside the tier of Panchayati Raj in the districts, it is that tier. The nature of the Ladakh Autonomous Hill Development Council (LAHDC) is therefore critical to any study on panchayat autonomy in Ladakh and needs to be considered not as an external or parallel body, but as the very entity which is vested formally with the authority of planning and development at the district level over the Halqa Panchayats.

LAHDC: Origins, Composition, and Powers

The Ladakh Autonomous Hill Development Council Leh was established in the year 1995 under the Ladakh Autonomous Hill Development Council Act, 1995, which became effective from 1st June, 1995, and the Ladakh Autonomous Hill Development Council Kargil was established after the then coalition government of J&K in July, 2003.Both councils have to be operated under the consolidated 'Ladakh Autonomous Hill Development Councils Act' 1997 for the entire Ladakh district (Leh and Kargil). There are thirty members on each Council who are elected for five-year terms - twenty six of whom are elected directly by universal adult suffrage, with the remainder nominated by the UT administration (the Lieutenant Governor), usually to provide representation for women and for the principal religious minorities. The Council's leadership is given to the Chairman, called the Chief Executive Councillor (CEC), who ranks and holds the same status as a Cabinet Minister and is supported by four Executive Councillors who rank and hold the same status as Deputy Ministers. But, the reorganisation of Ladakh as a Union Territory without any legislative assembly in August 2019 saw the elimination of an intermediate body, the state-government, over the LAHDC, and the Councils were now directly linked with the Union Territory administration and the Lieutenant Governor. This shift – which is discussed widely – has changed the de facto balance of power in the region. It has been found to be associated with the reported lack of trust of the Ladakh leadership with the Centre due to the lack of a legislature and delayed political reform and constitutional safeguard negotiations. In sum, this context provides for three crucial elements for the analysis that follows. First, the Halqa Panchayats of Ladakh are not organised in the traditional three-tiered PRI system of governance with each tier functioning in isolation and electing an independent district panchayat (in this case, the LAHDC is functioning as the second tier in terms of a statutory deeming provision). Secondly, the nature of this connection does not stop at the informal monitoring of the functioning of the panchayats but goes on to the statutory mandate of the panchayats to act according to the instructions issued by LAHDC as has been stipulated at least since the amendment in 2018. Lastly, LAHDC, as an institution, lacks in its institutional independence from the UT administration, as well as, from 2026, from the number and composition of councils that enjoy this independence.

Research Design

The design of this study is secondary data based document (institutional) analysis. Hence, the paper has adopted the following approach to answer the central question of the paper: To what extent is the Ladakh Halqa Panchayat autonomous in terms of rural development delivery in Ladakh and how has it changed after the year 2019? The methods employed here have been: Statutory/legal document analysis, Rural development scheme performance data and Documentary evidence of the contemporary governance debate in Ladakh.

Data Sources

There are three types of secondary data that are used in the analysis:

Firstly, statutory and legal frameworks, such as the Jammu and Kashmir Panchayati Raj Act, 1989; the Ladakh Autonomous Hill Development Councils Act, 1997 (and earlier, in 1995 for Leh); and later administrative reforms (most recently, State Administrative Council, 2018), from India Code and relevant legal repositories.

Second, data on the implementation of rural development schemes for the region of Ladakh was collected from the government review meetings and departmental reports from Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Pradhan Mantri Gram Sadak Yojana (PMGSY), and Jal Jeevan Mission (JJM), and also from the national physical progress dashboard for JJM maintained by Department of Drinking Water and Sanitation, Ministry of Jal Shakti.

Thirdly, documentary and news-based evidence of the post-2019 and 2026 governance debate in Ladakh, including reporting on the 2026 LAHDC expansion, civil society (ABL and KDA) statements to oppose the expansion and analytical commentary that places this debate among Ladakh's governance debate with the Centre under Article 371.

Limitations

The lack of primary fieldwork activity in this study is its main constraint. While the statutory provisions serve to give formal authority, they alone do not provide any sense of how this authority is enacted in everyday practices at the panchayat level, and how or whether this is felt as autonomy and centralisation at the grassroots. Performance data in Scheme is the same, as it shows overall performance, but it does not necessarily reveal particular institutional factors that may be causing it, such as delays in approvals, fund-flow constraints, or planning exclusion. In cases where this documentary evidence is not available, this study uses

administrative minutes from review meetings and civil society statements as a partial substitute for this ground-level perspective, and the conclusions presented below should not be interpreted as a claim about subjective experience of those implementing decentralisation in Ladakh. Further research with the primary interviews of the Halqa Panchayat representatives and the block level officials as suggested in the complementary work of this author would usefully enrich the present analysis.

Findings

Rural Development Scheme Performance in Ladakh

This is the first major finding that Panchayati Raj Institutions do not only have an electoral or representative role, but are part of the wider rural development processes of Ladakh.Among the key responsibilities of the Rural Development and Panchayati Raj Department is poverty alleviation, rural infrastructure and implementation of rural development programmes. It officially mentions MGNREGA, rural connectivity, public library, parks, community facilities, irrigation systems, waste-management facilities etc development activities at the village level. While some indicators of rural development in Ladakh are promising, others are problematic, as shown by government review data for the time that has elapsed since the Union Territory was formed. Due to the tough topography of the region, as per the latest review of Jal Jeevan Mission, Ladakh had achieved about 75 percent water connection coverage in households, which placed the Union Territory at position 16th among all States and Union Territories in the country. Four out of the total 31 blocks, Saspol and Thiksey (Leh) and Drass and Bhimbat (Kargil) had attained the 90 percent household coverage while Lungnak block in Zanskar sub-division of Kargil became the first block to reach the goal of ‘Har Ghar Nal Se Jal’ in Ladakh. As per PMGSY, in Union Territory of Ladakh, 195 km of road has been constructed and black-topped with expenditure of about Rs 149 crore and about Rs 50 crore has been approved by the Government of India for release. By the time this was happening, Ladakh had already been granted a 500-kms target under PMGSY-III, earmarked for consolidation and upgradation of basic all-weather connectivity targets, which are being connected to markets, hospitals and higher secondary schools, and whose Detailed Project Reports have already been submitted for technical appraisal and are worth an estimated Rs 500 crore.

The labour budget approved under MGNREGA till May 2026 in Kargil was 0.11 lakh person-days and in Leh, it was 0.07 lakh person-days, while the actual work done in Kargil was

0.53 lakh person-days and in Leh, it was 0.004 lakh person-days, making a total of around 0.54 lakh person-days in the Union Territory till then. The documentary evidence thus indicates that the functions of PRIs in Ladakh go beyond representation, to participation in the delivery and implementation of rural development programmes.

PRIs and Social and Community Development

Within its rural development activities, the Rural Development Department identifies different areas including sanitation, waste management, public facilities, livelihood development and social security. The creation of infrastructure for solid waste management and the Vibrant Village Programme are also subjects of recent departmental reviews, as well as the Swachh Bharat Mission (Grameen), PM Awaas Yojana-Gramin, and National Rural Livelihoods Mission, and watershed development. This is a sign of the multipartite nature of the developmental role of PRIs. Development in Ladakh, thus, cannot be equated with road building or the creation of employment schemes, but is instead a process of rural development. It includes livelihoods, housing, sanitation, water and waste management, infrastructure and social development.

Capacity Building as a Component of PRI Strengthening

There has also been significant focus on institutional capacity in the documentary evidence.BDOs, Panchayat Inspectors, Panchayat Secretaries and Panchayat Accounts Assistants participated in the 2026 Panchayat Development Plan training which centered on planning, monitoring, resource utilization and convergence. Training programmes to the Panchayat Accounts Assistants and Exposure programme for women Sarpanches are also recorded in the Rural Development Department. This implies that the administration is aware of the fact that merely the soundness of institutions through elections does not make Panchayati Raj effective – they also need knowledge and administration.

Continuity and Institutional Renewal

The last finding relates to the ongoing process of institutionalization of Panchayati Raj in Ladakh.The Rural Development Department's records show that a draft schedule was issued for revision of electoral rolls for PRIs in the Union Territory. It is pertinent because a major element of representative local government is the process of regular elections.The PRI system in Ladakh is not a fixed system but a continuously developing one in view of the electoral process and ongoing training, planning and strengthening in administration.

Discussion

The results of the present study suggest that the contribution of Panchayat Raj Institutions (PRIs) can not be limited to the improvement of village level implementation of the development programmes. The documentary and statutory evidence suggests that the multi-tiered structure of governance that enables the functioning of Panchayats includes the Union Territory administration, the Rural Development and Panchayati Raj Department, the Block Development Councils and the Ladakh Autonomous Hill Development Councils (LAHDCs). A unique aspect of the Ladakh arrangement is the nature of the relationship between the district-level Council and Panchayati Raj is not just a result of administrative practice, but also influenced by statutory requirements related to district-level planning and development. This renders the Ladakh situation analytically different from a traditional view of decentralisation where the principal relationship explored is that between the state's political administration and the elected local governments. LAHDC has an important role in district level development planning, as shown in the statutory evidence. The Council has been duly recognized as the District Planning and Development Board and official records have clearly mentioned the role of the Council in the implementation of the relevant provisions along with the Panchayati Raj system. This institutional arrangement implies that in Ladakh, development planning in rural areas is not exclusively done by the Panchayats. Instead, Panchayats are part of a larger system where authority is shared at the various levels of institutions.

This is crucial in the understanding of the meaning of decentralisation in Ladakh. Decentralisation does not necessarily involve every lower level institution having power over all aspects of development. Rather, authority can be fragmented with each tier of government or institution responsible for various planning, coordinating, implementing monitoring functions. It does not necessarily mean, therefore, that the existence of an elected district-level Council is sufficient to warrant the existence of fully autonomous village-level local government. The findings thus indicate that Ladakh is a multi-level decentralisation where autonomy has to be considered not only in relation to the administration of the state/UT but also in the institutional arrangement between LAHDC and PRIs.

Conclusion and Policy Implications

The results show that the Panchayati Raj Institutions hold an important place in the structure of rural development of Ladakh. The evidence also suggests, however, that there is a significant

difference between participation in development and autonomous control over development. The evidence shows that PRIs play a role in multiple aspects of rural development.

They are working in programmes associated with:

- employment generation;
- rural infrastructure;
- sanitation;
- housing;
- livelihoods;
- water;
- waste management;
- local planning; and
- community development.

Hence, PRIs cannot be simply called a political representative.They play a crucial role as institutional links between the rural development programmes and the local communities.The Rural Development Department itself narrates its work to include poverty alleviation, rural infrastructure and MGNREGA and its programme structure has a wide range of rural development interventions.

This is not an abstract issue, but a question of the day-to-day life of Ladakh, as the debates surrounding the proposed extension of the LAHDC for 2026 reveal, and a question this paper's institutional analysis argues should be studied more carefully, rather than completely overlooked, at the panchayat level.

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