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PANCHAYATI RAJ INSTITUTIONS (PRIs)

SYLLABUS:

GS 2 > Constitution > Local self-governance > Panchayati Raj

REFERENCE NEWS:

- The Ministry of Panchayati Raj launched the **People's Plan Campaign (PPC) 2025–26: "Sabki Yojana, Sabka Vikas"** Abhiyaan on 2nd October 2025 across all States and Union Territories, thereby initiating the nationwide process for preparing Panchayat Development Plans (PDPs) for the Financial Year 2026–27.

MORE ON NEWS:

- The **PPC 2025–26** aims to strengthen **participatory, transparent, and accountable local governance**.
- Gram Sabhas will **review previous Gram Panchayat Development Plans (GPDs)** using digital platforms like **eGramSwaraj, Meri Panchayat App, and Panchayat NIRNAY**, assessing progress, delays, and prioritizing **unfinished or unspent projects**.
- The process is guided by the **Panchayat Advancement Index (PAI)** and aided by tools such as **SabhaSaar** to enhance deliberations.
- Focus areas include improving **Own Source Revenue (OSR)** and ensuring **greater community participation** in planning.
- A special thrust is on **tribal empowerment** through the **Adi Karmayogi Abhiyaan**, with active involvement of **Panchayat representatives, SHGs, line departments, and frontline workers**.
- The campaign seeks to promote **transparency, convergence, and inclusivity**, paving the way for **stronger service delivery and sustainable rural development**.

Adi Karmayogi Abhiyan is a national mission for **responsive governance in tribal areas** aimed at building a cadre of **20 lakh tribal change leaders across 1 lakh tribal villages** to co-create development, enhance local leadership, and ensure last-mile service delivery.

PANCHAYATI RAJ INSTITUTION:

- The Panchayati Raj is a **system of local self-government in India**.
- It is a **three-tiered Indian administrative organisation** for the development of rural areas.
- Panchayati Raj Institution (PRI) aims to establish **local self-government in villages, zones and districts**.
- PRI was **established by the 73rd Constitutional Amendment Act, 1992**.

- It aims to **promote democracy at grassroots level** and to **oversee the country's regional development**.

SALIENT FEATURES OF 73RD AMENDMENT ACT OF 1992:

- This act has added a **new Part-IX to the Constitution of India**.
- This part is entitled as 'The Panchayats' and consists of provisions from **Articles 243 to 243 O**.
- In addition, the act has also added a new Eleventh Schedule to the Constitution. **This schedule contains 29 functional items of the panchayats**. It deals with Article 243-G.
- The act has given a **practical shape to Article 40 of the Constitution**
- **The act gives a constitutional status to the panchayati raj institutions**. It has brought them under the purview of the justiciable part of the Constitution.
- **In other words, the state governments are under constitutional obligation to adopt the new panchayati raj system** in accordance with the provisions of the act.

PANCHAYAT RAJ INSTITUTIONS' SIGNIFICANT ACHIEVEMENTS:

- **Women's representation increased:**
 - The most noteworthy development is significant women's representation in Panchayats. The proportion of **elected women representatives has been steadily rising since the enactment of the 73rd amendment Act**.
 - Currently, India has 260,512 Panchayats with **3.1 million elected representatives, of which a record 1.3 million are women**.
 - While there is **merely 7–8 percent representation in Parliament and State Assemblies for women**, an astounding **49 percent of elected local representatives** (in states like Odisha it has crossed 50 percent) **are women**.
- **Healthy competition among states and improved democratic decentralization:**
 - 73rd amendment act has also created **healthy competition among various states regarding devolution (the 3Fs: funds, functions, and functionaries)**.
 - For example, **Kerala has devolved all 29 functions to Panchayats**, inspiring states like Rajasthan to transfer key sectors such as health, education, and agriculture to PRIs.
 - Bihar introduced the concept of **"Panchayat Sarkar,"** while Odisha raised women's reservation to 50 percent—showing that **democratic decentralisation is now deep-rooted and irreversible**.
- **Positive impacts due to political representation of women and SC/STs:**
 - Various research using PRIs has shown that having female political representation in local governments **makes women more likely to come forward and report crimes**. Also, **female PRI leaders are more likely to focus on issues pertinent to women**.
 - For instance, studies by **Esther Duflo and Raghavendra Chattopadhyay in West Bengal and Rajasthan** show that **women-led Panchayats invest more in public goods like drinking water**, while **Scheduled Caste (SC) sarpanchs channel resources to SC hamlets**—marking a **significant move toward social equity in rural governance**.
- **Enhanced transparency and accountability through digitization:**
 - Platforms like **eGramSwaraj, AuditOnline, and Meri Panchayat App** have made Panchayat data, budgets, and project updates publicly accessible.
 - This has improved **financial transparency**, curbed fund misuse, and enabled citizens to monitor development in real time.

- **Improved planning and fiscal efficiency:**
 - Panchayats have adopted **evidence-based planning** under the *People's Plan Campaign (PPC)* and effectively utilized **Finance Commission grants**.
 - Many Panchayats now prepare **Gram Panchayat Development Plans (GPDs)** aligned with local needs and the **Sustainable Development Goals (SDGs)**, improving fund absorption and project delivery.
- **Capacity building and tribal empowerment:**
 - Programs like **Rashtriya Gram Swaraj Abhiyan (RGSA)** and **Adi Karmayogi Abhiyan** are building trained local leadership.
 - The **Adi Karmayogi Abhiyan** aims to create **20 lakh tribal change leaders across 1 lakh villages**, strengthening inclusion and last-mile governance in tribal areas.

ISSUES FACED BY PRIs:

- **Lack of devolution of power by State government:**
 - While some States like Kerala, West Bengal, Karnataka have devolved as many as 26 departments to Panchayats, **several States have devolved only as low as three functions**.
 - In large number of cases, **states that have devolved these departments to PRIs do so on paper**. It is respective line departments and bureaucrats who call the shots.
- **Parallel bodies to take over the functions assigned for Panchayat:**
 - Many states have created parallel bodies to take over the functions assigned for panchayats.
 - **For instance**, recently the Haryana government created a **Rural Development Agency** under the chairmanship of the chief minister to oversee the works of local bodies.
- **Little effort to build capacity:**
 - Despite 30 years of their existence, there have been **little efforts to strengthen the capacities of these institutions**.
 - Not only very few States have done some work on internalising the planning process (mapping core activities) of panchayats, several States have **not even paid any attention to build the capacities of the newly elected representatives**, many of whom are first-timers and belongs to the most vulnerable sections particularly the Scheduled Caste, Scheduled Tribes and women.
- **Inadequate financial powers:**
 - PRIs remain **financially dependent** on higher levels of government. Nearly **93 % of their total revenue** still comes from **external transfers**.
 - Taxation powers remain minimal, and major local revenue sources such as **property tax or user charges** are **under-utilized or poorly collected**.
 - Although the **XV and XVI Finance Commissions** have recommended performance-linked grants and digital accounting via **eGramSwaraj**, most PRIs still lack fiscal autonomy.
- **Issues with State Finance Commissions (SFCs):**
 - SFCs remain **recommendatory in nature** and lack enforcement power.
 - Unlike the Central Finance Commission, many States **ignore or delay** SFC reports, and few have constituted them regularly every five years as mandated.
 - There is also **insufficient monitoring of outcomes** of devolved funds, and States rarely adopt **output-based budgeting** for PRIs.
- **Politicization of PRIs:**

- PRIs are increasingly seen as **extensions of state-level political parties** rather than autonomous local institutions.
- Frequent **party-based interference**, transfer of functionaries, and **political capture** have diluted the participatory spirit of the 73rd Amendment.
- The absence of **independent local cadre systems** also allows ruling parties to control Panchayat operations.
- **Interference of MPs and MLAs:**
 - Frequent interference by **area MPs and MLAs** in Panchayat funds, works, and beneficiary selection undermines **local decision-making**.
 - Schemes like the **MP Local Area Development Scheme (MPLADS)** and **MLA funds** sometimes **overlap or override** Panchayat priorities.
- **Proxy representation:**
 - Although reservation has brought **women and SC/STs** into local politics, **proxy leadership** remains widespread.
 - The **“Sarpanch-Pati” phenomenon** (husbands controlling the position of elected women) and **upper-caste dominance** over SC/ST representatives persist, despite legal safeguards and awareness drives.
 - Recent training under **RGSA** seeks to curb this by empowering women through leadership workshops and digital literacy.
- **Issues with State Election Commission (SEC):**
 - The **tenure, qualifications, and service conditions** of State Election Commissioners vary widely.
 - Some States **delay local body elections** citing administrative or legal reasons, violating the **five-year constitutional mandate** under Article 243E.
 - This erodes the democratic continuity of PRIs and enables bureaucratic control during interim periods.
- **Unscientific distribution of functions:**
 - Division of responsibilities across the three tiers is often **unclear and overlapping**, leading to confusion and inefficiency.
 - Blending of **developmental and administrative roles** has curtailed local autonomy, effectively converting Panchayats into **implementing agencies** rather than decision-makers.
 - Experts call for **activity mapping** and **functional clarity** between Gram, Block, and District levels.
- **Incompatible relation between the three-tiers:**
 - The three tiers often do not function as **co-equal entities**; upper tiers tend to treat lower ones as subordinates.
 - This **hierarchical mindset** disrupts coordination and weakens the principle of **subsidiarity** envisaged in the 73rd Amendment.
- **Lack of accountability:**
 - Instances of **corruption, patronage networks, and inefficiency** continue to mar Panchayat functioning.
 - Despite provisions for **social audits and vigilance committees**, their enforcement remains weak.
 - Greater **transparency through digital tools (AuditOnline, eGramSwaraj)** and **citizen-led monitoring** is essential to improve accountability.

STEPS TAKEN TO STRENGTHEN PRIs:

- **Rashtriya Gram Swaraj Abhiyan (RGSA):** A central scheme to enhance PRI capacities for responsive local governance and development.
- **e-GramSwaraj:** A web-based portal launched by the Ministry of Panchayati Raj to improve e-Governance in PRIs, integrating planning, accounting, and monitoring functions.
- **AuditOnline:** Introduced in 2020 for online audits of Panchayat accounts to promote transparency and efficiency.
- **People's Plan Campaign (PPC) - Sabki Yojana Sabka Vikas.**
- **National Institute of Rural Development and Panchayati Raj:** An autonomous body focusing on capacity building through training, research, and consultancy for various rural development stakeholders.
- **National Panchayat Awards:** Recognizes top-performing Panchayats based on several criteria and indicators.
- **SWAMITVA Scheme:** Aims to provide property rights and issue property cards to rural household owners, enhancing land data accuracy for PRIs.

WAY FORWARD

- **Capacity building:**
 - Continuous **training and digital literacy programs** for elected representatives, especially women and first-time members, should be institutionalized under **Rashtriya Gram Swaraj Abhiyan (RGSA)** and **NIRD&PR**. States should develop **District-level Panchayat Resource Centres (PRCs)** to provide real-time technical and legal support. Encourage local bodies to **outsource technical functions** (e.g. engineering, GIS mapping, auditing) to accredited professionals or agencies through clear guidelines.
- **Deepening fiscal and functional devolution:**
 - States must ensure the **timely constitution and implementation** of **State Finance Commission (SFC)** recommendations.
 - Empower PRIs with **independent taxation powers** and strengthen **Own Source Revenue (OSR)** collection through digital systems like **eGramSwaraj and SVAMITVA**.
 - Adopt **outcome-based budgeting** and transparent fund tracking via **Public Financial Management System (PFMS)** integration.
- **Strengthening participatory planning and transparency:**
 - Expand the **People's Plan Campaign (PPC)** with citizen engagement tools such as **SabhaSaar, Meri Panchayat App, and Panchayat NIRNAY**.
 - Ensure **regular Gram Sabhas** with inclusive participation of women, youth, and marginalized groups.
 - Institutionalize **social audits and community scorecards** to improve accountability in service delivery.
- **Role of Union Government:**
 - The Union Government should **incentivize genuine devolution** by linking central grants to measurable indicators under the **Panchayat Empowerment and Accountability Incentive Scheme (PEAIS)**.

- Promote **digital convergence** across ministries for Panchayat-level data integration to enhance efficiency and avoid overlap.
- **Building resilient and inclusive Panchayats:**
 - Focus on **climate-resilient and green Panchayat planning**, integrating renewable energy, water conservation, and disaster preparedness into GPDPs.
 - Promote **tribal leadership and inclusion** through targeted programs like **Adi Karmayogi Abhiyan**.

Recommendations of the 2nd ARC:

- **Devolution of Powers and Responsibilities:** Clear delineation of functions for each level of local government.
- **Electoral Process:** Delimitation and reservation of constituencies by State Election Commissions. Use Assembly electoral rolls for local governments without SEC revision.
- **Reforms in SECs:** State Election Commission should be under the Election Commission of India for independence.
- **Constitution of Legislative Council:** Parliament should create a Legislative Council in each State with members elected by local governments.
- **Accountability and Transparency:**
 - **Evaluation of Performance of Local Bodies:** Benchmarking efficiency, effectiveness, and resource mobilisation.
 - **Legislative Oversight:** Local bodies accountable to the State Legislature through a Committee on Local Bodies.
 - **Independent Grievance Redressal Mechanism (Local Body Ombudsman):** Platform for citizen complaints and system deficiencies.
 - **Social Audit:** Essential for improving service delivery and ensuring compliance. Public service standards and periodic disclosures through citizens' charters and social audits.

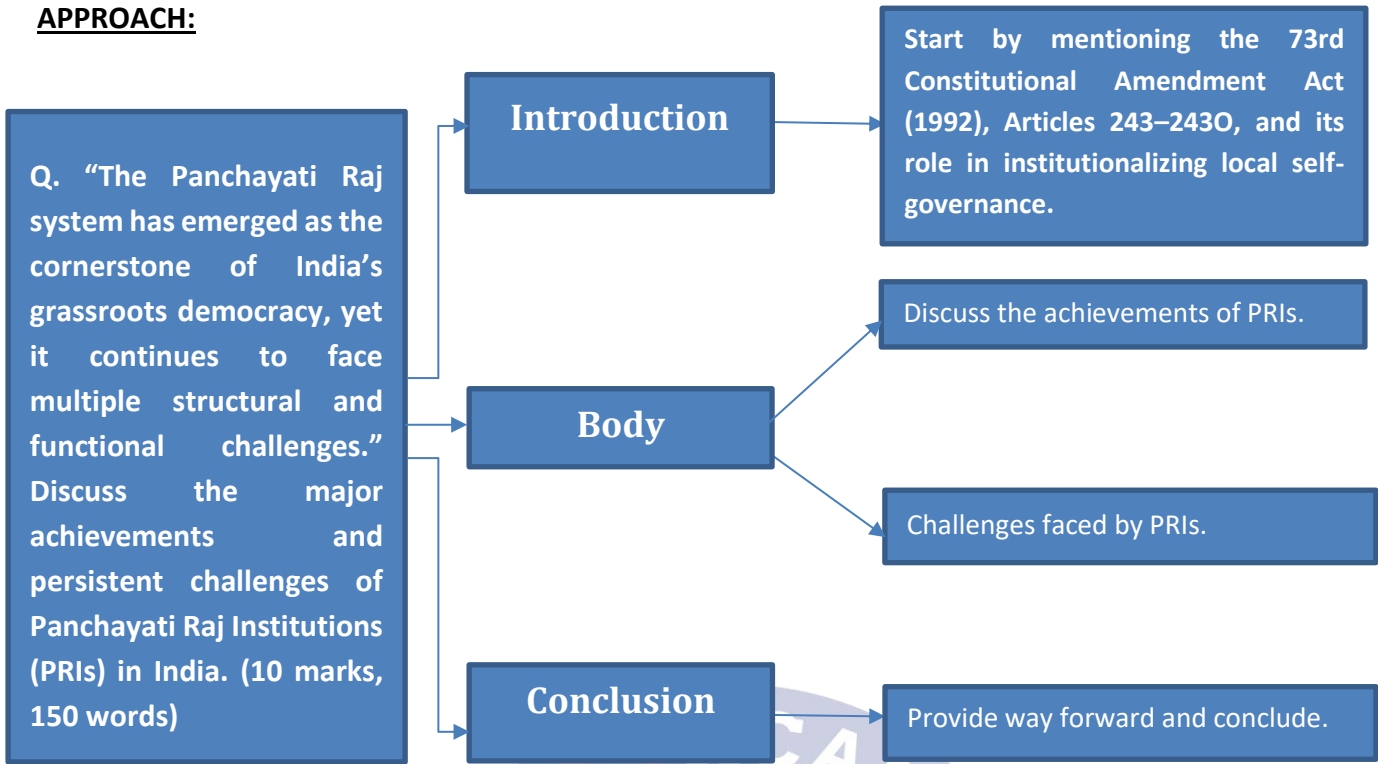
CONCLUSION:

- Empowered and accountable Panchayats are the cornerstone of **grassroots democracy**. Genuine **devolution of power, digital transparency, and capacity building** will transform PRIs from implementing agencies into **true self-governing institutions**, realizing the vision of **"Viksit Bharat from the villages upward."**

PRACTICE QUESTION:

Q. "The Panchayati Raj system has emerged as the cornerstone of India's grassroots democracy, yet it continues to face multiple structural and functional challenges." Discuss the major achievements and persistent challenges of Panchayati Raj Institutions (PRIs) in India. (10 marks, 150 words)

APPROACH:



MODEL ANSWER:

The **73rd Constitutional Amendment Act, 1992** (Articles **243–243O**, Eleventh Schedule) institutionalized **Panchayati Raj Institutions (PRIs)** as the **third tier of governance**, ensuring decentralization and participatory democracy at the grassroots. It gave constitutional status to PRIs, mandating **devolution of powers, responsibilities, and financial resources** to strengthen local self-governance.

Achievements of PRIs:

1. **Women’s Political Empowerment:** Over **1.3 million women** now serve as elected representatives, constituting about **49%** of Panchayat members — India’s most successful grassroots affirmative action.
2. **Democratic Decentralisation:** States like **Kerala and Rajasthan** have devolved multiple functions under the **3Fs** (Funds, Functions, Functionaries), deepening local democracy.
3. **Inclusive Representation:** Studies by *Esther Duflo* and *R. Chattopadhyay* show **women and SC sarpanchs** ensure equitable public spending in water and sanitation sectors.
4. **Digitisation and Transparency:** Portals like **eGramSwaraj, AuditOnline, and Meri Panchayat App** promote open data, fiscal tracking, and accountability.
5. **Capacity Building:** Schemes like **Rashtriya Gram Swaraj Abhiyan (RGSA)** and **Adi Karmayogi Abhiyan** are nurturing trained and inclusive rural leadership.

Challenges Faced by PRIs:

1. **Incomplete Devolution:** Many States devolve functions only on paper; bureaucratic control remains dominant.

2. **Fiscal Dependence:** Over **90% of PRI revenues** come from higher governments; taxation powers are minimal.
3. **Weak State Finance Commissions:** Often irregular, advisory, and poorly implemented.
4. **Politicization and Proxy Representation:** Local bodies are politicized; “Sarpanch-pati” culture persists in some areas.
5. **Capacity Gaps:** Limited training and digital access hinder effective functioning.

Way Forward:

- Institutionalize **regular SFCs** and enhance **Own Source Revenue (OSR)** collection through **SVAMITVA** and **PFMS**.
- Expand **digital literacy and capacity-building** under **RGSA** and **NIRD&PR**.
- Ensure **Gram Sabha empowerment**, mandatory **social audits**, and functional clarity among tiers.
- Incentivize States for genuine devolution under **Panchayat Empowerment and Accountability Incentive Scheme (PEAIS)**.

PRIs symbolize the spirit of **grassroots democracy** envisaged in the Constitution. With initiatives like **People’s Plan Campaign (PPC 2025–26)**, **eGramSwaraj**, and **SVAMITVA**, the government is steering Panchayats toward **transparency, inclusion, and self-reliance**, realizing the vision of “**Viksit Bharat from the villages upward.**”

