

A STUDY ON PANCHAYAT RAJ SYSTEM AND ITS DEVELOPMENT IN INDIA TOWARDS RURAL DEVELOPMENT

Bharath K M*

Assistant Professor of Political Science,
School of Law, DSU, Bengaluru, Karnataka

Dr. Shiva Kumar S.M.*

Assistant Professor, Dept. of Economics,
NMKRV College, Jayanagar, Bengaluru, Karnataka

*Corresponding authors | Received: 01/11/2024 | Accepted: 15/12/2024 | Published: 18/01/2025

Abstract

The Panchayati Raj system serves as a cornerstone of grassroots democracy in India, enabling decentralized governance and participatory decision-making at the village level. Enshrined in the Constitution through the 73rd Amendment Act of 1992, this system grants substantial administrative and developmental powers to locally elected bodies, fostering self-reliance among rural communities. Considering that a significant proportion of India's population continues to reside in rural areas, the Panchayati Raj framework plays a pivotal role in promoting equitable growth, social justice, and effective delivery of public services. This article explores the historical background and evolution of the system, its institutional structure, and the statutory functions assigned to Panchayats. Furthermore, it critically analyses the existing challenges—such as financial dependence, inadequate participation, and administrative bottlenecks—that hinder its optimal performance. The study also puts forward policy suggestions aimed at strengthening Panchayati Raj Institutions (PRIs) so they can serve as robust agents of rural development and democratic governance.

Keywords: Panchayati Raj Institutions, Rural Development, Decentralized Governance, Grassroots Democracy, 73rd Constitutional Amendment.

Introduction

Panchayats or village assemblies existed in ancient India as self-governing institutions which had distinct and well-defined functions. The institution of Panchayat represented not only the collective will, but also the collective wisdom of the entire rural community. As in other parts of the country, village Panchayats also existed in Rajasthan.

The system later came to be known as Panchayat Raj, which was inaugurated by the then Prime Minister “Pandit Jawaharlal Nehru” on 2 October 1959 at Nagour in Rajasthan. The first elections under the Rajasthan Panchayat Samitis and Zilla Parishads Act, 1959 were held in September-October 1959. With the already existing Panchayats at the village level under the Rajasthan Panchayat Act, 1953, the three-tier scheme of Panchayati Raj began functioning on 2 October 1959.

Review of Literature

The Panchayati Raj system has been widely discussed in academic and policy literature, with several studies highlighting both its strengths and shortcomings. Early evaluations by the **Balwant Rai Mehta Committee (1957)** emphasized the necessity of a decentralized governance framework to enhance rural development. This laid the groundwork for subsequent reforms.

R. R. Diwakar Committee (1963) investigated the functioning of Gram Sabhas and observed that although these bodies were statutorily established, they often failed to serve as vibrant forums for participatory decision-making. The report revealed low attendance at meetings and inadequate discussion on issues directly affecting villagers, underscoring the need for greater community involvement.

A case study conducted by **Mathur, Narain, and Sinha (1966)** in Rajasthan found that Gram Sabha meetings were loosely organized and failed to generate meaningful participation, indicating structural and social barriers to effective governance.

Similarly, **Sahai (1968)** noted the lack of enthusiasm among rural populations towards Gram Sabha meetings, attributing it to limited awareness and insufficient efforts by local authorities to address pressing local issues.

Contemporary literature, such as the work of **Chand, Srivastava, and Singh (2017)**, has examined the changing rural economy and its implications for Panchayati Raj Institutions (PRIs). These studies highlight that while PRIs have facilitated localized governance, their effectiveness is often constrained by financial dependency, inadequate training, and political interference.

Collectively, these studies suggest that although the Panchayati Raj framework is a powerful tool for rural transformation, its success largely depends on strengthening institutional capacities, fostering inclusive participation, and ensuring fiscal autonomy.

Historical Evolution of the Panchayati Raj System

The Panchayati Raj system in India has undergone significant transformation over centuries, evolving from informal village councils to constitutionally mandated institutions of self-governance.

1. Ancient Period

The origins of Panchayats trace back to the Vedic era, where village councils functioned as autonomous entities managing local affairs. These councils, often composed of elders, were responsible for settling disputes, maintaining law and order, and promoting community

welfare. This early form of self-governance reflected the principles of Gram Swaraj (village self-rule), as later advocated by Mahatma Gandhi.

2. Medieval Period

During the medieval period, the traditional Panchayats continued to exist but their autonomy varied depending on the ruling power. While local communities retained some degree of self-management, centralized control by kingdoms gradually reduced their independence. In some regions, particularly in southern India, village assemblies such as the Sabhas and Ur retained strong administrative roles.

3. Colonial Period

Under British rule, the Panchayat system suffered a considerable decline. The colonial administration replaced decentralized institutions with a highly centralized system of governance. Although the British introduced local boards and municipalities in the late 19th century, these bodies had limited powers and resources. Lord Ripon's Resolution on Local Self-Government (1882) marked a turning point, as it recognized the need for local participation in governance. However, these reforms were half-hearted, with real authority remaining in the hands of colonial officials.

4. Post-Independence Initiatives

After independence, the newly formed Indian government recognized the need to revive rural self-governance to promote development and democracy at the grassroots level. The Balwant Rai Mehta Committee (1957) recommended a three-tier structure—Gram Panchayat at the village level, Panchayat Samiti at the block level, and Zilla Parishad at the district level—emphasizing democratic decentralization. This model was first implemented in Rajasthan in 1959, followed by Andhra Pradesh and other states.

The Ashok Mehta Committee (1978) further recommended strengthening Panchayati Raj Institutions (PRIs) by giving them more financial and administrative powers. Other committees, including the G. V. K. Rao Committee (1985) and L. M. Singhvi Committee (1986), stressed the constitutional status of Panchayats to ensure their stability and autonomy.

5. Constitutional Recognition (1992)

The landmark 73rd Constitutional Amendment Act (1992) provided constitutional status to Panchayati Raj Institutions. It mandated the establishment of a three-tier system across all states (except those with populations under 20 lakh), regular elections every five years, reservation for Scheduled Castes, Scheduled Tribes, and women, and the creation of State Finance Commissions to ensure fiscal devolution. This amendment marked the beginning of a

new era, transforming Panchayats into legitimate bodies of local self-government with clearly defined powers and responsibilities.

Structure of the Panchayat Raj System

The Panchayati Raj system in India is organized as a three-tier structure designed to distribute powers and responsibilities across multiple levels of governance. This arrangement ensures that decision-making is decentralized and development programs are implemented efficiently from the village to the district level.

1. Gram Panchayat (Village Level)

The Gram Panchayat is the lowest tier of the Panchayati Raj structure, functioning as the fundamental unit of rural governance.

- **Composition:** It consists of elected representatives, including a Sarpanch (head) and ward members chosen directly by the villagers through democratic elections.
- **Functions:** It is primarily responsible for local-level issues such as sanitation, water supply, street lighting, minor irrigation, and the maintenance of village infrastructure. It also implements government welfare schemes and promotes social welfare activities such as maternal and child healthcare, primary education, and agricultural development.
- **Role of Gram Sabha:** The Gram Sabha, comprising all adult residents of the village, serves as the general assembly to approve budgets, discuss development plans, and ensure accountability of the Panchayat.

2. Panchayat Samiti (Block or Intermediate Level)

The Panchayat Samiti functions at the block or tehsil level, acting as a link between Gram Panchayats and the Zilla Parishad.

- **Composition:** Members are elected from the constituencies within the block, along with ex-officio members such as Members of Legislative Assembly (MLAs) and Members of Parliament (MPs) representing the area.
- **Functions:** It coordinates the activities of the Gram Panchayats within its jurisdiction, prepares block-level development plans, and oversees the execution of schemes related to agriculture, rural industries, health, and education.
- **Significance:** The Panchayat Samiti ensures resource sharing among villages and addresses issues that go beyond the capacity of individual Gram Panchayats.

3. Zilla Parishad (District Level)

The Zilla Parishad represents the highest tier in the Panchayati Raj system and operates at the district level.

- **Composition:** It comprises elected representatives from the district's constituencies, chairpersons of Panchayat Samitis, MPs, MLAs, and government officials. The chairperson of the Zilla Parishad is elected from among its members.
- **Functions:** It is responsible for district-wide planning and coordination of developmental activities. It allocates funds to Panchayat Samitis, supervises the implementation of government programs, and ensures inter-departmental cooperation for rural development.
- **Role in Policy Implementation:** The Zilla Parishad acts as a supervisory body, integrating local needs with state and central government policies.

Significance of the Three-Tier Structure

The three-tier structure ensures:

- Democratic participation at the grassroots level, giving rural citizens a direct voice in governance.
- Decentralization of power, reducing dependence on centralized administration.
- Efficient resource utilization, as local bodies better understand community needs.
- Enhanced accountability, since elected representatives are answerable to the local population.

Powers and functions of Panchayat Raj Institutions

The powers and functions of Panchayati Raj Institutions (PRIs) are defined by the 73rd Constitutional Amendment Act (1992) and the respective State Panchayati Raj Acts. These functions broadly fall into mandatory (compulsory) and discretionary (optional) categories, enabling Panchayats to address both basic needs and developmental aspirations of rural communities.

1. Mandatory (Compulsory) Functions

These are essential duties that every Panchayat is legally required to perform, irrespective of its resource base. They include:

- **Provision of Basic Services:** Ensuring access to drinking water, sanitation facilities, and proper waste management.
- **Public Health:** Implementing vaccination programs, maintaining public hygiene, and managing primary healthcare centers.

- Education: Promoting primary and adult education through the maintenance of schools and literacy programs.
- Infrastructure Development: Constructing and maintaining village roads, street lighting, public wells, and minor irrigation facilities.
- Social Welfare: Undertaking schemes for the welfare of weaker sections, including women, children, Scheduled Castes, and Scheduled Tribes.
- Poverty Alleviation Programs: Implementing government schemes like MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) to generate rural employment.

2. Discretionary (Optional) Functions

These functions depend on the resources, priorities, and capacity of the Panchayat. They enhance the socio-economic development of villages and may include:

- Agricultural Development: Promoting advanced farming techniques, soil conservation, and irrigation facilities.
- Environmental Protection: Organizing tree plantation drives, afforestation programs, and initiatives to protect local biodiversity.
- Renewable Energy and Innovation: Introducing non-conventional energy solutions like biogas plants and improved cookstoves.
- Promotion of Rural Industries: Encouraging small-scale industries, self-help groups, and local entrepreneurship.
- Community Welfare Programs: Organizing cultural activities, sports, and awareness campaigns for social development.

3. Implementation of Government Schemes

Apart from their own functions, Panchayats serve as the primary agencies for implementing various state and central government programs, including those aimed at poverty alleviation, rural housing, digital literacy, women empowerment, and health awareness.

4. Financial Powers

PRIs have the authority to collect certain taxes, fees, and fines at the local level. They also receive funds through state government grants, centrally sponsored schemes, and recommendations of the State Finance Commissions. However, the extent of financial autonomy varies from state to state.

Significance of These Functions

The effective execution of these functions is critical for:

- Improving the quality of life in rural areas.
- Strengthening grassroots democracy through active citizen participation.
- Achieving inclusive development by addressing local needs directly.
- Bridging the urban-rural gap by improving infrastructure and social services.

Challenges in the Implementation of Panchayati Raj System

Despite its constitutional mandate, the Panchayati Raj system continues to face multiple challenges that hinder its full potential as an instrument of grassroots democracy and rural development. These challenges can be categorized as **institutional, financial, social, and administrative**.

1. Limited Financial Autonomy

One of the most pressing issues is the financial dependence of PRIs on state governments. While Panchayats have the power to collect local taxes and fees, the revenue generated is often insufficient to meet development needs. Inadequate allocation of funds and irregular release of grants further restrict their ability to implement projects effectively.

2. Inadequate Capacity Building

Many elected representatives, particularly at the village level, lack adequate training in financial management, planning, and project execution. The absence of continuous capacity-building programs limits their ability to utilize resources efficiently and implement schemes in a timely manner.

3. Political Interference

The autonomy of Panchayats is often undermined by political interference from higher administrative levels. State governments sometimes delay elections, dissolve Panchayats prematurely, or withhold funds to exert control over local governance.

4. Low Public Participation

Although Gram Sabha meetings are intended to be platforms for participatory governance, they are frequently poorly attended. Factors such as lack of awareness, social apathy, and insufficient dissemination of information contribute to low citizen engagement, reducing accountability and transparency.

5. Social Inequalities

Caste and gender discrimination continue to influence decision-making in many rural areas. While reservations for Scheduled Castes, Scheduled Tribes, and women have improved representation, social hierarchies often restrict their active participation and leadership.

6. Administrative Bottlenecks

The lack of coordination between different levels of government and overlapping jurisdiction of multiple agencies lead to inefficiencies. Moreover, inadequate staffing and bureaucratic delays slow down project implementation.

7. Technological and Infrastructure Gaps

The absence of adequate digital infrastructure and limited use of technology in many rural areas impede efforts to enhance governance through e-administration, online monitoring, and digital service delivery.

These limitations collectively weaken the efficiency, accountability, and democratic character of Panchayati Raj Institutions. Without addressing these issues, the goal of achieving inclusive and sustainable rural development remains difficult to attain.

Recommendations for Strengthening Panchayati Raj Institutions (PRIs)

To transform Panchayati Raj into a truly effective mechanism of local self-governance, certain reforms and strategic interventions are necessary:

1. Enhancing Financial Autonomy

- **Increased Fiscal Devolution:** States should provide PRIs with greater control over financial resources and revenue-generating powers.
- **Effective Utilization of Funds:** The Members of Parliament Local Area Development Scheme (MPLADS) and other rural development funds must be used transparently and effectively.
- **Regular Auditing:** Establish district-level audit committees to ensure financial integrity.

2. Capacity Building and Training

- Develop **comprehensive training programs** for elected representatives on planning, budgeting, and governance.
- Collaborate with **specialized institutions** for subject-specific training in rural development, disaster management, and financial administration.

3. Encouraging Public Participation

- Strengthen **Gram Sabha meetings** by increasing awareness through community campaigns.
- Promote **digital platforms** for citizen engagement, feedback, and monitoring of local projects.

4. Clear Demarcation of Roles

- Implement the recommendations of the **Second Administrative Reforms Commission (ARC)** to avoid overlapping functions across different tiers of government.
- Clearly assign responsibilities to each level of the Panchayati Raj structure to ensure accountability.

5. Promoting Gender and Social Inclusion

- Support the active participation of women and marginalized groups through **leadership development programs** and legal safeguards.
- Address social barriers by conducting awareness drives on equality and rights.

6. Technological Integration

- Encourage the adoption of **e-Governance tools** in Panchayats to improve transparency and service delivery.
- Invest in rural **digital infrastructure**, including internet connectivity and IT literacy.

7. Policy Reforms

- Periodically **review Panchayati Raj laws** to align them with emerging development needs.
- Empower PRIs to collaborate with NGOs, private organizations, and civil society groups for innovative solutions.

By implementing these measures, Panchayati Raj Institutions can become more efficient, participatory, and development-oriented, thereby fulfilling their constitutional vision of empowering rural communities.

Conclusion

The Panchayati Raj system, as envisioned in the Indian Constitution, is not merely an administrative arrangement but a powerful instrument for deepening democracy and driving rural development. By devolving powers to the grassroots level, it seeks to empower communities to actively participate in governance and shape their own developmental priorities. Over the decades, Panchayati Raj Institutions (PRIs) have contributed to the creation of local infrastructure, poverty alleviation, and the promotion of social welfare.

However, persistent challenges such as financial dependency, lack of administrative capacity, political interference, and social inequalities continue to limit their effectiveness.

To unlock the full potential of PRIs, there must be a concerted effort to strengthen their fiscal and administrative autonomy, build the capacities of elected representatives, promote inclusive participation, and harness technology for governance. If these measures are implemented effectively, Panchayati Raj can serve as a true vehicle for achieving **Gram Swaraj**—a vision of self-reliant villages contributing to the nation's inclusive growth and sustainable development.

References

- **Government of India.** (2019). *Mechanism of Local Governance*. Ministry of Panchayati Raj.
- **Chand, R., Srivastava, S. K., & Singh, J.** (2017). *Changing Structure of Rural Economy of India: Implications for Employment and Growth*. National Institution for Transforming India (NITI Aayog).
- **Sahai, R.** (1968). *Panchayati Raj in India*. New Delhi: Asia Publishing House.
- **Mathur, M. V., Narain, I., & Sinha, V. M.** (1966). *Functionality of Gram Sabhas: A Case Study of Jaipur District*. Jaipur: Rajasthan Institute of Local Administration.
- **Second Administrative Reforms Commission (ARC).** (2007). *Local Governance: An Inspiring Journey into the Future*. Government of India.
- **Rural Marketing.** (2022). *Panchayati Raj System in India*. Retrieved from <https://ruralmarketing.in>
- **Ministry of Panchayati Raj.** (2021). *Annual Report on the Status of Panchayati Raj Institutions in India*. Government of India.