



## PANCHAYATI RAJ SYSTEM IN INDIA: ITS IMPLICATIONS

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**Abstract:** After independence, local panchayats (councils) were established by most of the state governments in India. Panchayati Raj is the bulwark of India's social and economic development in 21st Century. India has adopted a de-centralized strategy in its local governance system with a more active and area-based approach to rural development through the 73rd constitutional amendment in 1992. Panchayati Raj was introduced to give a fillip to the development of programmes launched in rural areas. To make the article 40 operational, the Balwant Rai Mehta Committee was appointed in 1957 to study implementations of the Panchayati Raj after struggling for about 30 years. However, the government of India suddenly seems to have found 'the solution', in the form of the constitutional 64th Amendment Bill. But the effects of this bill became futile. However, in 1992, as a result of many implementations as per 73rd Constitutional Amendment Act 1992, Panchayati Raj System attained its Constitutional status with three tier Panchayat Samithi at the village Level, block or intermediate level, and Zilla Parishad at district level. By following which, federal recognition of local government was substantively expressed in the 74th and 73rd Constitutional Amendment Acts of 1992 for urban and rural local bodies respectively. The working of PR institutions has been studied by several scholars in various states and also by some state level and all India committees. A major conclusion of these studies has been that in spite of some sporadic achievements, PR system cannot be rated as a very successful system.

**Key Words:** Local Bodies, Panchayati Raj, Government, Urban, Rural, Amendment Act.

### Introduction

Since the Balwantraji Mehta Committee recommended panchayati raj System in India way back in 1957, several attempts have been made, at the national as well as state levels, to strengthen the panchayati raj system in the country. After struggling for about 30 years, however, the government of India suddenly seems to have found 'the solution', in the form of the Constitutional (64th) Amendment Bill, to all the weaknesses of panchayati raj. It is argued that "this bill seeks to enshrine democracy at grassroots", as it intends "to give power

to people"; and it will "end corruption, and fight and finish power brokers and middlemen" in politics. The prime minister has claimed that this bill is "a historic and revolutionary bill" and its introduction in the Lok Sabha is "the single greatest event after the enactment of the Constitution". What is so special about this bill? Is it likely to strengthen panchayati raj in India? The present paper intends to answer these questions carefully. Its main objectives, therefore, are

1. to study the concepts of panchayati raj used in the country over the years, examine the inadequacies of these



- concepts as well as the potential of panchayati raj in our economic-political system;
2. to examine the experiences of panchayati raj in different states and draw lessons from these experiences, and
  3. discuss the proposed amendment bill critically in the light of the above and infer the implications for strengthening panchayati raj in the country.

When Mahatma Gandhi discovered that there was no mention of panchayati raj in the earlier draft of the Constitution, he insisted on its inclusion in the revised draft, because panchayati raj was an important component of his vision of future India in which economic and political power was decentralised and each village was self-reliant economically. He felt that people's voice should be reflected in our independence through panchayats, and therefore, 'the greater is the power of panchayats, the better it is for the people'. Article 40 of the Constitution, which was included (at Gandhiji's insistence) in the chapter on Directive Principles of State Policy said that 'the state shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government. The Balvantrai Mehta Committee attempted to translate this article in a major action when it recommended introduction of panchayati raj system in India in 1957. While explaining its philosophy the committee remarked that 'PR system establishes a linkage between local leadership enjoying confidence of local people and the government, and translates the policies of the government into action. The committee thus saw PR system as a means of involving people and their

representatives in development programmes of the government. When it was observed by several state level committees as well as by regional studies that the PR system was suffering from a number of weaknesses, an all-India committee, namely, Ashok Mehta Committee, was set up in 1978 to look into its working in various states and to make recommendations for strengthening it. Ashok Mehta Committee viewed the role of PR system slightly differently. According to the committee, PR system was not only meant for decentralisation of power and people's participation, but it was also for supporting rural development and strengthening the planning process at the micro-level. The committee therefore wanted PR institutions to participate in development activities in the areas of agriculture, forestry, cottage industries, welfare activities, etc. The major recommendations of the committee therefore included two-tier PR system consisting of zilla parishad and mandal panchayats (covering about 15,000 to 20,000 population), re-organisation of zilla parishad and its membership, open participation of political parties in PR elections, constitutional protection for further decentralisation of power, etc. A few of these recommendations were accepted by some states, but most of the recommendations were not implemented.

Panchayati Raj is the bulwark of India's social and economic development in 21st Century. India has adopted a decentralized strategy in its local governance system with a more active and area-based approach to rural development through the 73rd constitutional amendment in 1992. It holds very important place in 11th schedule of the constitution. Panchayati Raj institutions in rural areas signify India's experiment with direct democracy at the grass root level. The present three-



tier system was the brain child of Balawant Rai Mehta Committee, 1957. The ideal construction of the Indian Constitution postulates an aspirational level both for the institutions and functionaries of the Panchayati Raj, provides a measuring rod for evaluating their performance and also contributes to improving the tone of their working, by constantly reemphasizing how far removed from the ideal they still are.

Panchayati Raj was introduced to give a fillip to the development of programmes launched in rural areas. It was the hope of the promoters of Panchayati Raj, that if the representatives of the local people were associated with developmental administration, there would be better people's participation in the implementation of the programmes. They have, therefore, assigned a significant role to the non-officials in Panchayati Raj and all-important decisions in these bodies are taken by them now. Among the non-Officials, the political executives, i.e., refers to elected executives such as the Chairman of the Jilla Parishad, the President if the Panchayat Samithi and the Sarpanch of the Gram Panchayat, play a dominant role. As leaders of the Panchayati Raj administration, they are largely responsible for setting its pace. Such leader would be popular and their legitimacy would be widely accepted only if they are drawn from a cross-section of the rural society. Theoretically, therefore the Panchayati Raj institutions being democratic bodies should provide opportunities to perform its tasks towards the need of the local people.

### **Historical Background of Panchayati Raj System in India**

The Panchayati Raj System in India is not purely a post-independence phenomenon. In fact, the dominant

political institution in rural India has been the village panchayat for centuries. In ancient India, Panchayats were usually elected councils with executive and judicial powers. Within the feudal setup, they functioned as instruments of domination of upper cases. De-centralization of power was thus limited to the remote past when there was a little social differentiation in the village and in the recent past to areas where the heterogeneity in social structure is weak. Foreign domination (especially Mughal and British) and the natural and forced socio-economic changes had undermined the importance of the village panchayats. But towards the end of the nineteenth century, British rulers like Lord Ripon urged the revival of local government. A resolution of was drafted in 1882 for the establishment of resolution of the local boards which was repeated in 1909, in the report of the royal communication on decentralization. As a result, rural district board and village panchayats were setup. These adhoc initiatives, however, die without achieving much success.

### **Constitutional Base for Panchayati Raj in India**

After independence, local panchayats (councils) were established by most of the state governments in India. When Mahatma Gandhi discovered that there was no mention of the Panchayati Raj in the early draft of the constitution, he insisted in its inclusion in the received draft, because Panchayati Raj was an important component of his vision of future India in which economic and political power was de-centralized and each village was self-reliant economically. And as a result, of his efforts, a provision was included in the constitution's Directive principles of state policy (Article 40) stating that "the state shall take steps to organize village panchayat and endow



them with such powers and authority as may be necessary to enable them to function as units of Government”.

To make the article 40 operational, the Balwant Rai Mehta Committee was appointed in 1957 to study implementations of the Panchayati Raj after struggling for about 30 years. However, the government of India suddenly seems to have found ‘the solution’, in the form of the constitutional 64th Amendment Bill. But the effects of this bill became futile. However, in 1992, as a result of many implementations as per 73rd Constitutional Amendment Act 1992, Panchayati Raj System attained its Constitutional status with three tier Panchayat Samithi at the village Level, block or intermediate level, and Zilla Parishad at district level. All three units were organically linked, as the Chairman of lower-level bodies were ex-officio members of the higher levels. These councils were to undertake all planning and development work.

### **State control over Panchayati Raj Institutions**

In the context of the Indian Constitution 1950, Local government bodies are the subject of the state list and are governed by state statutes. By following which, federal recognition of local government was substantively expressed in the 74th and 73rd Constitutional Amendment Acts of 1992 for urban and rural local bodies respectively. The 73rd Amendment Act has provided enhanced power to the rural local bodies but it does not mean that they have unlimited authority and freedom. Some measures of control over PRIs are not only desirable but also necessary. Thus, they are kept under the control of state government. To make de-centralized governance more effective, responsive and accountable, appropriate suggestions

relating to controlling the working of PRIs have also been given.

State Government has four types of control over Panchayati Raj Institutions (PRIs). These are institutional control, administrative control, technical control and financial control. Apart from these controls, there is another control called judicial control. The techniques as are used to control PRIs include power to cancel resolution, access to record, inspections, grants-in-aid, reports and enquiries, hearing of appeals, supervisions and removal, resolutions, appointing administrators, auditing of accounts, amending statute, prior approval and issuing of direction. State control over these institutions is necessary because in rural areas, the authority is vested in local people. PRIs are controlled by the upper classes of the rural society. Most of them are generally illiterate and incompetent to make use of authority. Because of lack of their previous experience of public office.

So, there are always possibilities of committing mistakes, while exercising the authority. In such a situation, state control is considered necessary. State control is needed for proper direction, unification and coordination of the civic services and securing consistency and continuity both in the formulation and implementation of the National politics. It seems that the concept of Panchayati Raj has undergone some changes over the years. Though it started as a narrow concept, it has expanded to cover areas of rural development and economic planning to some extent.

In spite of this expansion, however, the concept still suffers from a number of limitations. First of all, the concept is very narrow as it does not view Panchayati Raj bodies as bodies which can



play an important role in the overall development of our rural areas. In other words, the present concept doesn't see a Panchayati Raj body as a planning as well as implementation agency to various rural development programmes, and as an agency that can take care of routine administration, infrastructure and socio-economic welfare of rural population. Secondly, there is not much clarity about the inter-relationship between Panchayati Raj bodies and development administration. As there is no separate cadre of administration for Panchayati Raj bodies, the dual responsibility of the administration towards state departments and towards Panchayati Raj bodies creates lot of confusion and complications.

Thirdly, there is no clarity about how to involve the weaker section in the functioning of Panchayati Raj bodies. On one hand, there is a feeling that Panchayati Raj leaders do not involve the poor in the Panchayati Raj and therefore administration has to intervene to reach the benefits of growth to the poor. While on the other hand, the involvement and control of Panchayati Raj office bearers in rural development activities is increasing continuously. There is therefore considerable confusion about the role of Panchayati Raj bodies in rural development programmes-especially anti-poverty programmes and lastly, there is no clear trend emerging in the context of de-centralization. According to estimates, there are 58,000-gram panchayats across the country without permanent office facilities. This goes against the spirit of Grass root democracy. Ministry of Panchayati Raj is established to look after the work of the Panchayati Raj institutions in 2004 and ensure that they are allotted the finances and power to cater to the responsibility allotted to them.

### **Present scenario of Panchayati Raj in India**

Panchayati Raj ministry was constructed to monitor the implementation of 73rd Constitutional Amendment Act, 1992, strengthen PRIs as local bodies of economic development and social justice. So far, its working result has been mixed as PRIs continue to suffer from capacity shortage, fiscal shortage and struggle in establishing the Gandhiji's Dream of Village Republic (Swaraj). Ministry of Panchayati Raj looks into all matters relating of Panchayati Raj and its PRIs which was created in May 2004. One major task of the ministry will be to ensure that the state governments' union territories' administrations devolve funds, functions and functionaries on the PRIs in the spirit of the Constitutional provisions. This ministry is also responsible for the work of advocacy for the provisions of the Panchayats (extension to scheduled areas) Act, 1996.

### **Functions of Panchayati Raj Ministry**

In most of the states, the legislative and executive functions of the local bodies have been separated.

- Monitoring of the implementation, 73rd Amendment.
- Making PRIs secure economic and social justice in the respective areas.
- Funding research studies, workshops and seminars for development of panchayats. iv. Funds: Grants-in-aid and through Panchayat's power to levy taxes. In the governance, village panchayats are allowed to levy and collect appropriate taxes, duties, tolls and fees in accordance with state laws to generate their own revenue as per Article 234 H of the Constitution of India.



Panchayati Raj Ministry on verge of closure with no funds in hands, the Panchayati Raj Ministry is acting like an advisory body. Because, after facing a massive budget cut last year, from Rs. 7,000 Cr to Rs. 96 Cr, the future of the Panchayati Raj Ministry continues to look bleak. The government had also recently shuttered two of its key programmes – the Backward Regions Grants Fund (BRGF) and the Rajiv Gandhi Panchayat Sashaktikaram Abhiyan (RGPSA). Also, in view of the budget cuts, the Ministry recently realigned its mandate from financing Panchayats to capacity building and training. Thus, it has been recommended lately that the ministry should be made a department under the Rural Development Ministry

Discussions in favour of the making Ministry of Panchayati Raj as a Department of Rural Development Ministry:

- It will ensure netter co-ordination at village levels as both ministers had overlapping domains. Rural Ministry relies on panchayat for implementation of schemes like Awas Yojana, MGNREGA etc while Panchayat Ministry aims to strengthen and empower Panchayats. Both functions can be better coordinate under a single roof.
- Will reduce administrative costs, provide synergies and ensure single point of accountability.
- Experience gained and, available expertise and resources, skilled and awareness programmes of both sides can be used for project implementations in long term.
- Funds could be better managed under single ministry through re-allocation and convergence

According to these advantages it can be seen that there are benefits to merging

the two ministries but care needs to be taken that the work done by Panchayati Raj Ministry is not side stepped appointing a minister of state in charge for the under the overall guidance of cabinet minister and ensuring adequate funds and functionaries for the department should be the way forward i.e model of devolution, deregulations should be followed, in tandem with community participation, with concrete results in real time for sustainable and inclusive development.

### **Panchayati Raj in Practice**

The working of PR institutions has been studied by several scholars in various states and also by some state level and all India committees. A major conclusion of these studies has been that in spite of some sporadic achievements, PR system cannot be rated as a very successful system. First of all, PR institutions have not been able to involve the poor in development activities either as beneficiaries or as decision-makers on any significant scale. In fact, it is shown that these institutions have harmed the interests of the poor. Secondly, these institutions also have not contributed much towards strengthening the planning process at the micro-level. In other words, these institutions have not been involved enough in formulating block or district level development plans. And thirdly, therefore, these institutions have not played the expected role in the development process in rural areas in the sectors like agriculture, minor irrigation, household industries, socio-economic infra- structure, social services and social welfare.

It is frequently argued that the PR system has succeeded in some selected states like Gujarat, Maharashtra, Karnataka, Andhra Pradesh, etc. We would, however, differ as some intensive



studies in these states have shown that these success stories are not Afterall as glorious as they are made out to be. Indira Hirway's intensive study of the working of four village panchayats in four different types of villages in Gujarat" shows that (1) the panchayats serve the interests of mainly one group, namely, the group of big farmers and rich traders usually belonging to higher castes. The members of this group hold the power of decision-making in the panchayat (and the same group holds this power in other village organisations, such as farmers' service society, milk co-operative society, etc) and use it in furthering their own interests, (2) the SC/ST members of the panchayat are 'selected' by the elite group and they do not really represent the interests of the poor in the panchayat, and therefore, (3) the masses of the poor have practically no say in the decision-making process in the panchayat, with the result that the activities of the panchayat do not serve the interests of the poor. In fact, the PR institutions create obstacles in the participation of the poor in development activities including the special programmes for the poor.

The Karnataka experiment of PR system is frequently quoted as a success story. It is argued that the zilla panchayats in the state are really emerging as a power centre below the state. However, studies by George Mathew have shown that the power in the districts is enjoyed mainly by dominant castes belonging to the top power groups, and the interests of the poor are sacrificed for strengthening the vested interests of the district leadership.

In the same way, Gurumurthy's study in Karnataka also comes out with similar findings. It shows that the weaker sections are not benefited much by the village panchayats as they are

neither fully aware about the functioning of the panchayats nor are they able to participate in their activities. And the other studies also clearly show that the socio-economic power structure in rural areas does not allow the benefits of PR system to flow towards the weaker sections. It seems that though panchayati raj appears to be working well sometimes, it is working so mainly for the elite group or the group of big farmers and rich traders. The masses of the poor not only do not gain much out of the system, but are also exploited by the PR leaders

#### **Challenges towards the merging of two ministries:**

Due to constitutional validity of the three tiered government system and being a living rural area, their development and governance through Panchayat become an important instrument to provide sustainable model of development and livelihood to these areas.

- Already various others ministries are also associated with the Rural Development namely ministries of Water & Sanitation, Agriculture and Finance for social security transfers.
- Thus, by merging Panchayati Raj Ministry with rural development it becomes a normal practice to see many kind of conflicts and duplication arises out in the implementation of schemes.

Additionally, with the changed delimitation of rural development due to the inclusion of technology-based solution such as solar lighting internet connectivity and promotion of non-conventional energy resources, Indian constitution affords the Panchayat System of 90's for the all-round rural development. Thus, it is the need of an hour the club of all schemes under one ministry which co-ordinate between the technical and generalist models of development as well as maintains a



progressive relation between different departments.

Further heading of same ministry in both ministries and if there are possibly efforts to make it a department as said would lead to convergence of programmes under single umbrella. Thus, facilitation in efficiency supervision and monitoring the functionaries.

### **Suggestions & Resolutions to overcome the challenges:**

However, issue of closure of BRGF and RGPSA needs to be addressed through other schemes in modified forms RGPSA in to RGSA (“Rashtriya Gram Swaraj Abhiyan”) and Panchayats should be given elaborate regulatory role.

Fund allocation even though obliterated should not obliterate for

- Filling of critical gaps, as identified by local bodies.
- Capacity building of Panchayati Raj institutions
- For enlisting professional support by the local bodies

Sometimes there is a need for a ministry of Panchayati Raj at the state level not at the central level because the state legislature may endow the Panchayati Raj Institutions with more powers and authority as may be necessary to enable them to functions as units of self-government as envisaged in the Indian Constitution. The executives of the states and the centre operate on their respective sphere’s functioning of local bodies is managed by the states developing finances, co-coordinating the local bodies in developmental activities etc. The role of the central government regarding Panchayati Raj Institutions is tantamount to that of a think – tank studying the functioning of Panchayati Raj Institutions and the ways of enhancing them besides communicating newer ideas to the states.

Such a role doesn’t necessitate a separate ministry. Moreover, this is in accord with good governance minimum government, maximum governance. Confining Panchayati raj to the ministry of Rural Development at the central level manifests the greater role of states regarding Panchayati Raj besides decentralization of democracy.

### **Conclusion**

According to few experts, soon the Panchayati Raj Ministry will be closed down and turned into a Department under the Ministry of Rural Development. It will help co-ordinate the PRI structure with the various rural development programmes. And also, if it made as a department under the same in Rural Development Ministry, the PRIs would form as integral Part of Rural Development. And so confining Panchayati Raj as a Department as an important reform in local administration of India. With only one ministry to approach, the path for redress of grievances will become easier for rural people, who being less educated find the process troublesome as of now. Whether the ministry gets merged with the ministry of rural Development, the central Government should keep in mind that India has a three tier Government, with local bodies forming the third tier, so any step taken should be to reinforce and empower the Panchayat System in India.

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