

Grassroots Democracy in India: The Role and Impact of Panchayati Raj

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Abstract:

The Panchayati Raj system is one of India's landmark experiments in democratic decentralization, designed to shift administrative power and development planning from centralized authorities to local rural communities. First envisioned through the 1957 Balwantrai Mehta Committee and later deeply influenced by Gandhi's vision of village self-government, the Panchayati Raj evolved through multiple reform efforts culminating in the 73rd Constitutional Amendment Act of 1992. This amendment granted constitutional status to Panchayati Raj Institutions (PRIs), establishing a three tier structure—Gram Panchayat, Panchayat Samiti, and Zilla Parishad—with direct elections, reserved representation for Scheduled Castes, Scheduled Tribes, and women, and provisions for financial and electoral autonomy via state commissions. This paper examines the conceptual foundations, historical evolution, constitutional framework, administrative design, and institutional functioning of PRIs. It critically evaluates the system's performance across Indian states, highlighting both achievements and limitations in decentralizing governance, enhancing participatory democracy, and promoting inclusive development. Key challenges include incomplete devolution of functions, fiscal dependency, capacity deficits among elected representatives, inadequate infrastructure, and social inequities arising from elite capture. Studies across diverse states—such as Gujarat and Karnataka—reveal that despite strong legal provisions, local power often remains concentrated in dominant caste or economic groups, limiting meaningful participation of marginalized communities. Finally, the paper proposes recommendations to realize the full potential of Panchayati Raj: full implementation of 11th Schedule functions, financial devolution through state finance commissions, capacity building initiatives, strengthened Gram Sabhas, and infrastructure and digital support. These measures are posited as essential steps toward realizing Gandhi's vision of empowered, self-reliant village republics and sustainable grassroots democracy in India.

Key Words: Panchayati Raj, Grassroots Democracy, Decentralized Governance, 73rd Constitutional Amendment, Local Self-Government, Gram Panchayat, Rural Development

Introduction

The Panchayati Raj system in India represents one of the most significant and transformative innovations in democratic governance, aimed at decentralizing power to the grassroots level. Originating from the recommendations of the Balwantrai Mehta Committee in 1957, the system has seen multiple stages of evolution through policy reforms and constitutional amendments, culminating in the 73rd Constitutional Amendment Act of 1992. The idea behind this decentralized governance model is not merely administrative efficiency, but to empower rural communities, enhance participatory democracy, and ensure equitable development. The introduction of the Constitutional (64th) Amendment Bill marked an initial, albeit unsuccessful, attempt to institutionalize Panchayati Raj within the framework of the Constitution. The bill was projected as a historic initiative to transfer power to the people, eradicate corruption, and

curtail the role of intermediaries in governance. Although the bill was not passed, it ignited discourse around grassroots democracy, eventually leading to the 73rd Amendment. This article seeks to analyze the historical background, evolution, constitutional framework, functioning, and challenges of the Panchayati Raj system, along with its present-day implications.

The key objectives of this paper are:

1. To study the concepts and ideologies behind Panchayati Raj, analyze their adequacy, and evaluate their potential in the Indian political-economic system.
2. To examine the experiences of various states in implementing Panchayati Raj and extract useful lessons.
3. To critically assess the amendments, institutional framework, and policy changes and infer their implications for the future of decentralized governance in India.

The Gandhian Vision and Constitutional Recognition

Mahatma Gandhi was a staunch advocate of village republics and envisioned a system where every village would be self-reliant both economically and politically. According to him, true independence could be realized only when power was decentralized to the grassroots, and people had control over their governance mechanisms. Gandhi's insistence led to the inclusion of Article 40 in the Directive Principles of State Policy, which mandated the state to "organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government." However, the implementation of this vision remained inconsistent until the formation of the Balwantrao Mehta Committee, which laid the foundation of modern Panchayati Raj in India. The committee recommended a three-tier structure—Gram Panchayat at the village level, Panchayat Samiti at the block level, and Zilla Parishad at the district level—with democratic representation and clear functional responsibilities.

Historical Evolution of Panchayati Raj

Although Panchayati Raj is often regarded as a post-independence phenomenon, village councils or panchayats have existed in India for centuries. In ancient India, these institutions exercised executive and judicial powers and played a pivotal role in local governance. However, their autonomy and influence waned during the Mughal and British periods. Colonial interventions, especially under British rule, introduced centralized bureaucratic governance, sidelining traditional institutions. Efforts to revive local governance emerged during the late 19th century, notably through Lord Ripon's resolution of 1882, which advocated for local self-government. This laid the groundwork for the development of municipal and district boards. However, these efforts lacked legislative backing and were often driven by administrative convenience rather than democratic intent. Post-independence, several states established Panchayati Raj institutions, but these lacked uniformity and constitutional status. The Ashok Mehta Committee (1978) was a milestone in this regard. It recommended a two-tier system, broader functional

responsibilities, political party involvement in elections, and constitutional protection. However, most recommendations were either partially adopted or ignored.

The 73rd Constitutional Amendment: A Turning Point

The most significant milestone in the evolution of Panchayati Raj was the 73rd Constitutional Amendment Act, 1992, which granted constitutional status to Panchayati Raj institutions (PRIs). The amendment added Part IX to the Constitution and introduced Articles 243 to 243-O, along with the 11th Schedule listing 29 functions to be devolved to PRIs.

Key provisions of the 73rd Amendment include:

- Three-tier Structure: Gram Panchayat, Panchayat Samiti, and Zilla Parishad.
- Direct Elections: Members at all levels are elected directly by the people.
- Reservation: Provisions for reservation of seats for Scheduled Castes, Scheduled Tribes, and women (one-third).
- State Finance Commission: Mandated to recommend financial distribution between the state and PRIs.
- State Election Commission: Independent body to conduct PRI elections.
- Tenure and Dissolution: Five-year tenure and provision for timely elections.

This constitutional recognition transformed Panchayati Raj from an administrative arrangement to a foundational element of Indian democracy. However, the success of the system largely depends on how states implement these provisions, especially in terms of devolving functions, finances, and functionaries.

Institutional Design and Governance

The Panchayati Raj system aims to foster participatory democracy by enabling local people to participate in decision-making. The Gram Sabha, comprising all adult members of a village, forms the core of this participatory model. It approves plans, audits accounts, and reviews the performance of the Panchayat. The elected representatives—Sarpanch at the Gram Panchayat level, Chairperson at the block level, and President at the district level—play crucial roles in governance and development activities. Panchayats are entrusted with implementing development programs, maintaining public infrastructure, and promoting education, health, and sanitation. Despite these formal structures, the performance and effectiveness of Panchayati Raj vary significantly across states, reflecting differences in political will, administrative capacity, and social dynamics.

State Control and Autonomy

Though the 73rd Amendment granted constitutional status to PRIs, they remain under the legislative and administrative jurisdiction of state governments. States have substantial control

over PRIs through institutional, administrative, technical, financial, and judicial means. This includes:

- Approval of Plans: State governments approve development plans prepared by PRIs.
- Financial Oversight: Control over budget allocations, grants, and audits.
- Administrative Supervision: Power to suspend Panchayat members, dissolve Panchayats, and conduct inquiries.
- Legislative Amendments: States can amend PRI-related laws, affecting their autonomy.

This overarching control has raised concerns about the autonomy and effectiveness of PRIs. In many cases, the dual accountability of administrative officers—to state departments and PRIs—creates confusion and hampers local decision-making.

Capacity and Resource Constraints

Despite constitutional backing, PRIs face numerous constraints in performing their mandated roles. These include:

1. Inadequate Devolution: States have been reluctant to devolve the 29 functions listed in the 11th Schedule. Many PRIs remain mere implementing agencies rather than autonomous planning bodies.
2. Fiscal Weakness: Most Panchayats lack adequate financial resources. Though Article 243H allows them to levy taxes, in practice, they depend heavily on state and central grants, limiting their fiscal autonomy.
3. Capacity Deficit: Elected representatives often lack the training and expertise to handle administrative responsibilities, especially in planning, budgeting, and implementation.
4. Poor Infrastructure: A significant number of Gram Panchayats lack basic infrastructure like offices, computers, or internet facilities, which undermines their functioning and transparency.

Social Inequities and Elite Capture

Several studies across states—such as Gujarat, Karnataka, and Andhra Pradesh—have highlighted the socio-economic disparities within Panchayati Raj institutions. These institutions, instead of empowering the marginalized, have often become instruments in the hands of dominant caste groups and economic elites. The selection of Scheduled Caste/Scheduled Tribe representatives often remains symbolic, with real power exercised by traditional elites. For instance, Indira Hirway's study in Gujarat found that PRIs were dominated by upper caste groups, with limited participation or benefit for marginalized communities. Similar findings have emerged from studies in Karnataka, revealing that the socio-economic structure in rural areas limits the inclusivity of PRIs.

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 better 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 infrastructure, 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

Role of Ministry of Panchayati Raj

The Ministry of Panchayati Raj, established in 2004, was created to ensure the implementation of the 73rd Amendment, coordinate with states, and promote capacity-building. It also administered key schemes like:

- Backward Regions Grant Fund (BRGF): Aimed at addressing regional imbalances.
- Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA): Focused on strengthening PRIs through training and capacity development.

However, severe budget cuts in recent years—from ₹7,000 crore to ₹96 crore—have reduced the Ministry to an advisory body. As a result, its role in financing and strengthening PRIs has diminished.

Merging with Ministry of Rural Development: A Way Forward?

There have been ongoing discussions about merging the Ministry of Panchayati Raj with the Ministry of Rural Development. Proponents argue that:

- It would improve coordination, as both ministries deal with rural development schemes (e.g., MGNREGA, Awas Yojana).
- It would reduce administrative overhead and improve resource allocation.
- Unified command would ensure better accountability and convergence of development efforts.

However, critics warn that such a move might dilute the constitutional importance of PRIs and reduce focus on grassroots democracy. There's a fear that PRIs might become subservient to administrative bureaucracy, defeating the purpose of decentralization. The suggested way forward is to convert the Ministry into a department under the Ministry of Rural Development but maintain a clear and distinct identity, with adequate financial and institutional autonomy, perhaps under a Minister of State.

Panchayati Raj in Practice: Ground Realities

Despite grand intentions, the ground realities reveal a mixed picture:

- **Lack of Participation:** In many states, Gram Sabha meetings are poorly attended, and decision-making remains in the hands of a few.
- **Bureaucratic Interference:** Administrative officers often override elected representatives, undermining democratic processes.
- **Limited Role in Planning:** Most PRIs have little involvement in preparing development plans or setting priorities.
- **Corruption and Misuse of Funds:** Weak accountability mechanisms lead to diversion or misappropriation of funds.
- **Exclusion of Women and Marginalized Groups:** Although one-third of the seats are reserved for women, their participation is often symbolic due to patriarchal norms.

Recommendations and Way Ahead

To realize the vision of effective grassroots democracy, several steps must be taken:

1. **Full Devolution of Functions:** States must implement the 11th Schedule in letter and spirit, ensuring PRIs have control over planning and implementation.
2. **Financial Autonomy:** Empower PRIs to generate and utilize local revenue. State Finance Commissions must recommend and implement realistic fiscal transfers.

3. Capacity Building: Regular training and digital literacy programs for PRI members to enhance their administrative capabilities.
4. Inclusive Participation: Special efforts to involve women, SCs, STs, and other marginalized sections through awareness and empowerment campaigns.
5. Infrastructure Support: Ensure all Panchayats have permanent office space, internet access, and data management systems.
6. Strengthen Gram Sabhas: Make Gram Sabhas the focal point of democratic decision-making through incentivization and legal enforcement of quorum and transparency.

Conclusion

The Panchayati Raj system in India represents both the promise and the challenge of democratic decentralization. While it holds immense potential to transform rural governance and empower local communities, its success depends on sincere implementation, political will, and institutional strengthening. The decision to merge or reform the Ministry of Panchayati Raj should align with the broader vision of empowering PRIs, not weakening them. As India moves forward, it must recognize that true democracy begins not in the Parliament or Assemblies, but in the villages—among the people who form the foundation of the nation. Therefore, rather than closing or weakening the Ministry of Panchayati Raj, it must be reformed, better funded, and supported to guide India's grassroots democracy into the future. Only through such commitment can India achieve inclusive, participatory, and sustainable development for all.

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