

NEXT IAS

**DAILY EDITORIAL
ANALYSIS**

TOPIC

***EMPOWERING PANCHAYATS:
HYPERLOCAL REPRESENTATION ALONE
WILL NOT HELP***

www.nextias.com

EMPOWERING PANCHAYATS: HYPERLOCAL REPRESENTATION ALONE WILL NOT HELP

Context

- A recent **National Bureau of Economic Research (NBER)** study on nearly 1.2 million ward members found that **increasing elected representatives** in panchayats alone has not significantly improved governance outcomes or welfare delivery.

Role of Panchayats & 'Hyperlocal' Representatives in Governance in India

- Panchayats perform crucial functions in welfare implementation (MGNREGA, PMAY-G, Jal Jeevan Mission), rural infrastructure development, water and sanitation management, social justice and grievance redressal, and local planning and participatory democracy.
- **Constitutional Background:** The **73rd Constitutional Amendment Act, 1992** institutionalised Panchayati Raj Institutions (PRIs) as the third tier of governance in rural India.
 - ♦ It aimed to deepen democracy through decentralisation and participatory governance.
- **Key Features:**
 - ♦ Three-tier Panchayati Raj structure: Gram Panchayat (village), Panchayat Samiti (block), and Zila Parishad (district).
 - ♦ Regular elections every five years
 - ♦ Reservation for SCs, STs, and women
 - ♦ State Finance Commissions (SFCs)
 - ♦ Gram Sabha as the foundation of local democracy

Who are 'Hyperlocal' Representatives?

- Ward members are elected from very small constituencies, often representing only a few hundred citizens.
- They are expected to identify local needs effectively, improve accountability, ensure better welfare delivery, and increase citizen participation.

Concerns and Challenges Facing Panchayats in India

- **Weak Administrative Capacity:** Limited formal education among ward members; lack of training in welfare administration; and inadequate understanding of digital governance systems.
 - ♦ As a result, elected representatives often struggle to effectively implement schemes.
- **Lack of Fiscal Autonomy:** Only about **1% of panchayat revenue** comes from own sources. Panchayats rely heavily on grants from Union and State governments. States are often reluctant to devolve adequate financial powers.
 - ♦ Although the **Sixteenth Finance Commission** recommended **₹7.91 trillion** in grants for local governments during 2026–31, predictable fund flow remains uncertain due to delays in constituting State Finance Commissions.
- **Concentration of Power:** Despite increased representation, financial and executive powers remain concentrated with Panchayat heads or bureaucracy.
 - ♦ Ward members often lack meaningful authority in decision-making.
 - ♦ Thus, political inclusion has not translated into administrative empowerment.
- **Inadequate Staff and Technical Support:** Panchayats are expected to manage multiple responsibilities, including housing schemes, water supply, sanitation, employment programmes, and digital platforms.
 - ♦ However, many village bodies lack trained secretarial staff, technical experts, and data management personnel, weakening implementation capacity.

- **Limited Accountability Outcomes:** The study found negligible improvement in welfare targeting, financial oversight, and alignment of projects with citizens' priorities.
 - ◆ Although citizen participation and transparency practices improved marginally, developmental outcomes remained largely unchanged.
- **Uneven Devolution Across States:** The effectiveness of Panchayats varies widely because:
 - ◆ Devolution of the **3Fs (Funds, Functions and Functionaries)** remains incomplete.
 - ◆ Many states retain control over local development functions.

What are the Key Measures Empowering Panchayats?

- **Constitutional and Institutional Measures:**
 - ◆ **73rd Constitutional Amendment:** Provided constitutional status to PRIs and mandated democratic decentralisation.
 - ◆ **Finance Commission Grants:** Successive Finance Commissions have increased untied grants for drinking water, sanitation, local infrastructure, and basic civic services.
- **PESA Act, 1996:** The **Panchayats (Extension to Scheduled Areas) Act** empowered tribal Gram Sabhas in Scheduled Areas.
- **Digital Governance Reforms:** Government initiatives like **eGramSwaraj** (digital planning and accounting platform); **Gram Manchitra** (GIS-based planning tool); and **SVAMITVA Scheme** (property mapping using drones) aim to improve transparency and efficiency in local governance.
- **Women's Political Participation:** Reservation of one-third seats for women (in many states raised to 50%) has strengthened grassroots democracy and political inclusion.
- **Capacity-Building Programmes:** The Ministry of Panchayati Raj conducts training programmes, digital literacy initiatives, and Panchayat Development Plans (GDP) support. However, implementation remains uneven.

Way Forward: Strengthening Panchayats in India

- **Focus on Governance Decentralisation:** India has achieved political decentralisation, but governance decentralisation remains incomplete.
 - ◆ Real empowerment requires effective transfer of funds, functions and functionaries.
- **Enhance Fiscal Autonomy:** Panchayats should be empowered to raise local taxes and user charges, access predictable revenue streams, and receive timely Finance Commission transfers.
 - ◆ Strengthening State Finance Commissions is essential.
- **Build Administrative Capacity:** Regular training should be provided in welfare administration, public finance, digital governance systems, and social auditing.
 - ◆ Capacity building must become continuous rather than event-based.
- **Strengthen Local Bureaucratic Support:** Village-level staffing should be expanded through dedicated technical staff, data and accounting support, and Panchayat development officers.
 - ◆ Administrative support is critical for effective implementation.
- **Increase Functional Clarity:** Clear division of responsibilities between State governments, District administrations, and Panchayats.
 - ◆ It can reduce overlap and improve accountability.
- **Deepen Participatory Democracy:** Gram Sabhas should be strengthened through social audits, public disclosure mechanisms, and citizen participation platforms. It will improve transparency and local ownership.

[Source: BS](#)

Daily Mains Practice Question

- [Q] Examine the challenges faced by Panchayats in ensuring effective rural governance. Discuss the measures required to empower Panchayati Raj Institutions in India.

