

GIST OF KURUKSHETRA

PANCHAYATI RAJ



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CHAPTER 1- DEVOLUTION TO PANCHAYATS IN INDIA

The **Ministry of Panchayati Raj** has released a comprehensive report titled “**Status of Devolution to Panchayats in States – An Indicative Evidence-Based Ranking**” (also referred to as the *Panchayat Devolution Index 2024*), assessing the extent of empowerment of Panchayati Raj Institutions (PRIs) across Indian states and union territories.

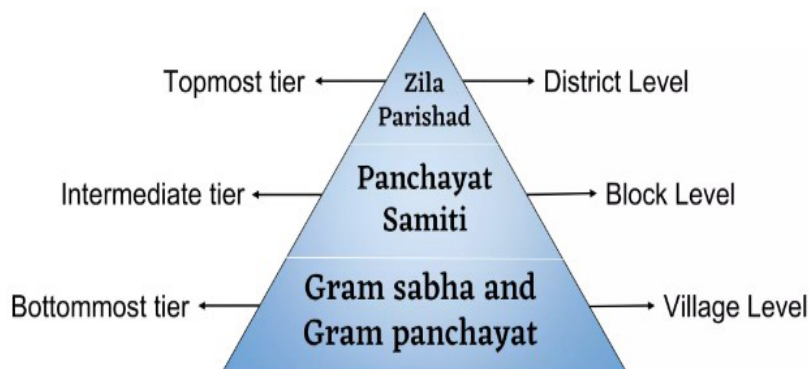
Constitutional and Institutional Context

The foundation for democratic decentralization was laid by the **73rd Constitutional Amendment Act, 1992**, which institutionalized Panchayati Raj as the third tier of governance. Key constitutional provisions include:

- **Article 243G:** Empowers State Legislatures to devolve powers, authority, and responsibilities to PRIs to function as institutions of self-government.
- **Article 243H:** Authorizes PRIs to levy, collect, and appropriate taxes and fees.
- **Article 243-I:** Mandates constitution of State Finance Commissions (SFCs) every five years.
- **Article 280(3)(bb):** Directs the Central Finance Commission to recommend measures to augment state funds to supplement PRI resources.

Key Highlights of the Devolution to Panchayats in States 2024 Report

Three Tier System of Panchayati Raj



About the Report

- **Objective:** To assess the actual devolution of powers, functions, finances, and functionaries to PRIs in line with Article 243G.
- **Methodology:** Ranking based on 6 Dimensions — **Framework, Functions, Finances, Functionaries, Capacity Building, and Accountability.**

Overall Progress

- **Devolution Index increased:** From **39.9% in 2013-14** to **43.9% in 2021-22**.
- **Infrastructure & Digitalization Gains:** Functionaries index improved from **39.6% to 50.9%**, reflecting better staffing and digital tools.



State-Wise Rankings and Performance

Rank	State	Key Dimension Strength
1	Karnataka	Finances, Accountability
2	Kerala	Framework (Legal and Institutional Setup)
3	Tamil Nadu	Functions (Devolution of Subjects)
4	Maharashtra	Comprehensive Devolution
5	Uttar Pradesh	Improved Institutional Support

Lowest Ranked:

- **Dadra & Nagar Haveli and Daman & Diu, Puducherry, and Ladakh** show minimal progress with devolution indices around **13–16%**.

Challenges in PRI Empowerment

- **Inconsistent Transfer of Functions:**
 - The 11th Schedule lists **29 subjects**, but most states devolve only a few, fearing erosion of centralized control.
- **Institutional Gaps:**
 - **District Planning Committees (DPCs)** remain largely non-functional.
 - **Frequent rotation** of reserved seats disrupts leadership continuity.
- **Financial Constraints:**
 - Non-implementation of **SFC recommendations**.
 - Over-reliance on **central transfers** (80%) and **state grants** (15%).
- **Capacity Deficit:**
 - Lack of training in budgeting, governance, and service delivery among elected representatives.
- **Weak Accountability:**
 - Poor Gram Sabha participation, low transparency, and ineffective social audits.

Status of PRI Funding

Source of Revenue	Percentage Contribution
Own Taxes	~1%
Central Government Grants	~80%
State Government Grants	~15%

Average Revenue per Panchayat:

- Own Taxes: ₹21,000
- Non-tax Sources: ₹73,000
- Central Grants: ₹17 lakh
- State Grants: ₹3.25 lakh

Low Revenue Expenditure: PRI spending is <0.6% of GSDP in all states (e.g., Bihar: 0.001%, Odisha: 0.56%).

Inter-State Disparity:

- **Kerala and West Bengal:** Revenue > ₹57–60 lakh.
- **Andhra Pradesh and Punjab:** Revenue < ₹6 lakh.

Recommendations to Strengthen PRI Devolution

Institutional Measures

- **Full Functional Devolution:** States must ensure transfer of all 29 subjects as per the 11th Schedule.
- **Strengthen DPCs:** Operationalize planning bodies for integrated local development.
- **Autonomy in Scheme Implementation:** Grant PRIs control over flagship schemes like MGNREGA, NHM, and PMAY.

Fiscal Reforms

- **Strengthen SFCs:** Ensure timely constitution and full implementation of recommendations.
- **Enhance Own Revenue:** Empower PRIs to collect property tax, land cess, and fees with technical support.
- **Special Purpose Grants:** Incentivize performance in sanitation, education, rural health, etc.

Capacity and Accountability

- **Invest in Capacity Building:** Extend training under **Rashtriya Gram Swaraj Abhiyan (RGSA)** beyond 2026.
- **Digital Infrastructure:** Promote e-Governance for service delivery and transparency.
- **Strengthen Panchayat Bhawans:** Make them nodal points for welfare schemes and citizen services.

Conclusion

The *Devolution to Panchayats 2024* report reflects a mixed picture—**incremental gains in autonomy and capacity**, but persistent challenges in **functional devolution, fiscal independence, and accountability**. Strengthening the third tier of governance is not merely a constitutional requirement but a **development imperative** to achieve the goals of **localised, bottom-up planning and inclusive rural development**.

CHAPTER 2- THE DECADE OF EMPOWERING PANCHAYATI RAJ INSTITUTIONS

Introduction

Panchayati Raj Institutions (PRIs) have been the cornerstone of grassroots democracy in India since the 73rd Constitutional Amendment Act of 1993.

Historical Context: The 73rd Amendment

The 73rd Constitutional Amendment marked a paradigm shift by granting constitutional status to PRIs, establishing a **three-tier system** (Gram Panchayat, Block Panchayat, and District Panchayat). Key features include:

Mandatory elections every 5 years.

Reservation for SCs, STs, OBCs, and women (%33 seats).

Devolution of powers through the Eleventh Schedule (29 subjects like agriculture, health, education).

Article 243G empowering Panchayats to prepare plans for economic development and social justice.

Today, India has **2.7 lakh Gram Panchayats** governing **%64** of the population, with **31.5 lakh elected representatives**, including **46% women**.

Key Initiatives in the Last Decade

1. Financial Empowerment

- **Increased Allocations:** The 15th Finance Commission earmarked **₹2.36 lakh crore** (26-2021) for PRIs.
- **e-Gram SWARAJ:** A simplified accounting system integrated with PFMS for transparent fund management. Over **₹2.4 lakh crore** transactions processed through e-GSPI.

2. Capacity Building

- **Rashtriya Gram Swaraj Abhiyan (RGSA):** Trained **111 lakh representatives** (25-2022) with ₹2,116 crore allocated. Collaborations with premier institutes like IIMs and IRMA enhanced leadership skills.
- **Sashakt Panchayat-Netri Abhiyan:** Focused on empowering **women representatives** through decision-making training.

3. Technological Integration

- **Digital Governance:** e-Gram SWARAJ portal now supports **20 regional languages** via Bhashini integration.
- **Panchayat-Level Weather Forecasting:** Collaboration with IMD provides localized weather updates via *Meri Panchayat* app, aiding farmers.

4. Sustainable Development Goals (SDGs)

- **Thematic GPDP:** 2.54 lakh Gram Panchayats aligned development plans with **9 SDG themes** (e.g., poverty-free villages, clean energy, gender equality).
- **National Panchayat Awards:** Revamped in 2022 to incentivize performance on SDG metrics.

5. Land Rights and Transparency

- **SVAMITVA Scheme:** Drone surveys in **3.2 lakh villages** issued **2.41 crore property cards**, enabling asset monetization and tax collection.
- **Audit Online:** Over **2.1 lakh audits** (24-2023) ensured fiscal accountability.

6. Strengthening PESA

- **Awareness Campaigns:** Eight PESA states framed rules to empower tribal Gram Sabhas in scheduled areas.

Challenges and the Way Forward

While PRIs have made strides, challenges persist:

1. **Incomplete Devolution:** Many states lag in transferring functions/funds as per the Eleventh Schedule.
2. **Capacity Gaps:** Despite training, grassroots representatives often lack technical expertise.
3. **Bureaucratic Hurdles:** Overlapping schemes and delayed fund transfers hinder efficiency.

Recommendations:

- **3Fs (Funds, Functions, Functionaries):** States must fully devolve powers and staff to PRIs.
- **Convergence of Schemes:** Integrate programs like MGNREGA, Jal Jeevan Mission, and health initiatives at the Panchayat level.
- **Community Participation:** Strengthen Gram Sabhas through regular meetings and participatory planning.

Conclusion

PRIs embody Mahatma Gandhi's vision of *Gram Swaraj*, transforming rural India into hubs of participatory democracy. The last decade's initiatives—from SVAMITVA to SDG localization—reflect a holistic approach to decentralization. However, realizing the full potential of PRIs requires collaborative efforts between the Centre and states, adequate resource allocation, and continuous innovation. As India strides toward a *Viksit Bharat*, empowered Panchayats will remain pivotal in bridging urban-rural divides and ensuring inclusive growth.

CHAPTER 3-REVISITING STATE PRI ACTS

Introduction

The 73rd Constitutional Amendment Act, 1992 aimed to empower Panchayati Raj Institutions (PRIs) with fiscal autonomy for effective self-governance. However, even after three decades, Gram Panchayats (GPs) remain fiscally constrained—Own Source Revenue (OSR) contributes merely 6.31% of their total receipts (MoPR 2024, RBI). This overdependence on Central and State grants hampers local autonomy and governance capacity.

Current Fiscal Status of PRIs

Fiscal Indicator	Status
OSR Contribution	6.31% of GP revenues (2022–23)
Per Capita OSR	₹59 (2017–22 average)
Grants Dependency	Over 90% of receipts
Inter-State Disparity	Kerala, Karnataka: Empowered GPs; Bihar, UP: Minimal tax authority

Despite **Constitutional mandates** and **Finance Commission** recommendations, PRIs face significant constraints in **mobilizing their own resources** due to a combination of institutional, political, and technical bottlenecks.

Key Challenges in OSR Mobilization

1. Legal and Institutional Disconnect

- Asymmetric Tax Powers: States empower PRIs inconsistently. For instance:
 - Uttar Pradesh:** GPs levy none of the 6 taxes legally permitted.
 - Maharashtra:** Enables 4 out of 7 possible taxes, but collection remains poor.
- Lack of Implementation Support: Even where laws exist, the absence of administrative capacity or political will renders them ineffective.

2. Weak Assessment and Collection Mechanisms

- Ad-hoc Property Valuation:** Most states do not follow a scientific system for tax base identification.
- Underutilization of User Charges:** Water, sanitation, and waste charges are rarely linked to usage or cost recovery.
- Non-standardized Practices:** Within-state disparities (e.g., GPs in Karnataka have digital tools, but face human resource constraints).

3. Absence of Resource Control

- **Limited Ownership of Common Property Resources (CPRs):** Water bodies, grazing lands, and forests often remain under state or line department control.
- **Parallel Service Delivery Structures:** State-level agencies often duplicate or bypass PRIs (e.g., in rural drinking water supply schemes).

Reform Measures for Fiscal Strengthening

A. Institutional & Legal Reforms

- **Mandatory Activity Mapping:** As recommended by the Second ARC, states must clearly demarcate functions, functionaries, and funds for PRIs, especially around CPRs and essential services.
- **Model Taxation Guidelines:** Issue model rules for property tax valuation, user charges, and dispute redressal (e.g., Karnataka's categorization by land use and structure type).

B. Capacity Building

- **PRI Resource Cells:** Create dedicated technical cells at district/block levels to support PRIs in tax assessment and legal compliance.
- **Training & IEC Campaigns:** Sensitize elected representatives and citizens about the value of local taxes to counter political hesitation.
- **Digital Enablement:** Develop **common software platforms** for OSR management (drawing from Odisha's e-PRI and Karnataka's property database models).

C. Policy-Level Interventions

- **Expand Tax Base:** Allow GPs in backward states (e.g., UP, Odisha) to levy property tax and commercial fees.
- **Simplify Collection Processes:** Standardize user charges for sanitation, water, and markets to reduce discretion and leakage.
- **Introduce Minimum Floor Rates:** As per the **Fourth State Finance Commission of Kerala**, set base rates for taxes and revise them periodically.

D. Innovative Financial Models

- **Performance-Linked Grants:** Incentivize OSR growth by linking a portion of Central Finance Commission grants to local revenue efforts.
- **Public-Private Models for Collection:** Collaborate with private tech firms for collection mechanisms, especially for market and license fees.
- **Revolving Funds for Infrastructure:** Use OSR to create revolving funds for small-scale, revenue-generating infrastructure (e.g., shops, local tourism).

Case Studies & Best Practices

Karnataka

- **Digitized Property Records:** Web-based systems have categorized properties based on use and type.
- **Incentive-Based Grants:** Tied grants are partly linked to tax performance.

Kerala

- **Activity Mapping and Decentralization:** Fully empowered GPs to levy taxes and manage essential services.
- **CPR Utilization:** PRIs manage and derive revenue from local water bodies and markets.

Maharashtra

- **Water Service Transfer:** Handed over rural water supply schemes to GPs, enhancing autonomy and OSR.
- **Local Infrastructure Use Charges:** Markets and marriage halls generate stable revenues for GPs.

Global Parallel: Lessons from South Africa and Brazil

- **South Africa:** Local governments are empowered by law to raise revenue through property taxes and service charges; the system includes built-in capacity training by provincial governments.
- **Brazil:** Participatory budgeting ensures that local taxation aligns with citizen priorities, increasing transparency and tax morale.

Conclusion

Fiscal empowerment of PRIs is crucial to actualize true decentralization. Without strong Own Source Revenue, Panchayats function merely as scheme implementers. A holistic strategy combining legal clarity, capacity building, and public engagement is needed. As highlighted by NIPFP, a viable OSR framework must replace the prevailing grant-dependent model to strengthen grassroots democracy.

CHAPTER 4- WATER MANAGEMENT THROUGH PANCHAYATI RAJ INSTITUTIONS**Introduction**

Water is central to human survival and sustainable development. In India, where over 65% of the population resides in rural areas, **Panchayati Raj Institutions (PRIs)** serve as critical agents of decentralized water governance.

- With the 73rd Constitutional Amendment Act (1992) granting PRIs authority over water resources under Schedule XI, and with 97.1% of India's 24.24 lakh water bodies located in rural areas (as per the 2023 Water Body Census), PRIs hold both constitutional responsibility and ground-level relevance in water management.

Constitutional and Institutional Framework**73rd Amendment and Schedule XI**

- Delegated 29 subjects to PRIs, including **drinking water, minor irrigation, watershed development, and fisheries**.
- Empowers PRIs as **nodal agencies** for planning, implementing, and monitoring water-related schemes through **participatory governance**.

Water Bodies Census 2023

- Out of **24.24 lakh water bodies**, **23.55 lakh (97.1%)** are in rural areas.



- **Panchayats manage 62.4%** of publicly owned water bodies—signifying the criticality of PRI-led conservation and utilization strategies.

Key Initiatives Involving PRIs

- Participatory Irrigation Management (PIM)
 - Promotes **Water User Associations (WUAs)** for decentralized irrigation governance.
 - PRIs facilitate **formation of WUAs**, mediate disputes, and ensure **equitable distribution**.
 - Leads to **enhanced water-use efficiency** and greater local ownership.
- Jal Jeevan Mission (JJM)
 - Aims for **100% Functional Household Tap Connections (FHTCs)** by 2024.
 - **PRIs prepare Village Action Plans (VAPs)**, manage assets, and form **Village Water & Sanitation Committees (VWSCs)**.
 - Empowers **Gram Sabhas** to ensure transparency and equity in access.
- Repair, Renovation and Restoration (RRR) Scheme under PMKSY
 - Involves **PRI-led restoration of water bodies**, often integrated with the **Integrated Watershed Management Programme (IWMP)**.
 - Focuses on **groundwater recharge** and long-term sustainability.
- MGNREGS and Natural Resource Management (NRM)
 - **60% of funds** earmarked for agriculture and water conservation.
 - PRIs implement **soil moisture conservation, check dams, ponds, and rainwater harvesting** works.
 - Enhances **drought resilience** and **employment generation**.
- Village-Level Water Budgeting
 - Empowers PRIs to assess **water availability vs. demand** (drinking, agriculture, industry).
 - Develops **Source Sustainability Plans** to balance usage.
 - Promotes **judicious allocation and conservation**.
- XV Finance Commission Grants (2021-26)
 - ₹2.36 lakh crore allocated to PRIs; **60% tied to water supply, rainwater harvesting, and sanitation**.
 - Strengthens PRI capacities to implement JJM, SBM, and other water-related programs.
- Atal Bhujal Yojana (ABY)
 - Focused on **groundwater management** in water-stressed regions.
 - PRIs prepare **Water Security Plans**, promote **community-led governance**, and incentivize efficient use.
- Localization of Sustainable Development Goals (SDGs)
 - PRIs integrate **SDG-6 (Clean Water & Sanitation)** through: **Convergence** of schemes like PMKSY, JJM, and MGNREGS & **Capacity building** by Ministry of Panchayati Raj.

Challenges

Challenge	Explanation
Climate Change	Erratic rainfall, droughts, and floods stress local water systems.
Capacity Gaps	Many PRIs lack technical skills and data-handling ability.
Encroachment & Urban Pressure	Expanding urbanization threatens rural water bodies.
Community Participation	Ensuring inclusion of marginalized sections, especially women, in water governance remains limited.
Fragmentation of Schemes	Lack of integration among various schemes leads to duplication and inefficiencies.

Way Forward

- **Jan Bhagidari (People's Participation):** Launch **awareness campaigns**, recognize community water stewards, and incentivize conservation.
- **Convergence of Schemes:** Integrate JJM, PMKSY, IWMP, ABY, and MGNREGS under unified village-level water plans.
- **Technology Adoption:** Use **GIS and remote sensing** for water budgeting, groundwater mapping, and real-time monitoring.
- **Gender Mainstreaming:** Promote **women's leadership** in VWSCs, Gram Sabhas, and Water Committees.
- **Capacity Building:** Train PRI representatives in **technical aspects, financial management, and SDG localization** through continuous education and e-learning modules.

Conclusion

PRIs embody the Gandhian vision of **Gram Swaraj**, translating national water goals into community-driven action. Their constitutional empowerment, grassroots presence, and participatory ethos uniquely position them to **bridge the water divide** in rural India. As climate threats loom large and demand-supply mismatches intensify, **PRIs must become the fulcrum of integrated water governance**, guided by the twin mantras of “Catch the Rain” and “Sabka Saath, Sabka Vikas”. Strengthening PRIs is not just a policy imperative—it is a prerequisite for **resilient rural India** and **sustainable development**.

CHAPTER 5- STRENGTHENING RURAL INDIA THROUGH CAPACITY BUILDING IN PANCHAYATS

Introduction

The 73rd Constitutional Amendment Act, 1992 heralded a new era of decentralized governance by institutionalizing Panchayati Raj Institutions (PRIs) as the third tier of government. These institutions are instrumental in realizing the ideals of participatory democracy and bottom-up planning.

- However, the real challenge lies not merely in constitutional status but in equipping these bodies with adequate capacity, autonomy, and accountability to function as true agents of rural transformation.

Why is this Important?

- **Governance at Grassroots:** PRIs are responsible for planning and implementing schemes related to health, education, sanitation, agriculture, and local infrastructure.
- **Achievement of SDGs:** Effective Panchayats are key to achieving Sustainable Development Goals (SDGs), particularly poverty alleviation (SDG 1), gender equality (SDG 5), and clean water and sanitation (SDG 6).
- **Democratic Deepening:** They serve as the first point of interaction between citizens and the state, shaping democratic values and accountability.



Challenges Faced by PRIs

Despite constitutional empowerment, several **institutional and functional gaps** limit the potential of PRIs:

Domain	Challenges
Administrative	Lack of skilled personnel, poor training modules, bureaucratic apathy
Financial	Delayed fund devolution, limited own-source revenue, overdependence on state grants
Capacity & Awareness	Lack of awareness about roles/powers among elected members (especially women and first-time representatives)
Digital Divide	Inadequate digital infrastructure and skills in rural governance
Lack of Convergence	Fragmented development planning and weak coordination among departments

Government Interventions for Capacity Building

1. Policy Framework

- **National Capacity Building Framework (NCBF), 2022:** A guiding framework to streamline and standardize training, focusing on contextual relevance, inclusivity, and technology use.

2. Capacity Building Schemes

- **Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) (2012–16):** Focused on infrastructure, e-enablement, and capacity building of PRIs.
- **Panchayat Sashaktikaran Abhiyan (2016–18):** Supported training modules and innovative practices.
- **Rashtriya Gram Swaraj Abhiyan (RGSA) (2018–22):** Aimed at strengthening governance capabilities through training, ICT, and institutional support.
- **Revamped RGSA (2022–26):** Aligns PRI efforts with SDGs and enhances leadership, planning, and accountability capacities.

3. Institutional Mechanisms and Innovations

- **Leadership & Management Development Programmes (MDPs):** Conducted with IIMs and IIT Dhanbad to train Sarpanches and functionaries in innovation, digital tools, and public service delivery.
- **Panchayat Resource Centres (PRCs):** Knowledge hubs for continuous learning and local planning.
- **Collaborations:** With institutions like IRMA, NIRD&PR, and State Institutes of Rural Development (SIRDs) to localize training content and methodology.
- **e-Panchayat Mission Mode Project:** Introduced digital tools like **PlanPlus**, **ActionSoft**, and **AuditOnline** for greater transparency and participatory planning.

Best Practices from States

- **Kerala:** Decentralized planning with the *People's Plan Campaign* and extensive training mechanisms.
- **Odisha:** *Ama Gaon Ama Yojana* involving Gram Panchayats in formulating local plans.
- **Madhya Pradesh:** Mobile-based applications for real-time service monitoring and training dissemination.

Way Forward

To make Panchayats engines of inclusive and accountable governance, the following strategies are essential:

1. **Institutionalize Continuous Learning:** A decentralized, multilingual, and modular training system should be developed to ensure contextual relevance.



2. **Strengthen Digital Governance:** Expand e-learning platforms and ensure last-mile internet connectivity.
3. **Ensure Financial Autonomy:** Encourage generation of own-source revenues and streamline fund transfers.
4. **Promote Women's Leadership:** Capacity building with a gender lens, especially in states with 50% reservation for women.
5. **Social Accountability Tools:** Encourage social audits, citizen report cards, and Gram Sabhas as regular mechanisms.

Conclusion

The Constitutional mandate for Panchayati Raj laid the legal foundation for grassroots democracy, but real empowerment requires sustained **capacity building, functional devolution, and community participation**. By equipping Panchayat leaders with the knowledge, tools, and autonomy they need, India can transform its rural governance landscape into a resilient, inclusive, and self-reliant model of development — truly embodying the spirit of **Antyodaya** and **Sabka Saath, Sabka Vikas**.

UPSC MAINS PRACTICE QUESTIONS-(AROUND 250 WORDS)

- Q1. Despite constitutional status, Panchayati Raj Institutions (PRIs) often lack functional autonomy and effectiveness. Critically examine the role of capacity building in enhancing grassroots governance.
- Q2. SVAMITVA Yojana has the potential to revolutionize rural governance and land rights in India. Discuss the significance of this initiative in empowering Panchayati Raj Institutions.
- Q3. India is facing a paradox of water scarcity amid floods. Analyze the spatial and temporal distribution of water resources in India and the challenges associated with their management.

