Polity & Governance · GS - II

“Regular elections to Panchayati Raj Institutions are essential but insufficient for ensuring effective grassroots democracy.” Examine the institutional and financial challenges affecting their functioning in India.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 20/11/2026	GS - II	Polity & Governance

MARKS	WORD LIMIT
15	~250 words

Answer Hint

73rd Constitutional Amendment, democratic decentralisation, State Election Commission, State Finance Commission, functional devolution, Eleventh Schedule, fiscal autonomy, Gram Sabha, capacity building, accountability.

Model Answer

Introduction

The 73rd Constitutional Amendment Act, 1992, provided constitutional status to Panchayati Raj Institutions (PRIs), establishing a framework for democratic decentralisation. However, electoral regularity alone cannot ensure effective local self-government without adequate powers, resources and administrative capacity.

Institutional Challenges

1. **Incomplete devolution:** Many States have not transferred the functions, funds and functionaries necessary for effective implementation of the Eleventh Schedule.
2. **Administrative dependence:** Excessive control by State departments and bureaucracy limits the decision-making autonomy of elected representatives.

3. **Weak Gram Sabhas:** Low participation and inadequate awareness reduce community oversight and participatory planning.
4. **Capacity constraints:** Shortages of trained personnel, technical expertise and digital infrastructure affect service delivery.
5. **Accountability gaps:** Delays in audits, weak social audits and limited transparency can undermine public trust.

Financial Challenges

- **Limited own-source revenue:** Heavy dependence on State and Central transfers restricts fiscal autonomy.
- **Weak State Finance Commissions:** Delayed constitution and implementation of recommendations affect predictable resource allocation.
- **Tied grants:** Excessive earmarking can limit local flexibility in responding to community priorities.

Way Forward

States should ensure meaningful devolution of the three Fs—functions, funds and functionaries. Regular State Finance Commission assessments, transparent local budgeting, social audits, capacity building and stronger Gram Sabhas can improve accountability and service delivery.

Conclusion

Grassroots democracy requires more than periodic elections. Empowered Panchayats with financial autonomy, administrative capacity and participatory institutions are essential for inclusive and responsive rural governance.

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