Introduction

Democracy is considered as one of the best form of government because it ensure liberty of thought, expression, belief, faith and worship, equality of status and opportunity, fraternity as well as the right to participate in political decision making. Participation and control of governance by the people of the country is the essence of democracy.

Panchayati Raj Institutions are such an important political innovations of India, for the establishment of grass-roots democracy and to ensure the greater people’s participations in political system of the country. Panchayati Raj Institutions, the grass-root units of local self-government have been considered as an instrument of socio-economic transformation in rural India. Involvement of people at the grass-roots level is the most important means of bringing about socio-economic development. Panchayati Raj is identified as such an instrumental expression of democratic decentralization in India. Decentralization of power to the Panchayat is seen as a means of empowering people and involving them in decision-making process. Local governments being closer to the people can be more responsive to local needs and can make better use of resources. The democratic system in a country can be ensured only if there is mass participation in the governance. Therefore, the system of democratic decentralization popularly known as Panchayati Raj in India which is considered as an instrument to ensure democracy and socio-economic transformation in society. Panchayati Raj system is an age-old indigenous Indian politico-administrative institution. It owes its origin to the different traditional patterns of governance, in the phase of history in many parts of India. The term ‘Panchayati Raj’ is relatively new, having originated during the British administration. ‘Raj’ literary means ‘governance’ or government.

The Panchayati Raj system in India generally refers to the system introducing by constitutional amendment in 1992, although it is based upon the traditional panchayat system of south Asia. The modern Panchayat Raj & its gram panchayat are not to be confused with extra constitutional khap panchayat or caste panchayat found in northern India. The Panchayati Raj system was formalized in 1992, following a study conducted by a number of Indian Committee of Various ways of implementing. More decentralized administration. Mahatma Gandhi advocated Panchayati Raj as the foundation of India’s political system, as a decentralized form of government. However, this has been moderate by the delegation of several administrative functions to the local level, empowering elected Gram Panchayats.
There are significant differences between the traditional panchayati raj system, that envisioned by Gandhi & the system formalized in India in 1992. In India, The Panchayati Raj now function as a system of governance in which gram panchayats are the basic unit of local administration. The system has three levels: - Gram Panchayat (Village Level), Panchayat Samiti (Block Level), & Zilla Parishad (District Level). It was formalized in 1992 by the 73rd amendment to the Indian Constitution.

Panchayati Raj is often believed to be the most important political invention of independent India. As the Panchayat is a very ancient institution, the little village republics were governed by their Panchayats. It is to be noted that the system was first introduced by King Prithu while colonizing the Doab between the Ganges and the Jamuna. In the Manusmriti and the Shanti Parva of the Mahabharata, there are many references to the existence of gramsanghas or rural communities. A description of these rural communities is also found in the Arthashastra of Kautilya. In the Ramayana of Valmiki we read about the Ganapada which was perhaps a kind of federation of village republics. An account of the village commonwealth's burning the Seventeenth century is found in Shukracharya's Neetisara. In fact, the village in India has been looked upon as the basic unit of administration since the earliest Vedic times.

**British Period**

The British government, through its ruthless methods of revenue collection and introduction of Zamindari and ryotwari land tenure systems as against the Mahalwari or village tenure system paved the way for the complete destruction of these ancient Republics and dealt a death blow to their corporate life. At the same time, it may be noted that from 1919, i.e., the acceptance of the Montague-Chelmsford Reforms to 1940, there had been a spate of legislation relating to the establishment of village Panchayat, covering a major part of the country including the ‘native States’ (princely States). The British government adopted the policy of carrying the local government and administration through the officials of different departments of the provincial governments posted at the district level.

**Post-Independence Period**

The dawn of Independence provided the real opportunity for materializing the dream of democratic decentralization in our country. The idea was incorporated into the ‘Directive Principles of State Policy.’ In this regard, Article 40 of the Constitution confirmed a trend rather than presaged a new initiative. The Constitution of India incorporated a system of political democracy plus welfare philosophy. It is only Article 40 of the Constitution, sometimes hailed as a victory of the Gandhian approach. The concept of Panchayati Raj in modern India received its greatest impetus from Mahatma Gandhi as a means of
spreading democracy to the grass-roots level. During the First Five Year Plan, the idea gained further impetus. By and large, the notion of active participation and involvement of people in the Plan processes including Plan formulation implementation and monitoring had remained a mere myth. This is in spite of the myriad pronouncements in the successive plan documents as well as in the policies and programmes put forth by the Central and State governments from time to time. The Second Five Year Plan proposed to cover the entire countryside with National Extension service Blocks through the institutions of Block Development Officers, Assistant Development Officers, Village Level Workers, in addition to nominated representatives of the village Panchayats of that area and some other popular organizations like co-operative societies. Thus, as looking at the Panchayati Raj scenario in India, it may be described as a complex system of rural local self-government.

Balwantray Mehta Committee

All these arrangements proved unsatisfactory. Hence, the Government of India appointed a Committee under the Chairmanship of Balwantray Mehta in 1957 to study the whole problem and suggest ways and means for implementing the scheme of Panchayati Raj on some uniform lines throughout the country. The salient features of the system of Panchayati Raj, as recommended by the report are: the Gram Panchayat at the village level; the Panchayat Samiti at the Block level; and the Zilla Parishad at the district level were to be organically linked. This organic link was to be secured through the device of indirect elections. The recommendation of the Committee came into effect on April 1, 1958 and was first introduced in Rajasthan on October 2, 1959 and the State of Andhra Pradesh comes next. Later, it was introduced in almost all the States in the country.

Ashok Mehta Committee

The system of Panchayati Raj as established in the country failed to realize the dream of its architects. In particular, since the mid-sixties, it came to have a low profile. As a form of local government, it looked like falling out of favour everywhere. The Committee of the Government of India on PRIs (Ashok Mehta Committee), in its report (1978) regretted that the activities of PRI were meager, their resource base was weak, and the overall attention given to them was scanty. Therefore, the need for having a second look was strongly felt.

The committee in its report submitted in August 1978 mainly recommended a two-tier system with Mandal Panchayats at the base and Zilla Parishads at the top. Seats for SCs and STs were to be reserved on the basis of their population. The Committee had made an attempt to revitalize the Panchayati Raj
A remarkable feature of the report should be seen in the recommendations for having an open participation of political parties in Panchayati Raj affairs. The State Governments should not be having absolute powers to supersede PRIs on political grounds. Moreover, it had also been desired that in case an institution was superseded, elections must take place within six months. Interest in the Ashok Mehta report got once again revised with the emergence of non-Congress-I governments in the traditional Congress strongholds in the South Block in 1983. Both the TDO Government, in AP and the Janata Government in Karnataka did not lose much time in airing their resolves to reorganize their Panchayati Raj systems with the overt inspiration of Ashok Mehta Panel report. In fact both these states have already effected major changes in their PR set-ups and have conducted elections to the Panchayati Raj Institutions. Added to this, the collapse of Janata Government (Central) in the immediate after month put the Ashok Mehta package under cold storage, albeit temporarily.

Though Karnataka and Andhar Pradesh are supposed to have based their reform on Ashok Mehta Committee recommendations both have not strictly followed it in practice. Many consider those experiments as significant development in the restructuring of representative institutions at the sub-regional level. The Janata Party and Telugu Desam who came to power in 1983 in Karnataka and Andhra Pradesh respectively promised in their election manifestoes, revitalization of Panchayati Raj Institutions. In Karnataka these experiments were variously described as “Power to the People.” In Andhra Pradesh the reforms were officially described as the measures “To take Government to the doorsteps of the People.”

Over the last 30 years, several committees were appointed to go into the working of the Panchayati Raj institutions, and suggest changes in their organizational structure so as to remove the structural bottlenecks in their functioning and to revitalize them.

73rd Amendment Act

The Panchayati Raj set-up now being implemented is the result of the Constitution (73rd Amendment) Act, 1992 which incorporated suggestion from various parties and State Governments. The suspicion of political motivation lingers given the ostentatious fanfare with which the Congress is highlighting it commitment to Panchayati Raj and efforts implementation. Panchayati Raj, on the other hand, is self-government with power vested in elected bodies at the village and district levels to ensure almost direct participation of the electors in the administration. The experiment caught on with a network of Panchayats established practically all over the country including the North-East. It seems a pattern of nation-building from the village level is emerging. The idea is that integrated grass-roots level development should be
entrusted to the village bodies instead of being imposed from the top. The basic drawback is in the approach that the village level and other Panchayats are mere instruments of development as planned at the top.

**Major Features:**

The major positive features of the Constitution (73rd Amendment) Act are as follows:

1. Seats shall be reserved for the SCs/STs in proportion to their population.
2. Not less than one-third (including the number of seats reserved for women belonging to SCs/STs) of the total number of seats to be filled by direct election in every Panchayat shall be reserved for women and such seats may be allotted by rotation to different constituencies in Panchayat.
3. Provision for the devolution of powers and responsibilities upon Panchayats at the appropriate level with respect to the preparation/implementation of plans for economic development and social justice.
4. The legislature of a State may authorize the Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits as may be specified in the law.
5. Constitution of a Finance Commission to review the financial position of the panchayats every five years.
6. Conduct of all elections to the Panchayats shall be vested in the State Election Commission.
7. Inclusion of the Eleventh Schedule to the Constitution dealing with the following activities under the Panchayati Raj System: Agriculture including agricultural extension; Land consolidation; Minor irrigation, water management and watershed development; Animal husbandry, dairying, poultry and fisheries; Social forestry and farm forestry; Minor forest produce; Small-scale industries including food processing industries; drinking water, fuel and fodder; Roads, culverts, bridges, ferries, waterways and other means of communication; Rural electrification, including distribution of electricity; poverty alleviation programme and public distribution system; education including the establishment of primary and secondary schools; technical training and vocational education; adult and non-formal education, libraries, cultural activities, markets, fairs and maintenance of community assets; health and sanitation including hospitals, primary health centers, dispensaries, family welfare, women and child development; social welfare, including welfare of the handicapped and mentally retarded; welfare of the weaker sections, and in particular of the Scheduled Castes and Constitution Amendment Act is to improve the
participation of the people in the process of development. With the passing of this bill, it will also now be possible for taking up many more schemes of rural development with the greater involvement of the people in the formulation and implementation of the schemes.

The new Act spells out the responsibilities to be vested in the Panchayat leaving out law and order. Against this back-ground, calling the Panchayat a unit of self-government would be a misnomer. It will merely be an instrument for carrying out development schemes.

The Panchayat Receive Funds from Three Sources:

1. Local body grants, as recommended by the Central Finance Commission.
2. Funds for implementation of Central Sponsored schemes.
3. Funds released by the state government on the recommendation of the state finance commission in the history of panchayati raj, in India, on 24 April 1993 the constitutional (73rd Amendment) Act-1992 came into force to provide constitutional status to the Panchayati Raj Institution. This act was extended to panchayat in the tribal area of 8 states, namely- 1-Andhrapradesh, 2- Gujrat, 3- Himachal Pradesh, 4-Maharashtra, 5-Madhya Pradesh, 6-Odisha & 7- Rajasthan. Staring 24 December 1996. Currently Panchayati Raj exists in all the state except Nagaland, Meghalaya, Mizoram & in all Union territory except Delhi.

The Balwantray Mehta Committee was a committee appointed by the Government of India in January 1957 to examine the working of the community Development programme (1952). The Act aims to provide a 3-tire system of Panchayati Raj for all states having a population of 2 millions, to hold panchayat elections regularly every 5 years, to provide seats reservation for Schedule caste, schedule tribe & women’s to appoint a state finance commission to make a recommendation regarding. The financial power of the panchayat and to constitute a District Planning Committee, to prepare a development plan draft for the district, the 3 tire system of panchayati raj consists of:

1. Village level Panchayat
2. Block-Level Panchayat
3. District-Level Panchayat

Village Level:
Village is the basic unit of Panchayati Raj Institutions. It is generally a revenue unit. The unit of local government here is called village panchayat. In the structure of the Panchayati Raj, the village panchayat is the lowest unit. The panchayat chiefly consists of representatives elected by the people of the village.

Only the persons who are registered as voters and do not hold any office of profit under the government are eligible for election to the panchayat. The persons convicted by the court for criminal offences are disqualified from election to the panchayat.

There is also provision for co-option of two women and member of the Scheduled Castes and Scheduled Tribes, if they do not get adequate representation in the normal course.

The panchayat as a body is accountable to the general body of the village known as Gram Sabha which meets at least twice a year. The Gram Panchayat must present its budget, accounts of the previous year and annual administrative report before the Gram Sabha. Furthermore, it has to secure the latter's approval of the village production plan, proposals for taxation and development programmes before they are enforced by the panchayat.

Every panchayat elects a president or Sarpanch and a Vice-President or Up-Sarpanch. In some states, the Sarpanch is directly elected by the gram sabha either through the show of hands or through secret ballot while in other states the mode of election is indirect. The Sarpanch occupies a pivotal position in gram panchayat system. He supervises and coordinates the various activities of the panchayat. The panchayat secretary and the village level worker are the two officers at the panchayat level to assist the Sarpanch in administration.

**Functions:**

The panchayats have two types of functions:

1. **Mandatory**
2. **Discretionary**

1. **Mandatory Functions:** sanitation, conservancy and drainage, prevention of public nuisances, drinking water, construction and maintenance of village roads, construction and repair of public buildings, registration of births and deaths, opening and maintenance of cremation and burial grounds, rural electrification, poverty alleviation programme, preparation of annual budget and development plans, construction and maintenance of cattle sheds, ponds etc. social farm forestry,
fuel and fodder, slaughter houses, public parks and playgrounds, agriculture, poultry and fisheries etc.

2. **Discretionary Functions:** Agriculture, animal husbandry and dairy development, minor irrigation, small scale industries, housing, electricity and non-conventional energy, rural development programmes, education cultural affairs and heritage, public health etc.

In addition, the village panchayats may be assigned additional functions by the state governments and Zilla Parishads.

**Sources of Revenue:**

A gram panchayat fund has been created on the pattern of the consolidated fund of the state. All money received by Gram Panchayat like contribution or grants made by the State Government, Union Government, Zilla Parishad and all sums received by the panchayat in the form of taxes, rates, duties, fees, loans, fines and penalties, compensation, court decree, sale proceeds and income from panchayat property etc. go into that fund.

Village Panchayats have been empowered to levy taxes or fees on subjects like houses and buildings, profession, trades, callings and employments, fees on registration of vehicles, fairs and meals, sanitary arrangements, water tax, lighting tax, tax on sale of firewood, tax on slaughter houses, private fisheries, license fee on tea stalls, hotels or restaurants, carts, carriages, boats, rickshaws etc.

**Block Level:**

Block or Union is the second or intermediate level of local government in rural India. It has been named differently in different states. In Andhra Pradesh, it is known as Mandal Parishad, in Assam, it is known as Anchalic Panchayat, in Bihar, Jharkhand, Haryana, Himachal Pradesh, Tripura, West Bengal, Maharashtra, Odisha, Punjab and Rajasthan it is known as Panchayat Samiti and so on.

Usually, a Panchayat Samiti consists of 20 to 60 villages depending on area and population. The average population under a Samiti is about 80,000, but the range is from 35,000 to 1,00,000. The Panchayat Samiti generally consists of the following:

1. About twenty members elected by and from the Panches of all the Panchayats falling in the block area.
2. Two women members and one member each from the Scheduled Castes and Scheduled Tribes to be co-opted.
3. Two local persons possessing experience of public life and administration, which may be beneficial for the rural development.

4. Representatives of the co-operatives working within the jurisdiction of the block.

5. One representative elected by and from the members of each small municipality lying within the geographical limits of a block.

6. The members of the State and Union legislatures representing the area are to be taken as associate members.

The President of the Panchayat Samiti is the Pradhan, who is elected by an electoral college consists of all members of the panchayat Samiti and all the Panchas of the Gram Panchayat falling within the panchas areas. Besides the Pradhan, the Up-pradhan is also elected. The Pradhan convenes and presides over the Panchayat Samiti meetings. He guides the panchayats in making plans and carrying out production programmes. He ensures the implementation of the decision and resolutions of the Samiti and its standing committees. He exercises administrative control over the Vikas Adhikari (BDO) and his staff. He is a member of the Zilla Parishad by virtue of his office as a Pradhan. He is the ex-officio chairman of the standing committees of the Samiti. As the Chief Executive Officer of the Panchayat Samiti, the Block Development Officer is entrusted with the responsibility for implementing the resolutions of the Samiti and its Standing Committees. He repapers the budget of the Samiti and places it before the Samiti for approval. Preparing the annual report of the Samiti and sending it to the Zilla Parishad and State Government also comes within the purview of his responsibility. He is accountable to the president of the Samiti for his action.

Functions:

The principal function of the Panchayat Samiti is to co-ordinate the activities of the various panchayats within its jurisdiction. The Panchayat Samiti supervises the work of the Panchayats and scrutinizes their budgets. It also reserves the right to suggest measures for improving the functioning of the Panchayats. The Samiti is charged with the responsibility of preparing and implementing plans for the development of agriculture, animal husbandry, fisheries, small scale and cottage industries, rural health etc.

Sources of Revenue:

All State legislations provide for the creation of Panchayat / Block Samiti Fund like the Consolidated Fund of the State. All money collected by the Samiti goes into that fund. These are grants given by the State Government or Union Government, donations received, income from properties owned by the Samiti, all taxes, fees, tolls etc. levied by the Samiti, any share of the land revenue or taxes levied by the
State Government and assigned to the Samiti, part of the income of the Zilla / District Parishad assigned to the Samiti, all loans by the Samiti etc.

**District Level:**

Except in the State of Jammu and Kashmir, the District/ Zilla Panchayat constitute the apex body of the three-tire structure of the Panchayati Raj system. The Panchayat at the district level is called Zilla Parishad in most of the States. But, in Goa, Karnataka, Madhya Pradesh, Sikkim and Uttar Pradesh it is called Zilla Parishad and in Tamil Nadu, Kerala and Gujarat its name in District Panchayat.

Generally, the Zilla Parishad consists of representatives of the Panchayat Samiti, all members of the State Legislative and the Parliament representing a part or whole of the district, all district level officers of the Medical, Public Health, Public Works, Engineering, Agriculture, Education and other development departments.

There is also a provision for special representation of women, members of Scheduled Castes and Scheduled Tribes provided they are not adequately represented in the normal course. The collector is also a member of the Zilla Parishad.

The Chairman of the Zilla Parishad is elected from among its members. There is a Chief Executive Officer in the Zilla Parishad. He is deputed to the Zilla Parishad by the State Government. There are subject matter specialists or officers at the district level in all the states for various development programmes.

The term of each District Panchayat is five years unless dissolved earlier. In most of the States their meeting must be held at least once in three months. However, in Goa, Haryana and Karnataka their meetings must be called at least once in two months.

**Functions:**

The Zilla Parishad, for the most part, performs co-ordinate and supervisory functions. It co-ordinates the activities of the Panchayat Samiti falling within its jurisdiction. In certain states the Zilla Parishad also approves the budgets of the Panchayat Samitis.

The Zilla Parshad also renders necessary advice to the Government with regard to the implementation of the various development schemes. It is also responsible for the maintenance of primary and secondary schools, hospitals, dispensaries, minor irrigation works etc. it also promotes local industries and art.
Sources of Revenue:

The legislations of all states provide for the certain of separate Zilla Parishad/ District Panchayat Fund which is like the consolidated Fund of the State. The sources of income of the Zilla Parishad /District Panchayat are:

1. Grants-in-aid given by the State Government and the Union Government( general or for any particular project)
2. Donations and incomes like rent or lease or sale proceeds of the properties of the Parishad.
3. Toll, fees or cesser imposed on bridges, ferries, entertainment, fairs, haats etc.
4. Share of the land revenue assigned to the parishad.
5. Several states like U.P., Punjab, Manipur, Maharashtra etc. have empowered them to levy taxes on any matter on which Panchayats at the lower levels are empowered to do.
6. Loans raised by it against the security of its properties.
7. Contributions made by Panchayat Samitis or any other local authority.

Reference

4. Panchayati Raj (India), Wikipedia.