

Standing Committee Report Summary

Effectiveness of the Implementation of Constitution 73rd Amendment Act

- The Standing Committee on Rural Development and Panchayati Raj (Chair: Mr. Saptagiri Sankar Ulaka) presented its report on ‘Effectiveness of the Implementation of Constitution 73rd Amendment Act with Special Reference to Coordination in Three-Tier System of Panchayat’ on August 5, 2026. The 73rd Amendment to the Constitution established Panchayati Raj Institutions (PRIs) as institutions of local self-government and granted them constitutional status. Key observations and recommendations of the Committee include:
 - **Devolution of powers:** The Committee observed that devolution of functions, finances, and functionaries to PRIs remains uneven across states. It noted that PRIs often function as implementing agencies of state governments rather than autonomous institutions of self-government. It recommended that the Ministry of Panchayati Raj institutionalise a comprehensive review framework and periodically rank states across six dimensions: (i) framework, (ii) functions, (iii) finances, (iv) functionaries, (v) capacity enhancement, and (vi) accountability. The Committee also recommended the Ministry to undertake a comprehensive review of the functioning of PRIs, and formulate a roadmap for the next generation of reforms. Such a roadmap should focus on: (i) deepening democratic decentralisation, (ii) strengthening institutional capacity and financial sustainability, (iii) ensuring digital governance, and (iv) greater citizen participation.
 - **Financial empowerment:** The Committee observed that Panchayats remain dependent on grants with limited ability to raise own revenue. This limits their autonomy and effectiveness. It noted that a share of the 16th Finance Commission grants is linked to performance in raising own revenue. The Committee recommended: (i) a strategy to strengthen own source revenue of Panchayats, (ii) timely constitution of State Finance Commissions, and (iii) performance-based incentives for enhancing own revenue and improving financial management.
 - **Intermediate and district panchayats:** The Constitution envisages a three-tier system comprising Gram Panchayats (village), Panchayat Samitis (block), and Zila Parishads (district). The Committee observed that powers are concentrated at the Gram Panchayat level, leaving block and district Panchayats with limited authority. This adversely affects integrated planning and convergence. It also noted concerns regarding excessive dependence on executive officials and the limited role of elected representatives at higher tiers. It recommended ensuring: (i) block and district plans consolidate gaps identified in Gram Panchayat Development Plans, and (ii) states follow the prescribed grant-sharing ratio across tiers.
 - **Dedicated Panchayat cadres:** The Committee observed that one Panchayat secretary often serves four to five Panchayats, adversely affecting service delivery. A Panchayat cadre is a dedicated group of government employees assigned to work for Panchayats. It recommended: (i) creation of dedicated Panchayat cadres, and (ii) phased provision of one dedicated Panchayat secretary for each Gram Panchayat.
 - **Women’s representation:** The Committee observed that while women constitute nearly half of elected Panchayat representatives, proxy representation remains widespread. It recommended: (i) strict enforcement of advisory against proxy representation, and (ii) dedicated training and mentoring for women representatives.
 - **Revitalisation of Gram Sabhas:** The Committee observed that Gram Sabha meetings are becoming largely ceremonial in many areas, with declining public participation. It noted that the Ministry’s 2021 advisory on ‘Making Gram Sabhas Vibrant’ recommends holding at least six (bi-monthly) and up to 12 (monthly) meetings a year, with a minimum quorum of 10% of members. The Committee recommended: (i) use of digital platforms, social mobilisation, and awareness campaigns to increase participation, and (ii) periodic assessment of the quality and effectiveness of Gram Sabha functioning.

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