

4. PRIs play an essential role in developing & executing various pgms. in rural areas. However, financial constraints have not allowed PRIs to realise potential. Analyse

In India, the Panchayat-Raj Institutions are playing a crucial role in prioritising people's interest and rural society needs serve ancient times. They were constitutionally recognised and empowered by the 73rd constitutional amendment act.

Role of Panchayats

Panchayats are home to 68.8% of rural populations that contribute 46% to the national economy.

1. Housing - The ~~PM~~ PM Awas Yojana Gramin beneficiaries are identified by the panchayats with the advice of the gram sabha. Panchayats are key

to ensure rural housing.

2. Employment the employment guarantee scheme ~~was~~ (MGNREGS) ~~identifies~~ the ~~projects~~ that guarantee 100 days employment is guided by the panchayats that identifies the projects.

3. Gender equality - The 73rd amendment mandates one-third of seats to be reserved for women. states like Madhya Pradesh has increased the limit to 50%.

However, given their stellar work, the panchayats are handicapped by lack of funds.

Financial constraints

As per the recent RBI report on Finance of Panchayat Raj institutions, the panchayats depend on 95% of

fund from higher governments. Despite Article 243-17 empowers panchayats to impose collect taxes, their tax revenue is 1.1% of total revenue and non tax revenue is 3.3%.

with unlevered funds at disposal measures to alleviate poverty and development schemes get a blow.

Measures needed.

Increase the devolution of funds to the third tier and increase their tax base. States having higher devolution exhibited better socio-economic outcomes as per RBI study.

Adopting standardized formats for data collection can increase transparency.

Panchayats are proximate to the community and possess valuable knowledge. increasing their fiscal base can bring transformative change to lives of people.