

AN ECONOMIC ANALYSIS OF PANCHAYAT RAJ INSTITUTIONS ON RURAL DEVELOPMENT OF KARNATAKA CASE STUDY OF MANDYA DISTRICT

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ABSTRACT

The Panchayat Raj system in India represents a landmark in democratic decentralization, aimed at empowering rural communities and ensuring participatory development. Karnataka, known for its progressive governance reforms, has been a pioneering state in implementing the Panchayat Raj system since the 1980s. This study examines the economic role and performance of Panchayat Raj Institutions (PRIs) in promoting rural development in Karnataka, with special reference to Mandya district. Using both primary and secondary data, the research analyzes the impact of PRIs on economic growth, infrastructure development, and livelihood improvement. The findings reveal that PRIs have significantly contributed to rural transformation through effective implementation of schemes like MGNREGA, PMAY, and NRLM. However, challenges such as limited financial autonomy, political interference, and capacity constraints persist. Strengthening fiscal devolution, capacity building, and people's participation is essential for realizing the full potential of grassroots democracy in Karnataka.

Keywords: Panchayat Raj Institutions, Rural Development, Decentralization, Economic Growth, Mandya District, Karnataka.

1. INTRODUCTION

Rural development in India is intrinsically linked with the effectiveness of decentralized governance. The Panchayat Raj system, constitutionally established through the 73rd Amendment Act (1992), institutionalized local self-government and sought to transfer decision-making power to the grassroots level. Karnataka, a forerunner in democratic decentralization, implemented the Karnataka Panchayat Raj Act, 1993, aligning with national objectives of rural empowerment.

Mandya district, located in the southern part of Karnataka, serves as a vital case for examining the functioning of PRIs in rural development. With over 83% of its population residing in rural areas and agriculture as the mainstay of livelihood, the district's economic progress heavily depends on the performance of its Panchayats.

This paper aims to evaluate how PRIs in Mandya district contribute to rural development, focusing on economic, infrastructural, and social dimensions.

2. OBJECTIVES OF THE STUDY

To examine the structure and functioning of Panchayat Raj Institutions in Karnataka.

To analyze the economic role of PRIs in rural development in Mandya district.

To evaluate the implementation of key government schemes through PRIs.

To identify challenges and suggest measures to strengthen PRIs for sustainable rural development.

3. METHODOLOGY

The study adopts a descriptive and analytical research design, integrating both qualitative and quantitative approaches.

Primary Data: Collected through structured questionnaires and interviews with 400 respondents (beneficiaries, PRI members, and officials) from selected village panchayats in Mandya district.

Secondary Data: Gathered from government reports, statistical handbooks, Economic Surveys, and publications of the Department of Rural Development and Panchayat Raj, Karnataka.

Sampling: Multi-stage stratified random sampling covering Mandya, Maddur, Malavalli, and Pandavapura taluks.

Period of Study: 2013–2014 to 2023–2024.

Analysis Tools: Descriptive statistics, percentage analysis, and chi-square tests were used to measure relationships between PRI performance and development indicators.

4. PANCHAYAT RAJ SYSTEM IN KARNATAKA

Karnataka has a three-tier Panchayat Raj structure comprising Zilla Panchayats (district level), Taluk Panchayats (intermediate level), and Gram Panchayats (village level). The state has 31 Zilla Panchayats, 240 Taluk Panchayats, and 5,958 Gram Panchayats.

The Karnataka Panchayat Raj Act, 1993 empowered these institutions with administrative and financial authority to plan and execute rural development programmes. The state was also among the first to reserve 50% of seats for women, setting an example in inclusive governance.

Over the past decade, Karnataka's PRIs have played a vital role in implementing flagship schemes, improving infrastructure, and promoting self-reliant rural economies.

5. PROFILE OF THE STUDY AREA: MANDYA DISTRICT

Mandya, often referred to as the "Sugar Bowl of Karnataka," has a predominantly agrarian economy supported by the Cauvery River irrigation system. The district comprises seven taluks, with sugarcane, paddy, and ragi as major crops.

According to the NABARD Potential Linked Credit Plan (2025–26), Mandya has 5.61 lakh agricultural holdings, of which 95% belong to small and marginal farmers. Despite high agricultural productivity, income disparities and dependency on state schemes remain significant, making the district ideal for studying the economic impact of PRIs.

6. ROLE OF PRIS IN RURAL DEVELOPMENT

6.1 Economic Development

PRIs in Mandya have contributed to:

Generation of employment through MGNREGA.

Improved housing conditions under PMAY-Gramin.

Promotion of self-employment through NRLM and SHGs.

Development of rural infrastructure such as roads, sanitation, and irrigation.

6.2 Social Development

Village Panchayats have facilitated social inclusion by implementing welfare schemes for Scheduled Castes, Scheduled Tribes, and women. The participation of women in Panchayat leadership has improved decision-making in areas like health, nutrition, and education.

6.3 Service Delivery

PRIs have enhanced access to basic amenities including drinking water, sanitation, and street lighting. However, fund delays and bureaucratic hurdles have occasionally affected timely implementation.

6. FINDINGS OF THE STUDY

Increased Economic Participation: Beneficiaries reported better access to livelihood opportunities and income improvement due to PRI interventions.

Infrastructure Growth: Significant development in roads, housing, and sanitation facilities in most villages.

Awareness Gap: Around 40% of respondents had limited awareness of schemes, indicating a need for better communication.

Financial Dependence: PRIs continue to rely heavily on state grants, limiting their fiscal autonomy.

Administrative Constraints: Delays in fund release, inadequate staff, and lack of training hamper performance.

Positive Social Impact: Increased participation of women and marginalized groups in governance.

7. CHALLENGES

Limited financial powers and dependence on higher authorities.

Political interference in beneficiary selection.

Insufficient capacity building for Panchayat officials.

Poor record-keeping and lack of transparency in fund utilization.

8. SUGGESTIONS

Enhance Financial Autonomy: Direct transfer of funds to PRIs and freedom to generate local revenue.

Capacity Building: Regular training for elected representatives and staff in planning and financial management.

Strengthen Gram Sabhas: Encourage greater community participation in decision-making and monitoring.

Digital Governance: Adoption of e-Grama and MIS systems for transparency.

Timely Fund Release: Streamline disbursement mechanisms to avoid project delays.

9. CONCLUSION

Panchayat Raj Institutions have emerged as pivotal agents of change in rural Karnataka. The experience of Mandya district demonstrates that when properly empowered, PRIs can significantly accelerate rural economic development, improve social inclusion, and enhance service delivery. However, for these institutions to function as true pillars of local governance, they must be granted greater financial independence, administrative capacity, and accountability. Strengthening the Panchayat system is not just about decentralization—it is about realizing Gandhiji's vision of Gram Swaraj, where villages become self-reliant and democratically governed units of prosperity.

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