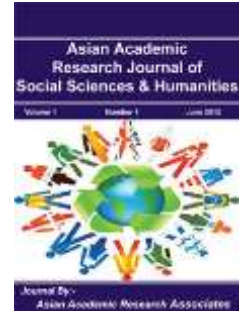




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**FINANCIAL DECENTRALISATION OF PANCHAYATI RAJ INSTITUTIONS
– THE KARNATAKA EXPERIENCE**

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ABSTRACT

One of the key tests to real empowerment of panchayats lies in the ability of local self-governing institutions to finance their own expenditures through internal generation of resources. It is clear that the panchayat is continuously in deficit due to inefficient in collection of taxes. Adequate amount of revenue is essential for the panchayats considering the rising trends in population and cost. Gram panchayats do not have financial autonomy; it has to be spend according to the government guidelines. This paper enlightens on the finances and the problems faced by the gram panchayats.

Key Words: *Panchayat Raj Institutions, Gram Panchayats, Financial Devolution*
