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GRT “STATUS OF GRAM PANCHAYAT FINANCE: A MICRO STUDY IN SANGLI DISTRICT”

Mukund Mane

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Abstract:- The Panchayat Raj is South Asian Political system mainly in India. The word “Panchayat” literally means 'assembly' of five wise and respected elders chosen and accepted by the local community. Panchayat Raj structure is totally based on three-tier system. Which consists of ZillaPanchayat/Parishad at district level. PanchayatSamiti at Block level and Village or Gram Panchayat at Village Level. ZillaPanchayat have crucial role to play the galvanizing the lower tiers into activity and in sustained the tempo of development.

Key words: Gram Panchayat Finance , Micro Study , South Asian Political , Structure.

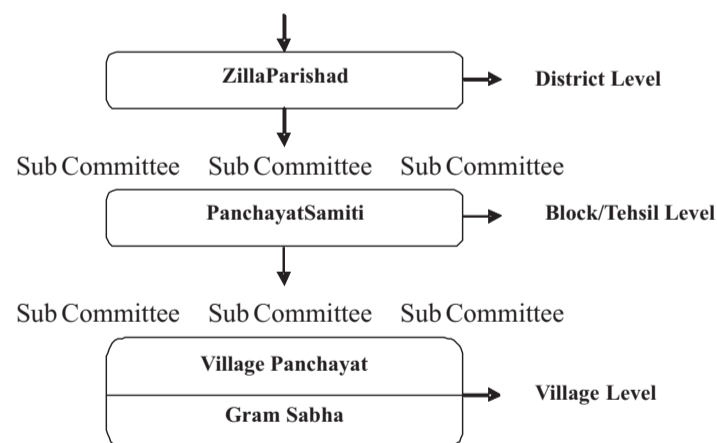
INTRODUCTION:

Panchayats have been the backbone of the Indian Villages 24th April, 1993 is remarkable date in history of Panchayat Raj in India, the Constitution Act, 1992 (73rd Amendment) came into force to provide constitutional status to the PRIs. The main focus is primarily on developing rural infrastructure and an improving the living conditions of the rural people especially of the weaker section, by taking into consideration the social, economic and cultural aspects of their life.

STATUTORY BODIES OF LOCAL SELF GOVERNMENTS (PRIs):-

The states of Goa, Jammu and Kashmir, Mizoram, Meghalaya, Nagaland and Sikkim have two-tier panchayats. In all other states Panchayat Raj is three-tier structure- The basic concept behind establishing Panchayati Raj was to create Rural, Local Government Agencies responsible for discharging certain select functions pertaining to development Gram /Village Panchayat as first level, Block or Janapad as second level and Zilla or district as third level. It is not merely a state agency but a self-propelling institution which could be utilize its own resources, both human material, so that development could be energized. This also leads to a certain amount of social responsibility.

THREE-TIER STRUCTURE OF PANCHAYATI RAJ



Village/Gram Panchayat:-

This is the basic unit of Panchayati Raj Institutions. It is generally a revenue unit. In the structure of the Panchayat Raj, the Village Panchayat is the lowest unit. The Panchayat chiefly consists of representatives elected by the people of the village.

Only the person who are registered as voters and do not holds any office of profit under the government are eligible for election to the Panchayat. The Gram Panchayat has to perform functions as specified in schedule I (XXI broad categories of functions). It including provides sanitation and proper drainages, maintenance of water supply, periodically revising and collecting taxes, rates and fees, enrolment of children in primary schools, immunization construction, repair and maintenance of roads, maintenance of records relating to the population and persons below poverty-line.

Block/PanchayatSamiti:-

This is second or intermediate level unit of Local Self Government in rural India. It has been named differently in different states. Usually, PanchayatSamiti consists of 20 to 60 villages depending on area and populations. The TalukPanchayat/PanchayatSamiti have to make reasonable provision (functional) specified in schedule II (XXVIII broad categories of functions). The functions include construction, maintenance and augmentation of water supply works to the level of not less than 40 liters per capita per day' filling half yearly report regarding the activities of gram panchayats. Within the taluk regarding- Holding of Gram Sabha, collection and revision of taxes and fees, construction of individuals and community latrine, Enrolments in schools, progress of immunization, providing adequate number of classrooms and maintaining primary school building, water supply and sanitation, acquiring land for locating the manure pits away from the dwelling houses in the villages. Thus PanchayatSamiti played vital link between ZillaParishad and Gram Panchayats in the hierarchy of Panchayati Raj System.

ZillaParishad/Panchayat:-

The District/ZillaPanchayat constitutes the apex body of the PRIs. The Panchayat at the district level is called ZillaParishad. The ZillaPanchayat have to perform the functions specified in schedule III (XXIX broad categories of functions). Zillapanchayat have to approve and examine the budget of PanchayatSamiti. Z.P. distributes funds, allotted by the State Government to Panchayats in the district. The Z.P. 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.

Area and Methodology of the study:-

A Sangli district is one of the southernmost district in Maharashtra State, lying between 16.40 and 17.10 north latitude and 73.40 and 75.00 east longitude in an area of 8602 sq.kms. on the north. The district is administratively by divided into ten taluk viz. Miraj, Tasgaon, Walwa, Shirala, Palus, KavatheMahankal, Jath, Atpadi, Khanapur and Kadegaon. The population according to 2011 census was 28.20 lakhs persons comprising 14.36 lakhs male and 13.84 lakhs females. The administrative headquarter is located in Sangli. There are seven VidhanSabha constituencies in this district like Walwa, Shirala, Miraj, Tasgaon-K. Mahankal, Jath, Palus and Atpadi-Khanapur. There are 705 village panchayats, 10 panchayatsamities and 1 zillaparishad/panchayat. District Sangli has 0.23% of the total population of the total area of the country. It has a density of 305 persons per sq.km. as compared to 331 persons for the state.

The main purpose of research study is to analyze the income and expenditures of gram panchayats in district Sangli and in talukKavatheMahankal is particular and to find out the mismatch between both. Further study tries to find out the main sources of income and expenditure for the village panchayats in K. Mahankal taluk particularly in district Sangli, without which the process of socio-economic development and development of poor people is not possible. The present study is totally based on secondary data and it is limited to only 1 taluk in district Sangli. There are 60 village panchayats in taluk K. Mahankal, of which 6 village panchayats (10% of samples) are selected for the study viz. Agalgaon, Deshing, Hingangaon, Kuchhi, Ranjani and Shirdhon. For analyzing and tabulating the secondary data simple statistical tools and techniques are used.

Sources of Funds:-

To carry out its functions the Village Panchayats receive above than 5 lakhs grams from the state government. It also receives funds for central and centrally sponsored development schemes and programmes and finance commission grant from Central Government. It has powers to levy tax on land and building, water tax, entertainment tax, vehicle tax, user charges, advertisement tax, market tax, business tax/cess, rental income from properties like shops, guest house, development fees, various kinds of fees and license. Except for this, the panchayats have to depend solely on the resources transferred from the government beneficiaries contributions may also be there in the form labour or money. To carry out the functions Village Panchayats finance is very essential. The finance of PRIs come from locally mobilized resources and grants given them by Central and state governments in various forms.

The sources of income of selected gram panchayats in Sangli district which is shown in the Table No.- 1 is as follows

Table No.- 1
Income Sources of Gram Panchayats in District Sangli

Sr. No.	Income Sources of G.P.	Average Percentage
1.	House Taxes (Cess)	43.15
2.	Water Cess	31.48
3.	Health Cess	01.82
4.	Light Cess	01.98
5.	Business Cess	00.90
6.	Users Charges	01.38
7.	Rent & Rates	01.50
8.	Plot/Piece Cess	16.66
9.	Miscell. Incomes	01.13
10.	Total	100.00

Sources:- Computed from Financial Statement of G.P. for 2012-13.

Graph No.- 1

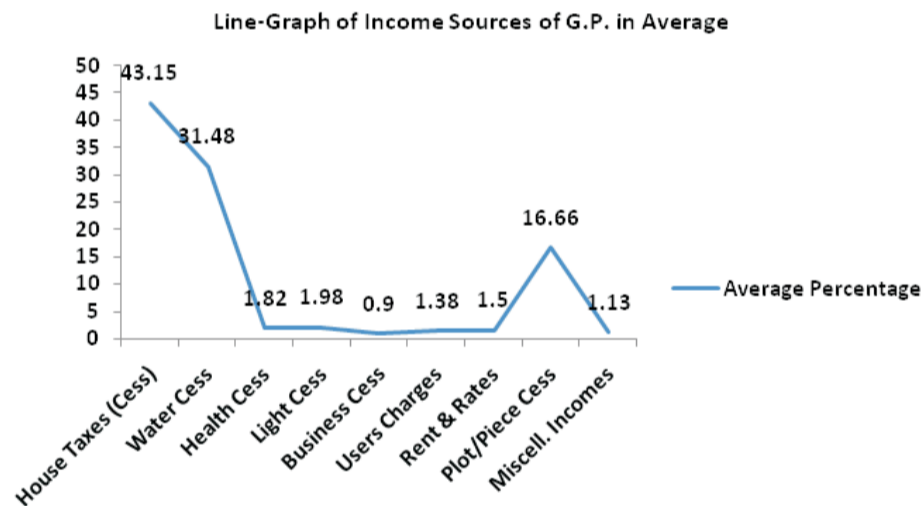


Table No.- 1 and Graph No.- 1 shows the income patterns of selected 6 Village Panchayats in Sangli district for the year 2012-13. It is clear that, the Gram Panchayats earn more revenue income from the house taxes (cess) which is 43.15 percent, the second highest revenue income earn by Gram Panchayats from district Sangli is water cess i.e. 31.48 percent. The income from open plots and piece cess is 16.66 percent, which third rank. The light cess follows the fourth position of 1.98 percent. The business/shops cess follows the final position of 0.90 percent due to the number of shops and businesses is very low in the rural area of taluk K. Mahankal. It is found that the 6 Village Panchayats earn little revenue income from rent received which is only 1.50 percent. From the above study it is clear that, the public contribution from Village area is zero percent due to the unemployment and low income of village peoples. It shows that the village peoples wants benefits from the government but they did not contributing anything to the services provided by the government. It is also observed that out of 6 village panchayats from taluk K. Mahankal, the total income of DeshingPanchayats which is more than the other panchayats i.e. Rs. 13.91 lakhs while the total income of AalgaonPanchayat is very low which is Rs. 5.42 lakhs.

Expenditure Items of GramPanchayats:-

Different items of expenses of village panchayats are classified under several heads. Payments of 'providing primary services' to the community is the main expenditure of village panchayats in taluk K. Mahankal. The total expenditure of village

panchayats contains expenditure for public works, health services, water supply and maintenance, street-light, electricity bill, sanitation, expenditure for SC/ST welfare programmes, office expenses, staff expenditures which includes salary, bonus and allowances etc., miscellaneous expenses as well as interest on loans and advances taken from local banks.

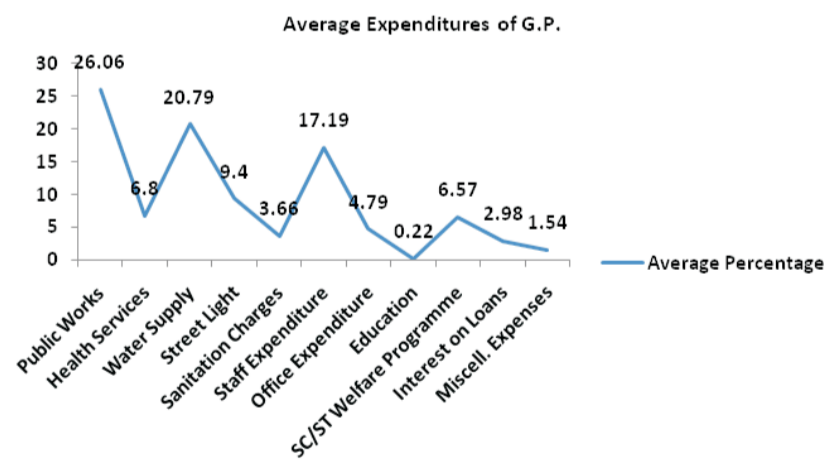
Table No.:- 2
Expenditure Items of Gram Panchayats in District Sangli

Sr. No.	Expenditures of G.P.	Average Percentage
1.	Public Works	26.06
2.	Health Services	06.80
3.	Water Supply	20.79
4.	Street Light	09.40
5.	Sanitation Charges	03.66
6.	Staff Expenditure	17.19
7.	Office Expenditure	04.79
8.	Education	00.22
9.	SC/ST Welfare Programme	06.57
10.	Interest on Loans	02.98
11.	Miscell. Expenses	01.54
12.	Total	100.00

Sources:- Computed from Financial Statement of G.P. for 2012-13.

Table No.:- 2 and Graph No.:- 2 show the expenditure pattern of selected village panchayats in taluk K. Mahankal of district Sangli for the year 2012-13. From the above study it is clear that, all the panchayats have made more expenditure on the public works about 26.06 percent. Village panchayats in rural areas are facing drinking water problem. Though they are spending more on the panchayat staffs (17.2 percent it includes water mans salary) than water supply expenditure (20.79 percent). For electricity 9.40 percent it included electricity bill paid by the panchayats and purchases made on the electricity goods. SC/ST welfare spent only 6.57 percent, sanitation 3.66 percent and the panchayats made expenditure on office which includes printing & stationary, telephone, postage, rates, advertisements etc. is 4.79 percent. The panchayats have to pay 2.98 percent cess to the government which they have collected from the own revenue every year, but only two panchayats have not paid the cess. The education expenditure and miscellaneous expenditures is only 0.22 percent and 1.54 percent respectively. From the above table is clear that the total expenditure of Kuchhi Village Panchayats in taluk K. Mahankal is more i.e. 12.08 lakhs than the other village panchayats. While the total expenditure of Agalgaon Village Panchayats in this taluk is low due to the low income i.e. 8.06 lakhs.

Graph No.:- 2



The village panchayats received grants from the Central and State Government for the development of rural community and poor people. It is clear that the lion share of grants which come from water supply and development community programmes i.e 42.5 percent and 25.4 percent respectively. The village panchayats received 15.3 percent grants from Finance Commission. Through the Gram Panchayats in Taluk Kavathe Mahankal of Sangli district have spent 20.8 percent for water supply which receives hundred percent grants from the governments due to the selected area in the district Sangli are droughts. For JGSY/SGRY and other schemes the Gram Panchayats received grant is 12.4 percent during the study period.

CONCLUSIONS:-

While studying the status of Gram Panchayat Finance in Sangli District, we came to following conclusions-----
Insufficient source of income is major financial problem of rural gram panchayats in district Sangli. The Gram Panchayats are more depending on the external financial assistance which comes from state and central government. The gram panchayats have received 46.8 percent from grants and the remaining is from revenue sources. The Gram Panchayats always prepare demand for collecting tax very ambitiously but they could not collect the same in reality. This kind of imbalances lead to imbalances in the expenditure also as they could not spend as they budgeted. There are many resources for not being able to collect taxes effectively as some of the gram panchayats members (respondents) informed they are as under-----

- I. The gram panchayats bill collectors in Sangli District inefficiency.
- II. They do not go to the people to collect tax, only if the public comes to panchayats to pay tax they will collect that much only
- III. They also inform that the salaries of panchayats staffs (employees) are given from the gram panchayats own revenue. The bill collectors will collect only that much more than that they will not interest to collect tax.
- IV. Public are not willing to pay tax due to they want benefit from the governments but they are not ready to pay taxes.
- V. Another important fact that the elected members are not co-operating in collection of taxes and at the time of revising taxes. These kinds of imbalances Gram Panchayats have in making an assessment of locally available resources through which they procure revenues. Most of the panchayats do not have trained accounting staff and they are also insufficient. The Gram Panchayats have only one or two bill collectors who are responsible for tax collection. A large proportion of the state revenue has to be transferred to local bodies to cater to the public expenditure needs of local level. At the same time, the grants-in-aid have a greater role in the strengthening the fiscal position of PRIs. They have largely been depending on grants-in-aid either directly from the center or state government. So, the governments both central and state are maximizing their assistance to the PRIs.

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