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PRIA

research report

January, 1999



Functions and finances of panchayats in Rajasthan

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Preface

This study has been undertaken as a part of our initiative on strengthening Panchayati Raj in Rajasthan. This study on Panchayat Finance was undertaken in Barmer and Bikaner district in collaboration with our partner Urmul Jyoti Nookha, Shanti Maitri Mission and Rural Education Development Society Barmer. The basic purpose of this study was to find out the financial position of the three tier and how far it has addressed the local developmental issues.

We hope that this study will help to initiate debate and discussion on devolution of finance.

This study has been carried out by Ms. Shampa, Batabyal and Ms. Kirti Sharma of UNNATI. We will appreciate comments and suggestions to carry our initiative for further strengthening Panchayati Raj particularly finance.

ACKNOWLEDGEMENT

This study is a part of National level research on Panchayati Finance in ten state of India. This study was carried out by UNNATI Rajasthan programme office. This study was undertaking in collaboration with Barmer and Bikaner districts. We are thankful for our grassroot partners for their co-operation. We: are also thankful to District Magistrate and Chief executive officer of Bikaner and Barmer district.

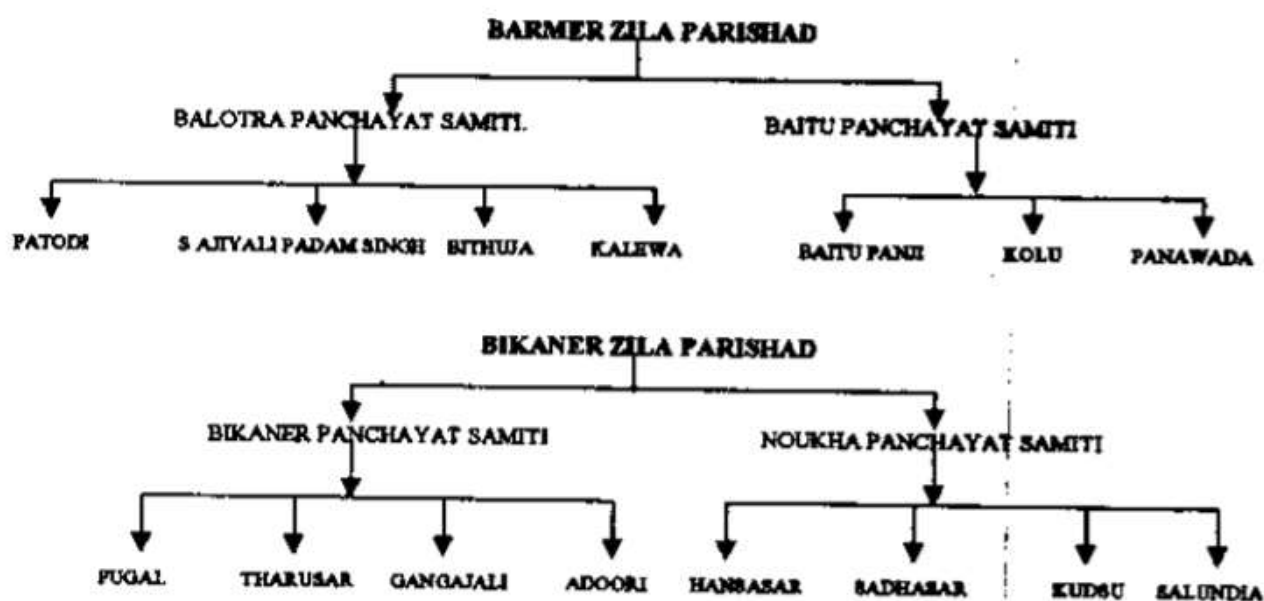
After this study two district level consultation were held on December 31 at Bikaner and January 7, 1999 at Barmer. We are thankful to all the participants for their valuable suggestions.

This study was conducted by Ms. Shampa Batabyal and Ms. Kirti Sharma We hope this study will help to generate new insight, into Panchayat Finance and create a mandate to take up action to strengthen panchayat autonomous resource mobilisation.

1. INTRODUCTION

After 73rd Amendment it was expected that Panchayati Raj institutions at all the three tiers will receive more financial autonomy. It was also expected that the bulk of the rural development would be managed by the Self-Governing Institutions. In order to find out whether 73rd Amendment on subsequent legislation has brought appropriate financial empowerment, we have tried to undertake a study to examine the panchayat finance.

The present study tries to explore the financial structure and function in resource mobilisation and Utilisation. This also tries to look at the management of resources at various level. In this report we have specially concentrated on the different finances pattern of three tier. In each district two panchayat samities and four Gram panchayats from each panchayat samiti have been identified for the study. This study has looked into own sources, state funds central funds from other agencies grant at all three tier. For this study the audited balance sheet annual project report daily account register have been studied. At all three levels chairperson and members are interviewed an questionnaire has been developed for this purpose. The details of the Panchayat samiti and panchayat are as follows:



2. RESOURCE MOBILISATION AND UTILISATION AT ZILA PARISHAD LEVEL

OWN RESOURCES

The Act provides the following provision for the Zila Parishad. The Zila parishad can impose tax (section 69 of the act)

1. License fees for fair.
2. Water tax (Irrigation and Drinking water)
3. 5% surcharge on the stamp duty for sale of .my immovable property in the rural area and
4. 5% surcharge on the market fees of agriculture.

The Zila Parishad can impose fees (Section 62) only in one head i.e. Rs. 40/- for application form for appointment of the teachers. The other sources of income are sale and auction of unwanted product of the office.

In the study it was revealed that Barmer Zila Parishad does, not improve any tax it generates income from fees for the application of teacher, and Gram Sabha. The other sources of income are rent of official buildings, tender fees, sales of waste paper and interest from personal deposit account.

Bikaner Zila Parishad does not impose any tax and fees. It only earn from other source like rent from office building and interest from personal deposit account.

TAXES FEES AND OTHER SOURCES OF INCOME AT ZILA PARISHAD LEVEL

| PROVISIONS IN ACT | BARMER | BIKANER |
|--|--------|---------|
| TAXES | | |
| 1) License fees for fair | x | x |
| 2) Water tax (Irrigation and Drinking water) | x | x |
| 3) 5% Surcharge on the stamp duty for sale of any immovable property in the rural area | | |
| 4) 5% Surcharge on the market fees of agriculture | x | x |
| FEES | | |
| 1) Rs 40/- for application form for appointment of the teachers | ✓ | x |
| OTHER SOURCES | | |
| 1) Auction of unwanted products | ✓ | ✓ |
| 2) Interest of personal deposit account | ✓ | ✓ |
| 3) Rent of official building | ✓ | ✓ |
| 4) Tender fees | ✓ | x |

STATE FUND

There are nine different funds received by Zila Parishad from State. However it seems that Bikaner district received grant under all heads. Barmer received only under five heads.

PROVISION OF FUNDING FROM STATE GOVERNMENT AND ACTUAL DISBURSEMENT TO BARMER AND BIKANER ZILA PARISHAD

| S. No. | Treasury No | Details | Bikaner | Barmer |
|--------|-------------|------------------------------|---------|--------|
| 1 | 2515 | Other rural development prog | ✓ | ✓ |
| 2 | 2202 | Education | ✓ | ✓ |
| 3 | 2705 | Education | X | ✓ |
| 4 | 2225 | Education | X | ✓ |
| 5 | 2575 | Education | X | ✓ |

| | | | | |
|---|------|---|---|---|
| 6 | 2810 | Smokeless chulha | ✓ | ✓ |
| 7 | 3604 | Grant for panchayat samite and gram panchayat | ✓ | ✓ |
| 8 | 2216 | Rural housing | ✓ | ✓ |
| 9 | 4515 | Capital expenses and office maintenance | X | x |

CENTRAL FUND

Central funds are not received directly by the Zila Parishad. It is channelised through DRDA. The funds of five national schemes are transferred to the District Rural Development Agency (DRDA).

They are -

1. National Nutrition Programme
2. National Maternity Benefit Scheme
3. National Old Age Pension Scheme
4. Operation Black Board
5. National Family Benefit Scheme

Barmer Zila Parishad had received grants from all Central Government Schemes whereas Bikaner Zila Parishad did not receive any fund under the heads of National Family Benefit Scheme Operation Black Board. Barmer Zila Parishad received a grant from UNICEF for Guinea Worm (Naru) eradication programme in 1996-97. Barmer Zila Parishad did not utilise the funds of national Old Age Pension Scheme, National Maternity Benefit National Family Benefit and Operation Black Board of 1995-96. Similarly Bikaner Zila Parishad did not utilise the fund received during the year of 1995-96 under the heads of National Old Age Pension Scheme, National Maternity Benefit National Family Benefit Scheme. In 1995-96 and 1996-97 the funds are not fully Utilised.

Expenditure patterns in both the district are almost identical. At Zila Parishads level own sources of fund is used for the expenditure on Stationery, Vehicle repairing and maintenance, Telephone High Court writ, Building repair, Zila Parishad member Travel Allowance:, Postage, Advertisement, Janta Awas guarantee commission and Gram Sevak examination.

Zila Parishad receives money under 2515 for different head i.e. Basic Salary, TA, DA, Medical expense, Office expenditure, Vehicle maintenance, Home rent, Building repair, Panchayat meetings, Sports, Zila parishad grant, Gram Panchayat encouragement and Village toilets.

During the period Barmer Zila Parishad did not receive money under the sub heads of house rent panchayat meeting and it did not incur expenditure on these heads.

Under the head of 3604 State Government give grants to Zila Parishad for panchayat samiti In Gram Panchayats. Zila parishad transfer the total fund to Panchayat samities and Panchayat samiti transfer the fund i.e. Anudan to Gram panchayat.

Barmer Zila Parishad has not received any grant for village toilet. and Panchayati Raj Association during the year 1996-97. However it has made expenses from the previous balance.

All Central government grants have been used by the Zila Parishad accordingly.

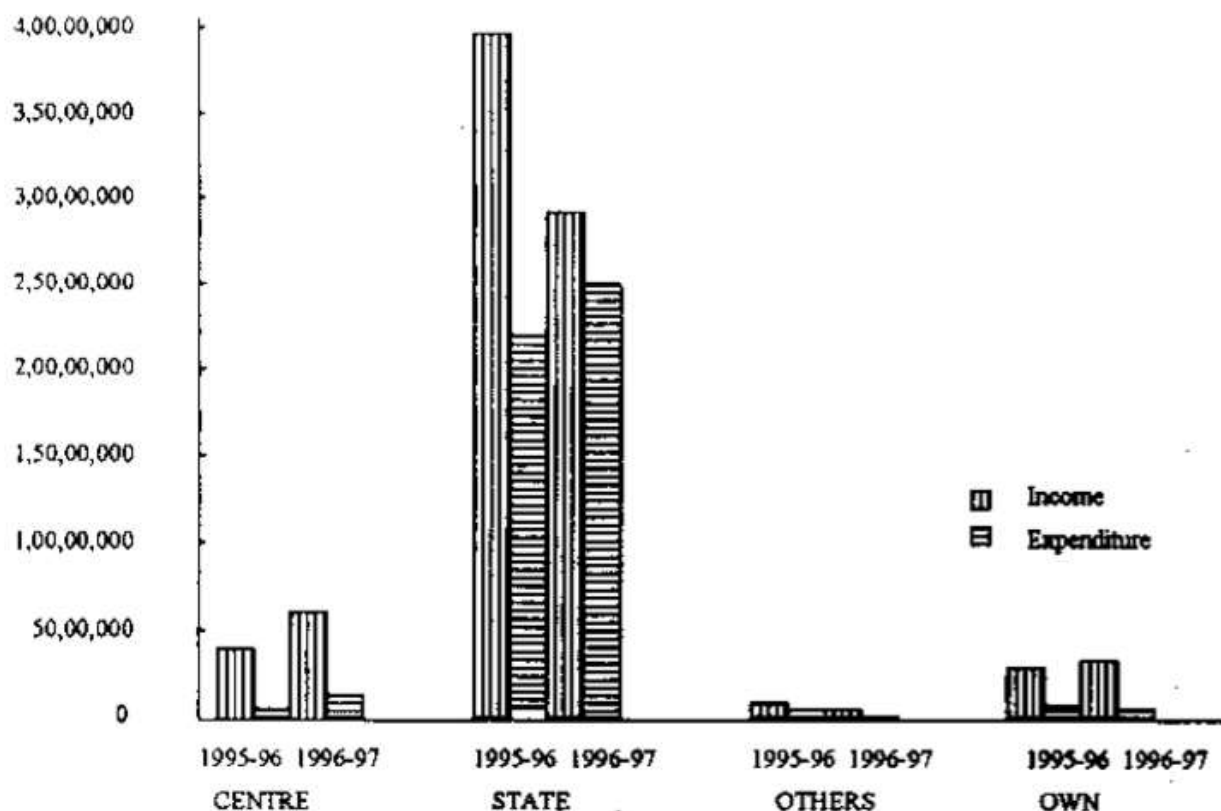
USE OF CENTRAL FUNDS IN BARMER ZILA PARISHAD (IN LACS)

| Schemes | 1995-96 Received | 1996-97 Utilised | 1996-97 Received | 1996-97 Utilised |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| National Family Scheme | 18.01 | - | 48.53 | 9.03 |
| National Maternity Scheme | 6.61 | - | - | - |
| National Family Scheme | 8.71 | - | - | - |
| National Nutrition Prog | 0.8912 | 2,58846 | 5-13129 | 4.26583 |
| Operation Black Board | 2.95394 | 2,95394 | - | - |

Most of the National programme fund has not been utilised by Zilla Parishad. It may be noted 60% of the allocation is not spent then second instalment is not sanctioned. Under national maternity scheme since Barmer Zila Parishad did not use the fund in 1995-96, no grant was sanctioned in the subsequent year. At the village level common people has a content complaint that their application for old age pension, maternity benefit is not getting sanctioned. However the fact is that at the Zila Parishad level such sources has not been utilised.

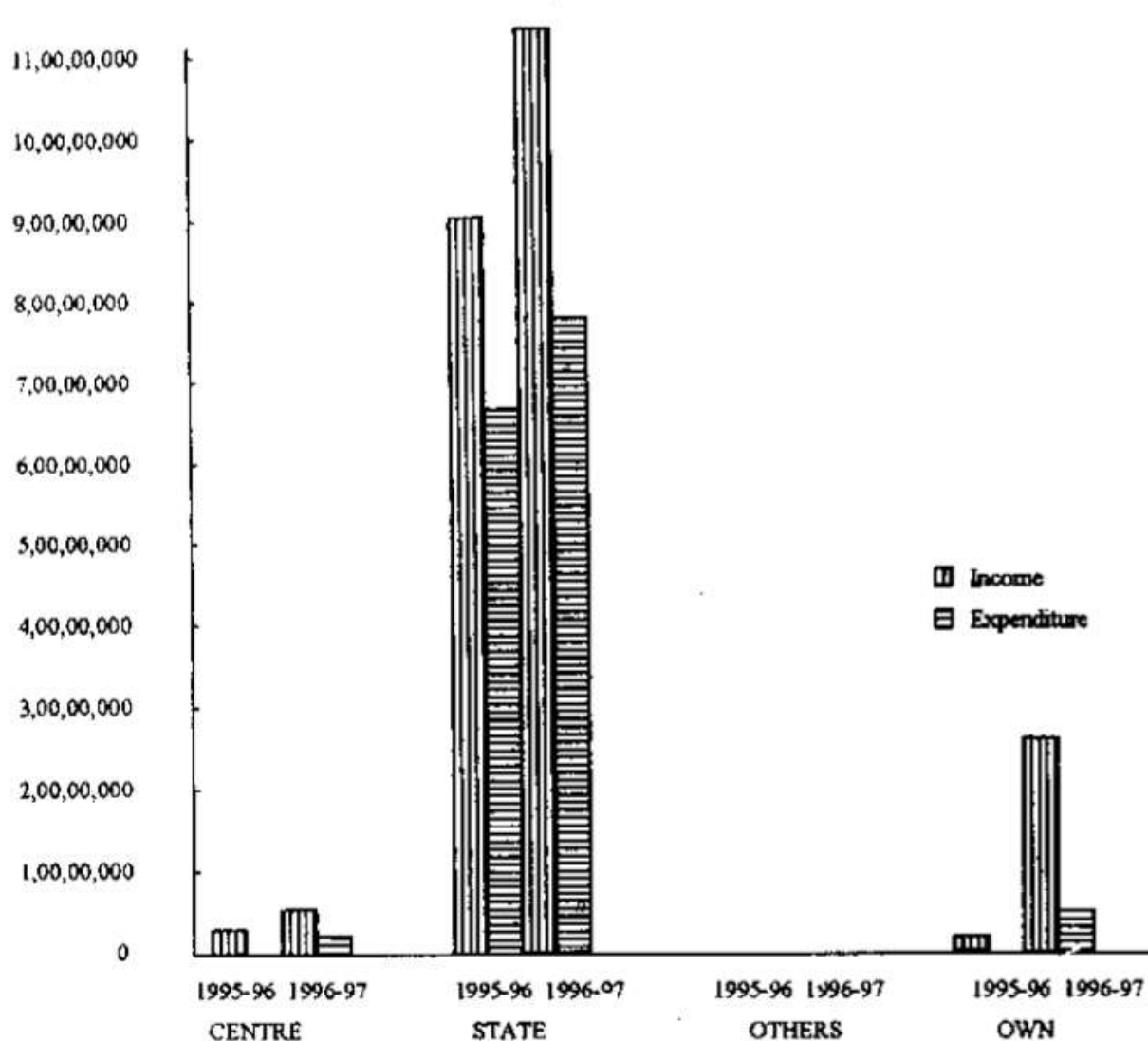
INCOME AND EXPENDITURE PATTERN OF ZILA PARISHAD AT CENTRE, STATE, OTHER AND OWN SOURCES

Barmer Zila Parishad



INCOME AND EXPENDITURE STATEMENTS

| S.no | | 1995-96 | | 1996-97 | |
|------|---------|------------------|-------------------|-------------------|------------------|
| | | Income | Expenditure | Income | Expenditure |
| 1 | Central | 3422120.00 (8%) | 258846.00 (1%) | 6898129.00 (18%) | 1329583.00(S%) |
| 2 | State | 38027473.99(84%) | 20616291.50 (94%) | 27950719.68 (73%) | 23984585.00 (9%) |
| 3 | Other | 789907.35 (2%) | 20616291. 50 (2%) | .3896'7.35 (1%) | 67550.00 (0%) |
| 4 | Own | 2811097.21 (6%) | 698293.00 (3%) | 3240260.21 (8%) | 496463.00 (2%) |

Bikaner Zila Parishad**INCOME AND EXPENDITURE STATEMENT**

| S.n | Funds from different level | 1995-96 | | 1996-97 | |
|-----|----------------------------|-------------|------------|--------------|------------|
| | | Amount | Percentage | Amount | Percentage |
| 1. | Centre | 2812000.00 | (3%) | 5388000.00 | (4%) |
| 2. | State | 91468365.00 | (89%) | 119930878.00 | (79%) |
| 3. | Other | - NIL - | | - NIL - | |
| 4. | Own | 8214214.00 | (8%) | 26704791.00 | (17%) |

For example during 1995-96, Barmer Zila Parishad receives 84% revenue from the State, 8% from Central Government, 2% from other grants like UNICEF and 6% from its own resources. This is the general pattern of all the Zila parishad.

The expenditure at Zila Parishad level is made as per the contribution receives from different sources. However, as mentioned earlier most of the central government welfare activities remain unutilised.

3. RESOURCE MOBILISATION AND UTILISATION AT PANCHAYAT SAMITI LEVEL

OWN RESOURCES

In the Panchayat Samiti are provided authority to impose tax (Section 68) on the following-

1. 50% surcharge on land revenue
2. Business tax
3. Primary Education sub tax
4. Tax on fair
5. Entertainment taxes i.e. 60% of tickets.

Taxes Imposed by Panchayat Samities

| S.no | Nature of Tax | Bikaner P.S. | Noukha P.S. | Balotra P.S. | Baitu P.S. |
|------|-------------------------------|--------------|-------------|--------------|------------|
| 1. | 50% Surcharge on land revenue | - | - | - | - |
| 2. | Business Tax | - | ✓ | ✓ | ✓ |
| 3. | Primary Education sub tax | ✓ | ✓ | ✓ | - |
| 4. | Tax on fair | - | ✓ | ✓ | - |
| 5. | Entertainment tax (60%) | - | - | - | - |
| 6. | Agriculture Tax | - | - | ✓ | ✓ |
| 7. | Panchayat Tax | - | ✓ | - | - |

The tax, fees and other sources of income vary from one panchayat samite to another panchayat samiti. Bikaner panchayat samiti has canal facility and better resources provisions. In spite of that panchayat samiti levied tax, fees and other sources from one item in each case. Balotra is in industrial panchayat samiti and it imposes tax, fees and other sources from multiple items. Noukha is rich compared to Baitu. Baitu imposes tax, fees and other sources from limited item compared to Noukha. It clearly shows that local resource base has nothing to do with imposition of tax and fees.

The Noukha and Balotra Panchayat samiti pradhans are more entrepreneurial as compared to Bikaner and Baitu. Perhaps this is the reason Balotra and Noukha are imposing more taxes, fees and earning from other sources compared to their other two counter parts.

According to the provision panchayat samite can impose fees on appeal. Bikaner panchayat samite imposes examination fees, Noukha panchayat samiti impose appeal fees and form fees. Balotra panchayat samiti receives fees on issue of duplicate certificate on birth, death etc. whereas Baitu panchayat samiti does not impose any fees.

The panchayat samities can also earn income from other sources other than tax and fees. The details are given in the table below

OTHER SOURCES

| S.no | Nature of other Sources of Income | Bikaner | Naukha | Balotra | Baitu |
|------|--|---------|--------|---------|-------|
| 1. | Income from animal fair | - | - | - | - |
| 2. | Bone lease and auction of dead animals | ✓ | ✓ | ✓ | ✓ |
| 3. | Building rent | - | ✓ | ✓ | ✓ |
| 4. | Auction of unwanted products | - | - | ✓ | - |
| 5. | Lease of agriculture farm | - | - | - | ✓ |
| 6. | Ration card | - | ✓ | ✓ | - |
| 7. | Audit recovery | - | ✓ | ✓ | - |
| 8. | Gochar tavan grant | - | - | ✓ | - |
| 9. | Receives from Gram Sevaks | - | - | ✓ | - |
| 10. | Food grain advance | - | ✓ | - | - |
| 11. | Vehicle advance | - | - | ✓ | - |
| 12. | Property amount | - | - | ✓ | - |
| 13. | Grant Fees | - | - | ✓ | - |
| 14. | Land Revenue | - | - | - | ✓ |
| 15. | Rent for Dak Bungalow | - | - | - | ✓ |
| | Total | 1 | 5 | 10 | 5 |

CENTRAL FUND

Panchayat Samities received more finds from state government as compared to Central government. Central fund is channelised through Direct Rural Development Agency (DRDA).

The details of funds received by panchayat samities from central government under different schemes/programme are as follows:

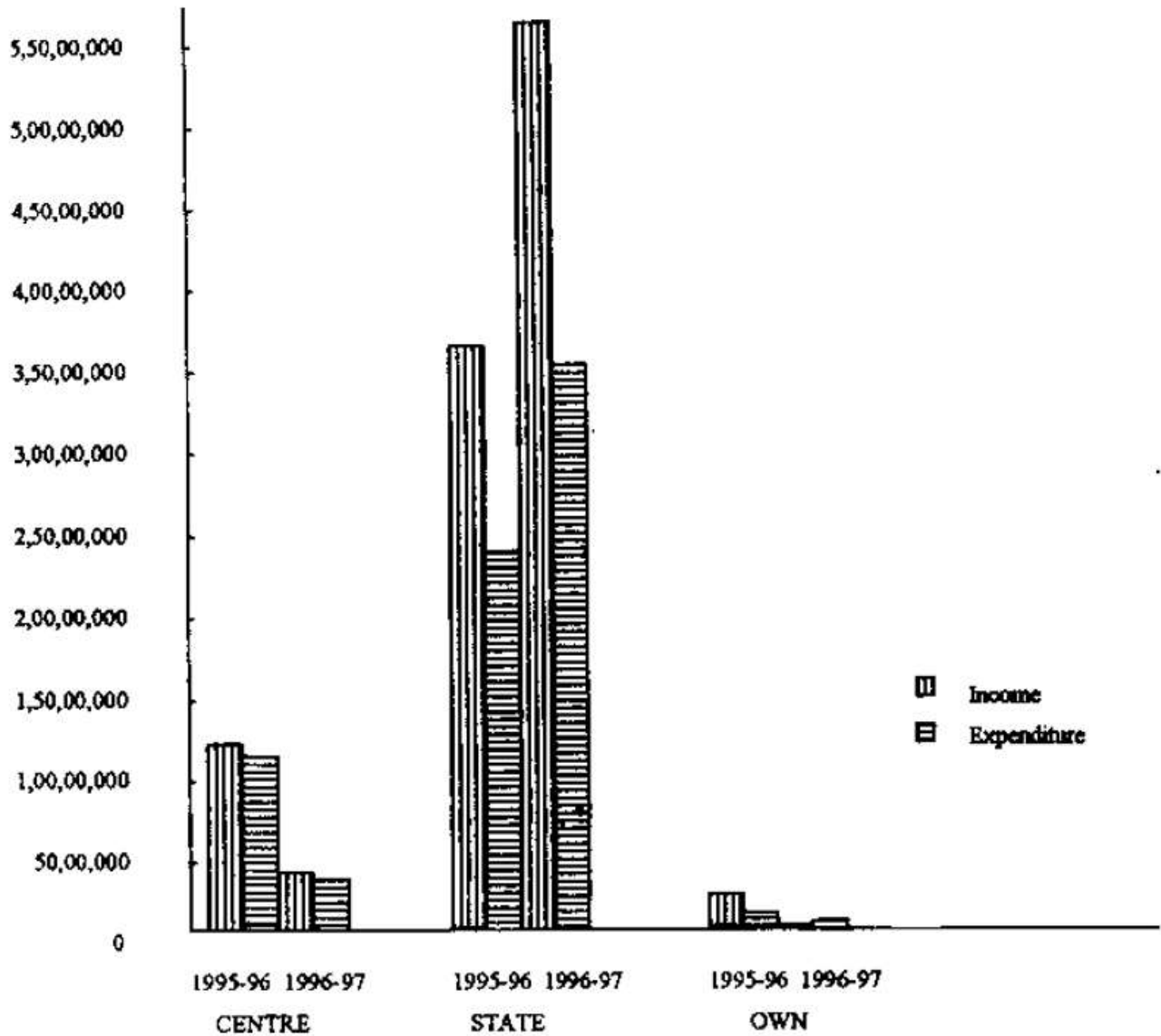
| Central Schemes | Bikaner P.S. | Nokha P.S. | Balotra P.S. | Baitu P.S. |
|-----------------|--------------|------------|--------------|------------|
| DDP | ✓ | ✓ | ✓ | ✓ |
| EAS | ✓ | ✓ | ✓ | ✓ |
| DWACRA | X | X | X | X |
| MPLAD | X | X | ✓ | ✓ |
| IRDP | X | ✓ | ✓ | X |
| NNP | X | X | ✓ | X |
| BADP | ✓ | X | X | X |
| TRYSEM | ✓ | ✓ | ✓ | X |
| JRY | ✓ | ✓ | ✓ | ✓ |
| IAY | ✓ | ✓ | X | ✓ |

At panchayat samiti level own fund is 'IIBCd for Vehicle maintenance, Advertisement, facility provision of animal fair, Repairs of buildings, Telephone, Member T.A. allowances, Food allowance, Public development camp. Balotra panchayat samiti has purchased jeep from their own fund. All state funds have been utilised fully by the panchayat samities.

INCOME AND EXPENDITURE STATEMENT OF FOUR SEPARATE PANCHAYAT SAMITI/ (BLOCK) AT THREE LEVELS (CENTRE, STATE AND OWN) DURING THE YEAR 1995-1996 AND 1996-1997

| | | Baitu | Balotra | Bikaner | Nokha |
|--------|-------------------|-------------|-------------|-------------|-------------|
| Centre | 1995-96 Income | 16006088.00 | 11902414.00 | 22760996.00 | 12376879.00 |
| | Expenditure | 16629757.00 | 10646564.00 | 7505042.00 | 12868511.00 |
| | 1996-97 Income | 14926231.00 | 3594242.20 | 12597648.00 | 12111002.00 |
| | Expenditure | 12069323.00 | 2998835.00 | 10757890.00 | 10590212.00 |
| State | 1995-96 Income | 1039611.00 | 35848587.20 | 31681762.00 | 30126628.00 |
| | Expenditure | 610830.00 | 2352829.00 | 23280115.00 | 27228655.00 |
| | 1996-97 Income | 576210.00 | 54920737.00 | 44999272.00 | 56613952.00 |
| | Expenditure | 389850.00 | 34811637.00 | 36714318.00 | 41953493.00 |
| Own | 1995-96 Income | 140546.00 | 2190816.96 | 1828160.00 | 1181901.00 |
| | Expenditure | 152444.00 | 701560.00 | 1249184.00 | 565004.00 |
| | 1996-97 Income | 142592.00 | 2232235.98 | 1853649.00 | 730136.25 |
| | Expenditure | 147251.00 | 455140.00 | 1858481.00 | 219759.00 |

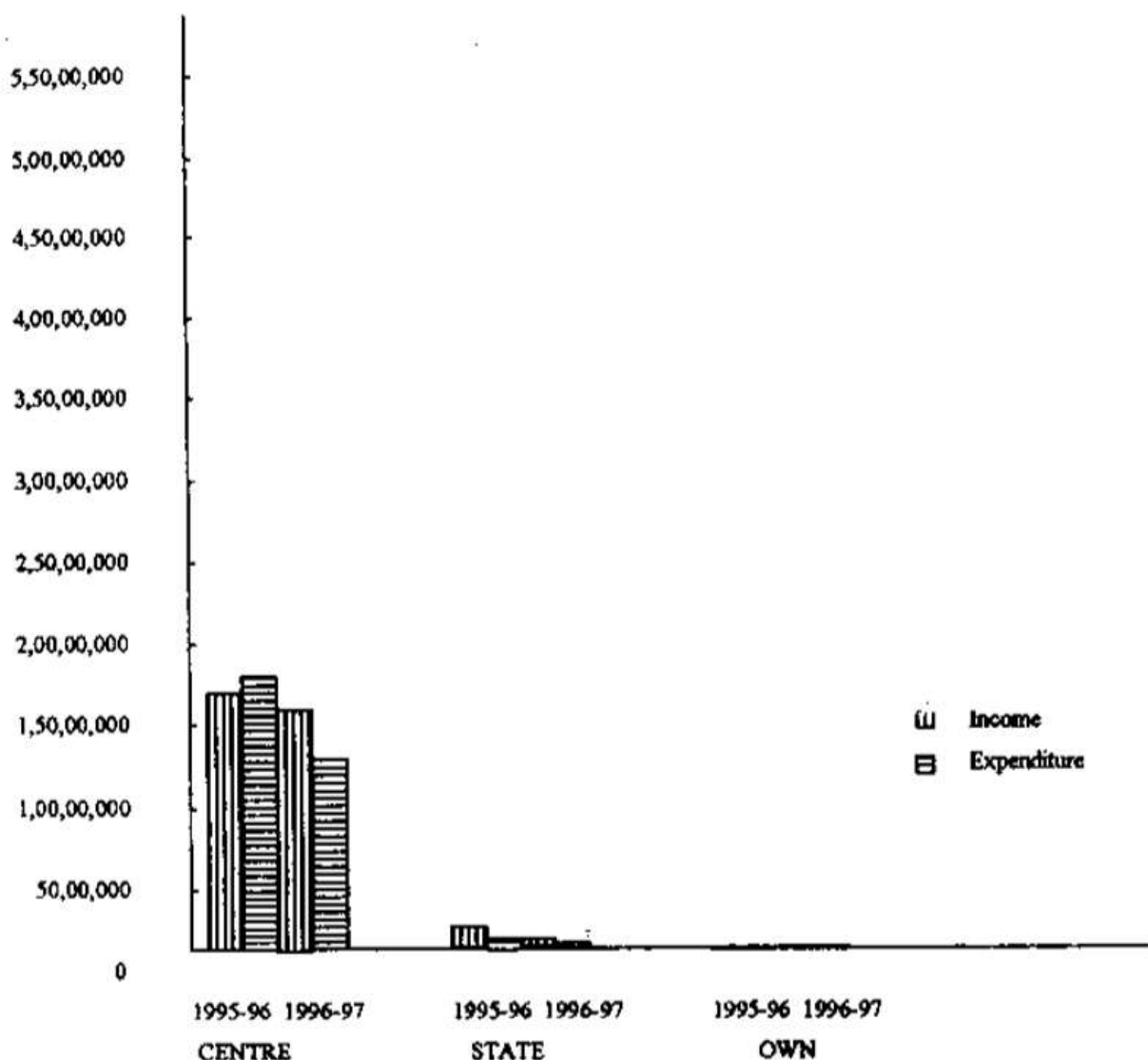
INCOME AND EXPENDITURE PATTERN OF PANCHAYAT SAMITI AT CENTRE, STATE AND OWN SOURCES Balotra Panchayat Samiti



INCOME AND EXPENDITURE STATEMENT

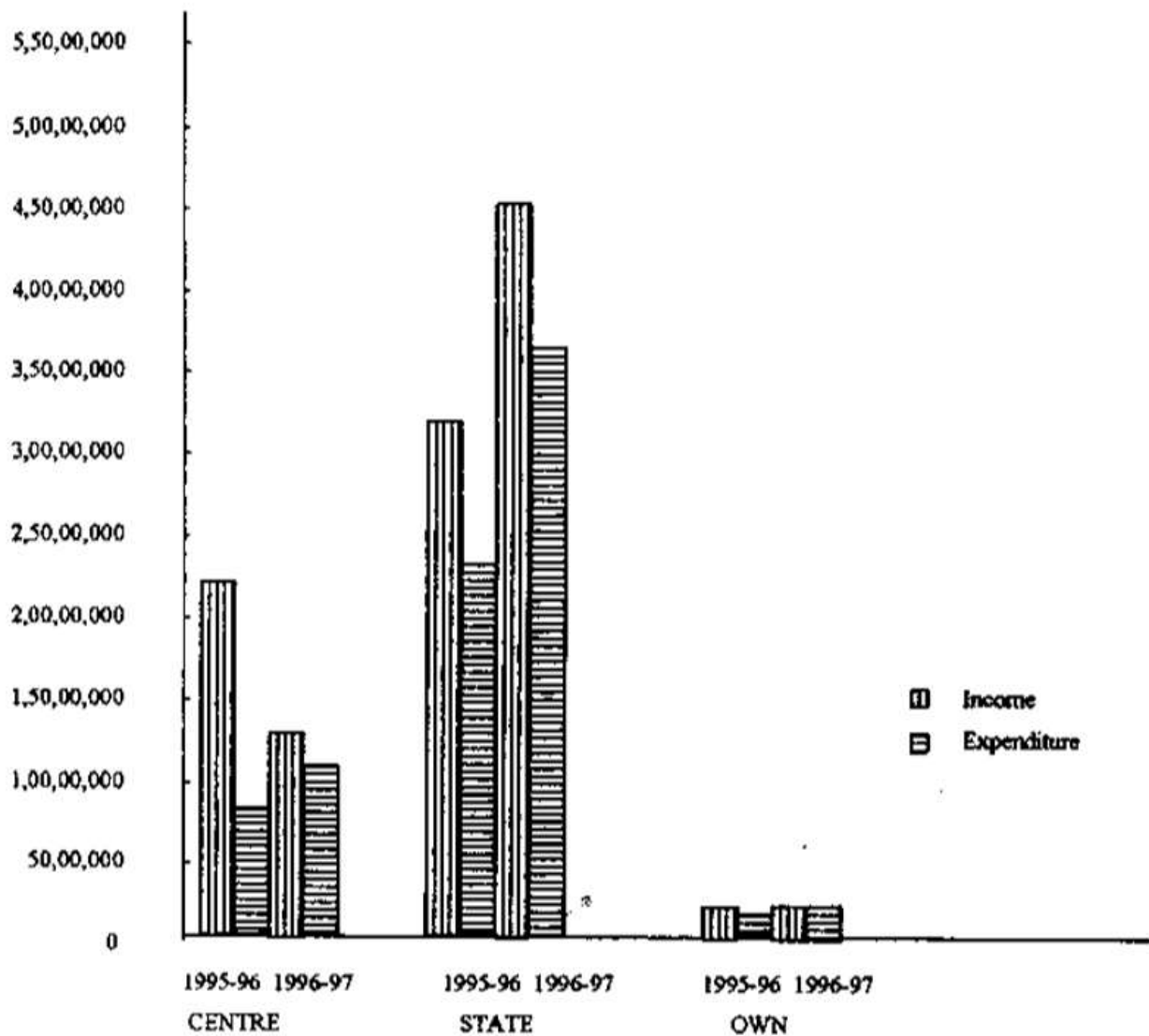
| S.N | Funds from different level | 1995-96 | | 1996-97 | |
|-----|----------------------------|-----------------|-----------------|-----------------|-----------------|
| | | Income | Expenditure | Income | Expenditure |
| 1. | Centre | 1190241.00(24%) | 1064656.00(78%) | 359424.20(7%) | 299883.50(8%) |
| 2. | State | 3584858.72(72%) | 2352829.00(17%) | 5492073.70(90%) | 3481637.00(91%) |
| 3. | Own | 219081.69(4%) | 70156.00(5%) | 2232235.98(3%) | 45514.00(1%) |

Baitu Panchayat Samiti



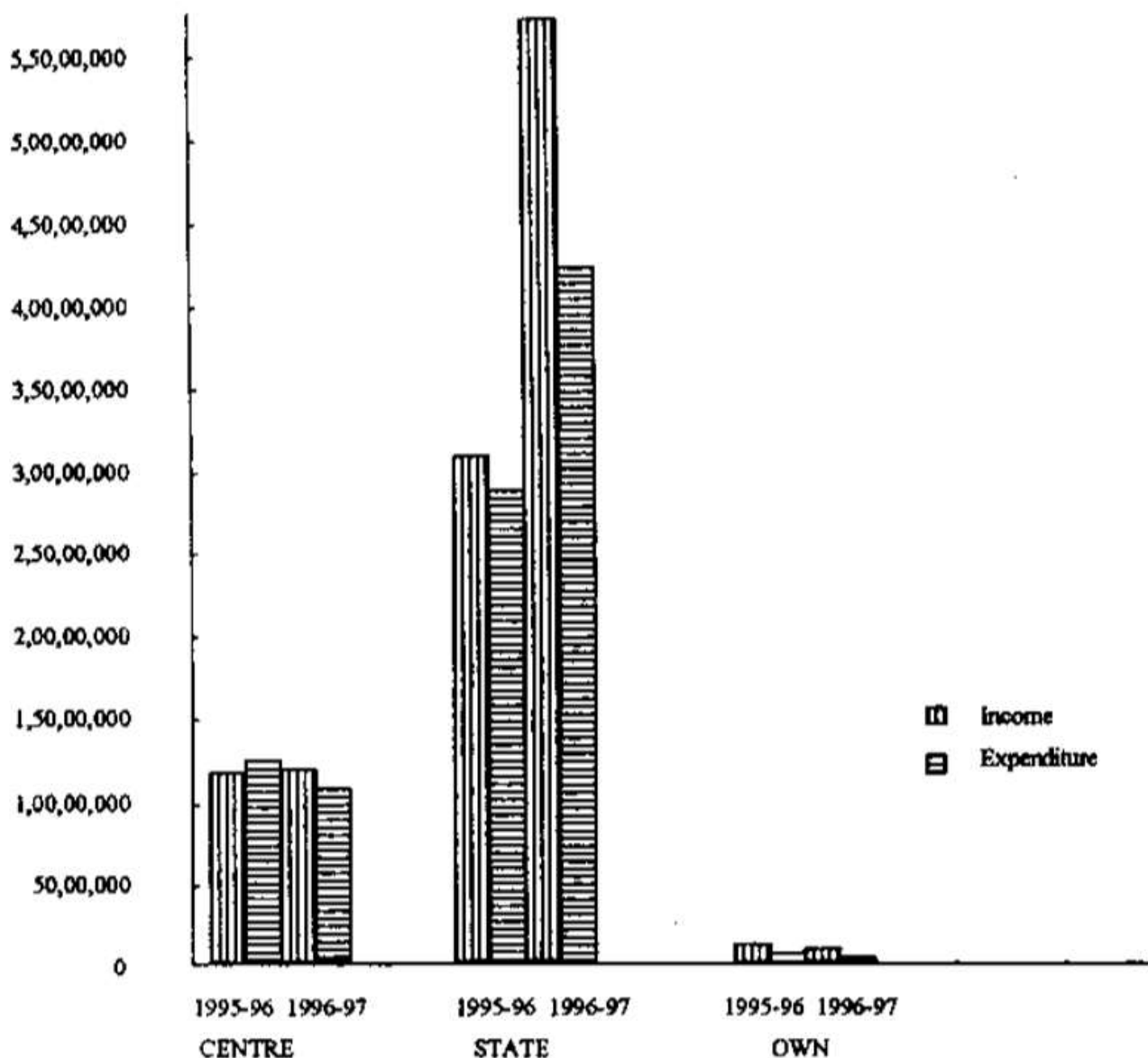
INCOME AND EXPENDITURE STATEMENT

| S.No | Funds from different level | 1995-96 | | 1996-97 | |
|------|----------------------------|-------------|-------------|-------------|-------------|
| | | Income | Expenditure | Income | Expenditure |
| 1. | Centre | 16006088.00 | 16629757.00 | 14926231.00 | 12069323.00 |
| 2. | State | 1039611.00 | 610830.00 | 576210.00 | 389850.00 |
| 3 | Own | 140546.00 | 152444.00 | 142592.00 | 147251.00 |

Bikaner Panchayat Samiti**INCOME AND EXPENDITURE STATEMENT**

| S.N | Funds from different level | 1995-96 | | 1996-97 | |
|-----|----------------------------|------------------|------------------|------------------|------------------|
| | | Income | Expenditure | Income | Expenditure |
| 1. | Centre | 22760996.00(40%) | 7505042.00(24%) | 12597648.00(21%) | 10757890.00(22%) |
| 2. | State | 31681762.00(56%) | 23280115.00(72%) | 44999272.00(76%) | 36714318.00(74%) |
| 3. | Own | 1828160.00(4%) | 1249184.00(4%) | 1853649.00(3%) | 1858481.00(4%) |

Naukha Panchayat Samiti



INCOME AND EXPENDITURE STATEMENT

| S.N | Funds from different level | 1995-96 | | 1996-97 | |
|-----|----------------------------|------------------|------------------|------------------|--------------------|
| | | Income | Expenditure | Income | Expenditure |
| 1. | Centre | 12376879.00(28%) | 12868511.00(32%) | 12111002.00(17%) | 10590212.00(20%) |
| 2. | State | 30126628.00(69%) | 27228655.00(67%) | 56613952.00(82%) | 41953493.00(79.5%) |
| 3. | Own | 1181901.00(3%) | 565004.00(1%) | 730136.25(1%) | 219759.00(0.5%) |

4. RESOURCE MOBILISATION AND UTILISATION AT GRAM PANCHAYAT LEVEL

OWN RESOURCES

As per Section 65 of Rajasthan Panchayati Raj Act 1994, panchayatas can impose following taxes:

1. House Tax
2. Octroi charges on animal and goods
3. Vehicle tax
4. Pilgrim tax
5. Drinking water tax
6. Tax on commercial crops
7. Special tax for Public Works Development⁷⁸
8. 2% octroi on alcohol

Recently the tax of octroi and alcohol is abolished

The second source is fees and penalty. As per section 62 of Rajasthan Panchayati Raj Act 1994 panchayat can impose penalty of rupees 200/- if anybody disobey the order of panchayat. After the completion of dead line this penalty will increase by Rs. 10/- per day. For issuing application form, certificate and no dues, panchayat, can impose fees also.

| S. n | Sources of Tax, Fees and other Sources | Bikaner | | | | Noukha | | | | Bairu | | | Balotra | | | |
|------|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | TAX | | | | | | | | | | | | | | | |
| 1. | House Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. | Octroi | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. | Vehicle | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. | Pilgrim | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. | Drinking Water | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6. | Commercial Crops | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7. | Special tax on Public Works | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8. | Alcohol | - | - | - | - | - | - | - | - | - | - | - | ✓ | - | - | - |
| | FEES | | | | | | | | | | | | | | | |
| 1. | Court Fees | - | - | - | - | ✓ | - | ✓ | - | - | - | - | - | - | - | - |
| 2. | Registration Fee | - | - | - | - | - | - | ✓ | ✓ | - | - | - | - | - | - | - |
| 3. | Application Fee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | ✓ |
| | OTHER | | | | | | | | | | | | | | | |
| 1. | House Rent | - | - | - | - | ✓ | - | ✓ | - | - | - | - | ✓ | - | - | - |
| 2. | Shop Rent | - | - | - | - | - | - | ✓ | - | - | - | ✓ | - | - | - | - |
| 3. | Abadi Bhoomi | - | - | - | - | - | - | ✓ | - | - | - | - | - | - | - | ✓ |
| 4. | Sell of unwanted products | - | - | - | - | - | - | - | - | - | - | ✓ | - | ✓ | - | - |
| 5. | Mortgage | - | - | - | - | - | - | - | - | - | - | ✓ | - | - | - | - |
| | TOTAL | 0 | 0 | 0 | 0 | 2 | 0 | 5 | 1 | 0 | 0 | 0 | 4 | 1 | 1 | 2 |

Fifteen Gram Panchayat- 1. Pogal 2. Tharusar 3. Gangajali 4. Adoori 5. Sedhaar 6. Hanessar 7. Kudu 8. Sahundia 9. Baitu Parji 10. Kolu 11. Panawada 12. Patodi 13. Sajiyali Padam Singh 14. Kalewa 15. Bithuja

The fifteen Gram Panchayat studied in two districts show that none of them impose any tax except Patodi Gram Panchayat of Balotra Panchayat Samiti. This is on alcohol. None of the four Gram Panchayat imposes any fees. Only Sadhasar and Kudsu panchayats of Noukha panchayat samiti imposes a set of fees like court fees, registration fees and also resources from rental. Over all panchayats are not keen to impose any tax.

In our interview with Sarpanch it revealed that they does not want to impose tax on their own kith and kin.

STATE FUND

1. Apna Gaon Apna Kaam (AGAK)
2. United Fund
3. Batees Zila Batees Kaam (BZBK)
4. Akal Rahat
5. Anudan (Land Revenue)

| Sl | State Fund | Bikaner | | | | Noukha | | | | Baitu | | | Bajotra | | | |
|----|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 1. | Apna Goan Apna Kaam | - | - | ✓ | - | - | - | - | - | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| 2. | United Fund | - | ✓ | - | - | - | - | - | ✓ | - | - | - | ✓ | - | - | - |
| 3. | Batees Zila Batees Kaam | - | - | - | - | - | - | - | - | - | - | ✓ | - | - | - | - |
| 4. | Akal Rahat | - | - | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. | Anudan (Land Revenue) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 0 | 1 | 1 | 0 | 1 | 1 | 1 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 2 |

Panchayat samiti transfer funds to gram panchayat on the activities like drought relief; .Apna Gaon Apna Kam and Batees Zila Batees Kaam. Maximum panchayat get Akal Rahat and United fund. Among the fifteen Gram panchayat studied Pugal and Aloori gram panchayat have not received any such resources from panchayat samiti. This is despite the fact that Pugal is getting the status of panchayat samiti. Both Pugal and Aloori are in the command area. Perhaps this is the reason panchayat samiti has not given any grant to panchayat with the expectation that CADA will look after all the needs of local command area.

CENTRAL FUND

1. Border Area Development Programme (BADP)
2. Member of Parliament Local Area Development (MPLAD)
3. Employment Assurance Scheme (EAS)
4. Jawahar- Rozgar Yojna (JRY)
5. Desert Development Programme (DDP)
6. Jawahar Rozgar Yozna - 20% (JRY-20%)

THE DETAILS OF FUNDS RECEIVED BY GRAM PANCHAYAT FROM CENTRAL GOVERNMENT UNDER DIFFERENT SCHEMES/PROGRAMMES ARE AS FOLLOWS:

| Sl | Central Fund | Bikaner | | | | Nokha | | | | Baitu | | Balotra | | | | |
|----|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 1. | Border Area Development Programme | ✓ | ✓ | ✓ | ✓ | - | - | - | - | - | - | - | - | - | - | - |
| 2. | Member of Parliament Local Area Development | ✓ | ✓ | - | - | - | - | - | - | - | - | - | ✓ | - | - | - |
| 3. | Employment Assurance Scheme | - | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | ✓ | ✓ | - |
| 4. | Jawahar Rozgar Yozna | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. | Desert Development Programme | - | - | - | - | - | ✓ | - | - | - | - | - | - | - | - | - |
| 6. | Jawahar Rozgar Yozna - 20% | - | - | - | ✓ | - | - | - | ✓ | - | - | - | - | ✓ | ✓ | - |
| | Total | 3 | 4 | 3 | 4 | 1 | 3 | 2 | 3 | 2 | 2 | 1 | 2 | 3 | 3 | 1 |

INCOME AND EXPENDITURE STATEMENT OF EIGHT GRAM 'PANCHAYAT UNDER BIKANER, ZILA PARISHAD AT THREE LEVELS (CENTRE STATE AND OWN) DURING THE YEAR 1995-1996-1997

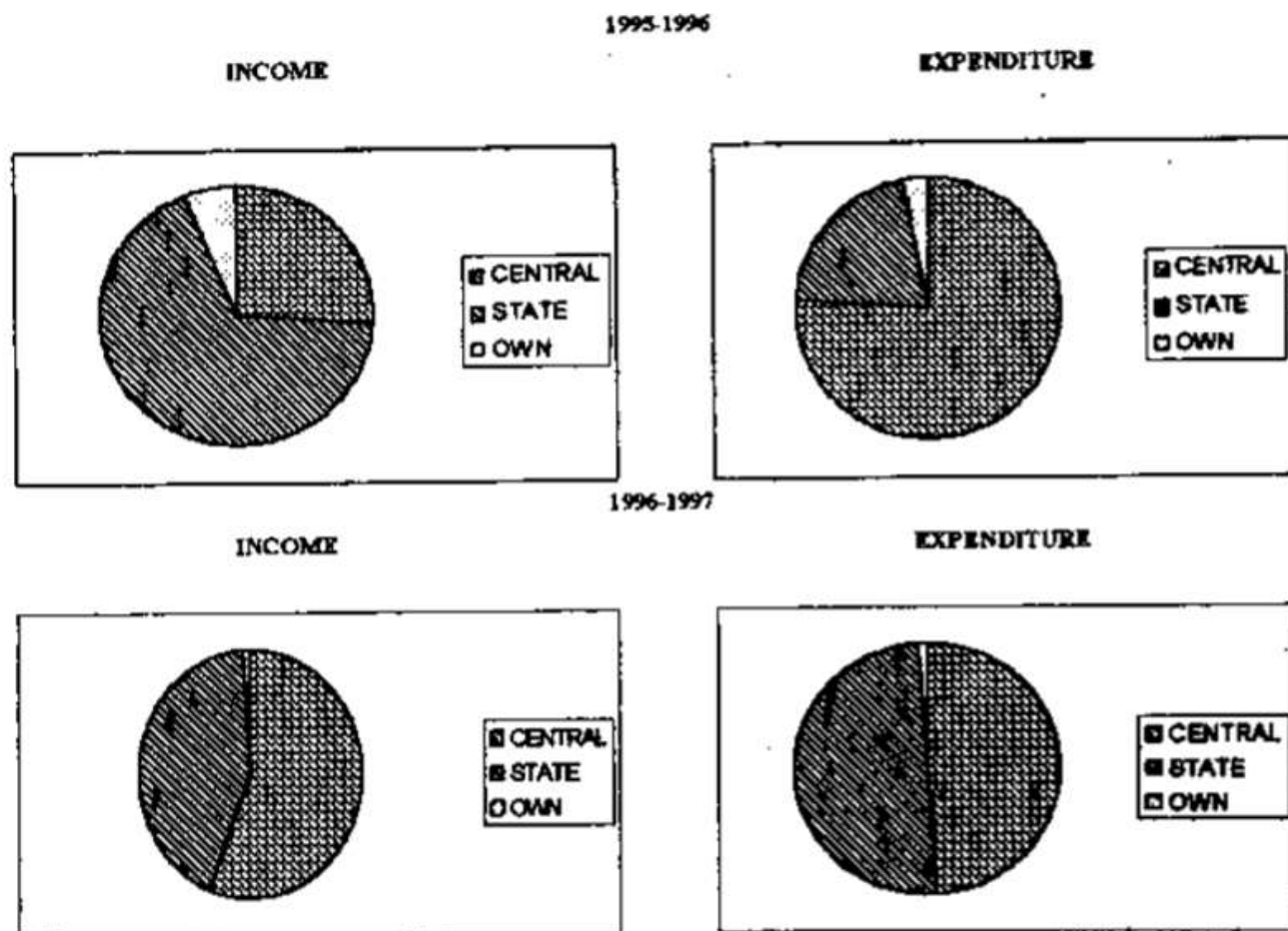
| | Bikaner Panchayat Samiti | | | | Nokha Panchayat Samiti | | | |
|---------------|--------------------------|-----------|-----------|-----------|------------------------|------------|-----------|-----------|
| | Pugal | Adoori | Gangajali | Tharusar | Sadhasar | Hansasar | Kudau | Sahurdia |
| Centre | | | | | | | | |
| 1995-96 | | | | | | | | |
| Income | 325000.00 | 535000.00 | 40000.00 | 185000.00 | 48978.00 | 135227.00 | 67615.00 | - |
| Exp. | 325000.00 | 535000.00 | 40000.00 | 185000.00 | 69025.00 | 89544.00 | 44040.75 | - |
| 1996-97 | | | | | | | | |
| Income | 1070000.00 | 244000.00 | 355000.00 | 77000.00 | 43314.00 | 308002.00 | 186482.00 | 271387.00 |
| Exp. | 1070000.00 | 244000.00 | 355000.00 | 77000.00 | - | 377994.00 | 201480.00 | 348046.00 |
| State | | | | | | | | |
| 1995-96 | | | | | | | | |
| Income | - | - | 100000.00 | 40000.00 | 55026.00 | 64640.00 | 121835.00 | - |
| Exp. | - | - | 100000.00 | 40000.00 | 64198.00 | 115250.00 | 119746.00 | - |
| 1996-97 | | | | | | | | |
| Income | 44115.00 | 26564.00 | 21618.00 | 23664.00 | 373265.00 | 214586.00 | 515574.00 | 233505.00 |
| Exp. | 25100.00 | - | - | - | 373265.00 | 1590107.15 | 524982.00 | 251869.00 |
| Own | | | | | | | | |
| 1995-96 | | | | | | | | |
| Income | - | - | - | - | 47395.55 | - | 678.25 | - |
| Exp. | - | - | - | - | 32471.75 | - | 2727.00 | - |
| 1996-97 | | | | | | | | |
| Income | - | - | - | - | 24777.95 | 315.00 | 17570.50 | 1144.00 |
| Exp. | - | - | - | - | 13816.00 | 308.00 | 4020.00 | 272.00 |

INCOME AND EXPENDITURE STATEMENT OF SEVEN GRAM PANCHAYAT UNDER BARMER ZILA PARISHAD AT THREE LEVELS (CENTRE, STATE AND OWN) DURING THE YEAR 1995-1996-1997

| | Baitu Panchayat Samiti | | | Balotra Panchayat Samiti | | | |
|---------------|------------------------|-----------|-------------|--------------------------|-----------|-----------|----------------------|
| | Kolu | Panawada | Baitu Parji | Patodi | Kalewa | Bithuja | Sajiyali Padam Singh |
| Centre | | | | | | | |
| 1995-96 | | | | | | | |
| Income | - | 53804.00 | 443000.00 | 365109.18 | 257665.60 | 351024.00 | 215017.00 |
| Exp. | - | 52432.00 | 261000.00 | 416182.00 | 485176.75 | 354444.00 | 142120.00 |
| 1996-97 | | | | | | | |
| Income | - | 57000.00 | 132350.00 | 235639.18 | 131631.00 | 110697.00 | 292685.00 |
| Exp. | - | 58000.00 | 184300.00 | 111473.00 | 48373.00 | 152844.00 | 347961.00 |
| State | | | | | | | |
| 1995-96 | | | | | | | |
| Income | 15040.00 | 112707.00 | 131100.00 | 53752.00 | 15028.00 | 46766.00 | 37996.00 |
| Exp. | 14000.00 | 152175.00 | 127000.00 | 22442.00 | 10182.35 | 42842.00 | 33800.00 |
| 1996-97 | | | | | | | |
| Income | 246298.00 | 57582.00 | 384400.00 | 214114.00 | 149666.00 | 77663.00 | 88758.00 |
| Exp. | 245738.00 | 47000.00 | 222400.00 | 160069.00 | 167766.50 | 48760.00 | 56555.00 |
| Own | | | | | | | |
| 1995-96 | | | | | | | |
| Income | - | - | - | 11388.00 | 980.00 | 224.00 | 2372.00 |
| Exp. | - | - | - | 42182.30 | 107.00 | 6490.85 | 14842.65 |
| 1996-97 | | | | | | | |
| Income | - | - | - | 9713.00 | 756.00 | 15272.00 | 4255.00 |
| Exp. | - | - | - | 22335.55 | 521.00 | 17430.85 | 15489.00 |

There are also indication of improper financial statements to tide over non-utilization of funds especially at gram panchayat level. For example, in 1995-96 an amount of Rs 87392.00 was received by the Sajiyali Gram Panchayat from the Central Government under EAS programmes, which was not spend or used at all. In the balance sheet of the year 1995-96, instead of showing this amount spent, it was shown as deposited in the bank. In 1996-97 an amount of Rs 192955.00 was allotted under EAS programme but the total expenditure under this scheme was as shown as Rs 280347. Which means the amount of the previous year was spent this year.

INCOME AND EXPENDITURE PATTERN OF FIFTEEN GRAM PANCHAYAT AT THREE LEVEL (CENTRE, STATE AND OWN) DURING THE YEAR 1995-1996, 1996-1997



INCOME AND EXPENDITURE STATEMENT

| S.N | Funds from different level | 1995-96 | | | | 1996-97 | | | |
|-----|----------------------------|-----------|----|-------------|----|------------|----|-------------|----|
| | | Income | % | Expenditure | % | Income | % | Expenditure | % |
| 1. | Centre | 302243.78 | 26 | 2998964.50 | 76 | 3515187.18 | 56 | 3576471.00 | 49 |
| 2. | State | 793890.00 | 68 | 841635.35 | 21 | 2671372.00 | 43 | 3713611.60 | 50 |
| 3. | Own | 63037.80 | 6 | 98821.55 | 3 | 73803.45 | 1 | 74192.40 | 1 |

Fifteen Gram Panchayats - 1.Pugal 2.Tharusar 3.Gangajali 4.Adoori 5.Sachesar 6.Hansasar 7.Kudsu 8.Sahundia 9.Baitu Parji 10.Kolu 11.Panawada 12.Patodi, 13.Sajiyali Padam Singh 14.Kalewa 15.Bithuja

5. PANCHAYAT FINANCE FROM THE VIEW POINT OF ELECTED REPRESENTATIVES

Under that study we have done the interviews of 15 Sarpanchs, 15 Ward panches, 4 Pradhans, 4 Panchayat Samiti members, 2 Zila Pramukh and 2 Zila Panchayat member on the issue of panchayat finance. At Gram Panchayat level 80% have little or no knowledge about panchayat finance. All Gram Panchayat Samiti representatives have better understanding on this matter. The following are the suggestions of PRI representatives to improve panchayat finance.

| | | | | | | | | | | | | |
|------|------|------|------|--------------|------|--------------|------|------|------|------|------|------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 1(M) | 2(M) | 2(M) | 4(M) | 1(M) 1(F) | 2(M) | 2(M) 1(F) | 1(M) | 1(F) | 1(M) | 2(M) | 1(F) | 1(M) |
| 1 | 2 | 2 | 4 | 2 | 2 | 3 | 1 | 1 | 1 | 2 | 1 | 1 |

| | | | | | | | | | | | | |
|------|------|--------------|------|------|------|------|------|------|------|------|------|------|
| 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 1(M) | 1(M) | 1(M) 2(F) | 1(M) | 1(M) | 1(F) | 3(M) | 2(M) | 1(M) | 1(M) | 1(M) | 1(M) | 1(M) |
| 1 | 1 | 3 | 1 | 1 | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 1 |

1. Financial status will improve only when DRDA official is elected representative.
2. Some more schemes should come at Zila Parishad level.
3. Provision should be made to impose some more taxes and fees.
4. Schemes should come directly to panchayat, so that allocated fund can be utilised properly.
5. Some more schemes should come at panchayat level
6. Panchayat Samiti require more fund and anudan for its administrative and other expenses.
7. While allocating money to panchayat not only our suggestion should be taken but also given importance /considered.
8. Amount allocated to our panchayat should be made transparent.
9. For completion of proposed work ratio (material and wages) should not be fixed under schemes..
10. Basically we should be informed about allocation of fund to our panchayat.
11. More money should be allocated under JRY.
12. Time to Time we should be informed by P.S.
13. Basically I want access to information.
14. P.S. should inform us about fund allocated.
15. Allocation criteria should be known to us.
16. Except JRY money allocation under schemes should be known to us then only we can understand financial set-up.
17. Maintained records should be shown to us time to time.
18. Some more financial power should be given to P.S.
19. What can I suggest? Financial structure is not known to me.
20. Apart from JRY money allotted under other schemes should be increased for the development of the panchayat.
21. As per the provision of .state boundary, (law) for the improvement of financial conditions permission should be given to impose water tax.
22. Money allotted under JRY should be included for completion of construction work.
23. Some more money should come to panchayat through Anudan.
24. To impose certain tax is difficult. Therefore, some other provision should be made to increase panchayat income.
25. Like Pashu-Mela some more income yielding taxes, panchayat samiti should impose.

26. Instead of tied fund untied fund should come to panchayat, so that we can plan and work according to our need.

The major topics of discussion during panchayat meetings at various level by panchayat representatives

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|
| | 22 | 7 | 22 | 10 | 5 | 19 | 4 | 6 | 12 | 2 | | 2 | 1 | 1 | 1 | 1 |
| | (M) | (M) | (M) | (M) | (M) | (M) | (M) | (M) | (M) | (M) | | (M) | (M) | (M) | (M) | (M) |
| | 6 | 1 | 2 | | | 1 | 4 | 2 | 1 | | 1 | | | | | 1 |
| | (F) | (F) | (F) | | | (F) | (F) | (F) | (F) | | (F) | | | | | (F) |
| Total | 28 | 8 | 24 | 10 | 5 | 20 | 8 | 8 | 13 | 2 | 1 | 2 | 1 | 1 | 1 | 2 |
| % | 67 | 19 | 57 | 24 | 12 | 48 | 19 | 19 | 31 | 5 | 2 | 5 | 2 | 2 | 2 | 5 |

The above mentioned data shows that maximum percentage representatives discussed about basic amenities like water, road, electricity, transport, seasonal disease, education, construction work, other developmental work and health. Very few (only 2%) representatives specially women discussed about local issues like sanitation, Awasiya Pana, Abadi bhoomi, women issues, primary school bounded labour and ceiling land.

6. CONCLUSION

The Rajasthan State finance commissions submitted a report in 1995 giving a series of recommendation to strengthen Panchayati Raj Institutions. However till now very little action has been taken up to implement them. In all three tiers there is very little revenue from own resources. The panchayats are dependent on State and Central funds. However it is very disturbing at both Panchayat Samiti and Zila Parishad level The central outlay particularly welfare activities remain unutilised. At the Gram Panchayat level the main source of income is Central government grant particularly Jawahar Rozgar Yojana (JRY). Employment Assurance Schemes (EAS) and Relief work.

These activities are primarily related to construction activities. In this context panchayat remain more of on implementing agency of construction activities.

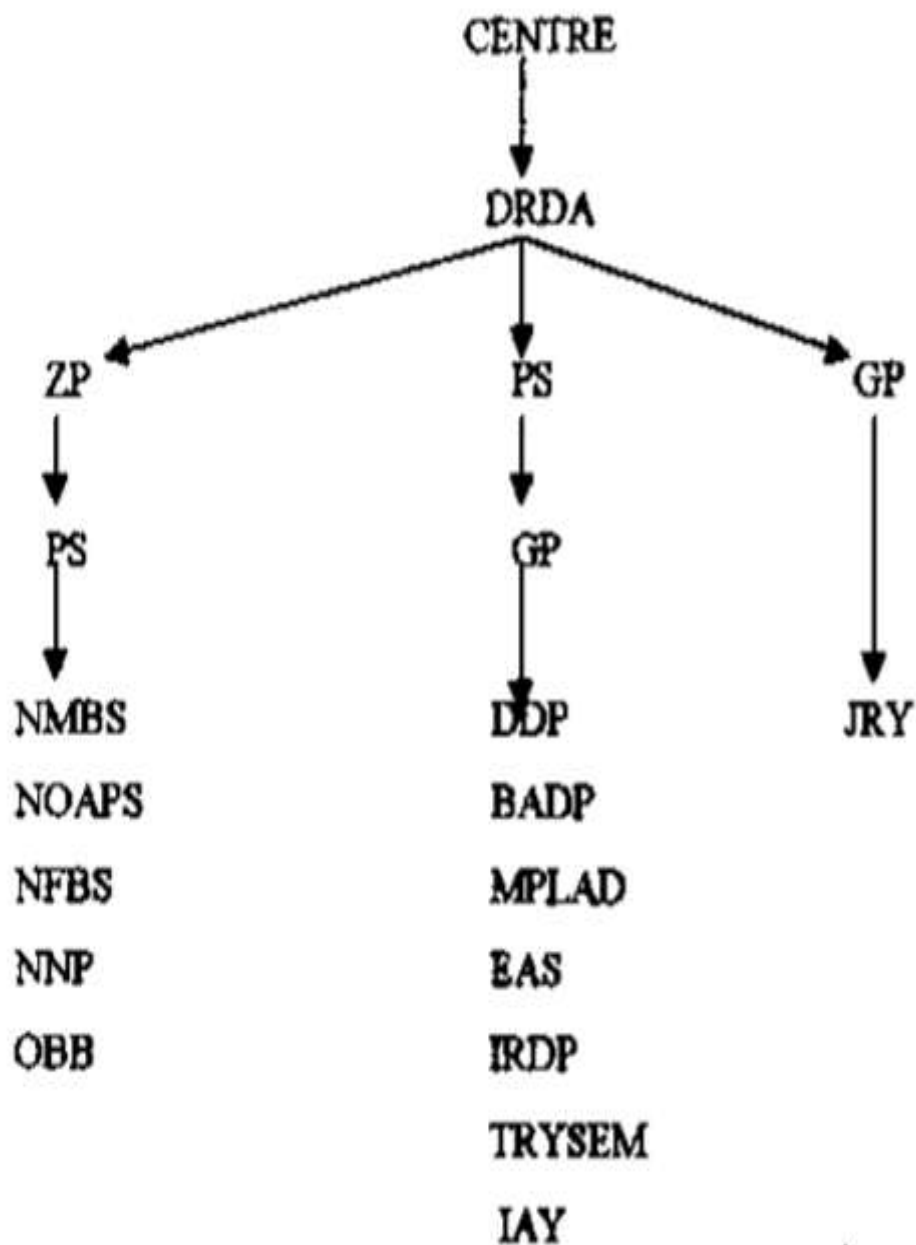
There is very little resource available for panchayat to take-up activities with regard to overall development like women's welfare, agricultural development, co-operative formation, dairy development, cottage industries etc. It is more disturbing to note that 80% Gram Panchayat representatives are ignorant about panchayat finance.

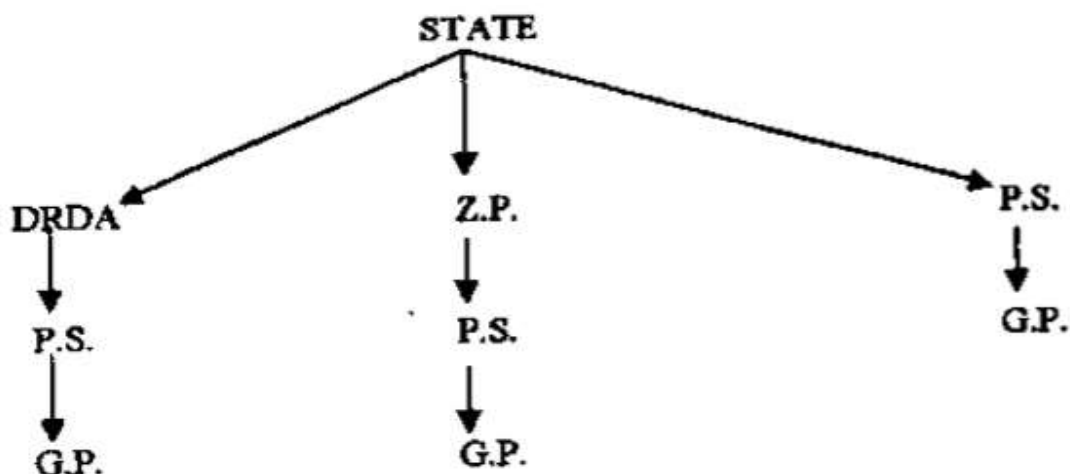
In the overall context there is a great need to critically look into panchayat finance and initiate debate, at all levels to find out appropriate ways and strengthening panchayat finance with the true devolution spirits. This requires political mandate and capacity building of elected representatives to engage in a meaningful debate on financial devolution.

7. APPENDIX

1. FUND DISTRIBUTING AGENCIES

The below given models indicate how the allocated fund by the centre and state are channelised under different programmes/ schemes to the three tier.





| | | |
|-------------|------|------|
| AZAK | 2202 | 3604 |
| BZBK | 2225 | |
| United Fund | 2575 | |
| RGC | 2705 | |

2515

2211

2403

2810

3604

2216

Balika Samrudhi Yozna

Vridha Awastha

Land Allotment on subsidised rate

- Above given diagrams shows asymmetric model of Central & State machinery.
- Though DRDA is not the part of three- tier system, but it is the key nodal agency for central and state fund
- Although seventy third amendment talks about power devolution but here DRDA is the main actor for distributing, controlling and managing the available funds.
- Most of the fund is still distributed by Government officials at various levels.

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