Own Resource Mobilization of Panchayats: An analysis with special reference to Howrah District of West Bengal

Thesis submitted to Vidyasagar University

for The Award of Degree of Doctor of Philosophy

in Economics

by

Suman Chakraborty

Department of Economics with Rural Development,

Vidyasagar University

2016

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Suman Chakraborty

Under the Joint Supervision of

Prof: Sachinandan Sau

and

Dr. Pinaki Das

Department of Economics with Rural Development,

Vidyasagar University

2016

Dated …………………………

CERTIFICATE

This is to certify that the thesis entitled *"Own Resource Mobilization of Panchayats : An Analysis with Special Reference to Howrah District of West Bengal,"* which is being submitted by Suman Chakraborty for the award of the Doctor of Philosophy in Economics to Vidyasagar University, is a bonafide research work carried out by him under my supervision and guidance. The results embodied in the thesis have not been submitted to any other University or Institute for award of degree or prize.

(Dr. Sachinandan Sau)
Professor of Economics

And

(Dr. Pinaki Das)
Assistant Professor of Economics

Declaration

I hereby declare that the thesis entitled "***Own Resource Mobilization of Panchayats: An analysis with special reference to Howrah District of West Bengal***" submitted to Vidyasagar University for the award of the Degree of Doctor of Philosophy in Economics is my original work carried out under the joint supervision of Prof: Sachinandan Sau and Dr. Pinaki Das , Assistant Professor , Department of Economics with Rural Development , Vidyasagar University Paschim Medinipur, West Bengal , India and that it has not previously formed the basis for the award of any Degree, Diploma, Associate ship, Fellowship or any other similar title of any university or Institution.

Place: Bagnan (Howrah)   Suman Chakraborty

Date:

ACKNOWLEDGEMENT

Place: Bagnan (Howrah)

(Suman Chakraborty)

Dated:

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INTRODUCTION

1.1 Introduction

The issue of own resource mobilization of rural decentralized planning units, i.e. Panchayats has assumed importance in recent years, particularly after two landmark developments, namely the structural adjustment programme that began in a comprehensive way since 1991 and the 73rd Amendment to the Constitution of India. Following the liberalization, privatization and globalization policy of the Government of India the state has been gradually withdrawing from economic, social and infrastructural development programmes. Hence, great emphasis is now made on mobilization of own resources of Panchayats that are now formalized as third tier of government, local self-government, with the constitutional responsibility of planning for economic development and social justice in the rural areas. Panchayats' own resources largely determine their fiscal autonomy (Subramanium 2003). On the revenue side, a measure of autonomy captures the extent to which local bodies can raise their revenue independently, that is on their own account with the freedom to spend according to their own priority. Own income of local bodies is one component of fiscal decentralization and consists of revenue raised by way of tax as well as non-tax receipts. On the expenditure side, a measure of autonomy reflects the extent of the right and the capacity of PRIs to allocate their resources.

Own receipts of Panchayats come from tax and non-tax sources including voluntary contributions. Panchayats' tax receipts as well as voluntary contributions depend on rural people's capacity to pay which, in its turn, depends on people's saving and investment. For accelerating economic growth and development and for promotion of saving and investment, decentralized planning and people's contributions are recognized as engines of growth and for attainment of social objectives like poverty alleviation, increase of employment rate, reduction of economic inequalities etc. in a developing country like India.The performances of Panchayats in respect of own resource mobilization has, however, not been encouraging. Many government studies, e.g., Government of India (2001), Report of the Eleventh Finance Commission,

reports of the Slate Finance Commissions, Status Reports prepared by Department of Rural Development reveal that most of the states in India significantly lag behind in respect of mobilization of substantial own revenue in relation to their total revenue. This has raised several questions. What hinders growth of own revenue of Panchayats in most of the states in India including West Bengal? Do the socio-economic conditions and institutional factors have any bearing on the own revenue differential of states in India? Do different Panchayats in a state substantially vary in own resource mobilization? How to account for their differential? The present work investigates these and allied questions in detail.

Before we go into the details and depth of these questions it would be convenient for us to review the evolution of Panchayats in India, which would help us understand the problems of own resource mobilization of Panchayats. This is done in Section 1.2 of this Chapter.

1.2 Panchayats in India, Their Evolution and Own Resource Mobilisation

Panchayat is an age-old institution for development of rural India though the idea of democratic decentralisation and the institutional architecture and development thrust of the Panchayat system were a major innovation in the history of modern India (Maity 2008). The term 'Panchayati' of the first part of the compound 'Panchayati Raj' literally means an assembly of five, but occupies a venerated place in the cultural tradition of Hindus whose foundation head lies in the Vedas generally believed to be above five thousand years old. Here 'Panchayat' stands not for a group of five but for the entire village population assembling to take appropriate steps and decisions regarding their common problems. These Panchayats constituted the pivot of administration, the centre of social life, an important economic force and above all a focus of social solidarity. Sir Charles Metcalfe, a British Governor of India during the 19th century called these village committees "Little republics having nearly everything they want within themselves and almost independent of foreign relations. They seem to last where nothing else lasts." [1]

Pandit Jawaharlal Nehru, the first Prime Minister in Independent India, pointed out in 'The Discovery of India' that during the olden days "The village Panchayat or elected

council had large power, both executive and judicial, and its members were treated with the greatest of respect by the king's officers. Lands were distributed by this Panchayat which also collected taxes out of the produce and paid the government's share on behalf of the village. Over a number of these village councils there was a larger Panchayat or councils to supervise and interfere if necessary".[2] But these institutions, however, lacked in resources as well as autonomy. In addition, the caste–ridden feudal structure had an overriding influence over these local bodies. Viscount Morley, the then Secretary of State for India during 1901-10 was alarmed at the stupendous growth of over-centralisation. He appointed a Royal Commission in 1907 under the chairmanship of Charles Hobhouse. The Commission was strongly of the view that the local self-government should start from the village level instead of from the district level. The Panchayats, according to the Commission, was to be elected by the villagers, assembled in meetings and be assigned definite functions[3]. The Commission was in favour of entrusting some judicial functions to the Panchayats, to relieve the regular courts of their burden, so that the people also might not be required to undertake long journeys for the settlement of petty disputes. The Commission also recommended granting some powers to Panchayats to deal with the day- to-day needs to the villagers. It suggested that the Panchayats might be entrusted with village sanitation, control over ponds and markets, management of schools and to deal with all such local affairs with the goodwill and natural understanding of the villagers. It also recommended to entrust the Panchayats with the powers of distribution of lump remission of revenues or loans to irrigation water, with the location and scales of liquor shops, with the administration of famine relief measures and with the power to control epidemic diseases.[4] National Congress in its 24th Session at Lahore passed a resolution on the subject and urged the Indian Government "to take early steps to make all local bodies from village Panchayats upwards elective with elected non-official chairman and to support them with adequate financial aid." [5]

In 1909, the importance of village Panchayats came to be recognized when by 1925 eight provinces in British India had passed Acts for the establishment of Village Panchayats. By 1940, twenty native states had Village Panchayat Acts. However, these statutory Panchayats covered only a limited number of villages and generally had a limited number of functions. It was Gandhiji who, for the first time in the 20th century, wished to revive the Panchayats with democratic bases of their own and

invest them with adequate powers so that the villagers could have a real sense of 'Swaraj' or self-rule. He categorically described his vision of village Panchayat as: "My idea of Village Swaraj is that it is a complete republic independent of its neighbours for its own vital wants and yet interdependent for many others in which dependence is a necessity. The government of the village will be conducted by the Panchayat of five persons annually elected by the adult villagers, male and female, possessing minimum prescribed qualifications. These will have all the authority and jurisdiction required. Since there will be no system of punishment in the accepted sense, the Panchayat will be the legislature, judiciary and executive combined to operate for its year of office. Here, there is perfect democracy based upon individual freedom. The individual is the architect of his own government." [6]

Kamat (1948) felt, "Without the foundation stone of Village Panchayat in our Country how would it be possible for our masses to play their rightful in our democracy?"[7] The Gandhians considered Panchayati Raj both as a means and as an end and sincerely believed in its immense potential for democratic decentralisation and for devolving power to the people. Village Panchayat was incorporated in the Directive Principles of State Policy of the Constitution of India. Article 40 of the Constitution merely states that "The State shall take steps to organize Village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as unit of self-government."[8]

After Independence, various five year plans gradually broadened the scope of rural extension. From the very beginning the self-government institutions have been visualized as the proper agencies for implementing development programmes. The First Plan (1951-56) visualized the Panchayats at the village level mainly as the agencies for development, public welfare and land reforms. In the words of Planning Commission, "The primary object of Panchayati Raj is to enable the people of each area to achieve intensive and continuous development in the interest of the entire population. The elected representative should be encouraged to value development of Panchayati Raj as offering new avenues of service to the people rather than opportunities for the exercise of authority." [9] The Second Plan (1956-61) made specific recommendations in favour of a network of active Panchayats for securing (a) comprehensive village planning, (b) a more just and integrated social structure in rural

areas, (c) development of a new type of leadership in order to facilitate the process of rapid transaction of the rural society, and (d) a complete pattern of development administration in the district for community development and national extension services. Rajasthan and Andhra Pradesh were the two states to introduce Panchayati Raj system in the early 1960s. The two states followed the recommended model of Balwantrai Mehta Committee (1957) with the block level institution as the main point of decentralisation. During the 1960s most of the country was covered with Panchayati Raj institution, with varying degree of powers, autonomy and efficiency. But the performance in respect of agriculture and ancillary sectors did not go up as anticipated and it is argued that the Panchayati bodies became seats of party politics. Up to the end of 1960s the Panchayati Raj institution stagnated everywhere. This phase was soon followed by a period of decline and neglect of Panchayati Raj Institutions during the 1970s. Many of them existed in form, attending to certain limited functions and acting as the agents of state government. [10]

The Asoke Mehta Committee (1977) viewed Panchayati Raj bodies essentially as institutions of democratic decentralisation having their main focus of activity centered on 'management of rural development'. The Committee also viewed "Panchayati Raj as both an end and a means. As an end, it is an inevitable extension of democracy; as a means, it would continue to be responsible for discharging obligations entrusted to it by the national and state governments. Democratically elected Panchayat institutions were expected to provide a forum for the assertion of their strength in large numbers by the weaker sections".[11] Since the recommendations of Asoke Mehta Committee got approval of the National Development Council, Panchayat Samitis came into existence in 4033 out of 4974 development blocks and zilla parishads were formed in 262 out of 399 districts of the country. These Panchayat bodies were somewhat active during the period from 1959 to 1964 but their activities started declining between 1965 and 1969. They became moribund during the period from 1969 to 1977. The rural development process became more and more bureaucratised. The experience of rural development through the control of bureaucracy over decades reveals that each and every programme in the country has suffered from controlling authorities' neglect, default and distortions. The absolute bureaucratic domination in the administration of development programmes has also led to a situation where the target groups of beneficiaries have always remained passive and alienated. As a result,

Panchayats failed to play the expected role in the development process in rural areas in the sectors like agriculture, minor irrigation, socio-economic infrastructure and social welfare.[12] The 73rd Constitutional Amendment, 1992 marks a watershed in these developments. The Act gives constitutional status to the Panchayats at the village level, intermediate level and district level in every state.

Under Article 243G and 243ZE of the Act the Panchayati Raj Institutions have been assigned the responsibilities for preparation and implementation of plans for economic development and social justice. In this decentralised process of rural development it is appropriate to understand the meaning of and rationale for decentralisation and discuss the relevance of decentralised planning and Panchayat finance including own resource mobilization. Panchayats constitute an integral part of rural life in India and have played an important role in the socio-economic development. The 73rd Amendment Act of the Constitution of India, 1992 has the great intention of bringing power to common people. It provides for decentralized administration through local self-governing Panchayati Raj Institutions (Panchayats) at the district, block and also village levels and thus accelerates rural development. It may be noted that rural development is a strategy designed to all-round development of rural areas including their physical, economic, social, cultural and moral development. It involves, as Robert Chambers says, helping the poorest among those who seek a livelihood in rural areas to demand and control more of the benefits of rural development. It is the major thrust for investment in men.

The essence of Panchayati Raj Institutions lies in their freedom in selecting their own course of development and planning for it. For this essential objective to be realised, it is necessary that they have their own source of finance that are assured sources. Raietal (2001) has observed that own revenue is one of the measurable indicators of financial sovereignty of a self-governing institution. Own revenue of Panchayats has got bearing on Panchayats' own revenue autonomy and their fiscal autonomy.

The decentralized decision-making in economic activities enhances efficiency in various ways. In the first place, the involvement of the people reduces the project cost by utilizing the resources more efficiently than a bureaucratic system does. Secondly, the state government commitment to decentralization through Panchayati Raj has meant that the Gram Panchayats have been able to play an important role in planning

and execution of programmes. It suggests that funds allotted to different schemes should be made available to the Panchayats well in advance. Thirdly, the Gram Panchayats should assess the local needs and the existing infrastructure and on the basis of local importance and people's desire the programmes should be finalized.The direct interest of villager, say in roads, school, wells, power, irrigation, health and sanitation would automatically eliminate middlemen. Finally, the decision-making power of devolution to the grass root level is expected to enhance the efficiency of the system. With devolution of power, there develops a sense of involvement among the people. Consequently, the use of human capabilities is maximized and hence the efficiency of the system increases. One other aspect of decentralization which has not received the attention that it deserves is what may be termed decentralization of talent machinery. If the lower level bodies are given adequate power, it can attract the talents, particularly the local talents who are exposed to the local reality so that their worth is utilized properly and the local area is benefited by their expertise.

Given any level of taxation powers assigned to local bodies, the level of economic development would determine the aggregate resources that can be mobilized (Nath and Schroeder 1982). Indeed there could be a positive relationship between economic development and local resource mobilization. Thus a strategy of local level planning emphasising local resource mobilisation can worsen inter-regional disparities in development unless there is a strong inverse bias built into the inter-governmental financial devolution system (Shaheena 2000). The Panchayats cannot become effective institutions of local self-governance unless they have a strong financial base with clearly defined sources of revenues and the revenues are properly managed to optimize the resources (Mahi Pal 2005). Inadequate financial resources to carry out the administration are a serious problem. The grant-in-aid is the major component of the revenue of Panchayats. Besides, other major problems are also affecting the structure. These are (a) incompatible relations among the three tiers, (b) undemocratic composition of various Panchayati Raj institutions, (c) political bias and (d) un-cordial relation between officials and people (Sethy 2010).

An almost axiomatic principle of inter-governmental finance has been a relatively low productivity of financial sources of local bodies. Only a few taxes could be collected efficiently at the local level and the tax base tends to be narrow (Shaheena 2000).The

principles which govern the distribution of tax responsibilities between different layers of government place more buoyant taxes on the higher levels of government (Ligeron 1996). Only those that are calculated using local data system could be decentralised. As a consequence the local taxes are severely restricted in their scope and are generally inelastic [Datta (1969); Datta (1995); Oommen (1995); Bagchi (1996)]. There is a basic asymmetry between the functions that are allotted to the local bodies and their limited capability for mobilising resources themselves (Shaheena 2000).

India gave a boost to the process of rural decentralization in 1993 with the 73rd Constitutional Amendment Act that provided for an institutional reform of local government. The Act helped establish a uniform three-tier structure of local government in rural India - the Panchayati Raj Institutions (Panchayats) arranged in a hierarchical order with lower level governments being subordinate to the next higher level government. Democratic Governments at different strata are a pre-requisite for sustenance of democracy in such a large country. From its very inception the Constitution of India provided for elected Governments at the centre and state levels. But Governments at only two levels were not enough in the interest of democracy. It was necessary to have an elected government at the local level.

The Amendment has vested 2.28 lakh gram Panchayats, 5.91 thousand Panchayat Samities and 474 Zilla Parishads of rural India with the statutory powers of planning for economic development and social justice. Planning for its implementation requires finance. In the federal economic set up of India, the three layers of government raise and utilize financial resources: the centre, the states and the local governments. Problems of mobilization of finance of the Central and State governments and the financial relations existing between them have been the subject of several studies in the past. The financial structure and the problems and pattern of utilization of funds as well as the questions involved in the transfer of finance between State and local governments remain, however, a relatively unexplored area. Since the development of India lies, in ultimate analysis, in the economic progresses of its rural areas, a study on this set of problems appears to be of particular relevance and successfulness.

The relevant provisions of the Constitution of India are as follows,

Article 243 G of the Constitution defines the powers, authority and responsibilities of Panchayats. It states, "Subject to the provisions of the Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-governments and such law may contain provisions for the devolution of power and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein with respect to -

(a)   the preparations of plans for economic development and social justice;

(b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to matters listed in Eleventh Schedule."

The Constitution Seventy-Third Amendment Act as approved by Parliament also enjoins inter alia as under:

Article 243 H "The Legislature of a State may by law

(a)   authorize a Panchayat to levy, collect and appropriate such taxes, duties and fees in accordance with such procedure and subject to such limits:

(b) assign to a Panchayat such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits:

(c) provide for making such grants in-aid to the Panchayats from the Consolidated Fund of the State; and

(d) provide for the constitution of such funds for crediting all moneys received, respectively, by or on behalf of the Panchayats and also for the withdrawal of such moneys there from as may be specified in the law".

Resources for Panchayat plans may thus come from the following sources

1. Tax shares, tax assignments and other central and state transfers, Central Finance Commission, National Planning Commission, State government loans, grants and tax shares.

2. Generating local resources

   i) Optimum utilization of fiscal powers of Panchayats (tax, fees, tolls etc.).

   ii) Pricing the services (for example, user charges for the use of irrigation water, Panchayat lands, community halls etc.).

   iii) Realization from remunerative projects (for example, market centre).

   iv) Community contribution for a facility (for example, school or a health care).

   v) Beneficiary contribution for individual beneficiary-oriented schemes.

   vi) Institutional credit for remunerative projects.

Panchayats' development plans should thus have a resource plan also. That the funds for development of the Panchayat areas come from the Centre and the State Government should be the case because Government funds really come from the people. As a matter of fact, the Constitution and the state Panchayat law provide for constitution of State Finance Commission (SFC) to fix the principles for devolution of Government revenue on the Panchayats and the modalities for the purpose. It should, however, be remembered that the relationship between the Panchayats and the people is not that of a donor and a donee.

In the post-Independence period the major attempt to examine the problems of Panchayat finance was made by the study team on Panchayat Raj Finances (1963). The few attempts made earlier include the Local Finance Enquiry Report (1951) which had looked into the problems in some detail. The Local Finance Enquiry Committee (1851) had recommended that "the state government while vesting local bodies with wider responsibilities must also place at their disposal adequate funds to supplement their revenue. Their recommendations did not, however, contain any rational criteria for the allocation of resources. Likewise the Taxation Enquiry

Commission (1953-54) had recognized that "apart from growth and development the crux of the problems of local bodies is finance [see. Government of India (1984)] and pointed out that no state had a grant-in-aid code that embodied simple and well-defined principle". According to the Ashok Mehta Committee Report (1978) the state governments should consider the establishment of a committee of the Legislatures to be specifically concerned in the financial and physical performance of Panchayati Raj bodies. The G.V.K. Rao Committee (1985) which examined in detail the functions and revenue sources of Panchayat Raj institutions agreed that in due recognition of the importance of democratic institutions at the grass root level village Panchayats would have to be endowed with such powers and authority as might be necessary to enable them to function as units of self-governments.

As regards Panchayati Raj finance the implication of relevant provisions of the 73rd Amendment Act may be noted that Articles 243H, 243I and 280(bb) are to be treated as enabling provision which seek to maintain the required parity. As per the Article 243H of the act State Legislature has been empowered to enact laws (i) to authorize a Panchayat to levy, collect, appropriate some taxes, duties, tolls and fees, (ii) to assign a Panchayat some taxes duties, tolls levies collected by the state government, (iii) to provide for making grants-in-aide to the Panchayat for crediting all money received by or on behalf of Panchayats and also the withdrawal of such moneys therefrom. Article 243I provides for constitution of a State Finance Commission to review financial position of Panchayats and to make recommendations to the Governor regarding principles governing major issues mentioned in Article 243I. For supplementation to the state, the 73rd Amendment Act amended Article 280 of the Constitution on Finance Commission by sub-clause (b) in clause 3 of the said Article.

1.3 Panchayats in West Bengal

West Bengal has demonstrated sustained interest in decentralization. After reviving the Panchavali Raj Institutions (PRI) in 1978, the state has continuously followed a pro-Panchayat policy. As per information from the Department of Panchayats and Rural Development, at present West Bengal has 3354 Gram Panchayats, 341 Panchayat Samitis and 18 Zilla Parishads, (Department of West Bengal State Election Commission 2016-17).

The Government has been incrementally empowering the Panchayat bodies since 1978. In May 1999, the Cabinet resolved to fully implement the provisions of the 73rd and 74th amendments of the Constitution and to extend and formally strengthen the process of participatory decentralized planning through the local Self-Government bodies. In pursuance of this resolution the Government had decided to (a) vest the local self-governments with such power and authority as may be necessary to enable them to function as institutions of self-government, (b) transfer the subjects covered under the eleventh and twelfth schedules of the Constitution to the local Governments in terms of the provisions of Articles 243G and 243 W, (c) formalize the process of preparation of plans towards achievements of economic development and social justice by the local self-government bodies, (d) direct the administrative Departments to pass on schemes and funds pertaining to district sector schemes of the departments to the local self-government bodies, (e) make the services of the line Department officials at the district level available to the respective tiers of the local self-government bodies.

Since for proper discharge of their duties the Gram Panchayats need funds it is necessary to know how funds are mobilized. The sources of income of a Gram Panchayat may be grouped as follows:

1. Taxes, rates and fees levied by the Gram Panchayat:

2. Income of the Gram Panchayat derived in lieu of the service rendered for control, maintenance and management of public utility institutions like schools, hospitals, dispensary, halls, markets, rest houses etc.;

3. Subsidy for financial assistance in any other form from the Central and the State Governments, Zilla Parishad or the Panchayat Samiti;

4. Loan from the Central or the State Government or any financial institution; and

5. Income from any endowment / gift / donation.

However, collection of taxes by Gram Panchayats as a proportion of assessment in West Bengal varied between 22 per cent and 32 per cent during 1998-99 to 2000-01.

Recent spurt of activism in relation to the enactment of bye-laws by the majority of Gram Panchayats (GPs) of West Bengal for imposing different fees, rates and toll taxes on services provided to the villagers is a considerable development. This is the drive to empower the GPs, particularly those urbanized in nature, to raise their own resources.

The percentage share of Panchayats' own revenue in total receipts is very small. Therefore, financial structure of the Panchayats is mainly composed of external sources (grants in aid by central and state government).

1.4 Some Research Questions

The questions that are relevant in this context are as follows .What are the factors that explain the relatively low performance of many states, districts etc in respect of own resource mobilization? Is there any significant trend growth rate? Does it experience structural change? If yes, in what way? Is there any sign of diversification of own source mobilization of Panchayats? What is the scenario in respect of own resource mobilization at the disaggregate level? Is there any significant relationship between own resource mobilization and quality of functioning of Panchayats at this level? The present work has sought to find answers to these research questions.

The study is inter-disciplinary in nature. Since planning by panehayats is a social process, particularly after the 73rd Amendment to the Constitution of India, the issue of own resource mobilisation (ORM) of Panchayats for rural planning is to be addressed in the social perspective. The ORM of Panchayats necessarily depends upon the economic capacity of the rural area as well as willingness of the rural households to pay tax and make voluntary contributions to projects executed by Panchayats. Thus political, sociological and geographical issues ought to be considered while we deal with the issue of own resources mobilization.

In an era of economic liberalization a serious study on own resource mobilisation for the success of decentralised planning units and for sustainable development of rural India is important. The other justifications for emphasis on Own Resources Mobilisation (ORM) are -

i) Improvement of Panchayat's revenue autonomy and fiscal autonomy which are largely determined by Panchayat's own resources,

ii) Smoothing out large fluctuations over years in states' devolution of development funds to Panchayats,

iii) Enlisting people's participation in planning and ensuring their contributions to implementation of development projects, and

iv) Improvement of the value of measure of self-governance.

1.5 Objectives of the Study

The objectives of the study are thus taken as follows.

a) To examine the level and pattern of growth of own revenue and estimate the own revenue differential of decentralized planning units across states of India including West Bengal and the districts of the latter,

b) To examine the extent of their revenue autonomy and fiscal autonomy in recent years, and

c) To analyse the socio-economic and institutional constraints on tax and non-tax revenue mobilisation of the Panchayats in Howrah district of West Bengal.

1.6 Hypotheses

The following hypotheses are tested here

a) Level as well as pattern of growth of own source revenue varies significantly across Panchayats in India including West Bengal.

b) Own source revenue has changed in favour of non-tax revenue across the Panchayats in India including West Bengal.

c) Revenue and fiscal autonomy of Panchayats significantly vary across states of India including West Bengal.

d) The economic and institutional problems constitute the major constraints on the own resource mobilisation of Panchayats in Howrah district of West Bengal.

1.6.1 Database

We choose the state of West Bengal purposively for our present study due to its significant progress in decentralised planning. Howrah district of West Bengal constitutes the first stage unit in our sample design while all 14 blocks of Howrah district the second stage, all 144 Gram Panchayats the third stage unit, randomly selected six sample villages from three Gram Panchayats the fourth stage unit and 300 households from the sample villages of three Gram Panchayats the fifth stage unit.

Since the overall objective of the present study is to analyse the level, pattern of growth of own receipt and expenditure of Panchayats across the selected states including West Bengal and the districts of the state including Howrah, and also sample Panchayats of West Bengal we try to develop a comparative analysis at different tiers of Panchayats and for this purpose we take resort to secondary data. Secondary data have been collected from Department of Panchayat and Rural Development report, Census Report, Report of Finance Commission, and Annual Administrative Report etc. But these data are insufficient to address various issues, namely factors affecting own resource mobilisation, people's participation in planning at the district level, block level, Gram Panchayat and also the village level. Hence to address these and other related issues of Panchayat finance and decentralised planning it has been necessary to collect data at the Zilla Parishad, Panchayat Samiti and Gram Panchayat levels. We also collect information at the village level addressing detailed grass root level issues on Panchayat own source finance and decentralized planning.

Primary data relating to receipt and expenditure have been collected from the annual budgets of different years of Howrah Zilla Parishad, Panchayat Samitis and Gram Panchayats of this district of West Bengal. On account of the limitations of the secondary data and primary data to fulfill the objectives of the study a detailed primary survey has been made. Data are collected from sample households of six villages of three Gram Panchayats which are selected on the basis of random sampling.

1.6.2 Methods of Analysis

Simple statistical techniques like ratio, percentage, mean, standard deviation, coefficient of variation, correlation and regression have been used to analyse the data.The compound annual growth rate (CAGR) of different heads of receipt of sample Panchayats has been calculated for the relevant variables with the help of log linear equation as follows:

$\ln Y = \alpha + \beta t$

where α and β are the regression coefficients.

The slope coefficient β of "t" in the above growth model gives the instantaneous rate of growth and not the compound rate of growth. But the latter can be easily found by taking the antilog of β, subtracting 1 from it and multiplying the difference by 100.

Equality Test

The equality of mean is tested by Fisher t-test[13] to examine whether there is significant difference in mean of per capita tax and per capita non-tax of the selected States, Districts, Blocks, Panchayat Samtis and Gram Panchayats and also to examine whether the mean of per capita tax, per capita non-tax and Per capita own source revenue significantly increased in recent period compared to initial period of the selected States, Districts, Blocks, Panchayat Samitis and Gram Panchayats. The equality of variance is also tested by F – statistics to examine whether the variance of per capita tax , per capita non-tax and per capita own source revenue of the selected States, Districts , Blocks), Panchayat Samitis and Gram Panchayats significantly increased in recent period compared to initial period.

t-Test

Let there be two sets of populations of which the variables are normally distributed with mean μ_1 and μ_2 and unknown standard deviations σ_1 and σ_2 respectively. m_1 and m_2 are the sample mean and s_1 and s_2 are sample standard deviations.

If the two unknown standard deviations are equal ($\sigma_1 = \sigma_2$) then to test the null hypothesis $H_0 : (\mu_1 - \mu_2) = 0$, the appropriate test statistic is

$$t_{n_1+n_2-2} = \frac{(m_1 - m_2)}{\sqrt{s(\frac{1}{n_1}+\frac{1}{n_2})}}$$

where, $S = [(n_1-1)s_1{}^2 + (n_2-1)s_2{}^2] / (n_1 + n_2-2)$

For the alternative $H_1: (\mu_1 - \mu_2) \neq 0$, H_0 is rejected for the given samples if I t I (observed) $> t_{\alpha/2}$ n_{1+} n_2-2 (table) and is accepted otherwise. On the other hand, if the alternative is $H_1: (\mu_1 - \mu_2) > 0$, H_0 is rejected for the given samples if t (observed)$>$ t $_\alpha$ n_{1+} n_2-2 (table) and is accepted otherwise, and if the alternatives is $H_1: (\mu_1 - \mu_2) <$ 0, H_0 is rejected for the given samples if t (observed) $< -t$ $_\alpha$ n_{1+} n_2-2 (table) and is accepted otherwise.

When the assumption of homoscedasticity is untenable ($\sigma_1 \neq \sigma_2$), a test for the difference $(\mu_1 - \mu_2)$ is made by a simple approximation suggested by Cochran and Cox.[14] This is based on the results that the statistic has upper α-point approximately the same as $(w_1 t_{\alpha, n_1-1} + w_2 t_{\alpha, n_2-1}) / (w_1+w_2)$ where t $_{\alpha, n_i-1}$ is upper α-point of the t-distribution with n_i-1 d.f. and $w_i = \left(\frac{\sigma_i^2}{n_i}\right)$ may be well approximated by $w_i = \left(\frac{s_i^2}{n_i}\right)$ (i=1,2), even for moderately large samples. Thus, e.g., if $H_0 : (\mu_1 - \mu_2) = 0$ is to be tested against $H_1: (\mu_1 - \mu_2) \neq 0$, then the observed value of $(m_1- m_2)/\sqrt{(w_1+ w_2)}$ will be comparable with $(w_1 t_{\alpha, n_1-1} + w_2 t_{\alpha, n_2-1})/ (w_1+w_2)$ for acceptance or rejection of H_0. Note that if $n_1 = n_2$, then the critical value is just t $_{\alpha, n_1-1}$.

$$\frac{\{(m_1-m_2)-(\mu_1-\mu_2)\}}{\sqrt{\left(\frac{s_1^2}{n_1}\right)+(\frac{s_2^2}{n_2})}}$$

F-Test

Given two independent random samples of sizes n_1 and n_2 from two normal populations with unknown means, we may be required to test the hypothesis that the population variances are equal[15] $(\sigma_1^2 = \sigma_2^2)$. For testing $H_0 : (\frac{\sigma_1}{\sigma_2} = 1)$, we use ($s_1^2/s_2^2)(\sigma_2^2/\sigma_1^2)$ is an F-statistic with n_1-1 and n_2-1. When the alternatives are H_1 :

$\sigma_1/\sigma_2 > 1$, H_0 is rejected if for given samples $F > F_{\alpha, n_1-1, n_2-1}$. If the alternatives are H_1 : $\sigma_1/\sigma_2 < 1$, H_0 is rejected if for given samples $(1/F) > F_{\alpha, n_2-1, n_1-1}$. Lastly, when the alternatives are H_1 : $\sigma_1/\sigma_2 \neq 1$, H_0 is to be rejected if the samples in hand give either $(1/F) > F_{\alpha/2, n_2-1, n_1-1}$, or $F > F_{\alpha/2, n_1-1, n_2-1}$.

Correlation and Regression

To examine the factor relationship both correlation and regression analysis are used wherever it is necessary. On the basis of Pearsonian correlation coefficient a correlation matrix is constructed which is used to understand the interrelation among the variables. Regression analysis is the most important way to estimate the exact relationship between dependent variable and independent variableThe adjusted R^2 and F of the estimated regression equation of these models are such that the relevant regression model is fitted to the data set.

Probit Model

In statistics, a probit model is a type of regression where the dependent variable can only take two values, for example married or not married. The name is from probability + unit. The purpose of the model is to estimate the probability that an observation with particular characteristics will fall into a specific one of the categories; moreover, if estimated probabilities greater than 1/2 are treated as classifying an observation into a predicted category, the probit model is a type of binary classification model.

A probit model is a popular specification for an ordinal or a binary response model. As such it treats the same set of problems as does logistic regression using similar techniques. The probit model, which employs a probit link function, is most often estimated using the standard maximum likelihood procedure, such an estimation being called a probit regression.

Probit models were introduced by Chester Bliss in 1934; a fast method for computing maximum likelihood estimates for them was proposed by Ronald Fisher as an appendix to Bliss' work in 1935.

For specific purpose probit model is used to estimate the regression parameters. The steps involved in the estimation of the probit model are as follows,

Now to obtain normal equivalent deviate (n.e.d) (=Ii) from the standard normal cumulative distribution function (CDF). That is, $Ii = F^{-1}(Pi) = \beta_1 + \beta_2 Xi$.

We can use the estimated Ii obtained as the dependent variable in the regression, i.e.

$Ii = \beta_1 + \beta_2 Xi + Ui$

where Xi indicates the factors, namely awareness of activity of Panchayats, literacy rate, quality of work of Panchayats, proper assessment of tax, fees and utilization of total fund, and also distance of household from town of willingness of tax payment to Gram panchayat by households. Here dependent variable must be qualitative variable. Let Y=1 if the household is interested in tax payment to the Panchayat and Y=0 if the household is not interested in tax payment to the Panchayat.

Given the assumption of normality, the probability that I_i^* (i.e. Critical or Threshold level of index) is less than or equal to I_i can be computed from the standardized CDF as:

$$P_i = P(Y = 1/X) = P(I_i^* \le I_i) = P(Z_i \le \beta_1 + \beta_2 X_i) = F(\beta_1 + \beta_2 X_i)$$

One can conduct hypothesis testing in the usual fashion, keeping in mind that the conclusions drawn will hold true asymptotically, that is, in the large samples.

R^2 as a measure of goodness of fit is not particularly well-suited for the dichotomous dependent variable models, one suggested alternative as the χ^2 test. Apply the χ^2 test to regression and comment on the resulting goodness of fit.

Entropy Diversification Index

To estimate the level of diversification of own source revenue of gram Panchayats Hart's Entropy Index has been used.

To measure the diversification of the components of own source revenue of Panchayats, we have used the formula $DIE = \sum [P_{it} * \ln (1/P_{it})]$. DIE stand for Diversification Index of Entropy, Pi stands for proportion of ith component at time

point t, where i = (1, …, n). DIE is expected to increase with increase in the extent of diversification and vice-versa.

1.7 Plan of the Work

The plan of the rest of the work is as follows. Chapter 2 makes a review of the existing literature on Panchayat finance including own source finance and decentralised planning. Chapter 3 examines the issuses of own resources mobilisation of Panchayats of West Bengal vis-a-vis other states in India. Chapter 4 examines issues of own resource mobilisation of the districts of West Bengal. Chapter 5 examines the same of Panchayat Samities in Howrah District. Chapter 6 reviews the issuses own resources mobilization of Gram Panchayats in Howrah District. Chapter 7 presents micro level study in Bagnan I block of Howrah district .Chapter 8 makes concluding observations.

Notes:

1 *Imperial Gazetteer of India*, 1909, Vol- IV, pp–278-79

2 Jawaharlal Nehru (1964), '*Discovery of India'*, Signet Press, Calcutta, p–288

3 *Report of Royal Commission on Decentralisation* (1907), p-24

4 *Report of Royal Commission on Decentralisation*, (1907), pp-241-44

5 H. D. Malaviya (1956), *Village Panchayat in India*, AICC New Delhi, pp – 215-16

6 Mahatma Gandhi (1942), *'My Idea of Village Swaraj'*, Harijan, July

7 H. V. Kamath (1948), *Constitutent Assembly*, Prof. N. G. Ranga Debate, 4th & 5th November

8 *Constitution of India* (1948), Article 40

9 *The First Five Year Plan* (1953), Planning Commission, Govt. of India, p–139

10 *Report of the Study Team of Community Projects and National Extension Service (1957)*, Committee on PlanProjects Govt. of India, Nov., Vol-I, Sec-2, pp- 23-25

11 *Report of the Committee on Panchayati Raj Institutions* (1978), Ministry of Argiculture and Irrigation, Govt.of India, pp-8-11.

12 Chattopadhyay, Suhas (2006), "*Decentralised Planning and Participatory Development in West Bengal*" in S.N. Sau (ed.), *Decentralised Planning and Participatory Development in West Bengal*, pp-72-74.

13. See Goon, Gupta and Dasgupta (1968), *Fundamental Statistics* (Vol-I), pp. 396-400.

14. See Goon, Gupta and Dasgupta (1968), *Fundamental Statistics* (Vol-I), pp. 400-401.

15. ibid. p.401

Chapter 2

REVIEW OF LITERATURE

The first impression that we have from the review of the existing literature on own resource mobilization of Panchayats (ORMP) is that it is a neglected part of the economic literature. Since the ORMP is one of the determinants of revenue autonomy and fiscal autonomy of Panchayats it is important to review the existing literature on different issues concerning it, which would highlight the need for carrying on a comprehensive and in-depth study on the theme.

The existing literature on ORMP and related issues is reviewed here under the following heads, (2.1) literature on own source revenue mobilization of Panchayats of international status, (2.2) literature on own source revenue mobilization of Panchayats of all-India and State level status and (2.3) literature on own revenue mobilization of Panchayats at district level and below.

2.1 International Status

At the international level we have got some literature developed both theoretically and empirically on issues of ORMP.

Hyman (1983) observed that in a multiple local government structure- there was possibility of tax bases partially migrating from one jurisdiction to the other on the basis of varying tax rate rates and to counter this possibility, local lax bases, which are inelastic in nature, are normally assigned to the local governments. The income coefficient of tax receipts was found to be insignificant for developed countries.

Meenakshi sundaram (1994) observed, while the sales and profit taxes together usually accounted for 80 per cent or more of the local government revenues in China, there were other sources of local revenue also, such as animal slaughter tax, real estate tax driving license lax on vehicles and boats, domestic animal trade tax, taxes on service industries, etc. In addition, local government units were granted permission to levy a surcharge on national taxes on agricultural land, industrial and commercial activities. The financial resources available to local governments were largely dominated, firstly, by the number of taxes they levy and secondly, but more importantly, by the number of Panchayats'

undertakings they controlled. Meenakshi sundaram also observed that the established local self-government institutions in some Asian countries like Philippines and Sri Lanka generally suffered from inadequate financial resources which limited their sphere of activities. The financial crunch faced by them was mainly due to inadequate powers to raise taxes and the meager grants given by the Government.

Amatya (1995) noted that one of the main objectives of the decentralization scheme in Nepal was to mobilize local resources and promote greater participation of local people.

Cremer, Estache and Seabright (1995) analysed the implications of decentralization in East Asian countries. They argued that decentralisation could change the mobilisation and allocation of public resources. It might affect a wide range of issues from service delivery to poverty reduction to macroeconomic stability.

Stein (1998) very succinctly summarized the theoretical issues of tax assignment in a federal framework the conditions for a tax to be a good local tax are rather restrictive. As a result, the potential revenue from the tax bases that can efficiently be exploited locally is more limited than the spending obligation typically assigned to the sub-national governments in decentralized economies.

Taliercio (1998) argued that East Asia decentralisation had been characterized by a relative lack of revenue autonomy. In Thailand and Indonesia own source revenue of local governments was very low relative to total receipts but the shared tax with the local governments was relatively high. The unconditional transfer was also very low. Local governments were very much dependent on state. But in China own source revenue of local governments was relatively high and the unconditional transfer was relatively low.

Taliercio (2003) observed that own source revenue of local governments in Philippines rose significantly right after decentralization. It rose from 1.1 percent of GNP in 1995 to 1.4 per cent in 2002. In China it rose from 5 per cent of GNP in 1994 to 7 percent of GNP in 1999.

2.2 All India and State Level Status

At all India and state levels we have the literature on structure of own source revenue of Panchayats and some constraints on own revenue mobilisation.

Vasudeb (1989) examined the financial aspect in relation to the performance of the Panchayats in Karnataka. He observed that one of the important aspects of the rationality, i.e., the maximum utilisation of given resources for maximum gain was not fulfilled by the Panchayats.

Sharma (1990) examined the structure, functioning and finance of different local bodies in Uttar Pradesh. He observed that the functioning of these local bodies was far from satisfactory, which was attributed to inadequate staff, power and financial resources.

Girglani (1993) pointed out that panchayat could not meet the rural needs and could not mobilise resources efficiently due to lack of political will and administrative support at the state level and the creation of parallel institutions like DRDA, District Planning Board etc. He gave an example of Andhra Pradesh where 40 percent of state budget was allotted for district sector schemes of which merely 6 per cent was routed through Panchayats.

Jain (1994) mentioned that the planning machinery should be strengthened by drawing upon the resources of all available technical, educational, research, voluntary and other agencies through a systematic networking with panels in specialized disciplines.

Oommen (1995) examined various issues relating to devolution of resources from the state to the panchayati raj institutions of the major states in India. He also made a comparative study of panchayat finance across the states of India and made some suggestions for achieving autonomy of Panchayats.

Chitlangi and Tiwari (1998) made wide ranging analysis of panchayat finance with special reference to Rajasthan panchayati raj system. They observed that Panchayats did not have sufficient resource at their disposal. This had been attributed to lack of

will and ability to impose taxes, poor financial position of the state, narrow tax base and unfavourable attitude of the state.

Rajaraman and Vasishtha (2000) examined the impact of state-local grants on tax effort of rural local governments for Kerala state using data of 1993-94. They found that the untied grants per panchayat were remarkably uniform across districts and the total grants showed a greater variation across districts. They showed that an increase in the untied grants to panchayat by one rupee reduced own tax revenues by more than one rupee in 12 out of l4 districts and in eight of these by more than two rupees, after controlling for the taxable capacity of the panchayat as proxies by population. They concluded that there was a negative impact on own tax revenue of lump sum 'untied' grants and inter-governmental grants became necessary for vertical equity, and that carried with it the possibility of reduced own tax effort of the kind observed in Kerala.

Palharya (2003) examined how financial constraint hampered the working of decentralised governance in Madhya Pradesh. He found that the functioning of these institutions had been severely hampered by financial constraints and inadequate resource mobilization and the changes brought about by the Constitutional Amendments had not, however, been radical and its implications too are not far reaching. The extent of fiscal decentralisation of PRI's had been very limited. Fiscal autonomy of these institutions was far from adequate, because practically they had no fiscal powers and depend heavily on grants, mostly tied to certain schemes.

Sau and Panja (2003) observed that in India the issue of own resource mobilization (ORM) of Panchayats had assumed great significance in recent years for sustaining rural development as well as the development of the country as a whole. It became important on account of two recent landmark developments in the history of governance of the country, namely i) Structural Adjustment Programme (SAP) of government of India since 1991, ii) The 73rd Amendment Act of the Indian Constitution. The SAP led the state to gradually withdraw from economic, social and infrastructural development programmes and hence growth of Panchayats' development receipts from government sources in real terms had been decelerating over the last decade. On the other hand, following the 73rd Constitutional Amendment of India, Panchayats was introduced as a distinct third tier of government in the rural

areas and they were given the constitutional responsibility of planning for economic development and social justice and enjoined to mobilize their own resources.

Khasnobis (2005) mentioned that the local bodies in India functioned with the limitation that they were not endowed with such power and authority as might enable them to function as the third tier of government. Fiscal basis of autonomy was very weak. Panchayats failed to realise much resource from their own source due to their very weak revenue base. The assigned items of tax revenue for these bodies were very few in number. He concluded that both the average per capita devolution and the percentage of state fund devolved to these local bodies remained abysmally poor.

Oomen (2006) observed that even after more than a decade of decentralized governance the fiscal decentralisation scenario was disturbing. There was a decline in the percentage of local government expenditure in relation to the total government expenditure. The revenue decentralisation trend was also no better and the average rate of growth in the tax revenue of panchayati raj institutions in most of the states had been negative which rendered efforts to build autonomous local governments impossible.

According to the Panchayat and Rural Development Department, Government of West Bengal (*Roadmap For The Panchayats In West Bengal A Vision Document 2007-08*) current spending by the Panchayats of the state was too little to make a substantial impact on the economic and social life of the people within a reasonable period indicating that they should have more resources under their command. Besides, the Panchayats were unable to fully utilize the resources available with them. The Panchayats had a poor resource base for own source revenue (ORM), which was insignificant compared to the total fund available with them. At the same time those bodies were unable to utilize the entire potential of collection of Own Source Revenue because of many factors. Therefore, several measures were to be taken for both augmenting availability of fund with the Panchayats including own source revenue and at the same time there was need for augmenting capacities of Panchayats and putting several systems in place for effective and faster utilization of available resources and maintaining transparency and financial norms of a high standard for minimizing fiduciary risks.

Rao and Rao (2008) mentioned that fiscal decentralisation to rural local self-government in India was meaningful only when Panchayats had adequate untied fund to provide public services assigned to them which required assignment of tax powers. They observed that revenue mobilization by rural local self-government was abysmally low. The assignment did not include any important revenue handles and the Panchayats were not able to exploit properly even the only notable tax base assigned to them - the property tax. They argued that it was necessary to take a re-look at the tax powers of Panchayats.

Sethy (2010) noticed that inadequate financial resources to carry out the administration were a serious problem. The grant-in-aid was the major component of the PRI revenue. Besides, other major problems were also affecting the structure. These were (a) incompatible relations among the three tiers, (b) undemocratic composition of various P.R. institutions, (c) political bias and (d) uncordial relation between officials and people.

Centre for Budget and Policy Studies (2013) noted that accessibility, literacy and education of the GP members have positive relation with own source revenue while proportion of SC/ST has the negative relation.

Dutta (2013) examined the panchayat finance and the level of management about panchayat finance in West Bengal. Resource-base of the panchayat in order to determine the strength, weakness, opportunities and threats (SWOT) in the working of panchayat finance had been assessed. The balance of functions and resources was very much needed as the financial status of panchayat body was determined with this balancing. But till then this was not the position, and almost all Panchayats in West Bengal were starving for funds.

Institute of Development and Empowerment (2014) noted that the Panchayats of Karnataka and Tamil Nadu operated under hard budget constraints compared to those of West Bengal. That was one of the reasons why revenue collection performance of Panchayats in the former two states was better than those of West Bengal.

2.3 District Level and below

The first major attempt to write a book on panchayat taxes was made by Muthayya (1980). The study noted that understanding the behaviour of the tax payers was of great importance when the task of the planning was oriented towards mobilising the local resources for development and it also helped in planning for people's participation. This study undertaken in three village Panchayats in East Godavari district, Andhra Pradesh reported cent per cent panchayat tax collection for consecutive four years and probed into the socio-psychological factors which might have facilitated such a phenomenon.

Nath and Schroeder (1982) noted that given any level of taxation powers assigned to local bodies, the level of economic development would determine the aggregate resources that could be mobilized.

Basu (1983) examined the various aspects of decentralised planning and the working of panchayat system in West Bengal. He mentioned that Panchayats were successful in providing water supply, drainage, construction and repair of village roads but there existed lack of enthusiasm in leadership at this level.

Basu (1988) mentioned, taking example of activities of several gram Panchayats in West Bengal, how villagers benefited in terms of social amenities, settlement of disputes and generation of employment. He also discussed the corruption of these bodies.

Mukherjee and Bandyopadhyay (1992) opined that the Panchayats were not concerned about financial self-reliance with near-zero reliance.There was near-zero autonomy and correspondingly near zero self-government. By failing to mobilise resources, the Panchayats increased cost of governance because their own cost had to be added to the cost of pre-existing system. Despite constraints more resources could be raised. The assessment of property by the GPs was low and collection lower both of which could be improved. The panchayat samitis earned more from tolls and fees, market fees being a particularly promising mode of creaming the growth agricultural prosperity. In the non-tax field, inherited assets as well as newly created ones, such as

social forestry yielded handsome revenues through good management. Local contribution of land, labour even money could be raised to meet locally felt needs.

Girglani (1994) opined that there was low tax collection due to proximity to the people and lack of organizational capability in levying and collecting tax. Basically the authority of tax collection had not been properly chosen yet.

Barnabas and Bohra (1995) revealed that in Gujarat, Maharashtra and Rajasthan sample Gram Panchayats raised some funds of their own through levying taxes and cesses but, except a few, the own income of the Panchayats was inadequate to provide basic services to the villagers. They observed that the financial position of the upper two tiers (Panchayat Samitis and Zillia Parishads) was worse than that of the Gram Panchayats as they did not have as much power of tax raising as the Gram Panchayats had and therefore, they largely survived on State Grants. The intermediate tiers had hardly mobilized their own funds. Their job was to implement the instructions either of the Zilla Parishads or of the State Governments. Zilla Parishads mobilised their own resources which were merely three to five per cent of their total budget in Gujarat and Maharashtra.

Srivastava (1995) observed that the zilla parishads in Madhya Pradesh and Andhra Pradesh were entirely based on the grants of state governments. In Andhra Pradesh, own resource of zilla parishads accounted for only about 0.3 percent during the period 1990-91 to 1993-94. The case of Uttar Pradesh was little different where the zilla parishad's own income ranged from 3.0 percent to 4.2 percent of their total income during that period. He argued that the State Finance Commission should make budgetary provisions for creating State Panchayatiraj Finance Corporation which might lend money to the Panchayats for taking up remunerative enterprises.

Dubey and Mitra (1995) mentioned the need of financial independence for making Panchayats as an effective tool of grass root democracy. They argued that fiscal decentralization to rural local self-government in India was meaningful only when Panchayats had adequate fund to provide public services.

Singh (1995) conducted a study on Common Land Encroachment and Panchayat Finance with the purpose to examine the problems of unauthorized occupation on common land in Haryana and consequent loss of income to the Panchayats and the

factors which led to the occurrence of this phenomenon. Sixty respondents from four Gram Panchayats in two Blocks of Karnal and Kurukshetra Districts of the State had been interviewed besides interviewing some select senior officials, both working and retired.

Oommen (1995) revealed the dominance of government grants in the total income of the Zilla Parishads in Maharashtra during 1980-81 to 1988-89. Own mobilized resources declined from 5.9% to 4.1%, a reduction of about 10 percentage point in eight years. In Murshidabad district of West Bengal internal resource was as low as 1.01 per cent of total revenue in 1992-93.

Pal (1995) observed that of the total own source revenue of gram Panchayats in Saharampur district about 30 per cent were generated through taxes, 40 per cent through own enterprises and the rest was contributed by the share of land revenue during the period from 1990-91 to 1992-93. But this income (putting these heads together) was merely 23 percent of JRY fund allotted to these Panchayats.

Sarada (1995), in a case study of Tellapur Gram Panchayat in Medak district of Andhra Pradesh, observed that the share of taxes and fees to its own source revenue was near about 70 per cent in 1991-92, 43 per cent in 1992-93 and 70 per cent in 1993- 94. The public contribution to the total own source revenue of this gram panchayat was only 0.01 per cent in 1991-92, 4.2 per cent in 1992-93 and 1.3 per cent in 1993-94.

Singh (1996) reviewed and analysed the powers of taxation provided in the panchayat Acts of selected states. He mentioned that the taxation powers of different tiers of Panchayats are not uniform. Some States Acts had given a large list of items whereas some had given limited powers. By and Large, tax assignment was not liberal and a majority of them were of traditional varieties and hence Panchayats had to depend on the Union and State Governments. To overcome the people's reluctance to pay taxes and levies for civic amenities, he suggested that an extensive publicity programme to acquaint with the need to pay tax would be the appropriate forum to create awareness among the people and exposing them to tax matters. Over and above, there must be a strong political commitment to improve the financial position of Panchayats.

Vithal (1996) examined the problems for mobilisation of resources by gram Panchayats in Andhra Pradesh. He mentioned that there were significant variations in the tax structure and allocation of resources among the panchayati raj bodies in different states. Even in the case of Panchayats the compulsory taxes leviable by them varied from state to state. His analysis showed that own source revenue of GPs in Andhra Pradesh which included house tax, vehicle tax, remunerative assets of Panchayats and miscellaneous items constituted a significant portion of the total receipts. He also mentioned that the lack of adequate staff and proper tax collecting machinery, lack of political will of the panchayat members, problems of proper assessment of asset value were the main problems of collecting tax by GPs.

Datta (1996) suggested different policies to strengthen own source revenue of gram Panchayats. He mentioned that gram Panchayats suffered from acute shortage of funds mainly because they were shy of or inefficient in collecting tax and fees. In order to reduce the dependency of Panchayats on central and state governments he suggested the creation of revenue yielding asset, which could generate own revenue at a regular interval.

Varadan (1996) gave some suggestions for increasing own income of Panchayats like the creation of proper tax collection machinery, setting up of commercial ventures on a cooperative basis and they should get a share of elastic and productive taxes like sales tax.

Aziz (1996) in a study of four mondal Panchayats in Karnataka observed that percentage of own revenue to total revenue varied between 17.26 (Julapalya) and 81.36 (Hinkal) during 1987 to 1992.

Pal (1996) also observed that Panchayats made very little efforts to raise their own resources. Further with a few exceptions, the share of own taxes to the total own income of the Panchayats had been declining. The intermediate and apex tiers of PR system, again with a few exceptions like Uttar Pradesh had not utilized their powers of taxation for raising resources. He argued that Panchayats as institutions of decentralised governance and development could not function mainly due to the three reasons- (i) lack of political will and administrative support at the State level, (ii) creation of parallel institutions, and (iii) reluctance to impose taxes by Panchayats. He

observed that the panchayat leaders including chairperson had also not shown interest to mobilize their resources by using their taxation powers endowed with them under the Panchayat Acts.

Singh (1997) pointed out that the provisions of the State Panchayat Act regarding imposition of taxes were not clearly understood by the village level leaders. Moreover, they had a feeling that the Central and State Governments already levying several taxes therefore, Panchayat should not impose any other new tax. He also pointed out the problems of tax evasion. There existed a general reluctance of the people for giving tax.

Pal (1997) observed that Panchayats as institutions of decentralised governance and development could not function properly mainly due to three reasons-(i) lack of political will and administrative support at the state level; (ii) creation of parallel institutions; and (iii) reluctance to impose taxes by Panchayats. He mentioned that the state level leadership and bureaucracy had not been in favour of flourishing grass root democracy as they did not want to share powers with elected panchayat representatives. They created parallel institutions like DRDA (which was renamed as DRDC), District Planning Board etc. Most of the funds had been devolved to these bodies instead of Panchayats.

Bhattacharyya (1997) observed that lack of funds hampered the working of ground level peoples' institutions. Among other things, he observed that the gram panchayat members were not influential enough to increase own source revenue. Again, on the receipts side, the annual income of gram Panchayats was meager and even this amount was not well spent.

Fernandes and Mukherjee (1999) made an explanatory study of receipts and expenditures of Panchayats in Goa and thair financial viability. Tax collection contributed a high proportion of panchayat's own income. House tax was the most important revenue earning source for the gram Panchayats in Goa.

Jena (1999) observed that the percentage share of own receipt in total receipt of four Gram Panchayats in Midnapore district of West Bengal was 7.1 during the period 1991-92 to 1995-96. The amount of 'Tax on land and buildings' constituted on an average 20 percent of total own revenue of Panchayats over this period of five years

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and the non-tax resources constituted about 80 percent. He concluded that Gram Panchayats did not make any definite effort towards mobilising the resources. He also found that Panchayat Samitis and Zilla Parishad had some overlapping powers of charging levies and fees and tolls in their areas. But, in practice, they did not utilize their powers properly. Few Panchayat Samitis had been able to earn a good income from their remunerative assets including social forestry, tanks and ponds, ferries etc. But the performance was not uniform. His study of two Panchayat Samitis and one Zilla Parishad showed that own revenue constituted only 1 to 3 per cent of their total receipts during the period from 1991-92 to 1995-96.

Shaheena (2000) observed that an almost axiomatic principle of inter-governmental finance had been a lower productivity of financial sources of local bodies. Only a few taxes could be collected efficiently at the local level and the tax base tended to be narrow. There was a basic asymmetry between the functions that allotted to the local bodies and their limited capability for mobilising resources themselves.

Rao (2000) analysed the nature and functioning of tribal panchayat finance.Tribal panchayat system did not have any status, but was functioning peacefully and strongly. They did not have any defined source of revenue but did not face any severe financial crisis. Their earning was small but adequate enough to meet their local needs.

Bhat (2000) analysed the pros and cons of financial resource position of gram Panchayats in Uttarakhand. Gram Panchayats founded difficult in raising own source revenues by way of taxing the local people and their economic activities.

Subramanyam (2001) examined the broad features of panchayat finance in two Union Territories of Daman and Due and Dadra and Nagar Havali. Village Panchayats were endowed with the discretionary power to levy tax on building, drainage tax, lighting tax, water tax, tax on vehicles, pilgrim tax, tax on advertisement, and profession tax. The collection rate was somewhat 60 per cent to 75 per cent.

Raietal (2001) observed that own revenue was one of the measurable indicators of financial sovereignty of a self-governing institution. Own revenue of Panchayats got bearing on Panchayats' own revenue autonomy and their fiscal autonomy.

A study of panchayat finances in Madhya Pradesh by Institute of Social Science (2002) observed that the majority of the village Panchayats had not even levied the compulsory taxes and their incomes were overwhelmingly composed of the state grants and fund of government programmes and that to predominantly of centrally sponsored schemes.

Smith (2002) examined own revenue response of rural local bodies in Dindigul District of Tamil Nadu to vertical transfers from the state government and conclude that both total and unconditional transfers appeared to have stimulated the tax efforts of the Panchayats during 1999-2000.

Pal and Adak (2003) examined the problems of assessment and collection of land and building tax in Bankura district of West Bengal. They observed that the amount of tax collection (at current prices) showed a rising trend. Average amount collected per gram panchayat also showed an increasing trend. Tax collection of gram Panchayats in West Bengal as percentage of assessment was very low and the tax collection as a percentage of total inflow of funds was negligible.

Palharya (2003) observed that taxes assigned to gram Panchayats in Madhya Pradesh were by and large not very productive of revenue. The tax base was weak as well as narrow. The share of tax revenue in the combined total receipts of all the Panchayats (other than central government grants) was only 1.39 per cent in MP during 1992-98. The contribution of non tax revenue to the total receipts of village Panchayats was greater than that of lax revenue. For the intermediate Panchayats, the contribution of non-tax revenue to their total receipts was, however, not significant. Non-lax revenue for the district panehayat was rather significant.

Pal and Adak (2004) pointed out that the Gram Panchayats for fear of being unpopular had not collected the land holding records properly. No action was taken for non-payment of taxes. They mentioned that it was not possible for an over-burdened Gram Panchayat Secretary to perform a huge task of actual assessment for every taxpayer. Apart from this, land and building tax had no transparency though the Gram Panehayat had an obligation to disclose its income-expenditure statement to the people in the Gram Sabha meeting. They found that households under Moynapur Gram Panchayat in Bankura district of West Bengal paid as taxes only 7% of what

they were to pay. They observed that only 21% of sample households believed that the tax of Gram Panchayats was spent for development purposes whereas 78% expressed their ignorance about the expenditure pattern out of this fund.

Nair (2004) examined the mobilization of own resources of Panchayats of six GPs in Kerala. According to the study own revenue (which included own tax and non-tax revenue) was the single largest component of the total receipts of the urban proximity Panchayats. For less developed and tribal dominated Panchayats the contribution of own revenue was not significant. This was mainly due to their very low tax base. Major components of own tax revenue are building tax, profession tax, and entertainment tax. In majority of the cases, building tax and profession tax together contributed nearly 90 per cent of the total own tax revenue.

Sau (2004) examined the issues of fiscal autonomy of Panchayats with reference to some sample gram Panchayats and Panchayat Samitis across the state of West Bengal. He observed that gram Panchayats and panchayat samitis varied widely in respect of own source revenue. Fiscal autonomy of Panchayats was very low. He showed that the variation in own receipts and fiscal autonomy of Panchayats were largely attributable to levels of development and concluded that Panchayats should adopt positive measures to accelerate the pace of economic development of the rural areas and thus create positive impact on own resource mobilisation.

Ghosh (2004) examined the resource base of panchayat bodies in gram Panchayats of Nadia district in West Bengal. He argued that till 2000-01, the gram Panchayats did not have any untied fund so that they could take their own decisions at the local level for meeting urgent needs and bridging the critical gaps. He concluded that revenue autonomy and fiscal autonomy were very low in all tiers of Panchayats, and the situation remained unchanged. If this existing trend be not changed immediately, the autonomy would be lost completely and the panchayat would become and extension office of the higher government. To remove this situation, he argued that Panchayats should pay more attention to own asset and property building through different infrastructural development programmes.

Maity and Ray (2004) analysed the pattern of growth and structural changes in own source revenue of gram Panchayats of Paschim Medinipur and Purba Medinipur

districts in West Bengal. They showed that the levels of economic development and political will of panchayat members were the causes of own resource differentials across gram Panchayats.

Sau and Ghora (2005) examined the trend of own source revenue vis-à-vis external plan revenue of gram Panchayats, their plan per capita revenue and plan revenue autonomy and analysed the institutional constraints on own resource mobilisation of gram Panchayats in West Bengal. They observed that gram Panchayats' per capita own revenue and their plan revenue autonomy were not substantial.

Mahi Pal (2005) observed that Panchayats could not become effective institutions of local self-governance unless they had a strong financial base with clearly defined sources of revenues and the revenues were properly managed to optimize the resources.

Institute of Social Sciences (2006) argued that thousands of gram Panchayats suffered from acute shortage of funds mainly because they were shy of or inefficient in collecting taxes. About 95 per cent of the 21354 gram Panchayats in Andhra Pradesh completely depended on funds provided by the union and state governments even for minor development works.

Alok (2006) observed that property tax, cess on land revenue, surcharge on additional stamp duty, tolls, tax on professions, tax on advertisements, non-motor vehicle tax, octroi, user charges, and the like contributed the maximum to the small kitty of own-source revenue, which contributed only 6 to 7 per cent of the total expenditure of Panchayats

Institute of Social Sciences (2007) found that collection of own source revenue was increasing in recent times, but collection as percentage of demand remained low in case of tax revenue. In case of NTR, except trade license and building fees, the rates, fees, tolls and user charges were hardly levied and collected by the GPs.

Devendra Babu (2009) revealed that the Panchayats had very little fiscal autonomy. The locally raised revenues were very negligible. The funds flows from higher level governments were very low and lacked any devolution design or principles. The transfers were made at the convenience and mercy of such governments.

Alok (2012-13) observed that the relative importance of these taxes varies from state to state. The intermediate and district Panchayats were endowed with powers to collect very few taxes, whereas village Panchayats were given substantial taxing powers.

Chakraborty (2012-13) observed that effective fiscal decentralisation required that local sources of revenue should be matched as closely as possible to local expenditure responsibilities and this, in turn, would promote efficiency and accountability in the provision of services at the local level. In India, the 73rd Constitutional Amendment Act 1992 attempted to facilitate a meaningful rural fiscal decentralisation through provisions for functional and financial empowerment of Panchayats. Against this background, the paper, with the help of available secondary data sought to evaluate the trend and pattern of rural fiscal decentralisation in India. This paper showed that, even after fifteen years of decentralized governance, revenue mobilization by the rural local bodies was grossly inadequate and, therefore, there was an imperative need to improve the fiscal health of them. The paper argues that measures related to proper assessment and collection of property tax, provision of power to Panchayats to levy and administer non-tax revenue like water tax, use of newer revenue handles like local business tax; incentivizing competition among Panchayats for internal revenue generation etc had the potential to augment revenue collection of these bodies in near future.

Natraj, Premalatha, Gowda, Dr.Prasad (2014) examined own resources mobilization of the Panchayats of Karnataka .Acoording to the study, the own source of revenue of the Gram Panchayats had improved by more than 50 per cent between 2005-06 and 2008-09. This increase had taken place across all the districts in the states and different categories of taluks.The percentage of own source of revenue to total funds available with the gram Panchayats exhibited a decreasing trend which might be possibly due to increased grants for various development schemes released to the Gram Panchayats.Resource mobilization through taxes by the Gram Panchayats as percentage to total funds (includes the opening balance) had decreased and non-tax revenue also showed a similar trend. The data showed that though the tax and non-tax sources had been increasing across the districts during the period, percentage of tax revenue to total own source revenue marginally increased whereas there was a

decrease in the non-tax revenue mobilization by the gram Panchayats over the years. The general picture that emerged from the analysis of the per capita income across the GPs in the districts in the state indicated that over the period in a majority of the districts the per capita tax mobilization increased over the period. There were districts which had shown significant improvement in the tax mobilization efforts. Property Tax was one of the important sources of revenue even though it constituted a small percentage of the total revenue of the gram Panchayats. A noteworthy feature across many districts was that the per capita property tax mobilisation showed significant increase during the study period. The total own source resource mobilization by the Gram Panchayats across all the districts of the state showed increasing trend during the study period.

The survey of the existing literature thus reveales that so far major attention has been given only to the general issues like level and proportion of own revenue and some general problems of Panchayats in respect of financial part of Panchayats. No detailed analysis of socio-economic and institutional factors limiting the volume of own resource mobilisation of Panchayats has been made. Also, only a scant attention has been given to the non-tax revenue mobilisation of Panchayats and the relevant policy and planning issues. There are hardly any in-depth studies on the dynamic aspects of own revenue mobilisation, namely pattern of growth, own revenue differential and structural change across Panchayats and constraints on own revenue mobilization of decentralised planning units in rural area. The present work seeks to remedy some of the gaps in the existing literature.

Chapter 3

STATE LEVEL STUDY OF PANCHAYATS

Economic reforms were initiated in 1991, which led to the withdrawal of the state from economic sectors and infrastructures resulting in deceleration in growth rate of government expenditures on social and infrastructural development. On the other hand, following the Amendment of the Constitution of India, 1992, Panchayats have been introduced as a distinct third tier government in rural areas and they have been given responsibility of planning for economic development and social justice. Planning involves financing for its realization, and financial resources of Panchayats come from the central and state governments and own sources.

The questions that naturally arise are: Is there any substantial change in the financial provision as well as Panchayats' revenue autonomy and fiscal autonomy as a sequel to the above noted two important developments of the recent years? The present chapter makes an attempt to analyze the growth and structural changes of Panchayats in West Bengal vis-à-vis other major states of India.

The plan of this chapter is as follows. Section 3.1 presents a brief profile of the 12 selected states including West Bengal. Section 3.2 analyses the pattern of growth of own source revenue of Panchayats across states of India and section 3.3 examines the structural change of own source revenue of Panchayats across states of India. Section 3.4 deals with the variation of per capita own source revenue of Panchayats of the states. Section 3.5 analyses the factors which are responsible for the growth of per capita own source revenue of Panchayats of the states in India. Section 3.6 examines the fiscal autonomy and revenue autonomy of Panchayats across the states over the years in India. Section 3.7 summarizes the discussion made in earlier sections of the chapter.

3.1 Brief Profile of the Selected States in India

In this section we discuss the brief profile of the 12 selected states of India. The sample states varied widely in respect of rural population, number of local bodies, rural literacy rate, rural poverty ratio etc. In respect of rural population in 2011, Uttar

Pradesh (15.5 crores) led the 12 selected states followed by West Bengal (6.2 crores), Maharashtra (6.1 crores) and Andhra Pradesh (5.6 crores).

Table 3.1 Socio-Economic Profile of the Selected States in Rural Areas, 2011

States	Population(Crores)	Literacy rate (%)	Work Participation Rate (%)	Number of zilla parishad 2006	Number of Panchayat Samities 2006	Number of Gram Panchayats 2006	Poverty ratio(%) 2011-12
Andhra Pradesh	5.64	60.4	41.8	22	1095	21913	11
Assam	2.68	69.3	44.1	21	203	2487	33.9
Gujarat	3.47	71.7	39.1	25	224	13819	28.9
Haryana	1.65	71.4	44.9	19	119	6187	11.6
Kerala	1.7	93	49.4	14	152	999	9.1
Madhya Pradesh	5.26	63.9	36.3	48	313	23051	35.7
Maharashtra	6.16	77	47	33	351	27918	24.2
Orissa	3.5	70.2	54	30	314	6234	35.7
Punjab	1.73	71.4	43.2	17	140	12443	7.7
Tamil Nadu	3.73	73.5	53.3	29	385	12618	15.8
Uttar Pradesh	15.53	65.5	41.1	70	820	52000	30.4
West Bengal	6.22	72.1	41	18	341	3354	22.4

Sources: 1. Census of India 2011.

2. Ministry of Panchayati Raj, Government of India.

3. Tendulkar Committee Report 2011-12.

The total number of rural local bodies was higher in states like Uttar Pradesh (52908), Maharashtra (28935), Andhra Pradesh (23061) and Madhya Pradesh (22387) than that of other selected states. The number of rural local bodies in West Bengal was 3717. Rural literacy rate was higher in states like Kerala (93 per cent), Tamil Nadu (73.5 per cent), Maharashtra (77 per cent), West Bengal (72.1 per cent) and Punjab (71 per cent) than that of other selected states. Only seven of the selected states, namely Andhra Pradesh, Haryana, Gujarat, Kerala, Maharashtra Punjab, and Tamil Nadu supplied electricity to all the villages. The estimates of the number of people below poverty line as made by the Tendulkar Committee in 2011-12 showed that seven states of the selected states, namely Orissa, Uttar Pradesh, Madhya Pradesh, Assam, Maharashtra and West Bengal witnessed a high percentage of rural people below the

poverty line and these states together accounted for 59 per cent of the total rural poor in India. Rural poverty ratio was highest in Orissa (35.7%) followed by Madhya Pradesh, Assam, Uttar Pradesh, Karnataka, Maharashtra and West Bengal. It was lowest in Punjab.In respect of percentage of rural literacy rate across selected states in India Kerala (93%) led other states while West Bengal registered 72.1% rural literacy rate. According to Census of India 2011 work participation rate in rural area was highest in Orissa state (54% in 2011) while West Bengal recorded 41% work participation rate in rural area (Table 3.1).

Map of India

3.2 Growth of Own Source Revenue of Panchayats across States of India

Of the Panchayats in 12 states Andhra Pradesh Panchayats (all tiers together) had in 1995-96, the highest Own Source Revenue (OSR) collected (Rs 162.69 crores accounting for 18.8 per cent of total own source revenue of Panchayats in rural India) to be followed by Kerala (Rs 119.89 crores accounting for 13.9 per cent) and Maharashtra (Rs 117.65 crores accounting for 13.9 per cent). In 2000-01, Maharashtra Panchayats (Rs 204.44 crores accounting for 24.3 per cent of all-India OSR of panchayts) led other states, followed by Kerala (Rs 137.31 crores accounting for 16.3 per cent), Andhra Pradesh (Rs 94.8 crores accounting for 11.3 per cent). In 2006-07 also, the Panchayats of Maharashtra (Rs 519.82 crores accounting for 23.3 per cent of all-India OSR of Panchayats) led other states followed by Andhra Pradesh (Rs 348.49 crores accounting for 15.6 per cent) and Kerala (Rs 282.75 crores accounting for 12.7 per cent). Panchayats (all tiers) of West Bengal mobilized Rs 22.85 crores of OSR accounting for 0.03 per cent of OSR of Panchayats of rural India in 1995-96; in 2006-07 the relative contribution of the state to total OSR of Panchayats of rural India slightly increased to 0.04 per cent. It is noteworthy that shares of most of all states to all-India OSR of Panchayats varied substantially during this period from 1995-96 to 2006-07* (Appendix-Table A.1 and Figure 3.1).

Figure 3.1 Own Source Revenue of Panchayats (all-tires) of the States, 1995-96 to 2006-07

(Rs in crores)
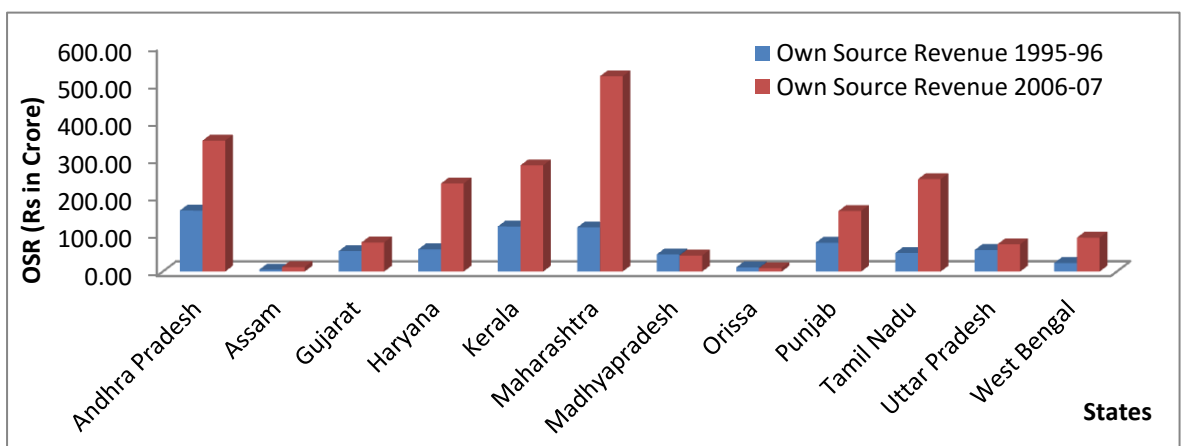
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*Data are not available from secondary sources since 2007-08.

Frequency distribution of 12 major states of India by amount of OSR collected by Panchayats (all-tiers) revealed that in 1995-96 only one state, namely Orissa belonged to the group of OSR below Rs 10 crores. The state continued to remain so throughout the period (i.e., 1995-96 to 2006-07) under our consideration. In 1995-96, two states, namely Madhya Pradesh, Tamil Nadu, belonged to the group of OSR of Rs 25 crores to Rs 49.99 crores. Of them, Tamil Nadu got elevated to the group of OSR above Rs 150 crores in 2006-07. In 1995-96, Maharashtra and Kerala belonged to the group of OSR of Rs 100 crores to Rs 149.99 crores and both the states got promoted to the highest group of OSR Rs 150.00 crores and above. In 1995-96, Andhra Pradesh belonged to the highest group of OSR of Rs 150 crores and above and continued to remain so till 2006-07.

Table 3.2 Frequency Distribution of 12 States of India by Amount of Own Source Revenue of Panchayats (all-tiers), 1995-96 to 206-07   (Rs in Crores)

Class (Rs in Crores)	1995-96		2002-03		2006-07	
	Number	States	Number	States	Number	States
0.00 to 9.99	1	A	2	A and O	1	O
10.00 to 24.99	2	O, WB	0	Nil	1	A
25.00 to 49.99	2	MP and TN	1	WB	1	MP
50.00 to 99.99	4	UP, P, H, G	4	G, H, TN, UP	3	WB, G, UP
100 to 149.99	2	Ker, MR	1	P	0	Nil
1 50 and above	1	AP	4	AP, MR, MP and Ker	6	AP, MR ,TN, P, Ker, H
Total	12				12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa, M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh, WB= West Bengal
Sources: 11th, 12th &13th F.C *Reports of India.*

The state of Orissa continued to remain in the lowest group of OSR below Rs 10 crores during the study period from 1995-96 to 2006-07. In 1995-96 state of West Bengal was recorded to the group of OSR of Rs 10 crores to Rs 24 crores and got elevated to the group of OSR of Rs 50 crores to Rs 99.99 crores in 2006-07 (Table 3.2).

Frequency distribution of the states by compound annual growth rate (CAGR) of OSR revealed that Madhya Pradesh witnessed negative CAGR of OSR. Five states, namely Punjab, West Bengal, Andhra Pradesh, Haryana, and Tamil Nadu belonged to the CAGR group of 5% to 19.9% of OSR which were statistically significant at 1% level.

Table 3.3 Frequency Distribution of 12 States of India by Compound Annual Growth Rate (CAGR) of Own Source Revenue of Panchayats (all-tiers), 2000-01 to 2006-07

(%)

Class of CAGR of OSR	Number	Name of the States
Negative value of CAGR	1	MP
0--4.9	3	O, UP, G
5 – 9.9	4	Ker, A, MR, P**
10 – 19.9	4	TN**, H**, AP**, WB**
20& above	0	Nil
Total		12

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa,
   M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh, WB= West Bengal.
   * 5% level of significance.
   ** 1% level of significance.
   CAGR is measured at constant price (2004-05 as base year).
   Sources: 11th, 12th &13th Finance Commission *Report , India.*

Figure 3.2 Compound Annual Growth Rate (CAGR) of Own Source Revenue of Panchayats (all-tiers), 2000-01 to 2006-07 (%)
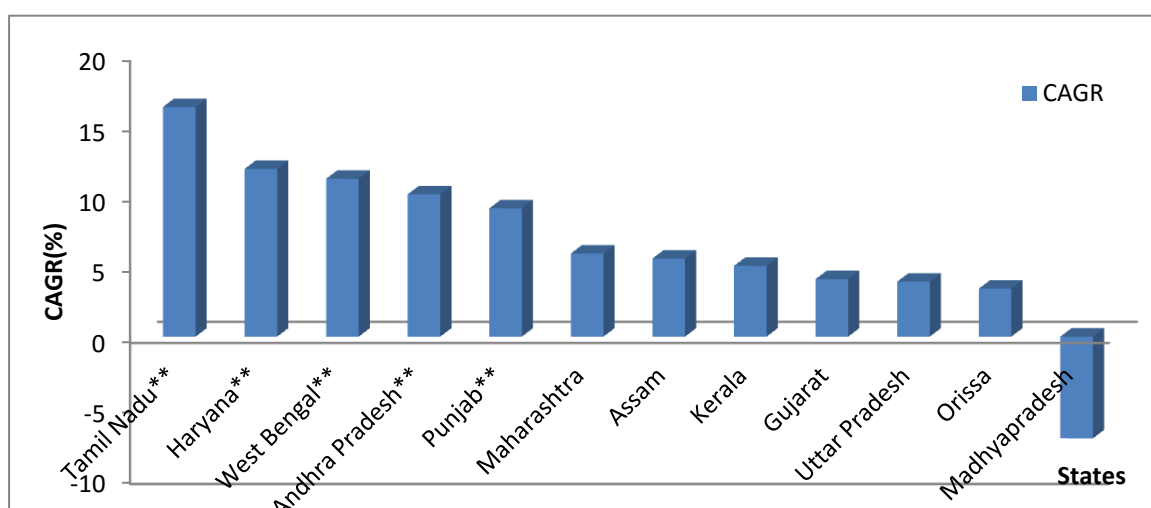
The states, namely Uttar Pradesh, Orissa and Gujarat recorded insignificant growth rate of OSR less than 5 per cent (Table 3.3 and Figure 3.2).

Thus the first hypothesis that level as well as pattern of growth of own source revenue varies significantly across Panchayats in India including West Bengal is accepted.This

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hypothesis is also valid at the district, Block and Gram Panchayat Levels. This is shown in chapters that follow.

Own Tax Revenue of Panchayats

We now discuss Panchayats' own tax revenue across the states. In 1995-96, of the Panchayats in 12 states Kerala Panchayats (all tiers together) led other states in tax revenue collection (Rs107.2 crores) followed by Madhya Pradesh (Rs 89.55 crores), Andhra Pradesh (Rs 88.71 crores) and Tamil Nadu (Rs 48.02 crores) while the state West Bengal recorded own tax revenue Rs 9.12 Crores. In 2003-04, Maharashtra Panchayats (Rs 633.63 crores) led other states, followed by Andhra Pradesh (Rs 132.3 crores) and Kerala (Rs 122.03 crores), in collection of own tax revenue. In 2006-07 also, the Panchayats of Maharashtra (Rs 364.86 crores) led other states followed by Andhra Pradesh (Rs 152.4 crores) and Kerala (Rs 140.8 crores), and Tamil Nadu (Rs 2.5 crores). Assam Panchayats had the lowest amount of tax collection (Rs 0.56 crores) led by Orissa (Rs 1.23 crores) and the state of West Bengal collected own tax revenue Rs 21.89 Crores (Appendix Table A.2 & Figure 3.3).

Figure 3.3 Amount of Own Tax Revenue of Panchayats (all-tires) of the Selected States, 1995-96 to 2006-07 (Rs in Crores)
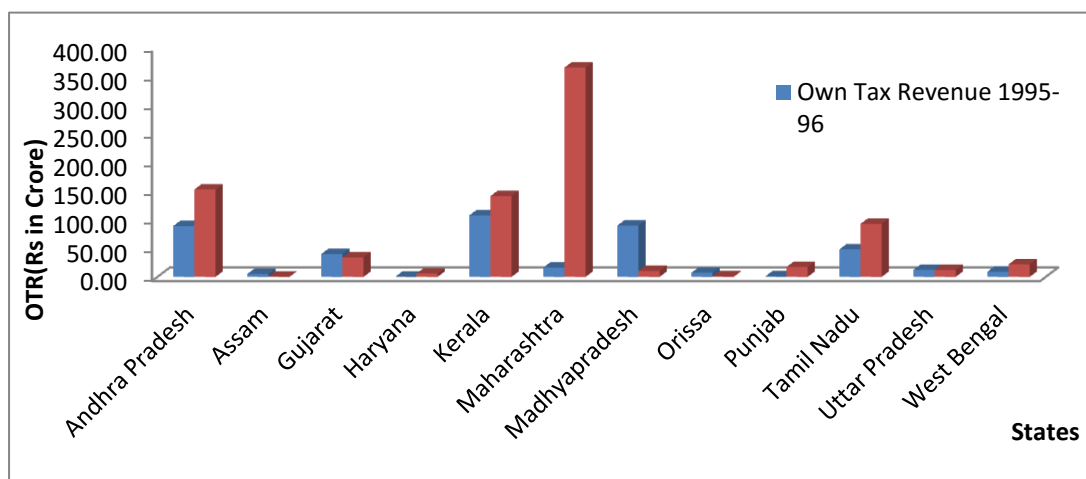
Frequency distribution of 12 major states by amount of own tax revenue collected by Panchayats (all-tiers) revealed that in 1995-96 five states, namely Assam, Haryana, Orissa, Punjab, and West Bengal belonged to the group of own tax revenue below Rs 10 crores. Of these five states, Assam, Haryana, Orissa continued to belong to the same category during 1995-96 to 2006-07.

Table 3.4 Frequency Distribution of 12 States by Amount of Own Tax Revenue of Panchayats (all-tiers), 1995-96 to 2006-07 (Rs in Crores)

Class (Rs Crores)	1995-96		2004-05		2006-07	
	Number	States	Number	States	Number	States
0.0 to 9.99	5	A, H, O, P and W B	6	A, H, O, P, UP, WB	3	A, H, O
10.00 to 19.99	2	UP, MR	1	MP	3	P, UP, MP
20.00. to 49.99	2	G, TN	2	G, TN	2	G, WB
50.00 to 99.99	2	A P and MP	2	Ker, AP	1	TN
100 and above	1	Ker	1	MR	3	AP, Ker, MR
Total	12		12		12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa,
M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh, WB= West Bengal.
Sources: As in Table 3.5

But in 2006-07 Punjab and West Bengal got elevated to the class of own tax revenue of Rs 10.00 crores to Rs 19.99 crores and Rs 20.00 crores to Rs 49.99 crores respectively. In 1995-96 Maharashtra and Andhra Pradesh belonged to the group of own tax revenue of Rs 10 crores to Rs 19.99 crores and Rs 50 crores to Rs 99.99 crores respectively. All these states got elevated to the highest group of own tax revenue of Rs 100.00 crores and above in 2006-07. The state of Kerala continued to remain in the highest group of own tax revenue Rs 100.00 crores and above during the period from 1995-96 to 2006-07 (Table 3.4).

Table 3.5 Frequency Distribution of 12 States of India by Compound Annual Growth Rate of Own Tax Revenue of Panchayats (all-tiers), 2000-01 to 2006-07 (%)

Class of CAGR of OTR	Number	Name of The States
Negative Value of CAGR	3	MP, UP, MR
0--4.9	5	TN, AP, O, A, G
5 – 9.9	4	WB, Ker
10 – 19.9	0	NIL
20 and above	2	H, P*
Total	12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa,
M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh, WB= West Bengal.
CAGR is measured at constant price (2004-05 as base year).
* 5% level of significance.
Sources: As in Table 3.5

Frequency distribution of the states by compound annual growth rate of own tax revenue revealed that, Madhya Pradesh, Maharashtra and Uttar Pradesh witnessed negative compound annual growth rate (CAGR) of own tax revenue. Two states, namely Kerala and West Bengal belonged to the CAGR group of 5% to 9.9% of own tax revenue.

Five States, namely Tamil Nadu, Orissa, Andhra Pradesh, Assam and Gujarat recorded growth rate of less than 5 per cent of own tax revenue. Only two states, Haryana and Punjab witnessed the highest level of growth rate of own tax revenue 20 per cent and above. The compound annual growth rate of own tax revenue of the state of Punjab is statistically significant at 5% level (Table 3.5 and Figure 3.4).

Figure 3.4 Compound Annual Growth Rate (CAGR) of Own Tax Revenue of Panchayats (all-tiers), 2000-01 to 2006-07 (%)
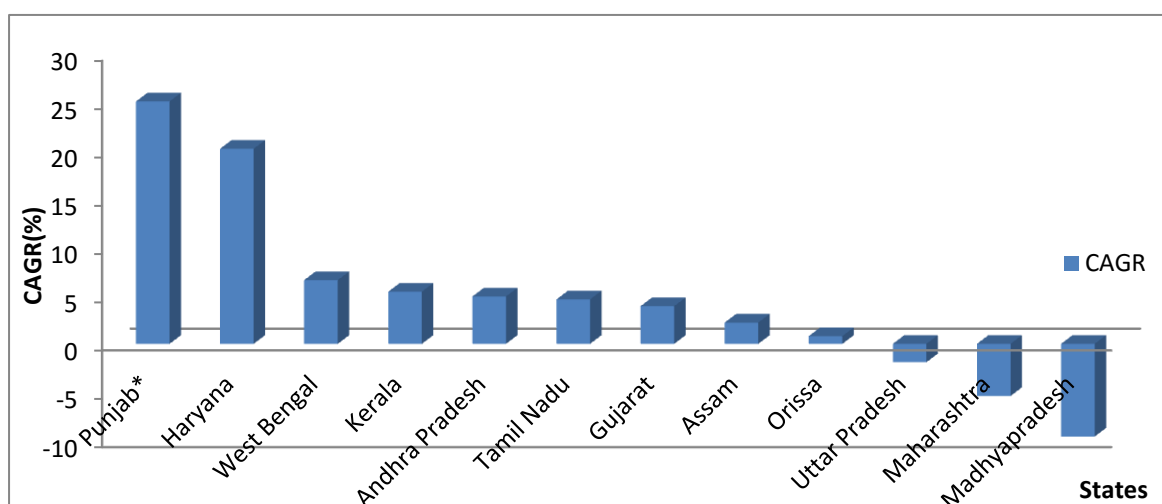
Own Non-Tax Revenue of Panchayats

In 1995-96, Andhra Pradesh state Panchayats (all tiers together) had the highest own non-tax revenue collected Rs 88.2 crores followed by Haryana Rs 58.9 crores, Uttar Pradesh Rs 45.2 crores and Punjab Rs 45 crores. In 2003-04, Andhra Pradesh Panchayats with own non-tax revenue of Rs 174.5 crores led other states, followed by Maharashtra Rs 127.9 crores respectively, Tamil Nadu Rs 124.2 crores and Punjab Rs 118.1 crores in collection of own non-tax revenue.

Figure 3.5 Amount of Own Non-Tax Revenue of the Selected States of Panchayats (all-tires),

1995-96 to 2006-07 (Rs in Crores)
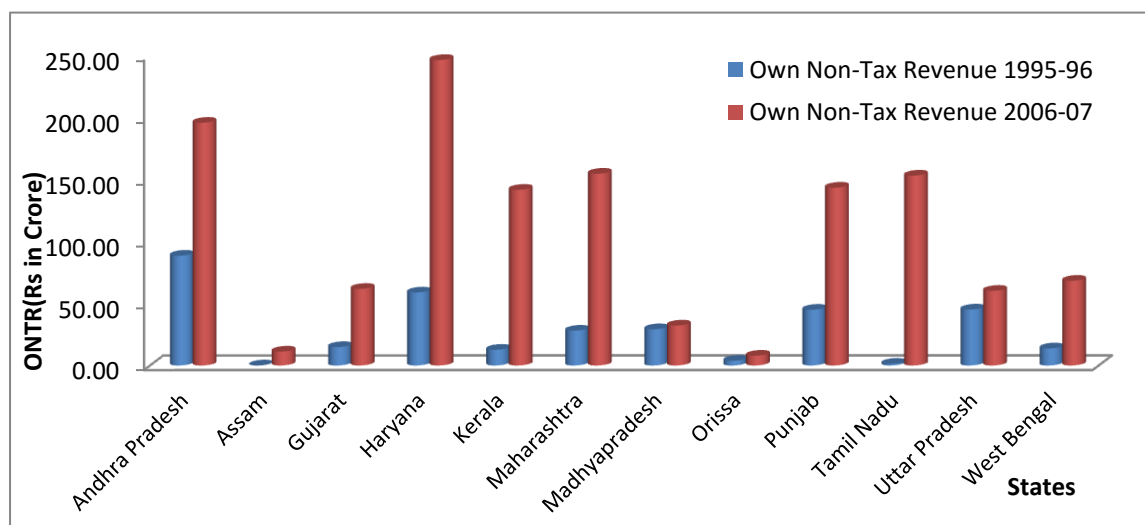
But in 2006-07 the state of Haryana with Rs 246.9 crores led other states, followed by Andhra Pradesh Rs 196.12 crores, Maharashtra Rs 154.9 crores, Tamil Nadu Rs 153.4 crores and Punjab Rs 143.7 crores in own non-tax revenue. In 1995-96 West Bengal had non-tax revenue of Rs 13.8 crores, which got elevated to Rs 68.4 crores in 2006-07 (Appendix Table A.3 & Figure 3.5).

Frequency distribution of 12 major states by amount of own non-tax revenue collected by Panchayats (all-tiers) revealed that in 1995-96 three states, namely Assam, Orissa, and Tamil Nadu belonged to the own non-tax revenue group of below Rs 10 crores. Of these states Tamil Nadu got elevated to the highest group of own non-tax revenue Rs 100 crores and above in 2006-07. In 1995-96, no state is observed in the highest group of non-tax revenue while in 2006-07 six states, namely Tamil Nadu, Kerala, Punjab, Haryana, Andhra Pradesh and Maharashtra rose to the highest group of Rs 100 crores and above. The state West Bengal soared to the group of Rs 10.00 crores to Rs 19.99 crores in 1995-96 and got elevated to the group of Rs 50 crores to Rs 99.9 crores of own non-tax revenue in 2006-07(Table 3.6).

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Table 3.6 Frequency Distribution of 12 States by amount of Own Non-Tax Revenue of Panchayats (all-tiers), 1995-96 to 2006-07 (Rs in Crores)

Class (Rs Crores)	1995-96		2004-05		2006-07	
	Number	States	Number	States	Number	States
0 to 9.99	3	A, O, TN	2	A, O	1	O
10.00 to 19.99	3	G, Ker, W.B	1	MP	1	A
20.00 to 49.99	4	MP, MR, P, UP	3	G, WB, UP	1	MP
50.00 to 99.99	2	A. P and H	4	Ker, TN, P, MR	3	WB, UP, G
100 and above	0	Nil	2	AP, H	6	AP, Ker, P, MR, TN
Total	12		12		12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa,
M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh, WB= West Bengal.
Sources: As in Table 3.5

Frequency distribution of the states by compound annual growth rate revealed that six states, namely Madhya Pradesh, Gujarat, Orissa, Andhra Pradesh, West Bengal and Uttar Pradesh witnessed lowest compound annual growth rate (CAGR) of less than 5% of own non-tax revenue (ONTR). Five states, namely Tamil Nadu, Assam Kerala, Punjab and Maharashtra belonged to the CAGR group of 5% to 9.9% of own non-tax revenue. Only the state of Haryana witnessed growth rate of ONTR to the tune of 10 per cent to 19.9 per cent during 2000-01 to 2006-07 (Table 3.7 and Figure 3.6).

Table 3.7 Frequency Distribution of 12 States of India by Compound Annual Growth Rate (CAGR) of Own Non-Tax Revenue (ONTR) of Panchayats (all-tiers), 2000-01 to 2006-07 (%)

CAGR of ONTR	Number	Name of The States
0--4.9	6	O, UP, G, MP, AP, WB
5 – 9.9	5	TN, Ker, A, MR,
10 – 19.9	1	H
20& above	0	Nil
Total	12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa,
M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh, WB= West Bengal
CAGR is measured at constant price (2004-05 as base year).
Sources: As in Table 3.5

Figure 3.6 Compound Annual Growth Rate (CAGR) of Own Non-Tax Revenue of Panchayats (all-tiers), 2000-01 to 2006-07 (%)
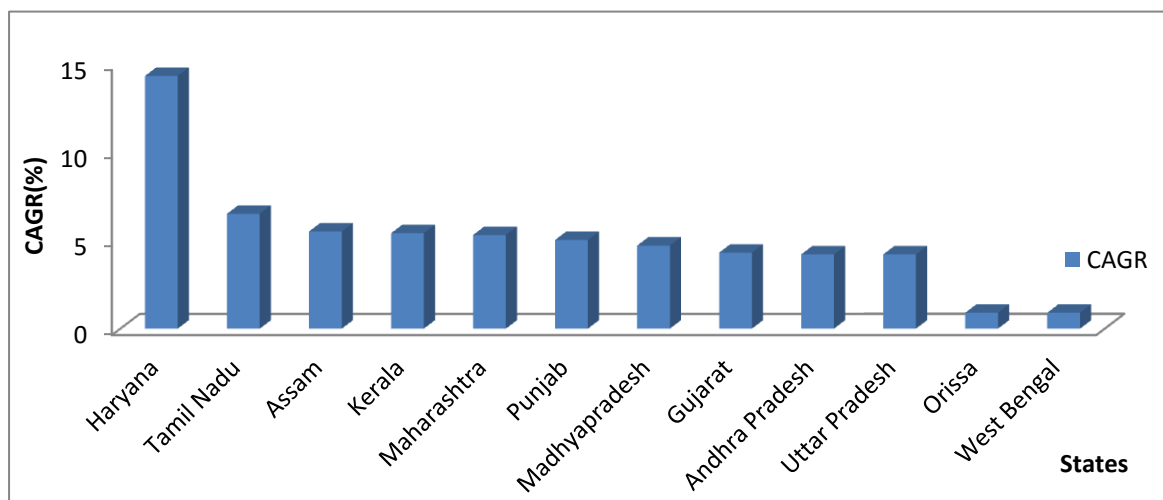
3.3 Structural Change of Own Source Revenue

Structural change is defined as the change in percentage share of tax revenue and non-tax revenue to total own source revenue.

Table 3.8 Percentage Share of Non-Tax Revenue to Own Source Revenue of Panchayats (all-tiers), 1995-96 to 2006-07 (%)

States	1995-96	2006-07
	Percentage Share of Non-Tax Revenue	Percentage Share of Non-Tax Revenue
Andhra Pradesh	50	56.28
Assam	0.9	95.26
Gujarat	27.19	64.54
Haryana	99.53	97.66
Kerala	10.58	29.81
Maharashtra	63.15	75.49
Madhya Pradesh	24.64	86.46
Orissa	34.59	89.2
Punjab	97.76	86.15
Tamil Nadu	2.8	62.39
Uttar Pradesh	78.64	83.22
West Bengal	60.17	75.77

Sources: As in Table 3.5

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In 1995-96, 06 states out of 12 states were in the group of percentage share of non-tax revenue above 50 per cent while in 2012-13, 11 states recorded percentage share above 55 per cent. Hence it can be said that the structure of own source revenue changed in favour of non-tax revenue during the period from 1995-96 to 2006-07(Table 3.8).

Thus the second hypothesis that own source revenue has changed in favour of non-tax revenue across the Panchayats in India including West Bengal is accepted. We shall see in later chapters that this hypothesis is also valid at the district and block levels.

3.4 Variation in Per Capita Own Source Revenue

Per capita own source revenue of Panchayats (PCOSR) varied widely across the 12 states of India. In 1995-96 Haryana had the highest Per Capita own source revenue (all-tiers together) Rs 11.6 followed by Kerala Rs 9.40, Punjab Rs 7.8 and Andhra Pradesh Rs 7.4. In 2004-05, Haryana PCOSR Rs 79.8 led other states followed by Kerala Rs 76, Punjab Rs 55.2 and Maharashtra Rs 54.

Figure 3.7 Per Capita Own Source Revenue of Panchayats (all-tires), of the States, 1995-96 to 2006-07 (Rs)
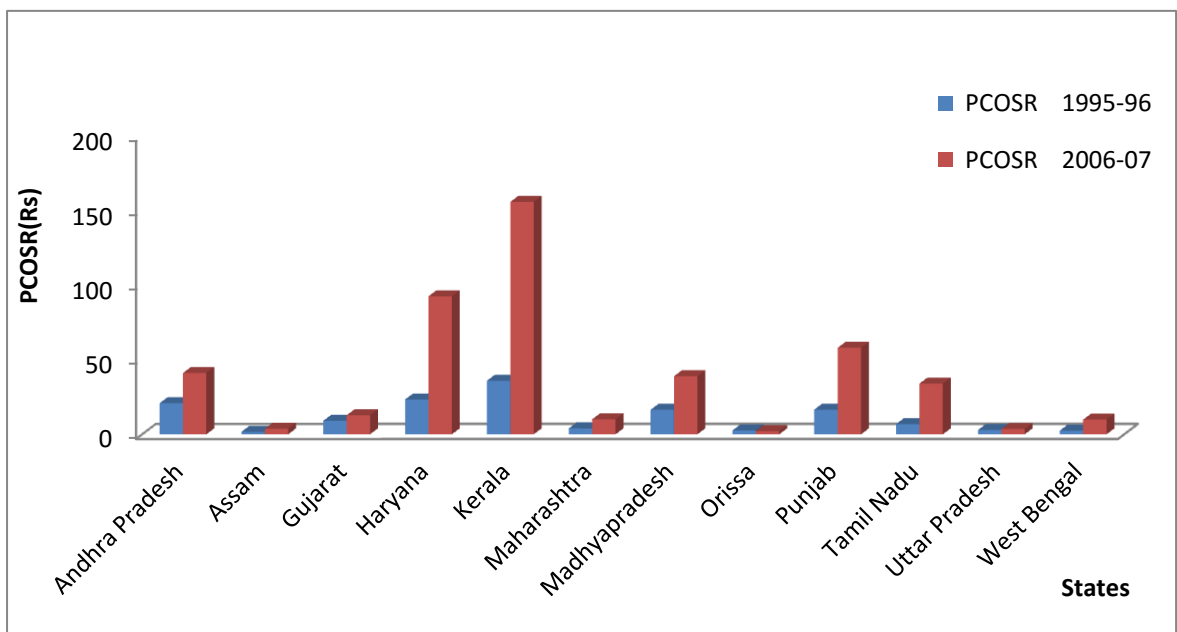
In 2006-07 again Haryana Rs 106.8 led other states followed by Kerala Rs 79.6, Andhra Pradesh Rs 58.6 and Maharashtra Rs 56.5 but Orissa and Uttar Pradesh

continued to remain in the lowest per capita own source revenue of below Rs 5.00 during 1990-91 to 2006-07(Appendix Table A.4 & Figure-3.7).

Table 3.9 Frequency Distribution of States of India by Per Capita Own Source Revenue of Panchayats (all-tiers), 1995-96 to 2006-07 (Rs)

Class (Rs)	1995-96		2003-04		2006-07	
	Number	States	Number	States	Number	States
0.00 to 4.99	5	A, MR,UP, O, WB	3	A, O, U.P	3	A, O, UP
5.00 to 9.99	2	G , TN	2	MP, WB	1	WB
10 to 19.9	2	MP, P	1	G	2	MR , G
20.00 and above	3	AP, H, Ker	6	AP, H, Ker, MR, P, TN	6	AP, MP, H, Ker, TN, P
total	12		12		12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa, M= Maharashtra, MP=Madhya Pradesh,   P = Punjab, UP = Uttar Pradesh, WB= West Bengal.
Sources: As in Table 3.5

Frequency distribution of 12 major states by amount of per capita own source revenue of Panchayats (all-tiers) revealed that in 1995-96 five states, namely Assam, Orissa, Maharashtra, Uttar Pradesh and West Bengal belonged to the per capita own source revenue group of below Rs 5. Of them West Bengal and Maharashtra got elevated in the group of per capita own source revenue Rs 5 to Rs 19.99 during 2006-07.The state of Madhya Pradesh got upgraded to the highest group of per capita own source revenue above Rs 20 and above from group of per capita own source revenue Rs 5 to Rs 9.99 during 1995-96 to 2006-07. In 1995-96 Punjab belonged to the per capita own source revenue group of Rs 10 to Rs 19.99 and she got elevated to the highest per capita own source revenue group Rs 20 and above during 2006-07. In 1995-96 only three states, namely Kerala, Andhra Pradesh, Haryana belonged to the highest group of per capita own source revenue Rs 20 and above. In 2006-07 six states, namely Kerala, Andhra Pradesh, Tamil Nadu, Punjab, Haryana and Madhya Pradesh recorded the highest group of per capita own source revenue Rs 20 and above. Assam, Orissa, and Uttar Pradesh continued to remain in the lowest group of per capita own source revenue Rs 0 to Rs 4.99 during 1995-96 to 2006-07 (Table 3.9).

Per Capita Tax Revenue

Per capita own tax revenue of Panchayats also varied widely across the 12 states of India. In 1995-96 Kerala had the highest per capita own tax revenue Rs 32.2 followed by Andhra Pradesh Rs 10.5 and Madhya Pradesh Rs 12.4.

Figure 3.8 Amount of Per Capita Own Tax Revenue of Panchayats (all-tires), 1995-96 to 2006-07 (Rs)
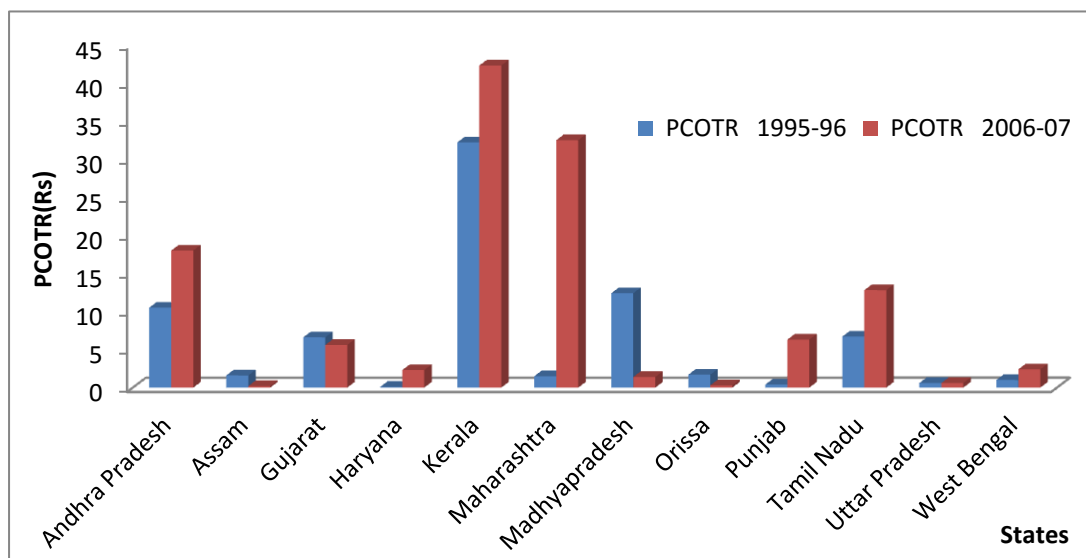
In 2006-07 again the state of Kerala Rs 42.3 led others followed by Maharashtra Rs 32.5 and Andhra Pradesh Rs 18. The states of Assam, Orissa, Uttar Pradesh, Rajasthan and West Bengal continued to remain in the lowest per capita own tax Revenue below Rs 5.00 during the period from 1995-96 to 2006-07(Appendix Table A.5 and Figure 3.8).

Frequency distribution of 12 major states by amount of per capita own tax revenue of Panchayats (all-tiers) revealed that in 1995-96 six states, namely Assam, Haryana, Uttar Pradesh, Orissa, Punjab, and West Bengal belonged to the per capita own tax revenue group of below Rs 2.00. Of these states Maharashtra got elevated to the highest group of per capita own tax revenue Rs 15 and above in 2000-01 and continued to remain so in later years. In 1995-96 Tamil Nadu belonged to group of the per capita own tax revenue Rs 2.00 to Rs 4.99 and she got elevated to the highest group of per capita own tax revenue Rs 15 and above. In 1995-96, Kerala belonged to the group of highest per capita own tax revenue Rs 15 and above and continued to remain so in later years. The state of West Bengal got elevated to the group of per

capita own tax revenue Rs 2.00 to Rs 4.99 from the lowest group of per capita own tax revenue below Rs 5 during 1995-96 to 2006-07.

Table 3.10 Frequency Distribution of 12 States of India by Amount of Per Capita Own Tax Revenue of Panchayats (all-tiers), 1995-96 to 2006-07 (Rs)

Class(Rs)	1995-96		2004-05		2006-07	
	Number	States	Number	States	Number	States
0.00 to 1.99	6	A, H, MR O, P, WB	4	A, O, UP, WB	4	A, O, UP, MP
2.00 to 4.99	1	UP	2	H, MP	2	H, WB
5.00 to 9.99	2	G , TN	2	G, P	2	G, P
10.00 to 14.99	2	AP, MP	1	TN	1	TN
1 5 and above	1	Ker	3	Ker, MR, AP	3	Ker, MR, AP
Total	12		12		12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O=Orissa, M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh, WB= West Bengal.
Sources: As in Table 3.5

The states of Andhra Pradesh, Orissa , Assam and Madhya Pradesh continued to remain in the lowest group of per capita own tax revenue below Rs 2 during the period from 1995-96 to 2006-07 (Table 3.10).

Per Capita Non-Tax Revenue

Per capita non-tax revenue of Panchayats (PCONTR) also varied widely across the 12 states of India. In 1990-91 Haryana Panchayats (all tiers together) had the highest per capita own non- tax revenue of Rs 23.3 followed by Punjab (Rs 16.2) and Andhra Pradesh (Rs 10.5). In 2004-05 Haryana (Rs 40) led other states followed by Punjab (Rs 25.7) and Kerala (Rs 20.5). In 2006-07 again Haryana (Rs 97.6) led other states followed by Kerala (Rs 42.6) and Andhra Pradesh (Rs 23.2) but Orissa continued to remain in the lowest PCONTR below Rs 2.00 during 1995-96 to 2006-07. In 1995-96 West Bengal Panchayats (all tiers together) had the per capita own non-tax revenue below Rs 2 which increased to Rs 7.5 during 2006-07 (Appendix Table A.6 and Figure 3.9).

Figure 3.9 Amount of Per Capita Own Non-Tax Revenue of Panchayats (all-tires), 1995-96 to 2006-07 (Rs)
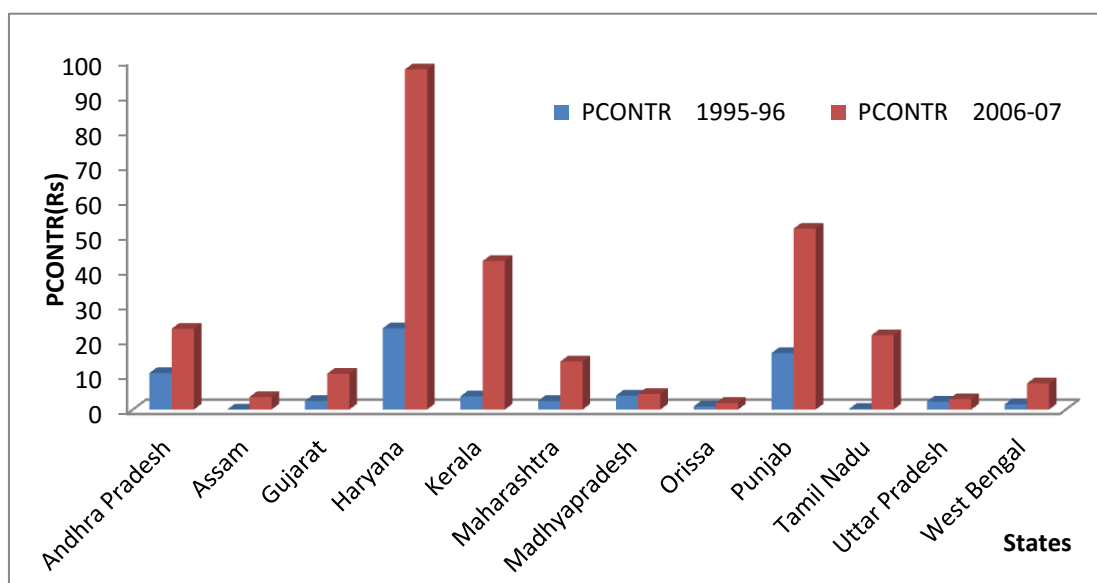
Frequency distribution of 12 major states by amount of per capita own non-tax revenue of Panchayats (all-tiers) revealed that in 1995-96 seven states, namely Andhra Pradesh, Assam, Karnataka, Kerala, Orissa and West Bengal belonged to the per capita own non- tax revenue group below Rs 2.00.

Table 3.11 Frequency Distribution of 12 States of India by Amount of Per Capita Own Non-Tax Revenue of Panchayats (all-tiers), 1995-96 to 2006-07 (Rs)

class(Rs)	1995-96		2004-05		2006-07	
	Number	States	Number	States	Number	States
0.00 to 1.99	4	A, O, TN, WB	3	A, O, UP	1	O
2.00 to 4.99	5	G, Ker, MR, UP MP	2	WB, MP	3	A, UP, MP
5.00 to 9.99	0	Nill	2	G, MR	1	WB
10.00 to 14.99	1	AP	2	AP, TN	2	G, MR
1 5 and above	2	P, H	3	H, Ker, P	5	P, AP, TN, H, Ker
Total	12		12		12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa,
M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh, WB= West Bengal.
Sources: As in Table 3.5

Of these states Tamil Nadu got upgraded to the highest group of per capita own non-tax revenue of Rs 15 and above during 2006-07. In 1995-96 Gujarat, Maharashtra and Kerala belonged to the group of per capita own non-tax revenue of Rs 2.00 to Rs

4.99. Of them Kerala got elevated to the highest group of per capita own non-tax revenue of Rs 15.00 and above during 2006-07. Punjab and Haryana continued to the highest group of per capita own non-tax revenue of Rs 15.00 and above during the period from 1995-96 to 2006-07. The state of West Bengal got elevated to the group of per capita own non-tax revenue of Rs 5 to Rs 9.99 during 2006-07(Table 3.11).

The notable feature is that there was substantial fluctuation over years in per capita own source revenue, per capita tax revenue and per capita non-tax revenue.

Now to examine whether the means of per capita own source revenue, per capita own tax revenue and per capita own non-tax revenue of the selected states significantly increased in 2006-07 compared to 1995-96 or not, we can use Fischer's 't'-test.

Result of 't' statistic for the per capita own source revenue, per capita tax revenue, per capita-non tax revenue

In the case of per capita own source revenue (PCOSR),

Now before going to examine whether the mean of per capita own source revenue of the selected states significantly increased in 2006-07 compared to 1995-96 or not, we have to know the equality of variance.

The equality of the variance of per capita own source revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 states the null hypothesis is not accepted for 1995-96 and 2006-07.

Here for unequal variance, the calculated value t_0 (1.9) higher than the tabulated value $t\alpha$ (1.7). Hence the null hypothesis is not accepted. Thus the per capita own source revenue significantly increased in 2006-07 compared to 1995-96.

In the case of per capita tax revenue (PCOTR),

Now before going to examine whether the mean of per capita own tax revenue of the selected states significantly increased in 2006-07 compared to 1995-96 or not, we have to know the equality of variance.

The equality of the variance of per capita own tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 states the null hypothesis is not accepted for 1995-96 and 2006-07.

Here for unequal variance, calculated value t_0 (1.12) is not higher than tabulated value tα (1.7). Hence the null hypothesis is not rejected. Thus the per capita own tax revenue did not significantly increase in 2006-07 compared to 1995-96.

In the case of per capita non-tax revenue (PCONTR),

Now before going to examine whether the mean of per capita own source revenue of the selected states significantly increased in 2006-07 compared to 1995-96 or not, we have to know the equality of variance.

The equality of the variance of per capita own non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 states the null hypothesis is not accepted for 1995-96 and 2006-07.

Here for unequal variance, the calculated value t_0 (2.03) is higher than the tabulated value tα (1.7). Hence the null hypothesis is not accepted. Thus the per capita own non- tax revenue significantly increased in 2006-07 compared to that in 1995-96.

Now to analyse whether the per capita non-tax revenue was significantly higher than per capita tax revenue of Panchayats of the selected states during the period from 1995-96 to 2006-07 we can compare the means of per capita tax revenue and per capita non- tax by the Fischer's 't' test for 1995-96 and 2006-07.

According to the Fisher's 't' test, if calculated value of 't' is higher than tabulated value of 't' then the null hypothesis will be not accepted, otherwise accepted.

Now before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in 1995-96, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 states the null hypothesis is not accepted for 1995-96.

In 1995-96 for unequal variance, calculated value t_0 (0.35) is not higher than tabulated value $t\alpha$ (1.70). Hence the null hypothesis is not rejected. Thus the per capita non-tax revenue was not significantly higher than PCTR in 1995-96.

Now before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in 2006-07, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 states the null hypothesis is not accepted for 2006-07.

Now in 2006-07 for unequal variance, t_0 (1.17) < $t\alpha$ (1.7) (calculated value is not higher than tabulated value), hence the null hypothesis is not rejected. Thus the per capita non-tax revenue was not significantly higher than Per capita tax revenue for the year of 2006-07.

Ratio of Per Capita Tax and Per Capita Non-Tax Revenue

The ratio between per capita tax and per capita non tax revenue of the states in 1995-96 was 1.o, which declined to 0.8 during the study period, hence the ratio is declining.Hence per capita own source revenue is changed against to the per capita tax revenue during the period from 1995-96 to 2006-07(Appendix Table A.7).

3.5 Per Capita Own Source Revenue and its Determinants

The variations in per capita own source revenue (PCOSR) of Panchayats across the selected states of India are largely attributable to the level of development of the state to which the Panchayats belong. The relatively developed states like Haryana, Kerala, Punjab, Maharashtra had Panchayats mobilizing larger own source revenue than the relatively backward states like Orissa.

Table 3.12 Per Capita Own Source Revenue and its Determinants (2006-07)

States	PCOSR	HDI	NFWRK (%)
Andhra Pradesh	41.2	0.47	39.1
Assam	3.8	0.44	39.2
Gujarat	12.8	0.52	34
Haryana	92.7	0.55	52.9
Kerala	156.1	0.92	63.2
Madhya Pradesh	39	0.37	24.3
Maharashtra	10.1	0.57	32.4
Orissa	2.2	0.36	41
Punjab	58.1	0.6	50.6
Tamil Nadu	34.1	0.57	43.9
Uttar Pradesh	3.6	0.38	37
West Bengal	9.9	0.49	40.5

Notes: PCOSR=Per Capita Own Source Revenue, HDI=Human Development Index, NFWRK=Non-Farm Worker

PCOR in relation to socio-economic development indicators are shown table-3.12). It is revealed that the variation in PCOSR (all-tiers) across states explained not only by the variation in the level of economic factors but also by social factors.

Regression Equation

It is revealed that variation in PCOSR is significantly explained to the extent of 82% by Human Development Index (HDI) and percentage of non-farm workers to total workers (NFW) while the whole model is significant at 1% level (Table 3.13).

Table 3.13 Regression Equation

Multiple Regression Equation	R Square	Adjusted R Square	F
PCOR= -144.4 + 229.3**HDI + 1.6*NFW (-5.9) (4.1) (2.1)	0.85	0.82	31.2**%

Notes: ** Indicates 1%,* Indicates 5% level of Significance

3.6 Revenue Autonomy and Fiscal Autonomy of Panchayats in West Bengal vis-à-vis other States

Revenue autonomy is defined as percentage share of own source revenue in total receipt. It measures what proportion of total receipt of Panchayats comes from their

own source revenue. Fiscal autonomy is measured as a proportion of own source revenue in total expenditure of Panchayats.

Revenue Autonomy

In comparing revenue autonomy of Panchayats across the selected states of India it is revealed that it varied widely across the selected states. During 1995-96, four states, namely Kerala, Punjab, Assam and Haryana had the revenue autonomy above 20 per cent while 4 other states, namely Gujarat, West Bengal, Orissa and Maharashtra belonged to the class of revenue autonomy below 5 per cent. But during 2004-05, 2 states, namely Haryana and Punjab belonged to the class of revenue autonomy above 31 per cent while states like Gujarat, Assam, Uttar Pradesh, and Orissa had the class of revenue autonomy below 5 per cent. During the year of 2006-07 Haryana was in the group of revenue autonomy 31 per cent and above while seven states, namely Gujarat, Madhya Pradesh, Uttar Pradesh, Orissa, West Bengal, Assam, and Maharashtra belonged to the group of revenue autonomy below 5 per cent (Table 3.14 & Figure 3.10.).

Table 3.14 Frequency Distribution of States by Revenue Autonomy (RA) of Panchayats (all-tiers), 1995-96 to 2006-07 (%)

Class of RA	1995-96		2004-05		2006-07	
	Number	States	Number	States	Number	States
Below 5	4	WB, MR, G, O	4	G, A, O, UP	7	G, MP , UP, O, WB, A, MR
5 – 10	4	AP, MP, TN, UP	4	WB, TN, MP, MR	1	TN
11 – 20	0	Nil	2	AP, Ker	3	Ker, AP ,P
21 – 30	2	P, Ker	0	NIL	0	Nil
31and above	2	H, A	2	H, P	1	H
Total	12		12		12	

Notes: AP = Andhra Pradesh, A= Assam, G= Gujarat, H= Haryana. Ker= Kerala, O= Orissa,
 M= Maharashtra, MP=Madhya Pradesh,   P = Punjab, UP = Uttar Pradesh, WB= West Bengal.
Sources: As in Table 3.5

Figure 3.10 Revenue Autonomy of the Panchayats (all-tiers), 1995-96 to 2006-07

(%)
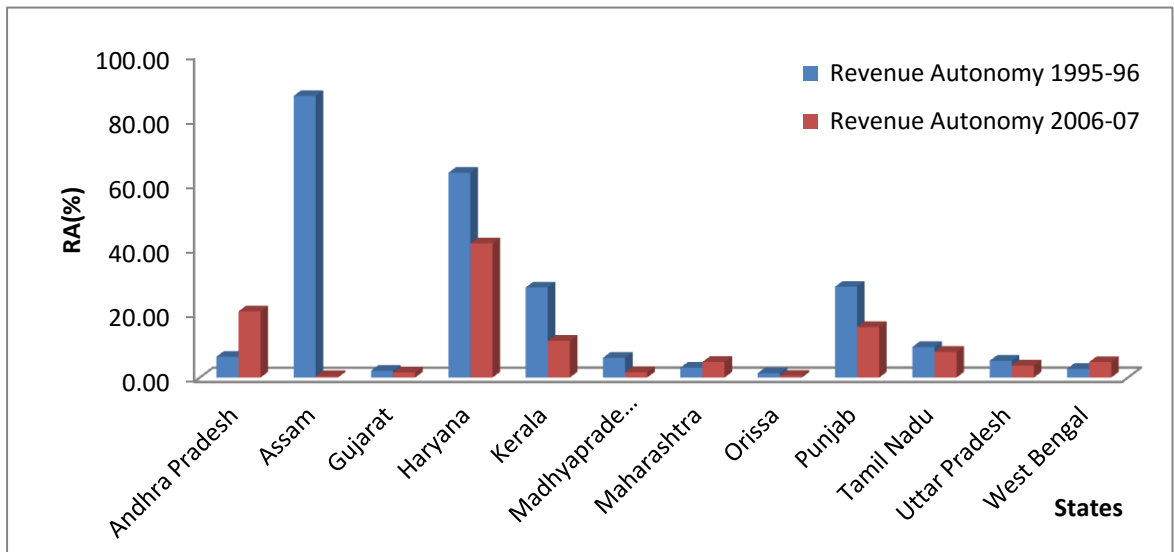
Result of 't' Statistic for the revenue autonomy

Now to examine whether the mean of revenue autonomy of the States significantly increased in 2006-07 compared to 1995-96 or not, we can use Fischer's 't'-test for equality of mean .

If the calculated value of 't' is higher than the tabulated value of 't' the then the Null Hypothesis will be rejected otherwise accepted.

Now before going to examine whether the mean of revenue autonomy of the selected states significantly increased in 2006-07 compared to 1995-96 or not, we have to know the equality of variance.

The equality of the variance of revenue autonomy (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 states the null hypothesis is not accepted for 1995-96 and 2006-07.

Here for unequal variance, the calculated value (0.77) is not higher than the tabulated value (1.7). Hence the null hypothesis is not rejected. Thus the revenue autonomy did not significantly increase in 2006-07 compared to 1995-96.

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Table 3.15 Frequency Distribution of Revenue Autonomy (RA) of Panchayats in West Bengal vis-à-vis India, 1995-96 to 2006-07 (%)

State / Country	Revenue Autonomy (%)			
	1995-96	2004-05	2006-07	C.V (%)
West Bengal	2.71	5.88	4.82	35.43
All India	3.99	6.5	5.04	26.81

Notes: CV=Coefficient variation

During 1995-96 West Bengal's Panchayats had revenue autonomy only to the extent of 2.71 per cent compared to 3.99 per cent in Panchayats of India as a whole. The value declined to 5.88 per cent and 6.5 per cent during 2004-05. During 2006-07 it decreased substantially to 4.82 per cent and 5.04 per cent respectively (Table 3.15 and Figure 3.11).

Figure 3.11 Comparison of Revenue Autonomy (RA) between West Bengal and India, 1995-96 to 2006-07 (%)
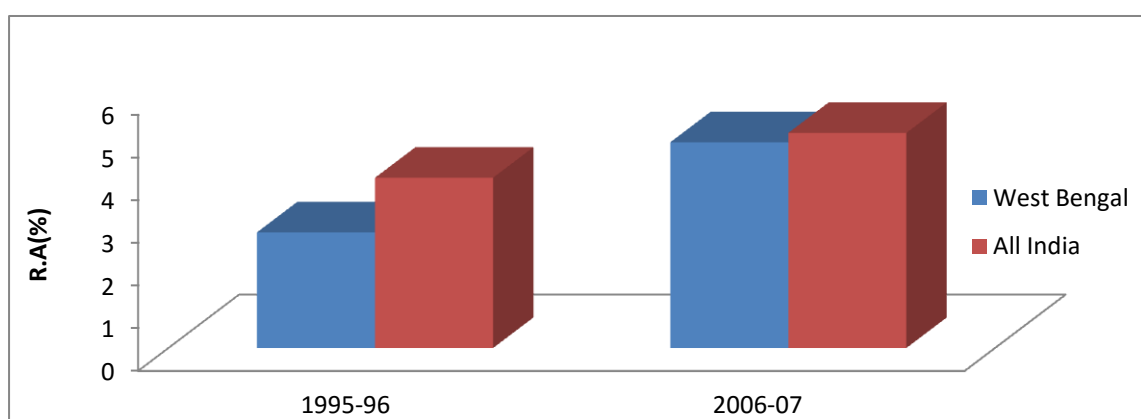
Fiscal Autonomy

Fiscal autonomy of Panchayats was low in almost all the selected states and it varied substantially across the selected states. It was 2.4 per cent in West Bengal's Panchayats during 1995-96. The value declined to 4.6 per cent during 2004-05, which decreased further to 4.01 per cent during 2006-07. On the other hand, it was 3.7 per cent for Panchayats of India as a whole during 1995-96, which increased to 6.6 per cent during 2004-05. But the value declined to 5.2 per cent during 2006-07(Table 3.16 & as Figure 3.12).

Table 3.16 Frequency Distribution of Fiscal Autonomy (FA) of Panchayats in West Bengal vis-à-vis India, 1995-96 to 2006-07

(%)

State / Country	Fiscal Autonomy (%)			C.V (%)
	1995-96	2004-05	2006-07	
West Bengal	2.4	4.6	4.01	35
All India	3.7	6.6	5.2	29.5

Notes: CV=Coefficient variation

Figure 3.12 Comparison between West Bengal and India by Fiscal Autonomy (FA), 1995-96 to 2006-07
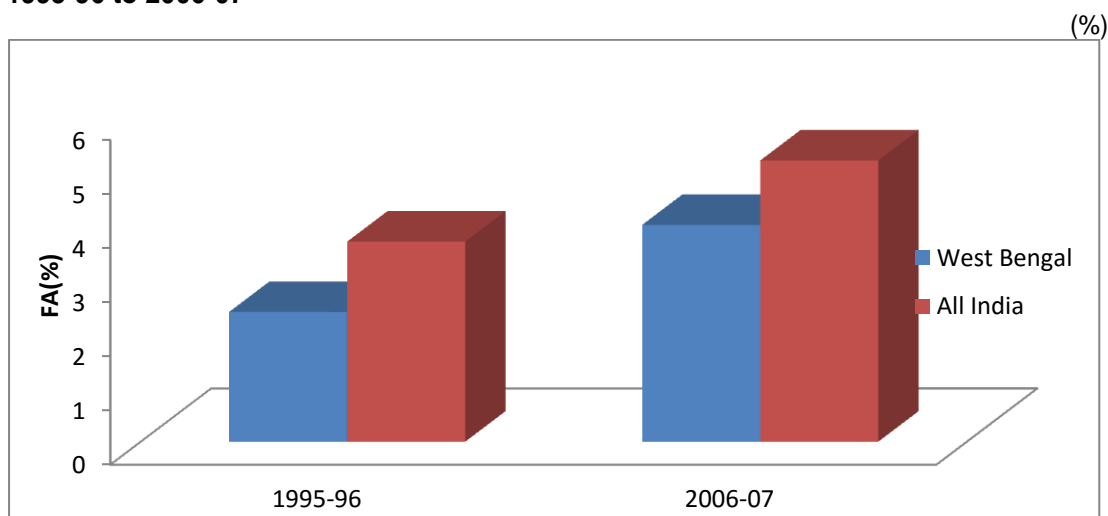
(%)

Fiscal autonomy of Panchayats was low in almost all the selected states and it varied substantially across the selected states. During 1995-96 only three states, namely Kerala, Haryana and Punjab belonged to the class of fiscal autonomy above 31 per cent while 4 states, namely West Bengal, Gujarat, Orissa and Maharashtra belonged to the class of fiscal autonomy below 5 per cent. During 2004-05 only two states, namely Haryana and Punjab, belonged to the class of fiscal autonomy above 31 per cent while 6 other states, namely Gujarat, Assam, Orissa, Uttar Pradesh, Madhya Pradesh, and West Bengal belonged to class of fiscal autonomy below 5 per cent. During the year of 2006-07 only one state, Haryana was in the group of 31 & above while six states, namely Gujarat, Assam, Orissa, Uttar Pradesh, Madhya Pradesh and West Bengal belonged to the group of fiscal autonomy below five per cent (Table 3.17 & Figure 3.13.).

Thus, both revenue autonomy and fiscal autonomy of Panchayats were very low in almost all the selected states of India and it varied substantially across the states and also over years. The values of these two indicators were relatively high in states like

Punjab, Haryana, Andhra Pradesh and Kerala compared to other states. West Bengal was among the states belonging to the low revenue autonomy and fiscal autonomy group.

Thus the third hypothesis that Revenue and fiscal autonomy of Panchayats significantly vary across states of India including West Bengal. This hypothesis is also valid for Panchayats of districts including Howrah district as we shallsee in later chapters.

Table 3.17 Frequency Distribution of States by Fiscal Autonomy (FA) of Panchayats (all-tiers), 1995-96 to 2006-07

(%)

Class of FA	1995-96		2004-05		2006-07	
	Number	States	Number	States	Number	States
Below 5	4	WB, G, O, MR	6	G, A, O, UP, MP, WB	6	G, A, O, U P, MP, WB
5 – 10	3	AP, MP , UP	2	TN, MR	2	TN, MR
11 – 20	2	TN, A	1	Ker	1	Ker
21 – 30	0	Nil	1	A P	2	AP, P
31 & above	3	H, Ker, P	2	H, P	1	H
Total	12		12		12	

Notes: AP = Andhra Pradesh, A = Assam, G= Gujarat, H= Haryana. Ker = Kerala,
O= Orissa, M= Maharashtra, MP=Madhya Pradesh, P = Punjab, UP = Uttar Pradesh,
WB= West Bengal.
Sources: As in Table 3.5.

Figure 3.13 Fiscal Autonomy of the Panchayats (all-tiers), 1995-96 to 2006-07

(%)
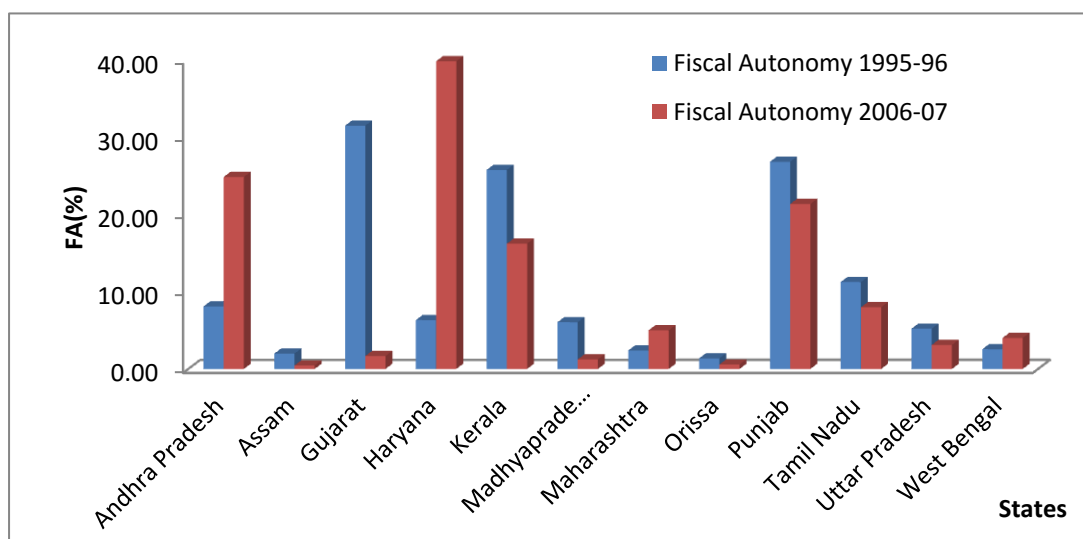
Result of 't' Statistic for Fiscal Autonomy

Now to examine whether the mean of fiscal autonomy of the States significantly increased in 2006-07 compared to 1995-96 or not, we can use Fischer's 't'-test for equality of mean.

If the calculated value of 't' is higher than the tabulated value of 't' the then the Null Hypothesis will be rejected otherwise accepted.

Now before going to examine whether the mean of fiscal autonomy of the selected states significantly increased in 2006-07 compared to 1995-96 or not, we have to know the equality of variance.

The equality of the variance of fiscal autonomy (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: σ_1 / σ_2 >1) is subject to F test. For given sample of 12 states the null hypothesis is not accepted for 1995-96 and 2006-07.

Here for unequal variance, the calculated value is (0.79) is not higher than the tabulated value (1.7). Hence the null hypothesis is not rejected. So the mean of fiscal autonomy did not significantly increase in 2006-07 compared to 1995-96.

3.7 Summary

Own source revenue of Panchayats varied widely across the selected states of India including the state of West Bengal. The compound annual growth rate of own source revenue was significant at 1% level for states, namely Haryana, West Bengal, Andhra Pradesh, Punjab and Tamil Nadu.

Percentage share of non-tax revenue to total own source revenue was seen to be higher than that of tax revenue. The ratio between per capita tax revenue and per capita non-tax revenue was declining over years. Thus the structure of own source revenue changed in favour of non-tax revenue.

There were differential growth rates of per capita own source revenue across the states. Per capita non-tax revenue and per capita own source revenue significantly increased in 2006-07 as compared to 1995-96. But per capita tax revenue did not significantly increase in 2006-07 compared to 1995-96. Per capita non-tax revenue was not, however, significantly higher than per capita tax revenue. Per capita non-tax revenue was not significantly higher than per capita tax revenue during 1995-96 and 2006-07.

The variation in per capita own source revenue was explained significantly by variation in development indices like Human Development Index and percentage of non-farm workers to total workers.

Both revenue autonomy and fiscal autonomy of Panchayats were very low in almost all the selected states of India and they varied substantially across the states and also over years. The values of these two indicators were relatively high in states like Punjab, Gujarat, Maharashtra and Kerala compared to other states. West Bengal was among the low revenue autonomy and fiscal autonomy states. During 2006-07 six states, namely Gujarat, Assam, Orissa, Uttar Pradesh, Madhya Pradesh and West Bengal belonged to the group below 5 per cent revenue autonomy and fiscal autonomy. The revenue autonomy and fiscal autonomy of Panchayats of states of India did not significantly increase in recent years. Thus the Panchayats in most of the states including West Bengal were much dependent on external grant, which created a dependency syndrome for them.

Chapter 4

DISTRICT LEVEL STUDY OF PANCHAYATS

The rural self-government institutions of India have traditionally remained weak in terms of their financial and administrative powers and responsibilities. The position has not changed substantially even after the coming into the force of the 73rd amendment of the Constitution of India. The centralized model of governance for the district level is a legacy of the colonial parts but it still holds sway (Ghosh 2004).

Zilla Parishads do not have any power to impose taxes. They are authorized to collect toll, fees, rates from roads, bridges, ferries vested to it or managed by them, water rate, lighting rate and fees for arranging sanitary arrangements at places of worship, pilgrimage, fairs and melas etc (Sarkar 2016).

The purpose of the present chapter is to analyze own source mobilization of Panchayats at the district level and Howrah Zilla Parishad of West Bengal in India. The plan of the chapter is presented in the following way. Section 4.1 presents the brief profile of the selected districts of West Bengal. Section 4.2 examines demand and collection of revenue of Panchayats in selected districts of West Bengal. Section 4.3 analyses the growth of own source revenue of the districts during 2002-03 to 2012-13. Section 4.4 deals with the structural change of own source revenue of the districts. Section 4.5 examines the variation in per capita own revenue during the above-mentioned period. Section 4.6 analyses the determinants of per capita own source revenue of the districts of West Bengal. Section 4.7 examines the issues of revenue autonomy and fiscal autonomy of the selected districts. Section 4.8 presents a case study on own source mobilization of Howrah Zilla Parishad. Section 4.9 makes the summary of the whole chapter.

4.1 Profile of the Selected Districts

Distribution of population among 18 districts of the state shows significant variations. North 24-Parganas, South 24-Parganas, Burdwan, Murshidabad, Paschim Medinipur, Hugli and Nadia are key districts accounting for large proportion of state population, while North 24-Parganas and South 24-Parganas account for one fifth of the total population.

West Bengal had a literacy rate of 77.08 per cent as per Census 2011 estimate, as against 74.02 per cent at national level. During 2001-11 literacy rate witnessed growth from 68.64 per cent to 77.08 per cent, while the number of literates increased to 6,26,14,556 persons. Growth in overall literacy of the state is largely attributed to successful implementation of mass education and Sarva Siksha Mission. However, significant regional variations in literacy rate were witnessed among the districts of West Bengal with Dakshin Dinajpur, Malda, Purulia and Murshidabad having very low literacy rates. There is a greater need to focus on strengthening primary education system in these districts from the state. Further, state female literacy rate at 71.16 per cent was higher than national average female literacy rate of 65.46 per cent. While higher female literacy rates indicate higher participation of women in the workforce, compared to the national average, the state has considerable gender literacy disparities with a male-female literacy rate gap of 11.51 per cent. Gender inequalities in literacy are more prominent in rural regions with a rural male-female literacy rate gap of 13.43 per cent. The State has progressed towards providing universal access to all regions and ensuring high enrollment in primary education.

West Bengal has a diversified topographical nature ranging from Himalayas in the North to shallow Sundarbans in the south. Regional variations in topographical and soil conditions have resulted in significant variations in proportion of available cultivable land in total land across the districts. Paschim Medinipur, Burdwan, Murshidabad, South 24 Parganas, Jalpaiguri and Birbhum are among the districts which account for a major share of the cultivable land in the state. Uneven distribution of land usage pattern among the districts is largely attributed to forest and non-agricultural barren lands in the districts of South 24-Parganas and Bankura. A comparative look at the trend in cropping intensity over the years indicates that during

2006-07 and 2010-11, cropping intensity remained constant, with no significant growth in cultivated area in the state. Limited growth in the cropping intensity, as well as overall cultivated area, are attributed to high dependence on rainfall. There is low rainfall in the Gangetic regions covering Burdwan, Birbhum and Bankura districts. Growth of large-scale industries has not been evenly spread in the state considering the geographical and raw material advantages of certain districts over others. As per 2011 statistics leading districts North 24-Parganas & South 24-Parganas, Howrah, Burdwan and Hoogly account for over 80 per cent of total 9,94,130 employment generated in registered factories in the state.

Table 4.1 Socio-Economic Profile of the Districts of West Bengal

Districts	Area Sq. Km.	Population 2001	Population 2011	Literacy Rate (%) (Excluding 0-6 age group) 2011	Literacy Rate (%) (Excluding 0-6 age group) 2001	Percentage of non-agriculture workers to total workers 2011	Percentage of area under cultivation 2011
Bankura	6,882	3192695	3596292	70.95	63.44	29.9	38
Burdwan	7,024	6895514	7723663	77.15	70.18	29.56	65
Birbhum	4,545	3015422	3502387	70.9	61.48	33	71
Coohbehar	3,387	2479155	2822780	75.49	66.3	26.72	76
Dakshin Dinajpur	2,219	1503178	1670931	73.86	63.59	23.63	83
Darjeeling	3,149	1609172	1842034	79.92	71.79	68.16	41
Howrah	1,467	4273099	4841638	83.85	77.01	41.13	57
Hoogly	3,149	5041976	5520389	82.55	75.11	67.68	68
Jalpaiguri	6,227	3401173	3869675	73.79	62.85	51.95	54
Maldah	3,733	3290468	3997970	62.71	50.28	41.08	59
Murshidabad	5,324	5866569	7102430	67.53	54.35	41.08	74
Nadia	3,927	4604827	5168488	75.58	66.14	46.22	74
North 24-Parganas	4,094	8934286	10082852	84.95	78.07	36.17	58
Paschim Medinipur	9,345	5193411	5943300	79.04	70.41	26.86	52
Purba Medinipur	4,736	4417377	5094238	87.66	80.16	40.63	73
Purulia	6,259	2536516	2927965	65.38	55.57	33.35	36
South 24-Parganas	9,960	6906689	8153176	78.57	69.45	49.89	38
Uttar Dinajpur	3,140	2441794	3000849	60.13	47.89	27.69	88

Source: Census of India 2001 & 2011

Regional variations in industrial growth are prominent even in the MSME category, with districts like North24-Parganas and South 24-Parganas, Murshidabad and Burdwan accounting for nearly two thirds of the total employment generation from this category during 2009-10 and 2011-12.

According to Census of India 2011 Darjeeling district registered highest percentage of non-agricultural workers to the total workers (68.2%) followed by Hoogly (67.7%) and Jalpaiguri (51.9%) while Howrah district witnessed 41% of non-agricultural workers to total workers (Table 4.1).

Map of West Bengal
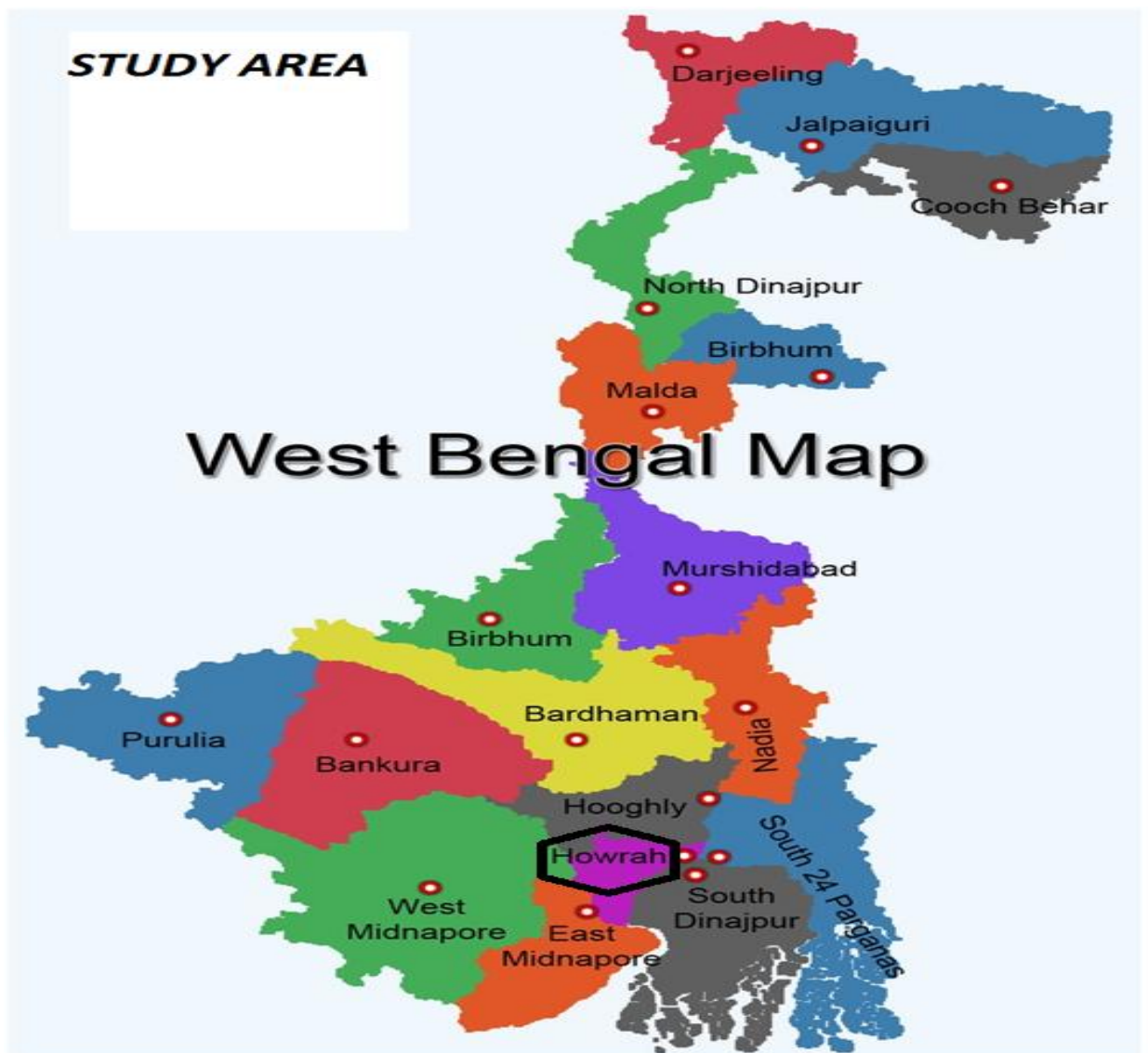
4.2 Demand and Collection of Revenue of Panchayats in selected districts of West Bengal

During 2005-06 Hoogly district recorded the highest percentage of tax collection to tax demand of Gram Panchayats followed by Malda, the lowest percentage being registered in Purulia. During 2012-13, Nadia district recorded the highest percentage of tax collection to tax demand followed by Purba Medinipur, Bankura and North 24-Parganas. Again, district of Purulia registered the lowest percentage of tax collection to tax demand. Percentage of revenue collection to demand of Gram Panchayats (GPs) in districts of West Bengal recorded increase from 28.10 per cent in 2005-06 to 58.1 per cent in 2012-13 (Table 4.2).

Table 4.2 Percentage of Revenue Collection to Demand of Gram Panchayats (all-tiers) in Districts of West Bengal, 2005-06 to 2012-13 (%)

Districts	Percentage of Collection of Revenue to Demand		Districts		
	2005-06	2012-13	Districts	2005-06	2012-13
Bankura	31.2	75.4	Nadia	26.4	84
Birbhum	29.3	44.6	North 24-Parganas	26.9	76.1
Burdwan	30.1	64.1	Paschim-Medinipur	33.3	45.6
Coochbehar	12.9	53.5	Purba-Medinipur	34.7	78.2
Darjeeling	26.4	47.2	Purulia	7	28.8
Dakhsin Dinajpur	36.4	62.9	South 24-Parganas	21.1	60.9
Hoogly	41.5	67	Uttar Dinajpur	12.6	29.7
Howrah	31.7	65	Total	28.1	58.1
Jalpaiguri	25.5	29.5	SD	9	17.4
Malda	36.6	60.6	Mean	27.2	58.3
Murshidabad	25.5	75.6	CV(%)	33.3	29.9

Notes: SD=Standard Deviation, CV=Coefficient of Variation.
Sources: Report of Panchayat and Rural Development Department.

4.3 Growth of Own Source Revenue

In 2002-03 Burdwan recorded the highest own source revenue (Rs 651.7 lakhs accounting for 14 per cent of total own source revenue of Panchayats in West Bengal) followed by Hoogly (Rs 508 lakhs accounting for 11 per cent of West Bengal own source revenue of Panchayats) and Purba Medinipur (Rs 490.4 lakhs accounting for

10.8 per cent of Panchayats of West Bengal). In 2006-07, Burdwan (Rs 1269.9 lakhs accounting for 14 per cent of own source revenue of Panchayts of West Bengal) led other districts followed by Paschim Medinipur (Rs 1036.6 lakhs accounting for 11.4 per cent own source revenue of Panchayats of West Bengal), Hoogly (Rs 781.1 accounting for 8.5 per cent own source revenue of Panchayats of West Bengal). In 2012-13 Murshidabad (Rs 799 lakhs accounting for 9.5 per cent own source revenue of Panchayats of West Bengal) led other districts followed by Paschim Medinipur (Rs 768 lakhs accounting for 9.5 per cent own source revenue of Panchayats of West Bengal) and Burdwan (Rs 688.39 lakhs accounting for 9.1 per cent own source revenue of Panchayats of West Bengal) . Panchayats (all tiers) of Howrah mobilized Rs 245.23 lakhs of own source revenue accounting for 5.4 per cent of own source revenue of Panchayats of West Bengal in 2002-03. During 2012-13 the relative contribution of Howrah district to total own source revenue of Panchayats of West Bengal slightly increased to 5.5 per cent. It is noteworthy that shares of most of the districts to the state own source revenue of Panchayats varied substantially during the period from 2002-03 to 2012-13 (Appendix Table A.8 and Figure 4.1). Darjeeling (Rs 240.05 lakhs accounting for 3.1 per cent own source revenue of Panchayats of West Bengal).

Figure 4.1 Own Source Revenue of Panchayats (all-tiers) across Districts of West Bengal, 2002-03 to 2012-13 (Rs in lakhs)
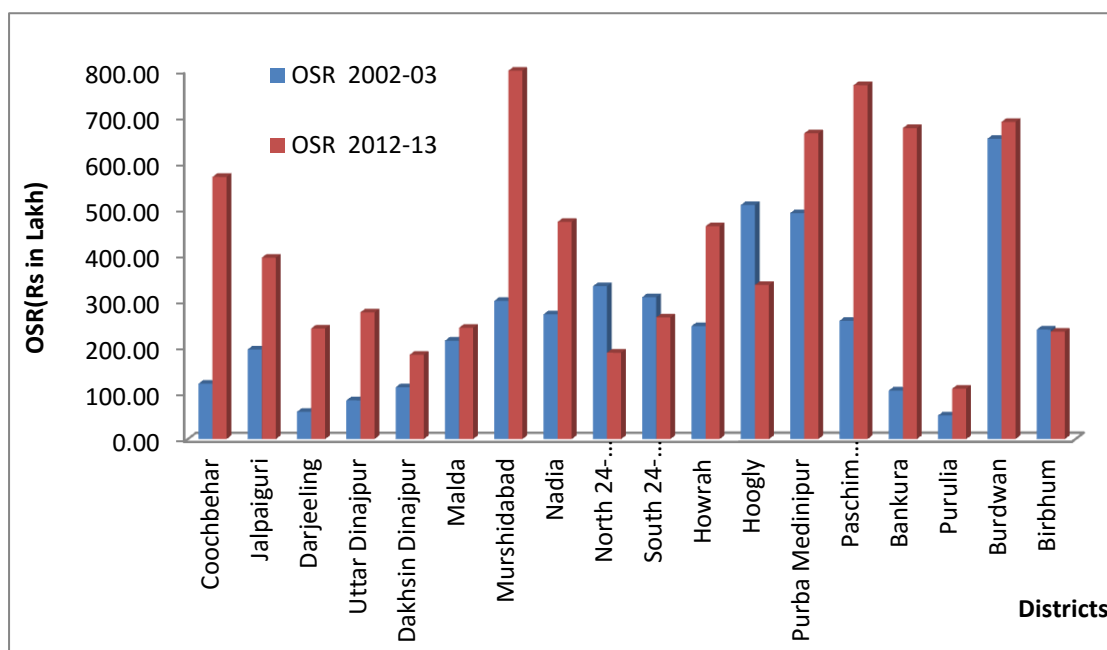
Frequency distribution of 18 major districts of West Bengal by amount of own source revenue collected by Panchayats (all-tiers) revealed that in 2002-03 only two districts out of 18 districts, namely Hoogly and Burdwan belonged to the highest group of own source revenue of Rs 500 lakh and above and the district of Burdwan continued to remain so throughout the period i.e., 2002-03 to 2012-13 under our consideration. On the other hand, seven districts, namely Purulia, Dakhsin Dinajpur, Coochbehar, Darjeeling, Jalpaiguri, Uttar Dinajpur and Bankura belonged to the lowest group of own tax revenue below Rs 200 lakhs and two districts, namely Purulia, Dakhsin Dinajpur continued to remain so throughout the period while Coochbehar, Purba Medinipur, Paschim Medinipur and Bankura got elevated to the highest group of own tax revenue, i.e., more than Rs 500 lakh during period 2006-07 to 2012-13 (Table 4.3).

Table 4.3 Frequency Distribution of Districts by Amount of Own Source Revenue of Panchayats (all-tiers), 2002-03 to 2012-13 (Rs in lakh)

Class(Rs in lakh)	2002-03		2008-09		2012-13	
	Number	Districts	Number	Districts	Number	Districts
50-199.9	7	Dj, Cb, Jpg, Ud, Dd, P, Bnk	4	Dj, Ud, Dd, P	3	N24P , P, Dd
200-349.9	8	Mld, Mrsdb, Nda, N24P , S24P , Hwh, PM, Brbhm	2	Cb, Mld	6	Dj, Ud, Mld, S24P , Hgly, Brbhm
350-499.9	1	Pub M	4	Jpg, Mrsdb, Nda, Bnk	3	Hwh, Nda,Jpg
500 and above	2	Hgly, Brdn	8	Hgly, Brdn, Hwh, N24P , S24P , PubM, PM, Brbhm	6	Cb, Mrsdb, PubM, PM, Bnk, Brdn
Total	18		18		18	

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur, Hgly = Hoogly,Brdn = Burdwan.
Source: Annual Administrative Report of West Bengal, SIPRD, DPRDO Report.

It is observed that the district of Darjeeling witnessed significant compound annual growth rate (CAGR) of own source revenue to the tune of 11 per cent to 20 per cent while Hoogly recorded negative growth rate.

Table 4.4 Frequency Distribution of Districts by Compound Annual Growth Rate of Own Source Revenue of Panchayats (all-tiers), 2002-03 to 2012-13

(%)

Class of Percentage of CAGR of Own Source Revenue	Number	Name of the Districts
Negative Value of CAGR	1	Hgly
0--5	10	Nda**, Jpg*, Hwh*, Dd*, PubM, Mld, Brdn, Brbhm, S24P , N24P
5 – 10	6	Puru**, PM**, Ud*, Cb**, Mrsdb**, Bnk**
11 – 20	1	Dj**
21 – 30	0	Nil
31 and above	0	Nil
Total		18

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
*Significant at 5% level. ** Significant at 1% level.
CAGR is measured at constant price (2004-05 as base year).
Source: Annual Administrative Report of West Bengal, SIPRD, DPRDO Report.

The growth rates of own source revenue of 18 districts, namely Nadia, Purulia, Paschim Medinipur, Uttar Dinajpur, Coochbehar, Murshidabad, Bankura, Jalpaiguri, Howrah and   Dakhsin Dinajpur were in the group below 11% and they were statistically significant during the period from 2002-03 to 2012-13 (Table 4.4 and Figure 4.2).

Figure 4.2 Compound Annual Growth Rate of Own Source Revenue of Panchayats (all-tiers), 2002-03 to 2012-13 (%)

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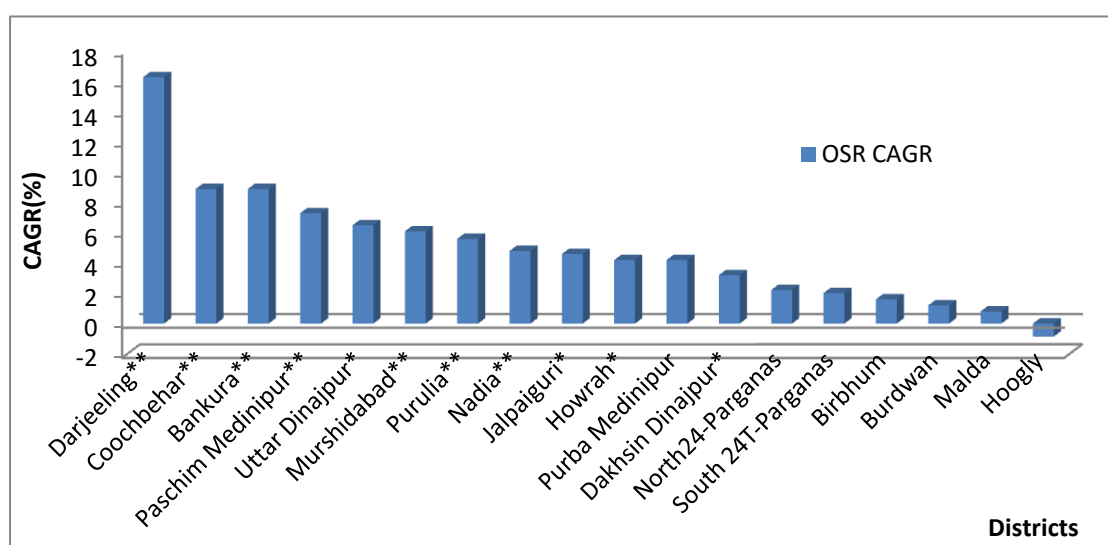
Own Tax Revenue

In 2002-03 Burdwan Panchayats (all tiers together) led other districts in tax revenue collection (Rs186.6 lakhs) followed by Hoogly (Rs 145.5 lakhs), North 24-Parganas (Rs 129.8 lakhs) and Paschim Medinipur (Rs 120.7 lakhs) while the district of Howrah recorded own tax revenue to the tune of Rs 113.9 lakhs. In 2008-09 Burdwan (Rs 252.6 lakhs) led other districts, followed by Paschim Medinipur (Rs 201.2 lakhs), North 24-Parganas (Rs 187.9 lakhs) and Nadia (Rs 170.1 lakhs), in collection of own tax revenue. In 2012-13 district Purba Medinipur (Rs 318.7 lakhs) led other districts followed by Paschim Medinipur (Rs 262.5 lakhs) and Nadia (Rs 221.9 lakhs). The district of Purulia had the lowest amount of tax collection (Rs 6.8 lakhs) followed by Dakhsin Dinajpore (Rs 53.1 lakhs) and South 24 - Parganas(Rs 96.4 lakhs). The district of Howrah collected own tax revenue to the tune of Rs 113.9 lakhs to 185.9 lakhs during the period from 2002-03 to 2012-13 (Appendix Table A.9 and Figure 4.3).

Figure 4.3 Amount of Own Tax Revenue of Panchayats (all-tiers) of Selected Districts, 2002-03 to 2012-13   (Rs in lakh)
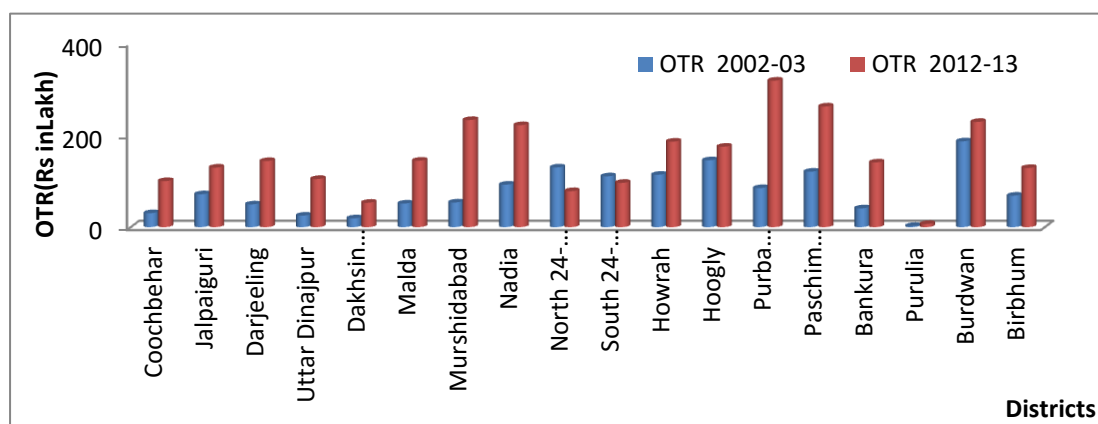
Frequency distribution of districts by amount of own tax revenue collection revealed that in 2002-03 six districts, namely Purulia, Dakhsin Dinajpur, Coochbehar, Darjeeling, U-Dinajpur and Bankura of West Bengal belonged to the own tax revenue group below Rs 50 lakhs.

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Table 4.5 Frequency Distribution of Selected Districts by Amount of Own Tax Revenue of Panchayats (all-tiers), 2002-03 to 2012-13   (Rs in lakh)

Class (Rs in lakh)	2002-03		2008-09		2012-13	
	Number	Districts	Number	Districts	Number	Districts
0-49.9	6	Dj, Cb, Ud, Dd, P, Bnk	3	Dd, P, Bnk	1	P
50-99.9	6	Mld, Jpg, Mrsdb, Nda, PubM, Brbhm	5	Cb, Mld, Dj, Jpg, UD	3	N24P , DD, S24P
100-149.9	5	N24P , S24P , Hwh, PM, Hgly	3	PubM, Mrsdb, Brbhm	7	Bnk, Brbhm, Ud, Mld, Jpg, Cb, Dj
150-199.9	1	Brdn	5	Hgly, Hwh, N24P , S24P , Nda	2	Hwh, Hgly
200 and above	0	Nil	2	PM, Brdn	5	Mrsdb, Nda, Brdn, PM, PubM
Total	18		18		18	

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
Source: As in Table 4.3.

Of these districts, Bankura and Coochbehar got elevated to the highest group of tax revenue of Rs 200 lakhs and above during 2002-03 to 2012-13. But the district of Purulia continued to belong to the lowest group of tax revenue below Rs 50 lakhs. The districts of Murshidabad, Nadia, Purba Medinipur, Paschim Medinipur and Burdwan got elevated to the highest group of tax revenue Rs 200 lakhs and above. The district of Howrah got elevated to the second highest group of own tax revenue of Rs 150 lakhs to Rs 199.9 lakhs from the group of own tax revenue of Rs 100 lakhs to Rs 149.9 lakhs during this period (Table 4.5).

It is observed that the districts of Murshidabad and Uttar Dinajpur recorded compound annual growth rate (CAGR) of own tax revenue to the tune of 21 per cent to 31 per cent while South 24-Parganas and North 24-Parganas registered negative growth rate. Only two districts, Burdwan and Hoogly recorded the CAGR below 6 per cent. The CAGRs of own tax revenue of the districts, namely Paschim Medinipur,

Murshidabad, Malda, Howrah, and Dakhsin Dinajpur were statistically significant during the period from 2002-03 to 2012-13 (Table 4.6 & Figure 4.4.).

Table 4.6 Frequency Distribution of Districts by Compound Annual Growth Rate of Own Tax Revenue of Panchayats (all-tiers), 2002-03 to 2012-13 (%)

Class of CAGR of Own Tax Revenue	Number	Districts
Negative Value of CAGR	2	S24P , N24P
0--5	2	Brdn, Hgly
5 – 10	3	Brbhm, Jpg, Hwh**
11 – 20	9	Dj, PM**, Dd**, Cb, PubM, Bnk, Puru, Mld*, Nda
21 – 30	2	Mrsdb*, Ud
31 & above	0	nil
Total		18

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
*Significant at 5% level. ** Significant at 1% level.
CAGR is measured at constant price (2004-05 as base year).
Source: As in Table 4.3.

Figure 4.4 Compound Annual Growth Rate of Own Tax Revenue of Panchayats (all-tiers), 2002-03 to 2012-13 (%)

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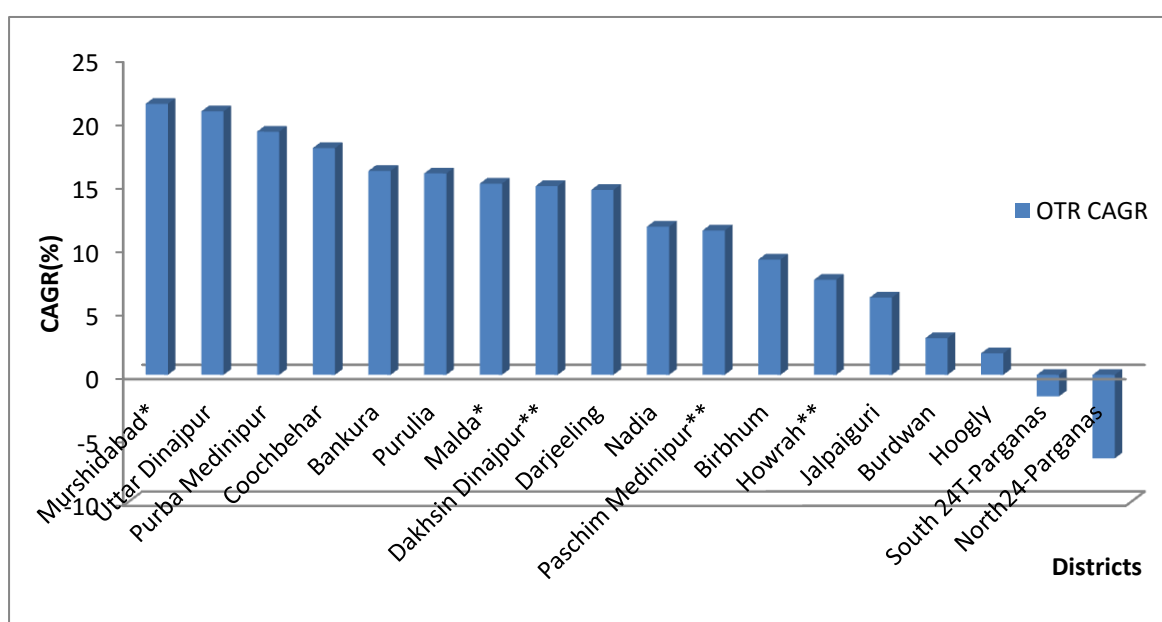
Own Non-Tax Revenue

In 2002-03, the district of Burdwan collected the highest non-tax revenue (Rs 465.1 lakhs) followed by Purba Medinipur (Rs 405.2 lakhs), Hoogly (Rs 362.5) and Murshidabad (Rs 246.3 lakhs).

Figure 4.5 Amount of Non-Tax Revenue of Panchayats (all-tiers) of Selected Districts, 2002-03 to 2012-13   (Rs in lakh)
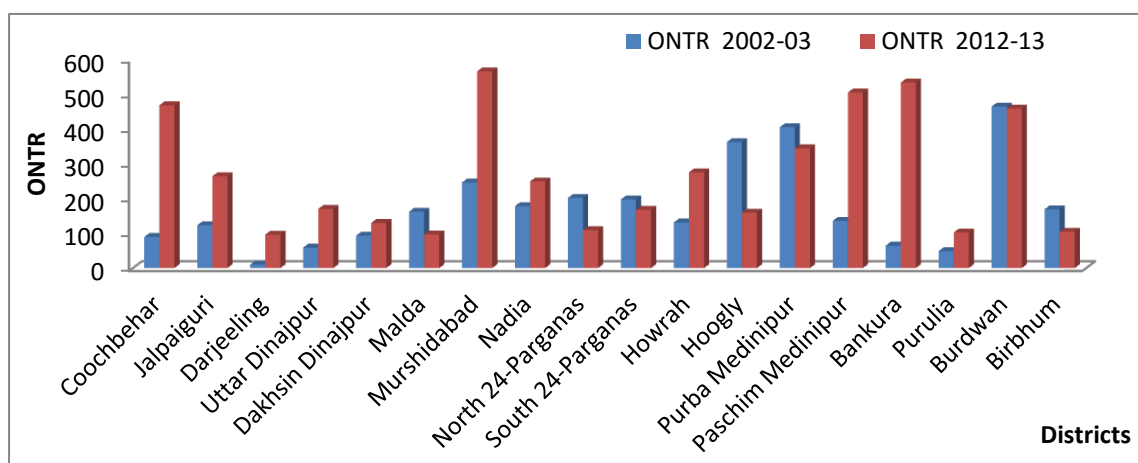
In 2008-09, Burdwan district (Rs 909.2lakhs) led other districts, followed by North 24-Parganas (Rs 903.1 lakhs), Paschim Medinipur (Rs 900.1lakhs) and South 24-Parganas (Rs 870.7 lakhs) in collection of own non-tax revenue. But in 2012-13 the district of Murshidabad (Rs 566.3 lakhs) led other districts, followed by Bankura (Rs 534.1 lakhs), Paschim Medinipur (Rs 505.5 lakhs) and Coochbehar (Rs 468.6 lakhs) in collection of own non-tax revenue. During the whole period of 2002-03 to 2012-13 the district of Howrah recorded increase in non- tax revenue from Rs 131.3 lakhs to Rs 275.8 lakhs. (Appendix Table A.10 and Figure 4.5).

Frequency distribution of 18 major districts of West Bengal by amount of own non-tax revenue collected by Panchayats (all-tiers) revealed that in 2002-03 two districts, namely Darjeeling, and Purulia belonged to the own non-tax revenue group below Rs 50 lakhs. Of these districts, Darjeeling got elevated to the next higher group of own non-tax revenue Rs 51 lakhs to Rs 99.9 lakhs. During the period from 2002-03 to 2012-13 the districts of Purba Medinipur, Burdwan and Murshidabad continued to be in the highest group of own non-tax revenue of Rs 200 lakhs and above. The districts of Coohbehar, Paschim Medinipur, Jalpaiguri, Nadia, Howrah and Bankura got

elevated to the highest group of own non-tax revenue Rs 200 lakhs and more from the second highest group of own non-tax revenue (Table 4.7).

Table 4.7 Frequency Distribution of Districts by Amount of Own Non-Tax Revenue of Panchayats (all-tiers), 2002-03 to 2012-13 (Rs in lakh)

Class(Rs in lakh)	2002-03		2008-09		2012-13	
	Number	Districts	Number	Districts	Number	Districts
0-50.9	2	Dj, P		Nill		Nil
51-99.9	4	Ud, Dd, Cb, Bnk	2	P, Ud	2	Mld, Dj
100-149.9	3	PM, Hwh, Jpg	2	Drj,Dd	4	P, Brbhm, N24P , Dd
150-199.9	4	Mld, Nda, S24P, Brbhm	1	Mld	3	Ud, Hgly, S24P
200 and above	5	N24P ,Hgly, PubM, Brdn, Mrsdb	13	Brbhm, Brdn, Bnk, Hwh, Hgly, N24P , S24P ,Nda, Mrsbd, PM, PubM, Jpg, Cb	9	Cb, Jpg, PubM, Mrsdb, Nda, PM, Hwh, Bnk, Brdn
Total	18		18		18	

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
Source: As in Table 4.3.

It is observed that the only district, Darjeeling recorded the highest compound annual growth rate (CAGR) of own non-tax revenue of 31 per cent and above while six districts, namely Birbhum, Malda, Purba Medinipur, Burdwan, Hoogly and North 24-Parganas recorded negative growth rate. The CAGRs of own non-tax revenue of the districts of Dakhsin Dinajpur, Coochbehar and Darjeeling were statistically significant. Only district South 24-Parganas belonged to the lower group of CAGR of own non-tax revenue below 6 per cent (Table 4.8 and Figure 4.6).

Table 4.8 Frequency Distribution of Districts by Compound Annual Growth Rate of Own Non-Tax Revenue of Panchayats (all-tiers), 2002-03 to 2012-13 (%)

Class of CAGR of Own Non-Tax Revenue (%)	Number	Districts
Negative Value of CAGR	6	Brbhm, Mld, PubM, Brdn, Hgly, N24P
0—5	1	S24P
5 – 10	5	Puru, Jpg, Hwh, Nda, Dd**
11 – 20	3	PM, Ud, Mrsdb
21 – 30	2	Cb*, Bnk
31 & above	1	Dj*
Total		18

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
*Significant at 5% level. ** Significant at 1% level.
CAGR is measured at constant price (2004-05 as base year).
Source: As in Table 4.3.

Figure 4.6 **Compound Annual Growth Rate of Own Non-Tax Revenue of Panchayats (all-tiers), 2002-03 to 2012-13** (%)
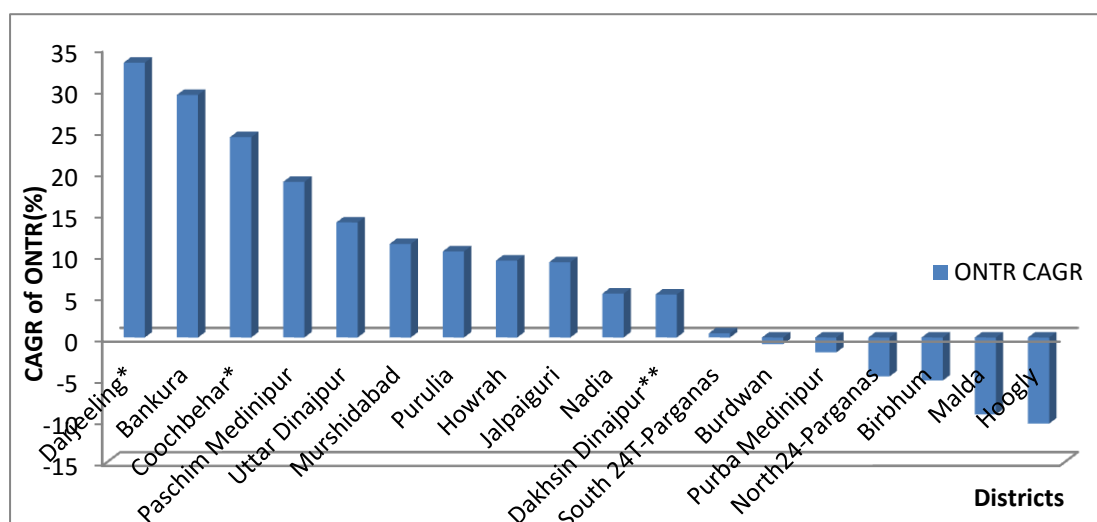
4.4 Structural Change of Own Source Revenue of the Districts

Structural change is measured by the change of share of tax and non-tax revenue to total revenue of the selected districts of West Bengal. We observe that the structure of Own Source Revenue changed in favour of non-tax revenue for most of the selected districts during 2002-03 to 2012-13.

It is observed that in 2002-03, 17 districts out of 18 districts belonged to the group of percentage share of non-tax revenue above 50 per cent. During 2012-13, again 17 districts out of 18 districts belonged to the group of percentage share of non-tax revenue above 50 per cent. So the own source revenue is changed in favour of non-tax revenue over the study period of the selected districts in West Bengal (Table 4.9).

Table 4.9 Percentage Share of Non-Tax Revenue of Panchayats (all-tiers) of Selected Districts, 2002-03 to 20012-13 (%)

Districts	Percentage Share of Non-Tax Revenue to Total Revenue		
	2002-03	2008-09	2012-13
Coochbehar	74.7	79.4	82.4
Jalpaiguri	63.2	78.1	67.1
Darjeeling	16.5	58.8	40.1
U-Dinajpur	70.1	64.6	61.9
Dakhsin Dinajpur	82.9	78	71
Malda	75.9	71.9	68.8
Murshidabad	82.1	68.6	70.8
Nadia	65.9	62.6	52.9
N 24-Parganas	60.9	82.8	58.2
S 24 -Parganas	64.1	85.6	63.5
Howrah	53.5	66.6	59.7
Hoogly	71.4	75.2	81.1
Purba Medinipur	82.7	79.8	52
Paschim Medinipur	53	81.7	65.8
Bankura	61.2	89.3	79.1
Purulia	95	91.3	93.7
Burdwan	71.4	78.3	66.7
Birbhum	71.2	77.1	84.6

Source: As in Table 4.3

4.5 Variation in Per Capita Own Source Revenue of Panchayats

In 2002-03 Hoogly recorded the highest per capita own source revenue of Rs 15.15 to be followed by Burdwan (Rs 14.99), Purba Medinipur (Rs 12.39) and Howrah (Rs 11.56). The district of Purulia (Rs 2) had the lowest per capita own source revenue. In 2005-06, Burdwan recorded the highest per capita own source revenue (Rs 25.6) followed by Hoogly (Rs 21.12), Howrah (Rs 17.05) and Paschim Medinipur (Rs 13.7). The district of Purulia had the lowest per capita own source revenue (Rs 1.8). In 2008-09, Burdwan and North 24-Parganas recorded the highest per capita own source revenue (Rs 26.7) followed by Howrah (Rs 23.88), Paschim Medinipur (Rs 23.60). In 2012-13, Coohbehar witnessed the highest per capita own source revenue

(Rs 25.24) followed by Bankura (Rs 22.83) and Howrah (Rs 21.78).The district of Purulia had the lowest position in respect of per capita own source revenue during 2002-03 to 2012-13 (Appendix Table A.11 and Figure 4.7).

Figure 4.7 Per Capita Own Source Revenue of Panchayats (All tiers) of Selected Districts (all-tiers) of West Bengal, 2002-03 to 2012-13 (Rs)
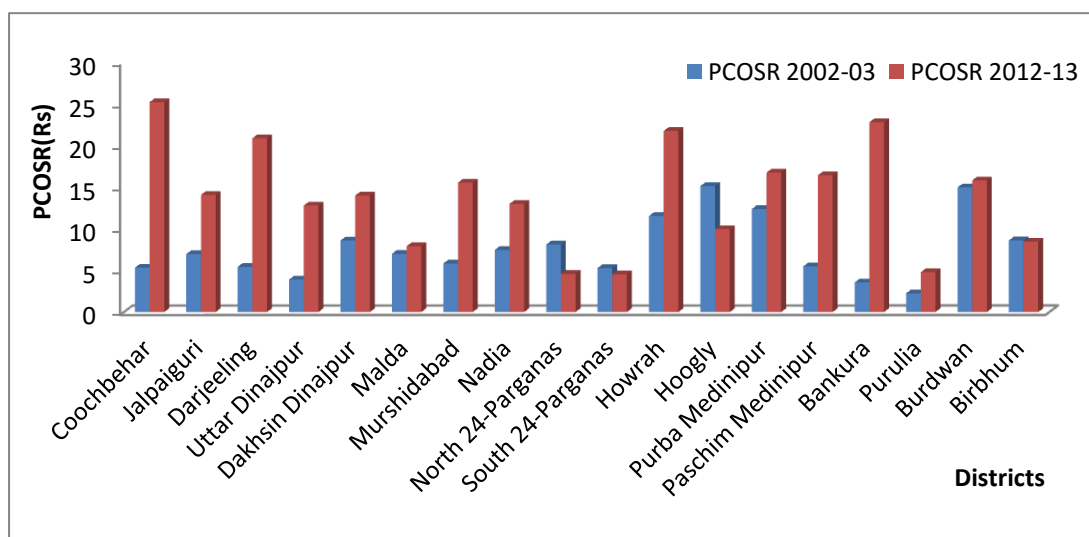
Frequency distribution of districts by PCOR revealed that in 2002-03 eight districts, namely Coochbehar, Darjeeling, Uttar DinajPur, Paschim Medinipur, Bankura, Purulia, South 24th Parganas, and Murshidabad belonged to the PCOR group below Rs 6. Only three districts, namely Purba Medinipur, Hoogly, and Burdwan belonged to the PCOR group Rs 11.00 to Rs 17.99.The district of Howrah belonged to the PCOR group Rs 6.00 to Rs 11.99. In 2005-06 only two districts, namely Uttar Dinajpur and Purulia belonged to the PCOR group below Rs 6. And six districts including Howrah had per capita own source revenue between Rs 12 and Rs 17.99, and only one district Burdwan belonged to the PCOR group of Rs 24 and above. In 2012-13 only three districts, namely Purulia, South 24-Parganas, and North 24-Parganas belonged to the PCOR group below Rs 6 and the district of Howrah belonged to the PCOR group of Rs 18 to Rs 23.99. The district of Coochbehar belonged to the PCOR group Rs 24 and above. The district of Purulia continued to remain in the lowest PCOR group below Rs 6 during 2002-03 to 2012-13 (Table 4.10).

Table 4.10 Frequency Distribution of Districts of West Bengal by Per Capita Own Source Revenue of Panchayats (all-tiers), 2002-03 to 2012-13

(Rs)

Class(Rs)	2002 -03		2005-06		2012-13	
	Number	Districts	Number	Districts	Number	Districts
0-5.99	8	Cb, Dj, Ud, Mrsdb, S24P , PM, Bank, Puru	2	Ud, Puru	3	Puru, S24P , N24P
6-11.99	7	Jpg, Dd, Mld, Nd, N24P , Brbhm, Hwh	8	Cb, Jpg, Mld, Mrsdb, Nda, S24P , N24P , PuM	3	Hgly, Mld, Brbhm
12-17.99	3	Hgly, PuM, Brdn	6	Dj, Dd, Hwh, PM, Bank, Brbhm	8	Jpg, Ud, Dd, Nda, Mrsdb, PuM, PM , Brdn
18-23.99	0	Nil	1	Hgly	3	Dj, Hwh, Bnk
24 and above	0	Nil	1	Brdn	1	Cb
Total	18		18		18	

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
Source: As in Table 4.3.

Per Capita Own Tax Revenue

Per capita own tax revenue of Panchayats (PCOTRP) varied widely across the districts of West Bengal. In 2002-03, district Howrah had the highest PCOTRP (all tiers together) (Rs 5.4) followed by Darjeeling (Rs 4.5) and Burdwan (Rs 4.3). In 2006-07, Howrah (Rs 6.6) continued to lead other districts followed by Hoogly (Rs 6.3) and Darjeeling (Rs 5.7) and in 2012-13 district Darjeeling (Rs 12.52) led other districts, followed by Howrah (Rs 8.7) and Purba Medinipur (Rs 8.05). Purulia, Coochbehar, and North24 Parganas and South 24 Parganas continued to remain in the lowest PCOTRP below Rs 5.00 during 2002-03 to 2012-13 (Appendix Table A.12 and Figure 4.8).

Figure 4.8 Per Capita Own Tax Revenue of Panchayats (all-tiers) of Districts of West Bengal, 2002-03 to 2012-13 (Rs)
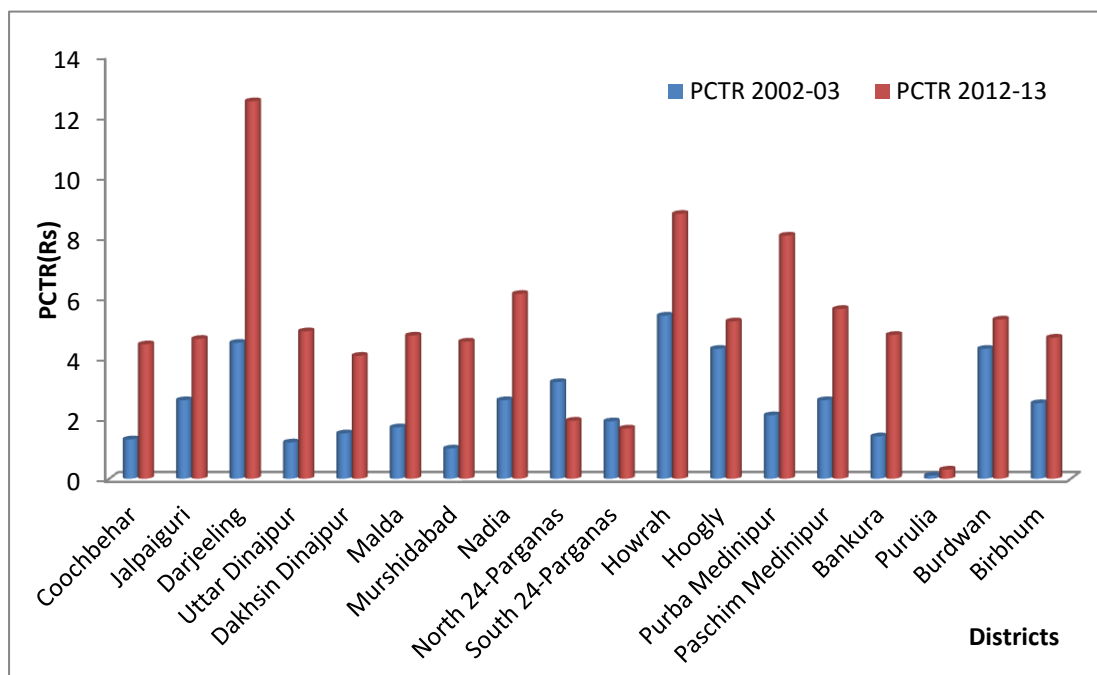
Frequency distribution of districts by per capita tax revenue revealed that in 2002-03, 13 districts, namely Coochbehar, Uttar Dinajpur, Dakhsin Dinajpur, Paschim Medinipur, Purba Medinipur, Bankura, Purulia, Malda, Nadia, South 24-Parganas, Jalpaiguri, Birbhum, Murshidabad belonged to the PCTR group below Rs 3. Only 5 districts, namely Darjeeling, Hoogly, Howrah, North 24-arganas, and Burdwan belonged to the PCTR group Rs 3.00 to Rs 5.99. In 2006-07 only two districts, namely Hoogly and Howrah belonged to the PCTR group of Rs 6 and above. And seven districts, namely Burdwan, Uttar Dinajpur, Birbhum, Paschim Medinipur, Jalpaiguri, Nadia and North 24-Parganas belonged to the PCOTR group of Rs 3.00 to Rs 5.99 and nine districts, namely Coochbehar, South Dinajpur, Purba Medinipur, Bankura, Purulia, Malda, South 24-Parganas and Murshidabad belonged to the PCTR group below Rs 3. During 2012-13 only 3 districts, namely Purulia, South 24-Parganas and North 24-Parganas belonged to the PCTR group below Rs 3 while 11 districts, namely Coochbehar, Dakhsin DinajPur, Paschim Medinipur, Bankura, Malda, Uttar Dinajpur, Murshidabad, Burdwan, Birbhum, Hoogly and Jalpaiguri belonged to the PCTR group of Rs 3.00 to Rs 5.99. Four districts, namely Howrah, Purba Medinipur, Nadia and Darjeeling belonged to the PCTR group of Rs 6 and above. The district of Purulia continued to remain in the lowest PCTR group below

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Rs 6 during 2002-03 to 2012-13. The district of Howrah continued to remain in the highest PCTR group above Rs 24 during 2005-06 to 2012-13 (Table 4.11).

Table 4.11 Frequency distribution of Districts of West Bengal by Per Capita Own Tax Revenue of Panchayats(all-tiers), 2002-03 to 2012-13 (Rs)

Class (Rs)	2002-03		2006-07		2012-13	
	Number	Districts	Number	Districts	Number	Districts
0-2.99	13	Cb, Ud, Dd, Mrsdb, S24P , PubM, PM, Bank, Brbhm, Jpg, Puru, Nd ,Mld	9	Cb, Dd, Mrsdb, S24P , PubM, Bank, Brbhm, Jpg, Puru, Mld	3	Puru, N24P ,S24P
3-5.99	5	Dj, Hgly , N24P , Brdn , Hwh	7	Ud, Nda ,N24P , ,Brvm, Jpg, Brdn, PM	11	Cb, Ud, Dd, Mrsdb, PM, Bank, Brbhm, , Mld, Brdwn, Hgly, Jpg,
6 And Above	0	Nil	2	Hwh, Hgly	4	PubM, Hwh, Nda, Dj
Total	18		18		18	

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur,   P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
*Source:* As in Table 4.3.

Per Capita Non-Tax Revenue

Per capita non-tax revenue of Panchayats (PCOTRP) varied widely across the selected districts of West Bengal. In 2002-03, district of Hoogly recorded the highest PCONTR (Rs 10.81) followed by Burdwan (Rs 10.7) and Purba Medinipur (Rs 10.25). In 2006-07 the district of Burdwan (Rs 24) led other districts followed by Howrah (Rs 19) and Paschim Medinipur (Rs 18.7) and in 2012-13 the district of Coochbehar (Rs 20.79) led other districts followed by Bankura (Rs18.06) and Howrah (Rs 13.10). The district of Purulia continued to remain in the lowest PCONTR group below Rs 5.00 during 2002-03 to 2012-13 (Appendix Table A.13 and Figure 4.9).

Figure 4.9 Per Capita Own Non-Tax Revenue of Panchayats (all-tiers) of Selected Districts of West Bengal, 2002-03 to 2012-13 (Rs)
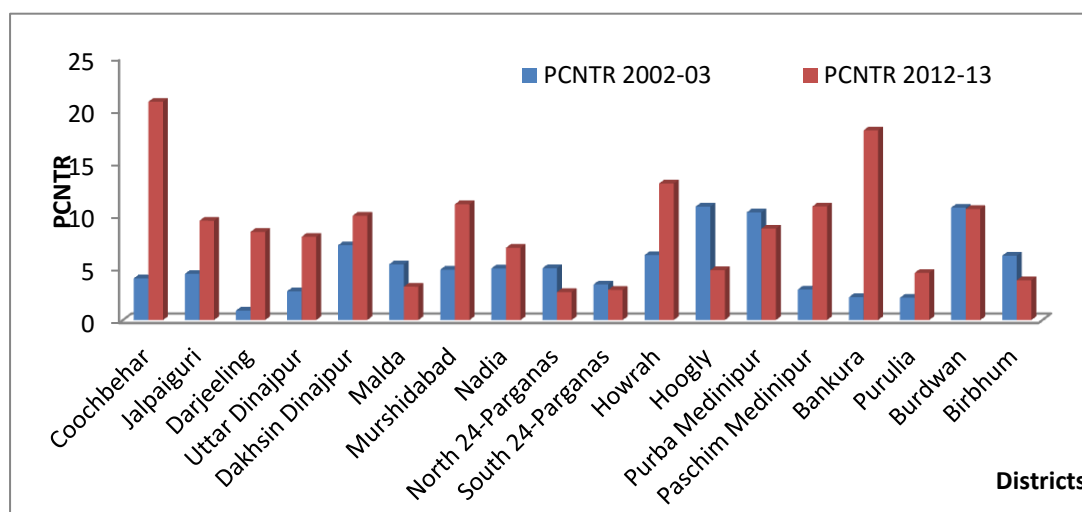
Frequency distribution of districts by per capita non-tax revenue revealed that in 2002-03, 5 districts, namely Darjeeling, Uttar Dinajpur, West Medinipur, Bankura, Purulia, belonged to the PCNTR group below Rs 3, and 7 districts, namely Coochbehar, Jalpaiguri, Nadia, Murshidabad, Malda, North 24-Parganas, South 24-Parganas belonged to the PCTR group of Rs 3.00 to Rs 6.00. Six districts, namely South Dinajpur, Purba Medinipur, Birbhum, Burdwan, Hoogly, and Howrah of West Bengal belonged to the PCTR group of Rs 6 and above.

In 2006-07, 15 districts, namely Coochbehar, Dakhsin Dinajpur, Purba Medinipur, Bankura, Malda, South 24-Parganas, Hoogly, Burdwan, Birbhum, Paschim Medinipur, Jalpaiguri, Nadia, and North 24-Parganas and Howrah belonged to the PCTR group of Rs 6 and above. And 3 districts, namely Murshidabad, Purulia, Uttar Dinajpur belonged to the group of PCNTR of Rs 3.00 to Rs 5.99. In 2012-13 only 2 districts, namely South 24-Parganas and North 24-Parganas belonged to the PCTR group below Rs 3, and 4 districts, namely Malda, Purulia, Birbhum, and Hoogly belonged to the PCNTR group of Rs 3.00 to Rs 5.99. 12 districts, namely Howrah, Purba Medinipur, Nadia, Coochbehar, Dakhsin Dinajpur, Paschim Medinipur, Bankura, Uttar Dinajpur, Murshidabad, Burdwan, Jalpaiguri and Darjeeling belonged to PCNTR group of Rs 6 and above. District Purulia continued to remain in the lowest PCTR group below Rs 3.00 during 2002-03 to 2012-13. On the other hand, districts Howrah, Dakshin Dinajpore, Burdwan, Purba Medinipur continued to remain in the highest PCTR group of Rs 24 and above during 2005-06 to 2012-13 (Table 4.12).

Table 4.12 Frequency Distribution of Districts of West Bengal by Per Capita Non-Tax Revenue of Panchayats (all-tiers), 2002-03 to 2012-13 (Rs)

| Class(Rs)	2002-03 Number	2002-03 Districts	2006-07 Number	2006-07 Districts	2012-13 Number	2012-13 Districts
0-2.99	5	Dj, Ud, PM, Puru, Bnk	0	Nil	2	N24P ,S24P
3-5.99	7	Cb, Jpg, S24P ,N24P ,Mrsdb, Nd, Mld	3	Ud, Dd, Mrsdb	4	Puru , Hgly, Mld, Brbhm
6 and above	6	Hgly, Brdn , Hwh, PubM, Dd Brbhm	15	Cb, S24P , N24P , PubM, PM, Bnk, Brbhm, Jpg, Puru, Nd, Mld, Brdn, PM, Hwh, Hgly	12	Hwh, PM , Brdn, , Nd, PubM, Bnk, Jpg, Cb, Ud, Dd , Mrsdb, Dj
Total	18		18		18	

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
Source: As in Table 4.3.

The notable feature is that there was substantial fluctuation over years in per capita own source revenue, per capita tax revenue and per capita non-tax revenue.

Now to examine whether the means of per capita own source revenue, per capita tax revenue and per capita non-tax revenue of the selected districts significantly increased in 2012-13 compared to 2002-03, we can use Fischer's 't'-test.

In the case of per capita own source revenue (PCOSR),

Now before going to examine whether the mean of per capita own source revenue of the selected districts significantly increased in 2012-13 compared to 2002-03 or not, we have to know the equality of variance.

The equality of the variance of per capita own source revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 18 districts the null hypothesis is not accepted for 2002-03 and 2012-13.

Here for unequal variance, calculated value t_0 (2.1) is higher than tabulated value $t\alpha$ (1.7). Hence the null hypothesis is not accepted. Thus per capita own source revenue significantly increased in 2012-13 compared to 2002-03.

In the case of per capita own tax revenue (PCOTR),

Now before going to examine whether the mean of per capita own tax revenue of the selected districts significantly increased in 2012-13 compared to 2002-03 or not, we have to know the equality of variance.

The equality of the variance of per capita own tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 18 districts the null hypothesis is not accepted for 2002-03 and 2012-13.

Here for unequal variance, calculated value t_0 (2.5) is higher than tabulated value $t\alpha$ (1.7). Hence the null hypothesis is not accepted. Thus the per capita own tax revenue significantly increased in 2012-13 compared to 2002-03.

In the case of per capita own non-tax revenue (PCONTR),

Now before going to examine whether the mean of per capita own non-tax revenue of the selected districts significantly increased in 2012-13 compared to 2002-03 or not, we have to know the equality of variance.

The equality of the variance of per capita own tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 18 districts the null hypothesis is not accepted for 2002-03 and 2012-13.

Here for unequal variance, calculated value t_0 (1.9) is higher than tabulated value $t\alpha$ (1.7). Hence the null hypothesis is not accepted. Thus the per capita own non-tax revenue significantly increased in 2012-13 compared to 2002-03.

Here in each case the calculated value t_0 is higher than $t\alpha$ the tabulated value, hence the null hypothesis is not accepted. Thus the means of per capita own source revenue, per capita tax revenue and per capita non-tax revenue of the Panchayats of the selected districts significantly increased in 2012-13 compared to 2002-03.

Now to examine whether the per capita non-tax revenue was significantly higher than per capita tax revenue of the districts during the period from 2002-03 to 2012-13, we can compare means of PCTR and PCNTR by the Fischer's 't' test for 2002-03 and 2012-13. According to the Fisher's 't' test, if calculated value of 't' is higher

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than tabulated value of 't' then the null hypothesis will be not accepted, otherwise accepted.

Now before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in 2002-03, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 18 districts the null hypothesis is not accepted for 2002-03.

Now in 2002-03 for unequal variance, the calculated value t_0 (3.6) is higher than tabulated value $t\alpha$ (1.70). Hence the null hypothesis is not accepted. Thus the per capita non-tax revenue was significantly higher than per capita tax revenue for the year of 2002-03.

Now before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in 2012-13, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma 1 = \sigma 2$, against H1: $\sigma 1/\sigma 2 > 1$) is subject to F test. For given sample of 18 districts the null hypothesis is not accepted for 2012-13.

Now in 2012-13 for unequal variance, calculated value t_0 (1.6) is not higher than tabulated value $t\alpha$(1.7). Hence the null hypothesis is not rejected. Thus the per capita non-tax revenue was not significantly higher than per capita tax revenue for the year of 2012-13.

Hence initially per capita non-tax revenue collection was higher than per capita tax revenue but in recent years we did not find any significant difference between per capita tax revenue and per capita non-tax revenue.

Ratio of Per Capita Tax and Per Capita Non-Tax Revenue

The ratio between percapita tax and percapita non tax revenue is declining over the study period .During 2002-03 it was 1.2 which declined to 0.5 in 2012-13.Hence per capita own source revenue is changed against to the per capita tax revenue over the period 2002-03 to 2012-13 in the districts of West Bengal (Appendix Table A.14).

4.6 Determinants of Per capita Own Source Revenue

Per capita own source revenue across districts of West Bengal is shown in relation to Human development Index (HDI) and Percentage of land used for non-agriculture (NAGCRL). The variation in PCOR across different districts of the State is explained in terms of these factors (Table 4.13). These socio-economic factors are important for the mobilization of own source revenue of the Panchayats.

Table 4.13 Per capita Own Source Revenue in relation to Human development index, Percentage of Area under Non-Agricultural Land Use (2008-09)

Districts	PCOSR	HDI	NAGCRL (%)
Bankura	13.6	0.52	20.6
Birbhum	20.18	0.47	20.1
Burdwan	26.72	0.64	26.1
Coochbehar	12.09	0.52	17.1
Darjeeling	16.14	0.65	10.4
Hoogly	21.5	0.63	25.8
Howrah	23.88	0.68	31.6
Jalpaiguri	15.49	0.53	12.3
Malda	9.08	0.44	22.6
Murshidabad	6.95	0.46	22.7
North 24-Parganas	26.72	0.66	30.5
Nadia	12.54	0.57	19.1
Purulia	4.59	0.45	13.5
South 24-Parganas	17.48	0.6	13.2

Notes: PCOR= Per Capita Own Source Revenue , HDI= Human Development Index, NAGCRL= Non-Agricultural Land Use.
Uttar Dinajpur, Dakhsin Dinajpur, Purba Medinipur, Paschim Medinipur are excluded due unavailability of relevant data.
Sources: Annual report of WB from WBPRD website, CENSUS 2001, District Statistical Handbook 2011 – 12 , Government of West Bengal.

Regression Equation Concerning PCOR of Districts

It is revealed that variation in PCOSR is significantly explained to the extent of 67% by Human development index (HDI) and percentage of land used for non-agriculture (NAGCRL). The model is significant at 1% level (Table 4.14).

Table 4.14 Regression Equation Concerning Per Capita Own Revenue

Multiple Regression Equation	R Square	Adjusted R Square	F
PCOR= -22.02 + 56.5**HDI + 0.33*NAGCRL (-3.8) (4.1) (2.3)	.72	.67	14.5**

Figures with in parentheses represent t ratio, ** 1% & * 10% level of significance

4.7 Revenue Autonomy and Fiscal Autonomy of Panchayats (all-tiers)

Revenue Autonomy

Revenue autonomy is measured as a proportion of own source revenue in total revenue of Panchayats of selected districts.

Table 4.15 Frequency Distribution of Districts by Revenue Autonomy (RA) of Panchayats (all-tiers) in Districts of West Bengal, 2012-13 (%)

RA (%)	No	Districts
Below 1	1	Hgly
1-2.9	8	Brdn, Dd, PubM, Jpg, Mrsdb, Mld, Brbhm, Puru
3-4.9	4	PM, N24P ,Nda, Bnk
5 and above	5	Cb, Dj, Hwh, Ud, S 24 P
Total		18

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan. *Source*: Annual Administrative Report, Department of Panchayats and Rural Development, Government of West Bengal, SIPRD, DPRDO Report

In comparing revenue autonomy of Panchayats it is revealed that it varied widely across the selected districts of West Bengal.During 2012-13 five districts, namely Coochbehar, Howrah, Uttar Dinajpur, Darjeeling and South 24-Parganas belonged to

the group of revenue autonomy above 5 per cent while the district of Hoogly belonged to the class of revenue autonomy below 1 per cent. During this period 8 districts, namely Purba Medinipur, Burdwan, Murshidabad, Malda, Dakhsin Dinajpur, Purulia, Birbhum and Jalpaiguri belonged to the class of revenue autonomy of 1 per cent to 2.9 per cent. Four districts, namely Paschim Midnaore, Bankura, North 24–Parganas, and Nadia belonged to the group of revenue autonomy of 3.0 per cent to 4.9 per cent during 2012-13 (Table 4.15 & Figure 4.12.).

.**Figure 4.10 Revenue Autonomy of Panchayats (all-tiers) of the Selected Districts of West Bengal, 2012-13** (%)
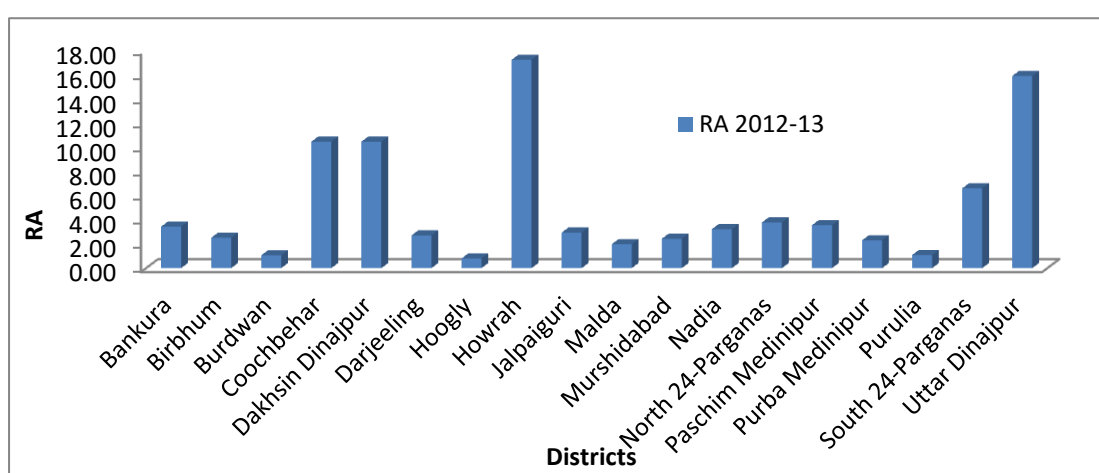
Fiscal Autonomy

Fiscal autonomy is measured as a proportion of own source revenue in total expenditure of Panchayats. It was low in almost all the selected districts and it varied substantially across the districts in 2012-13. During 2012-13 only four districts, namely Dakhsin Dinajpur, Hoogly, Uttar Dinajpur, and South 24-Parganas belonged to the group of fiscal autonomy above 5 per cent while the districts of Birbhum and Purulia belonged to the class of fiscal autonomy below 1 per cent. Twelve districts, namely Darjeeling, Coochbehar, Howrah, Purba Medinipur, Burdwan, Murshidabad, Malda, Jalpaiguri, Paschim Medinipur, Bankura, North 24–Parganas, and Nadia belonged to the class of fiscal autonomy of 1.0 per cent to 4.9 per cent during 2012-13 (Table 4.16 & Figure 4.11).

Table 4.16 Frequency Distribution of Districts by Fiscal Autonomy (FA) of Panchayats (all-tiers) in districts of West Bengal, 2012-13 (%)

FA (%)	No	Districts
Below 1	2	Brbhm, Puru
1-2.9	7	PuM, Jpg, Mrsdb, Hwh, Dj, Cb, Mld
3-4.9	5	PM, N24P ,Nda, Bnk, Brdn
5 and above	4	Dd, Hgly, S24P, Ud
Total		18

Notes: Darjeeling = Dj, Coochbehar = Cb, Jalpaiguri = Jpg , Uttar Dinajpur = Ud, Dd = Dakhsin Dinajpur, P = Purulia, Bankura = Bnk, Malda = Mld, Murshidabad = Mrsdb, Nda=Nadia, N24P = North 24-Parganas, S24P = South 24 Parganas , Hwh = Howrah, PM =Paschim Medinipur , Brbhm = Birbhum, PubM = Purba Medinipur , Hgly = Hoogly,Brdn = Burdwan.
Source: Same as in Table 4.15

Figure 4.11 Fiscal Autonomy of Panchayats (all-tiers) of the Selected Districts of West Bengal, 2012-13 (%)
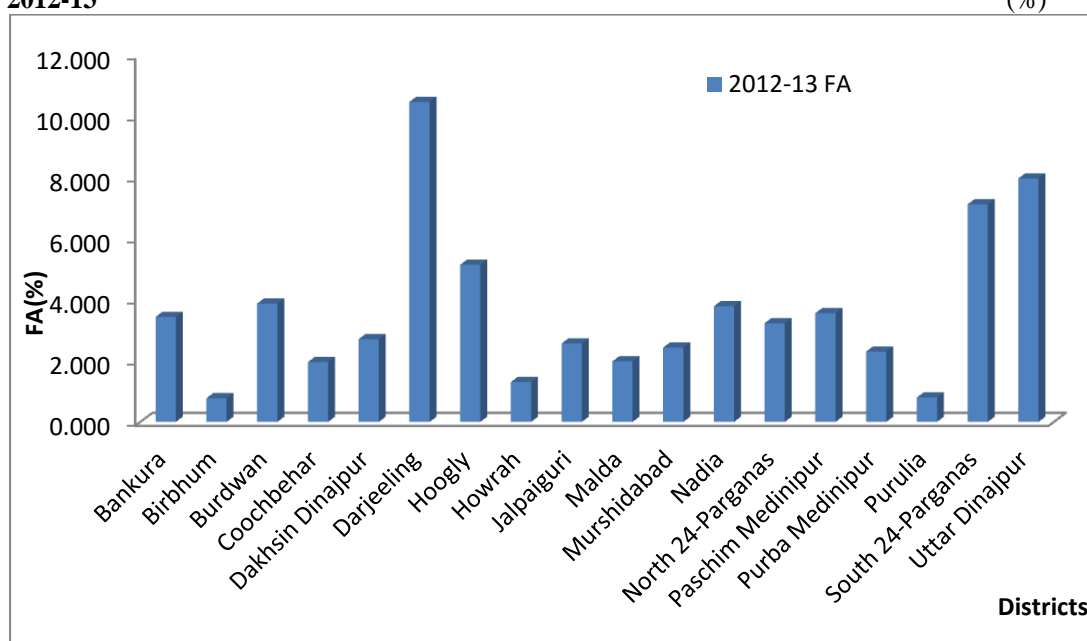
4.8 Case Study of Howrah Zilla Parishad

In the previous sections we did not discuss diversification of own source revenue, utilization ratio of total and own source revenue. In this section we deal with these and related issues.

Own Resource Mobilization of Howrah Zilla Parishad

As noted earlier, Zilla Parishads (ZPs) in West Bengal have no obligatory power of taxation. They have been empowered to earn revenue by levying fees etc. on a few services only. Section 181 of the West Bengal Panchayat Act, 1973, empowered the ZPs to raise revenue from certain sources like levy of tolls on persons, vehicles and animals and roads established by it, levy of tolls on ferry established by it under its jurisdiction, fees on registration of boats or vehicles, fees for providing sanitary arrangements at public places, license fees for fair and mela, water rate for the supply of drinking water, irrigation, lighting rate for the street light. Under Section 182 the ZP may raise loans under any law relating to local authorities for the "purpose of the Act" and create a sinking fund for the repayment of such loans. ZPs may borrow money from state government, banks and other financial institutions on the basis of specific schemes (Section 182A). Apart from levies of rates and fees, ZPs are also entitled for certain assigned revenues like five per cent share of land revenue and road cess of public works cess which is levied at the rate of 60 paise per rupee of land revenue (Sections 179 and Section 180).

Against this brief backdrop the plan of this section is as follows. Sub-section 4.8.1 discuses pattern of growth of own source revenue and total revenue of Howrah Zilla Parishad during 2005-06 to 2010-11. Sub-section 4.8.2 examines the issue of diversification of own source revenue of Howrah Zilla Parishad during the study period. Sub-section 4.8.3 deals with the variation of per capita own source revenue and per capita total revenue during 2005-06 to 2010-11. Sub-section 4.8.4 examines utilization ratio of own source revenue and total revenue. Sub section 4.8.5 analyses the pattern of growth of own fund expenditure and total fund expenditure of Howrah Zilla Parishad during 2005-06 to 2010-11. Sub-section 4.8.6 examines different heads of expenditure of Howrah Zilla Parishad during 2005-06 to 2010-11. Sub-section 4.8.7 looks into the variation of per capita own fund expenditure and per capita total fund expenditure during 2005-06 to 2010-11. Sub-section 4.8.8 examines the extent of revenue autonomy and fiscal autonomy of Howrah Zilla Parishad during 2005-06 to 2010-11.

4.8.1 Own Source Revenue and Total Revenue of Howrah Zilla Parishad during 2005-06 to 2010-11

Own source revenue

It is revealed that during 2005-06 Howrah Zilla Parishad mobilised own source revenue to the tune of Rs 1.00 crores which increased to Rs 3.8 crores during 2007-08 and to decline to Rs 3.53 crores during 2008-09. It again increased to Rs 6.78 crores during 2009-10 to decrease again to Rs 5.4 crores during 2010-11. The average own source revenue for the entire period was Rs 3.8 crore. Thus, there was no smooth increase in own source revenue of Howrah ZP during the period under study period from 2005-06 to 2010-11. The compound annual growth rate of own source revenue was 15.4 per cent and it was statistically significant at 1% level during the period from 2005-06 to 2010-11 (Table 4.18).

Total revenue

Total receipt is the sum of own source revenue, development receipt, welfare receipt and establishment receipt. It is revealed that during 2005-06 total receipt of Howrah ZP was Rs 52.34 crores, which declined to Rs 38.38 crores during 2006-07 to increase again in 2007-08 and 2008-09 to Rs 87.88 crores & Rs 89.41 crores respectively. But in the next years, i.e., 2009-10 & 2010-11 it declined to Rs 87.53 crores & Rs 87.04 crores respectively. The average total receipt of Howrah ZP was Rs 73.76 crores during the entire study period from 2005-06 to 2010-11. We observe that like own source revenue the total revenue fluctuated during 2005-06 to 2010-11.The compound annual growth rate of total receipt was 6.5 per cent and it was statistically significant at 5% level (Table 4.17).

Table 4.17 Own Fund and Total Fund of Howrah Zilla Parishad, 2005-06 to 2010-11

(Rs in crore)

Year	Own Fund	Total Fund
2005-06	1	52.3
2006-07	2.3	38.38
2007-08	3.8	87.88
2008-09	3.5	89.41
2009-10	6.7	87.04
2010-11	5.4	87.53
Mean	3.8	73.76
SD	2.1	22.45
%CV	54.45	30.44

Notes: SD=Standard Deviation, CV=Coefficient of Variation.
 Sources: Howrah Zilla Parishad Office Documents.

4.8.3 Diversification of own source revenue of Howrah Zilla Parishad

Own source revenue comes from permission fee for Hat and Mela, share of land registration fee, ferry ghat, rent from hall, tourist spot, park, advances, sale of old parts, building materials, lease of ponds and others.

Table 4.18 Percentage of Own Fund of Zilla Parishad by Source, 2005-06 to 2010-11

Sources /Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Average
All types of Fees (land/house/Hat / Mela/ferry ghat..etc)	70.13	76.04	58.56	57.85	47	51.74	60.22
Fine	5.92	4.22	26.9	23.42	14.92	8.38	13.96
Sale of scraps/old parts	0	0	0	0	0	0	0
Income from tourist spot& deer park	9.8	4.15	3.52	4.58	2.1	3.26	4.57
Rent from Hall	0.39	0.2	0.06	0	0.04	0.05	0.12
Loan recovery	2.94	1.2	0	0	0	0	0.69
Advances	1.12	0	0	0	0	0	0.19
Cess	0	0	0	0	0	17.4	2.9
Others	9.69	14.19	10.96	14.15	35.95	19.18	17.35
Total	100	100	100	100	100	100	100

Source: Howrah Zilla Parishad Office Documents.

It is revealed that about 60 per cent of own source revenue was mobilized from fees. In 2005-06 the percentage of fees to the total own source revenue was 70, which increased 76 in 2006-07. But it sharply declined to 47 during 2009-10 to increase during 2010-11 to 51.74.

The percentage of fine to own source revenue on an average was 14. During 2005-06 it was 5.92 very next year to decline to 4. It increased to 26 in the year of 2007-08. During 2010-11 it was 8.38.

Figure 4.12A Pie Diagram involving Own Fund of Howrah Zilla Parishad, 2005-06

Pie Diagram 2005-06

Legend:
- all types of Fees (land/house/Hat / Mela/ferry ghat..etc)
- fine
- Sale of scraps/old parts
- income from tourist spot& deer park
- Rent from Hall
- loan recovery
- advances
- Cess
- Others
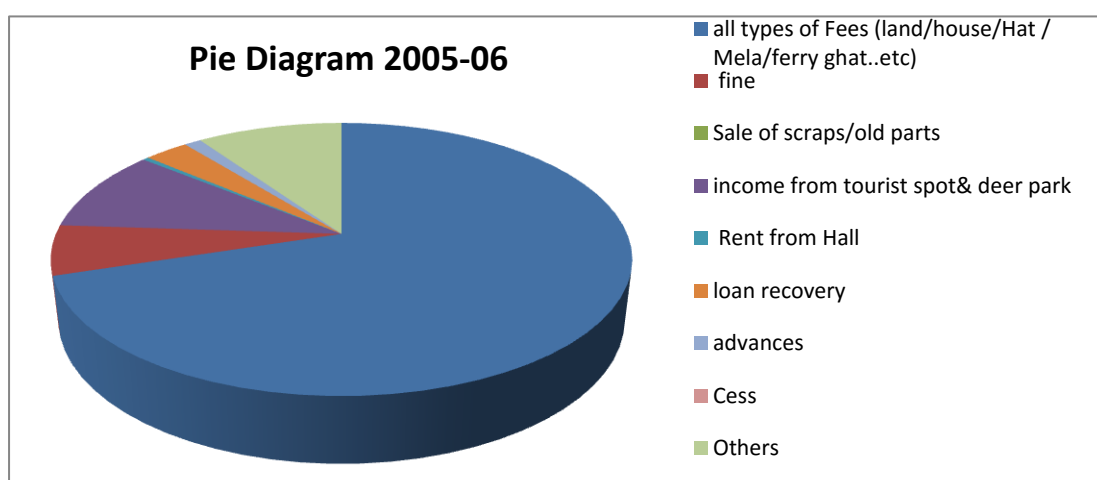
Figure 4.12B Pie Diagram involving Own Fund of Howrah Zilla Parishad, 2010-11

Pie Diagram 2010-11

Legend:
- all types of Fees (land/house/Hat / Mela/ferry ghat..etc)
- fine
- Sale of scraps/old parts
- income from tourist spot& deer park
- Rent from Hall
- loan recovery
- advances
- Cess
- Others
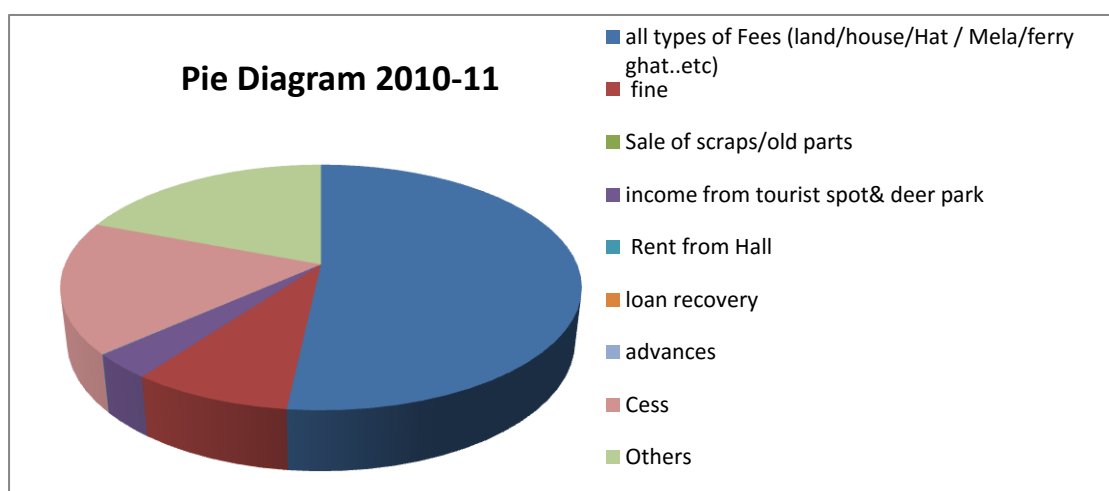
The ZP mobilized other resources to the tune of 17 per cent on an average during the period from 2005-06 to 2010-11. In 2009-10 it was maximum 36 per cent. During 2010-11, 17 per cent of total own receipts was contributed from cess. Income from tourist spot and deer park (located at Garchumuk) contributed 10% of OSR in the year

of 2005-06 and 3.26% during 2010-11 (Table 4.18 and Figure 4.12A and Figure 4.12B).

Own Source Revenue Diversification

We examine the extent of diversification of own source revenue (OSR) of Howrah Zilla Parishad during 2005-06 to 2010-11. It is revealed that Entropy measure of diversification of OSR shows an increasing diversification of OSR of the Zilla Parishad. During 2005-06 the value of diversification index was 0.45, which increased to 0.56 during 2010-11.

4.8.4 Variation in Per Capita Own Source Revenue and Per Capita Total Revenue during 2005-06 to 2010-11

It is observed that per capita own source revenue of Howrah Z.P. was Rs 2.34 during 2005-06, which increased sharply to Rs 8.92 during 2007-08 and marginally declined to Rs 8.25 during 2008-09. During 2009-10 it was highest (Rs 15.84) but again it declined to Rs 12.56 during 2010-11. The average per capita own source revenue during 2005-06 to 2010-11 was Rs 8.89 with coefficient of variation of 54.45%.The per capita own source revenue varied substantially over years

Table 4.19 Per Capita Own Revenue and Per Capita Total Revenue of Howrah Zilla Parishad , 2005-06 to 2010-11 (Rs)

Year	PCOR	PCTR
2005-06	2.34	122.48
2006-07	5.42	89.81
2007-08	8.92	205.61
2008-09	8.26	209.2
2009-10	15.84	203.65
2010-11	12.56	204.8
Mean	8.89	172.59
SD	4.84	52.53
%CV	54.45	30.44

Notes: SD=Standard Deviation, CV=Coefficient of variation
Source: Howrah Zilla Parishad Office Documents.

Per capita total revenue of Howrah Z.P witnessed fluctuation over years. During 2005-06 it was Rs 122.47, which declined sharply to Rs 89.81 during 2006-07 and again it increased sharply to Rs 205.61 in 2008-09. During 2009-10 it declined to Rs 203.64 and again it increased marginally to Rs 204.80 during 2010-11.The average per capita total receipt was Rs 172.59 during the period from2005-06 to 2010-11, having coefficient of variation 30.43 % (Table 4.19).

4.8.5 Utilization Ratio of Own Source Revenue

This sub-section examines whether Howrah Zilla Parishad is efficient in utilizing the funds available to them. The rate of utilization of fund available to Panchayats is an indicator that measures the efficiency of panchayat functionaries in utilization of resources.

It is revealed that rate of utilization of own fund varied during the study period from 2005-06 to 2010-11.During 2008-09 the percentage of own fund utilized was more than cent per cent (105.59%) on account of utilization of arrear fund. The average rate of own fund utilization during 2005-06 to 2010-11 was 84.65% during this period (Table 4.20 and Figure 4.13).

Table 4.20 Percentage of Utilization of Own Fund of Howrah Zilla Parishad, 2005-06 to 2012-13 (%)

Year	Utilization Ratio (%)
2005-06	90
2006-07	60.87
2007-08	94.74
2008-09	106.57
2009-10	83.13
2010-11	72.22
Mean	84.59
SD	16.33
CV %	19.3

Notes: CV=Coefficient of Variation. SD= Standard Deviation

Figure 4.13 Percentage of Utilization of Own Fund of Howrah Zilla Parishad, 2005-06 to 2012-13 (%)
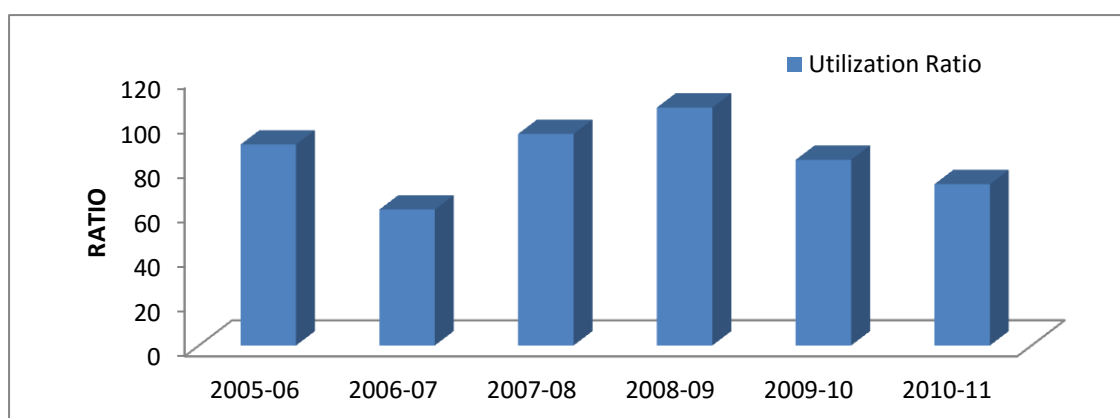
4.8.6 Expenditure of Own Fund of Howrah Zilla Parishad during 2005-06 to 2010-11

It is revealed that during 2005-06 expenditure out of own fund of Howrah Zilla Parishad was Rs 90.78 lakhs, which increased to Rs 3.56 crores during 2007-08 and to 5.56 crores during 2009-10. But during 2010-11 it declined to Rs 3.94 crores. During the whole period the expenditure of own fund increased from Rs 90.78 lakhs to Rs 3.94 crores. The average of own fund expenditure was Rs 3.19 crores. The compound annual growth rate of own fund expenditure was 15.26 per cent and it was statistically significant at 1% level during the period from 2005-06 to 2010-11 (Table 4.21 and Figure 4.14).

Table 4.21 Own Fund Expenditure of Howrah Zilla Parishad, 2005-06 to 2010-11

(Rs in crore)

Year	Own Fund Expenditure
2005-06	0.9
2006-07	1.4
2007-08	3.6
2008-09	3.73
2009-10	5.57
2010-11	3.9
Mean	3.2
SD	1.72
%CV	54.04

Notes : SD=Standard Deviation, CV=Coefficient of variation
Source: Howrah Zilla Parishad Office Documents.

Figure 4.14 Own Fund Expenditure of Howrah Zilla Parishad, 2005-06 to 2010-11

(Rs in Crore)
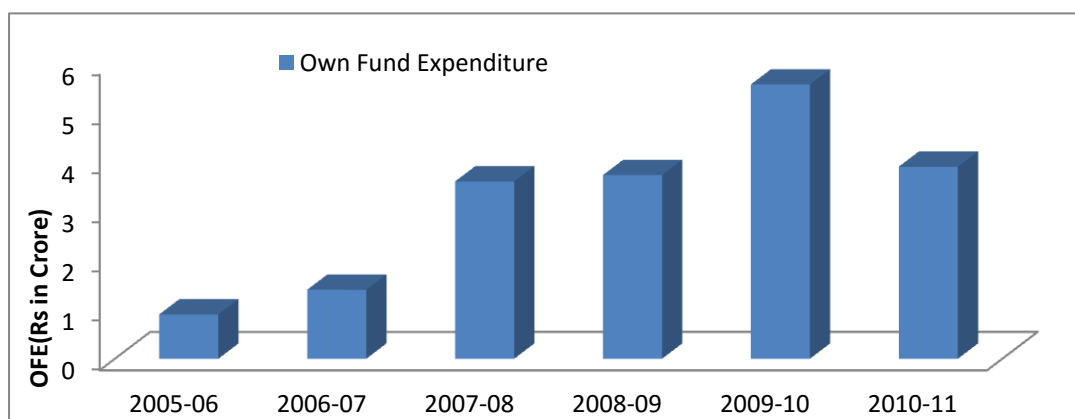
4.8.8 Per capita Own Fund Expenditure of Howrah Zilla Parishad, 2005-06 to 2010-11

During 2005-06 per capita own fund expenditure was Rs 2.12, which increased Rs 13.02 during 2009-10. But during 2010-11 it declined sharply to Rs 9.22. The average own fund expenditure during the whole period was Rs 7.47 having C.V. of 54.04% (Table 4.22 and Figure 4.15).

Table 4.22 Per Capita Own Fund Expenditure of Howrah Zilla Parishad, 2005-06 to 2010-11   (Rs in crore)

Year	Per capita Own Fund Expenditure (Rs)
2005-06	2.12
2006-07	3.39
2007-08	8.33
2008-09	8.72
2009-10	13.02
2010-11	9.22
Mean	7.47
SD	4.04
%CV	54.04

Notes: SD=Standard Deviation, CV=Coefficient of variation.
Source: Howrah Zilla Parishad Office Documents.

Figure 4.15 Per Capita Own Fund Expenditure of Howrah Zilla Parishad, 2005-06 to 2010-11 (Rs)
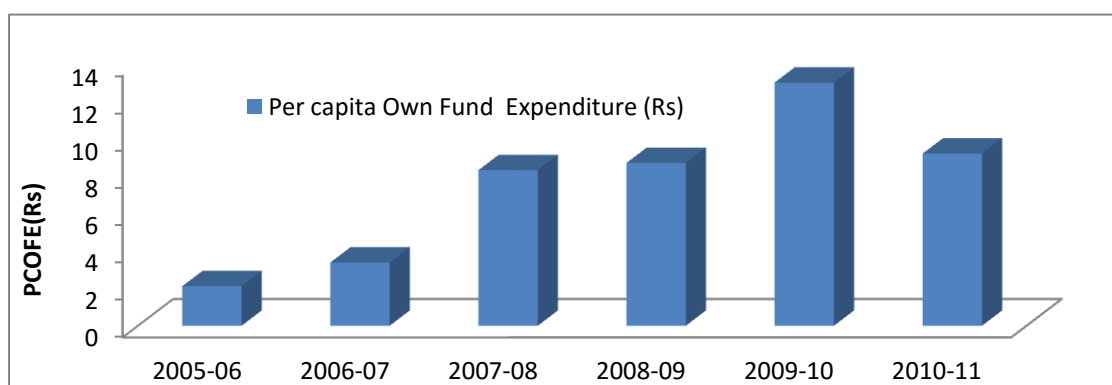
4.8.9 Extent of Revenue Autonomy

Revenue autonomy is defined as percentage of own source revenue in total receipt. It measures what proportion of total receipt of Panchayats comes from their own source revenue. It is observed that revenue autonomy was low throughout the study period. It was 1.91% during 2005-06, which increased to 6.03% in 2006-07 to decline to 3.95% during 2008-09. Again it increased during 2009-10 to 7.8% to decline again to 6.13% during 2010-11. The average revenue autonomy during the period from 2005-06 to 2010-11 was 5.02% having C.V of 40.94 % (Table 4.23 & Figure 4.16).

Table 4.23 Revenue Autonomy of Howrah Zilla Parishad, 2005-06 to 2010-11

(%)

Year	Revenue Autonomy (%)
2005-06	1.91
2006-07	6.03
2007-08	4.34
2008-09	3.95
2009-10	7.78
2010-11	6.13
Mean	5.02
SD	2.06
%CV	40.94

Notes: SD=Standard Deviation, CV=Coefficient of variation.
Source: Howrah Zilla Parishad Office Documents.

Figure 4.16 Revenue Autonomy of Howrah Zilla Parishad, 2005-06 to 2010-11   (%)
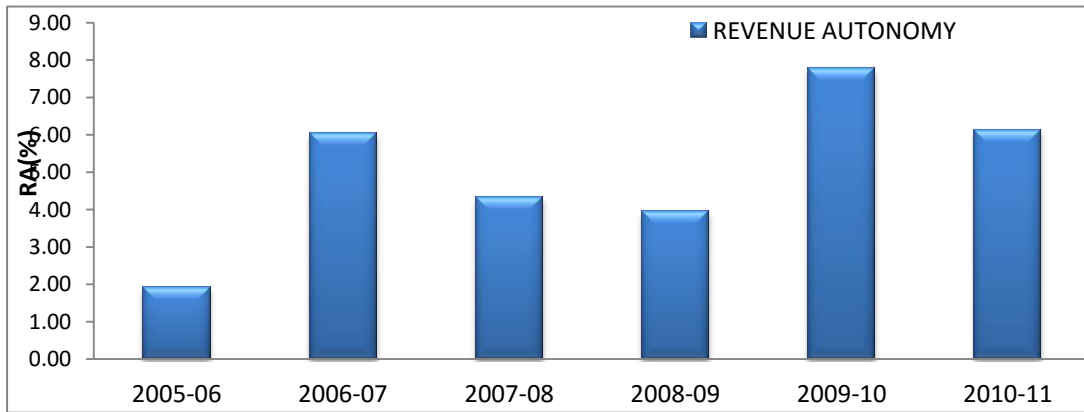
4.9 Summary

The percentage of own tax revenue collected to demand in districts of West Bengal registered an increasing trend during 2005-06 to 2012-13. The structure of own source revenue changed in favour of non-tax revenue or against tax revenue. There are also differential growth rates of own source revenue, tax revenue and non-tax revenue across the selected districts. The compound annual growth rates of own source revenue of the districts, namely Nadia, Purulia, Paschim Medinipur, Uttar Dinajpur, Coochbehar, Murshidabad, Bankura, Jalpaiguri, Howrah and Dakhsin Dinajpur were below 11% during 2002-03 to 2012-13, which were statistically significant.

The growth rates of own tax revenue of the districts, namely Paschim Medinipur, Murshidabad, Malda, Howrah and Dakhsin Dinajpur   were statistically significant and the growth rates of own non-tax revenue of districts Dakhsin Dinajpur, Coochbehar and Darjeeling were also statistically significant during 2002-03 to 2012-13.

Per capita tax, per capita non-tax and per capita own source revenue varied across the districts and also over years. The variation of per capita own source revenue across the districts is significantly explained by Human Development Index and percentage of non-agricultural land to total land and the whole model was significant at 1% level.

Fiscal autonomy of Panchayats of the selected districts was very low in almost all the selected districts and it varied substantially across the districts. This was relatively high in districts like Howrah, Birbhum and Darjeeling. The districts of Nadia, Malda

and Uttar Dinajpur recorded low level of fiscal autonomy compared to other districts of West Bengal.

In the case study on Howrah Zilla Parishad during 2005-06 to 2010-11 it was observed that revenue and expenditure of Howrah Zilla Parishad varied substantially over the years. The Entropy measure indicated an increasing trend of own revenue diversification during 2005-06 to 2010-11. Own source revenue of Howrah Zilla Parishad came from permission fee for Hat and Mela, share of land registration fee, ferry ghat, rent from hall, tourist spot, park, advances, sale of old parts, building materials, lease of ponds, and others. Utilization rate of own fund was high enough in Howrah Zilla Parishad. The revenue autonomy of Howrah Zilla Parishad varied significantly during the period from 2005-06 to 2010-11.

Chapter 5

BLOCK LEVEL STUDY OF PANCHAYATS

Block or Union is the second or intermediate level of local self-government in rural India. It is the link between the gram panchayat and the district administration. Own source revenue at the block level comprises tax and non-tax revenues of Gram Panchayats and non-tax revenue of Panchayat Samiti.

In the present chapter we have taken all the blocks of Howrah district except Jagatballavpur and Uluberia II due to lack of relevant data. The present chapter discusses the relevant issues of own resources mobilization of the selected blocks (two-tiers) and Panchayat Samitis separately of Howrah district for 2008-09 to 2012-13.

The plan of the rest of the chapter is as follows. Section 5.1 presents brief profile of the sample blocks of Howrah District. Section 5.2 analyses percentage of collection of revenue to the total demand of revenue of Panchayats (two-tiers) at the block level during 2008-09 to 2012-13. Section 5.3 analyses growth of own source revenue at the block level during 2008-09 to 2012-13. Section 5.4 deals with structural change of own source revenue of the block level during 2008-09 to 2012-13. Section 5.5 discusses the variation in per capita own source revenue during this period at the block level. Section 5.6 analyses the factors that explain the variation in per capita own source revenue. Section 5.7 discusses the revenue autonomy and fiscal autonomy of Panchayats at the block level. Section 5.8 presents a case study on Panchayat Samitis of Howrah district. Section 5.9 summarizes the discussion made in earlier sections.

5.1 Brief Profile of Sample Blocks

District Howrah consists of fourteen major blocks, namely Bally-Jagacha, Domjur Jagatballavpur, Sankrail, Panchla, Uluberia I and Uluberia II, Bagnan I, Bagnan II, Shyampur I , Shyampur II, Amta I, Amta II, and Udaynarayanpur. Bally–Jagacha CD block consists of rural area with 8 gram Panchayats and six census towns Bally

(different from Bally municipality), Chakapara, Chamrail, Eksara, Khalia and Jagadishpur Durgapur-Avoynagar 1, Durgapur-Avoynagar 2, Nischinda. Total area 72.05 sqkm and LTR 87.75%. Domjur CD block consists of rural area with 18 gram Panchayats and sixteen census towns Domjur, Dakshin Jhapardaha, Khantora, Bhandardaha, Makardaha, Kantlia, Tentulkuli, Salap, Bankra, Nibra, Ankurhati, Bipra Noapara, Kalara, Kesabpur, Natibpur, and Mahiari. Total area 58.33 sqkm and LTR 81.33%. Panchla CD block consists of rural area with 11 gram Panchayats and seven census towns: Bikihakola, Beldubi, Jala Kendua, Gabberia, Paniara, Panchla and Sahapur. Total area-53.42 sqkm.and LTR 78.9%. Sankrail CD block consists of rural area with 16 gram Panchayats and fourteen census towns Argari, Dhuilya, Andul, Ramchandrapur, Podara, Panchpara, Hatgachha, Jhorhat, Banupur, Sankrail, Manikpur, Nalpur, Raghudebbati and Sarenga. Total area 36.64 sqkm and LTR 83.19%. Amta I CD block consists of rural area only with 13 gram Panchayats. Total area 123.65 sqkm and LTR 81.26%.Amta II CD block consists of rural area only with 14 gram Panchayats. Total area 135.42 sqkm and LTR 81.47%. Bagnan I CD block consists of rural area with 10 gram Panchayats and two census towns Khalor and Bagnan. Total area 83.01 sqkm and LTR 84.02%. Bagnan II CD block consists of rural area with 7 gram Panchayats and one census town: Naupala. Total area 77.52 sqkm and LTR 82.57%. Uluberia I CD block consists of rural area only with 9 gram Panchayats. The most important village is BarMongrajpur under Hatgacha 1 G.P. Total Area 114.38 SQKM and LTR 77.39%. Shyampur I CD block consists of rural area only with 10 gram Panchayats. Total area 113.92 sqkm and LTR 78.96%. Shyampur II CD block consists of rural area only with 8 gram Panchayats. Total area 100.25 sqkm and LTR 80.49%.

Table 5.1 Socio-Economic Profile of Blocks of Howrah District

Blocks	Area (Sqkm)	Population	LTR(%)	Percentage of TNFE	Percentage of Marginal workers
Amta I	123.65	161193	81.26	66.4	6.63
Amta II	135.42	192298	81.47	60.1	9.12
Bagnan I	83.01	140116	84.02	74.9	9.47
Bagnan II	77.52	119033	82.57	67.2	9.65
Bally-Jagacha	72.05	9300	87.75	95.8	5.05
Domjur	58.33	74510	81.33	83.9	5.72
Panchla	53.42	43087	78.98	85.4	10.5
Sankrail	36.64	35195	83.19	87.4	6.81
Shyampur I	113.92	183220	78.96	59.7	13.02
Shyampur I I	100.25	175475	80.49	56.2	11.01
Udaynarayanpur	124.8	190186	81.05	65.9	8.01
Uluberia I	114.38	184781	77.39	64.3	11.42

Notes: LTR = Literacy rate. TNFE = Total non-farm employment .
Source: Census of India-2011

Udaynarayanpur CD block consists of rural area only with 11 gram Panchayats. Total area 124.80 sqkm and LTR 81.05%.The largest and the smallest populated Panchayat Samities are Udaynarayanpur (190186) and Bally-Jagacha (9300) respectively. Bally-Jagacha block led other blocks in respect of percentage of non-farm workers to total workers while Shayampur block I recorded the highest percentage of marginal workers to total workers (Table 5.1).

Map of Blocks of Howrah district
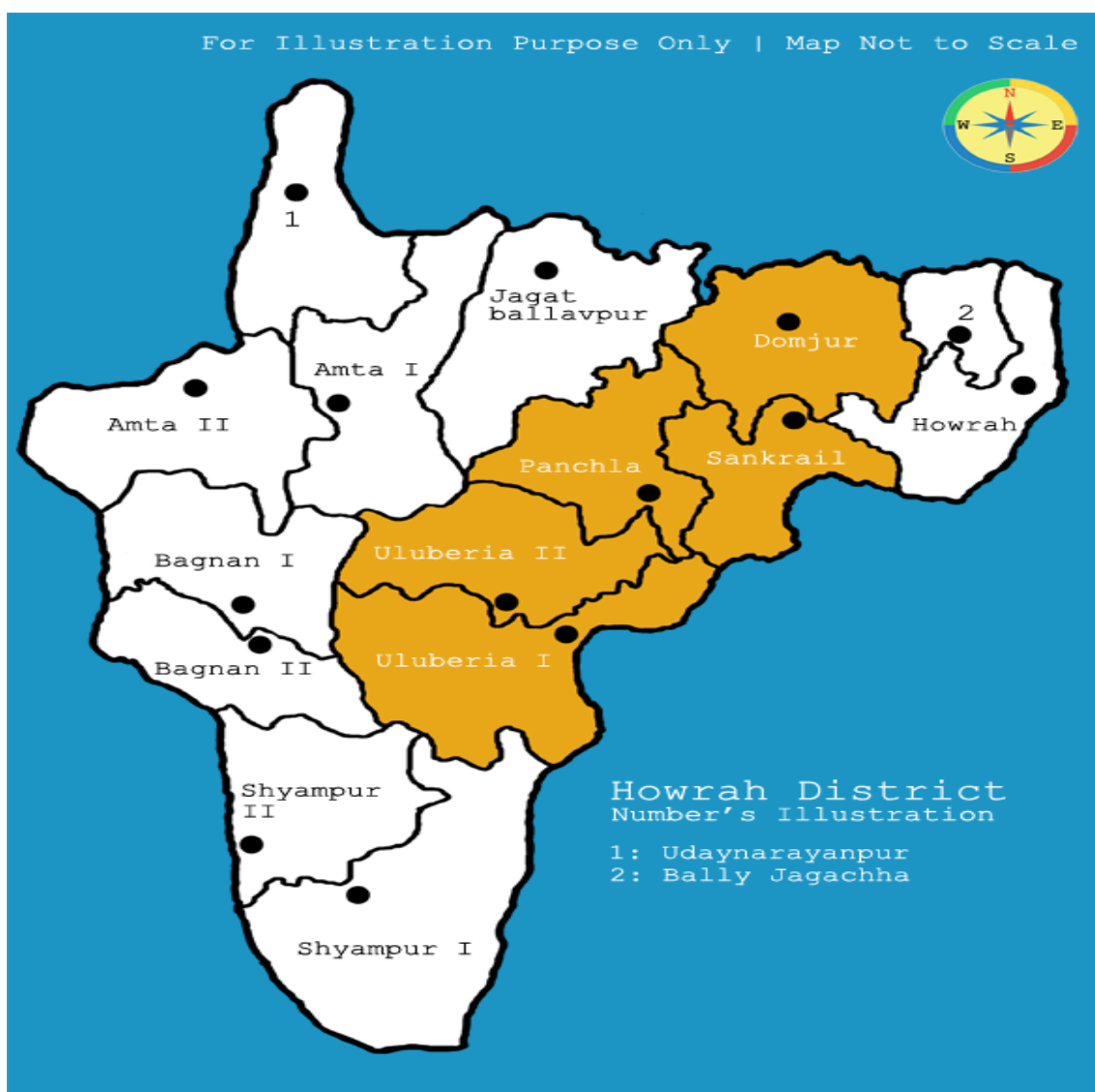
5.2 Percentage of Total Tax Collection to Total Demand at the Block Level during 2008-09 to 2012-13

In this section we present percentage of tax revenue collected to demand made by Panchayats. High level of percentage of collection to demand of tax leads to high level of own source revenue mobilization.

During 208-09, block Uluberia I recorded the highest percentage of tax collection to tax demand (54 per cent) followed by Sankrail (46.5 percent) and Baly-Jagacha (45.2 per cent), the lowest percentage being registered in Panchla (20.5 per cent). During 2012-13, block Bagnan I (71.7 per cent) recorded the highest percentage of tax

collection to tax demand followed by Shyampur I (59.6 per cent) and Domjur (55.1 per cent). Block Amta II registered the lowest percentage of tax collection to tax demand (17.6 per cent). Percentage of revenue collection to demand of Gram Panchayats (GPs) at the block level of Howrah district recorded increase from 35.2 in 2005-06 to 42.2 in 2012-13 (Table 5.2).

Table 5.2 Percentage of Tax Revenue Collection to Demand of Panchayats at the block level of Howrah District, 2005-06 to 2012-13

Blocks	Percentage of Collection to Demand		Blocks	Percentage of Collection to Demand	
	2008-09	2012-13		2008-09	2012-13
Amta I	29.9	28.5	Shyampur I	32.2	59.6
Amta II	31.4	17.6	Shyampur I I	31.6	44.1
Bagnan I	45.1	71.7	Udaynarayanpur	26.9	36.4
Bagnan II	22.3	25.7	Uluberia I	54	46.6
Bally-Jagacha	45.2	45.5	Mean	35.2	42.2
Domjur	36.9	55.1	SD	10.5	16.2
Panchla	20.5	24			
Sankrail	46.5	51.2	CV(%)	29.7	38.4

Notes: SD=Standard Deviation, CV=Coefficient of variation.
Sources: Howrah DPRDO Office documents.

5.3 Growth of Own Source Revenue

Own Tax Revenue

In 2008-09, block Sankrail recorded the highest own tax revenue (Rs 5153475) followed by Domjur (Rs 3140882), Bally-jagacha (Rs 2135398) while block Bagnan II had the lowest own tax revenue (Rs 266553.97). Again during 2012-13, block Sankrail registered the highest own tax revenue (Rs 7392133) followed by blocks Domjur (Rs 4327696) and Bally-jagacha (Rs 2983223) while Amta II witnessed the lowest own tax collection (Rs 299172.46) (Appendix Table A.15 and Figure 5.1).

Figure 5.1 Amount of Tax Revenue of the selected Blocks, 2008-09 to 2012-13

(Rs)
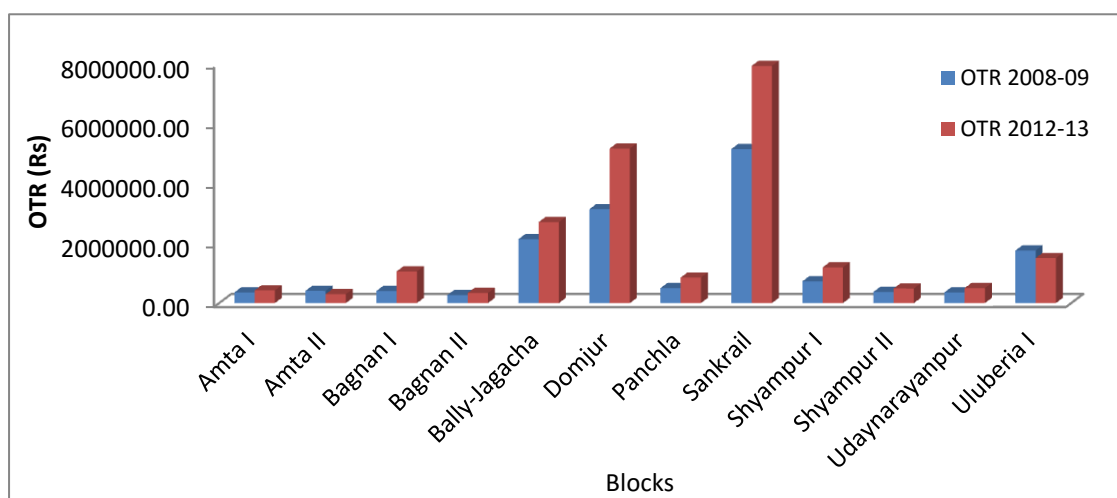
Frequency distribution of blocks of Howrah district by amount of own tax revenue revealed that in 2008-09 only block, Sankrail belonged to the highest group of own tax revenue (Rs 40 lakhs and more), which continued to remain so throughout the whole period (i.e., 2008-09 to 2012-13) under consideration.

Table 5.3 Frequency Distribution of Blocks by Amount of Own Tax Revenue, 2008-09 to 2012-13 (Rs in Lakh)

Class (Rs In Lakh)	2008-09		2010-11		2012-13	
	Number	Blocks	Number	Blocks	Number	Blocks
0-19.9	9	A I, A II, P, UDNP, B I, B II, S I, S II, U I	9	A I, A II, P, UDNP, B I, B II, S I, S II, U I	9	A I, A II, P ,UDNP, B I, B II, S I, S II, U I
20-39.9	2	B-J, Dmj	1	B-J	1	B-J
40 and above	1	Snk	2	Snk, Dmj	2	Snk, Dmj
Total	12		12		12	

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
Source: Howrah DPRDO Report.

On the other hand, nine blocks, namely AmtaI, Amta II, Uluberia I, Bagnan I and Bagnan II, Udaynarayanpur , Panchla, Shayampur I and Shayampur II belonged to the lowest group of Own tax revenue (below Rs 20 lakhs). They continued to remain

so during this period. Block Domjur got elevated to the highest group of own tax revenue during the period from 2008-09 to 2012-13 (Table 5.3).

It is observed that the seven blocks, namely Uluberia I, Bagnan II, Sankrail, Shayampur-II, Udaynarayanpur and Bally-Jagacha belonged to the group of compound annual growth rate (CAGR) of tax revenue below 5.0 per cent .

Table 5.4 Frequency Distribution of Blocks by Compound Annual Growth Rate

(CAGR) of Own Tax Revenue, 2008-09 to 2012-13

CAGR (%)	Number	Blocks
Negative Growth Rate	1	A II
0-4.99	7	A I, B II, B-J**, Snk**, S II, U I, Udnp
5-9.99	4	S I** ,P**, Dmj*, B I**
10and above	0	Nil
Total	12	12

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
CAGR is measured at constant price (2004-05 as base year).
Source: Howrah DPRDO Report.

Figure 5.2 Compound Annual Growth Rate (CAGR) of Own Tax Revenue for Blocks,

2008-09 to 2012-13 (%)
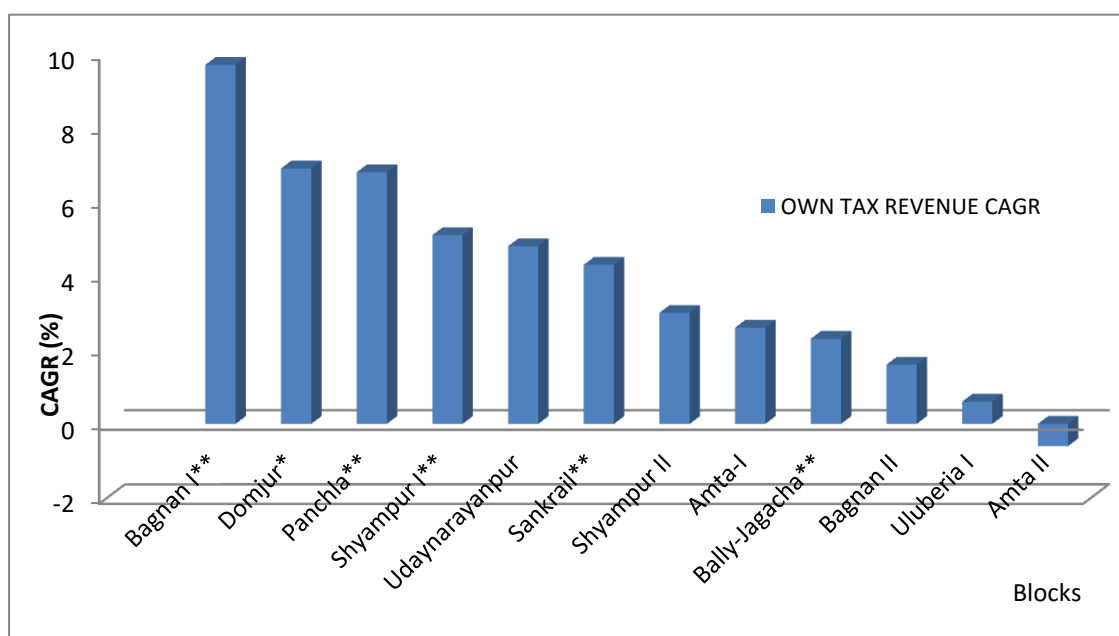
Of them the CAGRs of Bally Jagacha and Sankrail were statistically significant at 1% level. Four blocks, namely Shayampur-I, Panchla, Bagnan I and Domjur were recorded in the group of CAGR of 5.0 per cent to 9.99 per cent and these were statistically significant at 1% level. Block Amta II recorded negative compound annual growth rate (CAGR) of tax revenue during the period from 2008-09 to 2012-13 (Table 5.4 and Figure 5.2).

Own Non-Tax Revenue

During 2008-09 block Domjur registered the highest non-tax revenue (Rs 4561738.10) followed by blocks Bally-jagacha (Rs 3879788.10) and Sankrail (Rs 3019020.63). Block Shyampur I recorded the lowest non-tax revenue (Rs 404573.81) to be followed by Uluberia I (Rs 598907.14) and Amta II (Rs 671989.68). In 2012-13, block Sankrail (Rs 7385237.13) led the blocks in non-tax revenue while block Uluberia I witnessed the lowest non-tax revenue (Rs 964532.93) (Appendix Table A.16 and Figure 5.3).

Figure 5.3   Amount of Own Non-Tax Revenue of the selected Blocks of Howrah District, 2008-09 to 2012-13   (Rs)
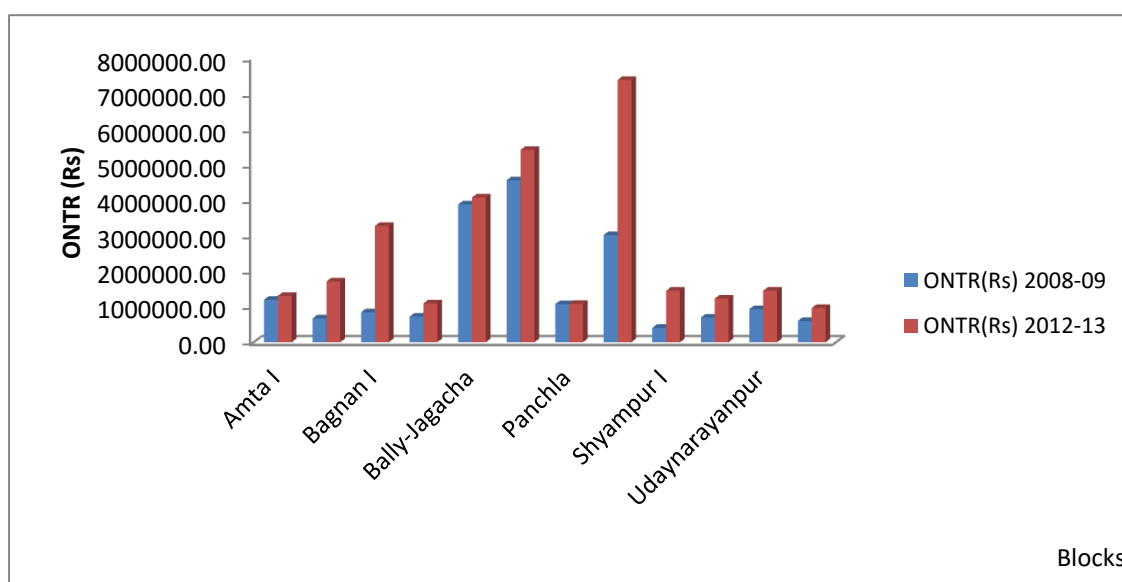
Frequency distribution of blocks of Howrah district by amount of own non-tax revenue revealed that in 2008-09 only block Domjur belonged to the highest group of own non-tax revenue of Rs 40 lakhs and above, which continued to remain so in 2012-13 while blocks, namely Amta I and II, Bagnan I and II, Pancla,

Udaynarayanpur, Uluberia I, Shayampur I and Shyampur II belonged to the lowest group of own non-tax revenue less than Rs 20 lakhs and except block Bagnan I they remained so till 2012-13 while Bagnan I got elevated to the next higher group of own non-tax revenue (Rs 20 lakh to Rs 39.9 lakhs) during the period from 2008-09 to 2012-13. Blocks Bally-Jagacha and Sankrail got elevated to the highest group of own non-tax revenue during the period from 2008-09 to 2012-13 (Table 5.5).

Table 5.5   Frequency distribution of blocks by amount of own non-tax revenue, 2008-09 to 2012-13   (Rs in Lakh)

Class (Rs In Lakh)	2008-09		2010-11		2012-13	
	Number	Blocks	Number	Blocks	Number	Blocks
0-19.9	9	A I, A II, P, UDNP, B I, B II, S I, S II, U I	9	A I, A II, P, UDNP, B I, B II, S I, S II, U I	8	A I, A II, P, UDNP, B II, S I, S II, U I
20-39.9	2	B-J, Snk	1	B-J	1	B I
40 and above	1	Dmj	2	Snk, Dmj	3	Snk, Dmj, B-J
Total	12		12		12	

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
Source: Howrah DPRDO Report.

It is observed that four blocks, namely Bagnan I, Shayampur I, Sankrail and Amta II belonged to the highest group of CAGR of non-tax revenue above 10 per cent, the CAGRs being   statistically significant at 1% level for Sankrail and Amta II blocks.

Table 5.6 Frequency distribution of blocks by Compound Annual Growth Rate (CAGR) of Own Non- Tax Revenue, 2008-09 to 2012-13

CAGR (%)	Number	Blocks
Negative Growth Rate	2	A I, P
0-4.99	4	B II**, B-J, Dmj, Udnp
5-9.99	2	U I, S II
10 and above	4	A II**, Snk**, B I, S I
Total		12

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore, S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
CAGR is measured at constant price (2004-05 as base year).
Source: Howrah DPRDO Report

Four blocks, namely Bagnan II, Bally-Jagacha, Domjur and Udaynarayanpur belonged to the group of CAGR of non-tax revenue below 5 per cent while the CAGR of block Bagnan II was statistically significant at 1% level.

.Two blocks, namely Uluberia I and Shayampur II were recorded in the group of CAGR of own non-tax revenue of 5 per cent to 9.9 per cent.

Figure 5.4 Compound Annual Growth Rate (CAGR) of Own Non-Tax Revenue at Blocks, 2008-09 to 2012-13 (%)
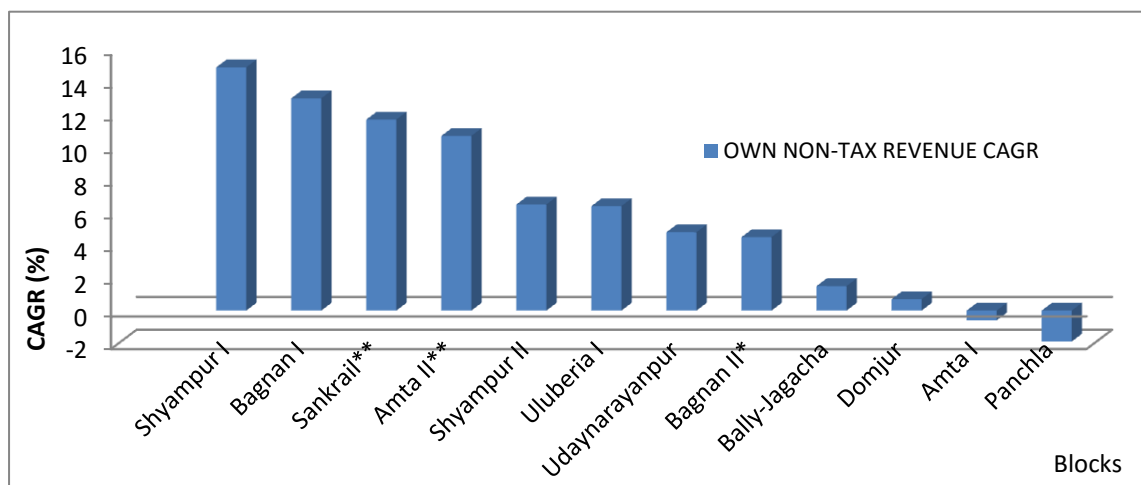
Blocks Amta II, Sankrail, Bagnan I and Shayampur I belonged to the highest group of CAGR of own non-tax revenue 10 per cent and above while Amta II and Sankrail recorded growth rate statisticaliy significant at 1% level. Two blocks, Amta I and Pancla recorded negative growth of own non-tax revenue during 2008-09 to 2012-13 (Table 5.6 and Figure 5.4.).

Own Source Revenue

In 2008-09 Sankrail registered the highest own source revenue (Rs 8172496) to be followed by Domjur (Rs 7702620) and Bally-Jagacha (Rs 6015187) while block Bagnan II had the lowest own source revenue (Rs 986216.7) to be followed by Shayampur-II (Rs 1063320) and Amta II (Rs 1079672) .

In 2010-11 the position of the highest own source revenue collector remained unchanged while Amta I improved in respect of own source revenue (Rs 1023631).

In 2012-13 again block Sankrail (Rs 15319246) led the blocks in own source revenue while block Bagnan II registered as the lowest revenue collector. Block Sankrail continued as the highest total own source revenue collector during 2006-07 to 2012-13 (Appendix Table A.17 and Figure 5.5).

Figure 5.5 Amount of Own Source Revenue of the Selected Blocks of Howrah District, 2008-09 to 2012-13 (Rs)
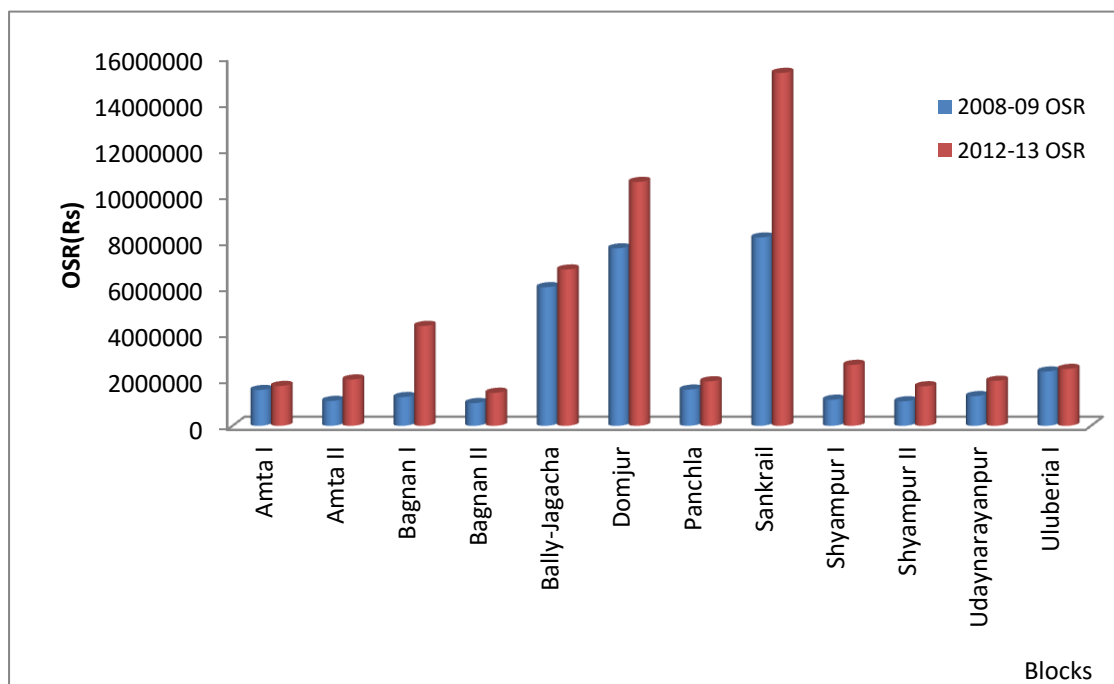
Frequency distribution of blocks of Howrah district by amount of own source revenue revealed that in 2008-09 only three blocks, namely Domjur, Sankrail and Bally-Jagacha belonged to the highest group of own source revenue of Rs 60 lakhs and above. These blocks continued to be in highest group of own source revenue till 2012-13.

Table 5.7 Frequency Distribution of Blocks by Amount of Own Source Revenue, 2008-09 to 2012-13 (Rs in Lakh)

Class (Rs In Lakh)	2008-09		2010-11		2012-13	
	Number	Blocks	Number	Blocks	Number	Blocks
0-29.9	9	A I, A II, P, UDNP, B I, B II, S I, S II, U I	9	A I, A II, P, UDNP, B I, B II, S I, S II, U I	8	A I, A II, P, UDNP, B II, S I, S II, U I
30-59.9	0	Nil	1	B-J	1	B I
60 and above	3	Snk, Dmj, B-J	2	Snk, Dmj	3	Snk, Dmj, B-J
Total	12		12		12	

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
Source: Howrah DPRDO Report.

Nine blocks, namely Amta I ,Amta II, Bagnan I, Bagnan II, Panchla, Shayampur I, Shayampur II, Udaynarayanpur and Uluberia I belonged to the lowest group of own source revenue below Rs 30 lakhs while block Bagnan I got elevated to the next higher group of own source revenue till 2012-13 (Table 5.7).

It is observed that seven blocks, namely Uluberia I, Bally-Jagacha, Amta I, Domjur, Bagnan II, Udaynarayanpur and Panchla belonged to the lowest group of own source revenue below 5 per cent of CAGR.

Table 5.8 Frequency distribution of blocks by Compound Annual Growth Rate of Own Source Revenue, 2008-09 to 2012-13 (%)

CAGR Class %	Number	Blocks
0-4.99	7	B II*, B-J, Dmj**, U I, UDNP, A I, P
5-9.99	4	S II, S I*, Snk**, A II**
10and above	1	B I
Total		12

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
CAGR is measured at constant price (2004-05 as base year).
Source: Howrah DPRDO Report.

The CAGR of Domjur and Bagnan II were statistically significant at 1% and 5% levels respectively. Only one block Bagnan I was recorded in the highest group of CAGR above 10 percent. Four blocks, namely Sankrail, Amta II, Shayampur I and

Shyampur II were recorded in the CAGR group of 5 per cent to 9.9 per cent while the CAGR of Sankrail, Amta II, and Shayampur I blocks were statistically significantl (Table 5.8, Figure 5.6).

Figure 5.6 Compound Annual Growth Rate of Own Source Revenue, 2008-09 to 2012-13

(%)
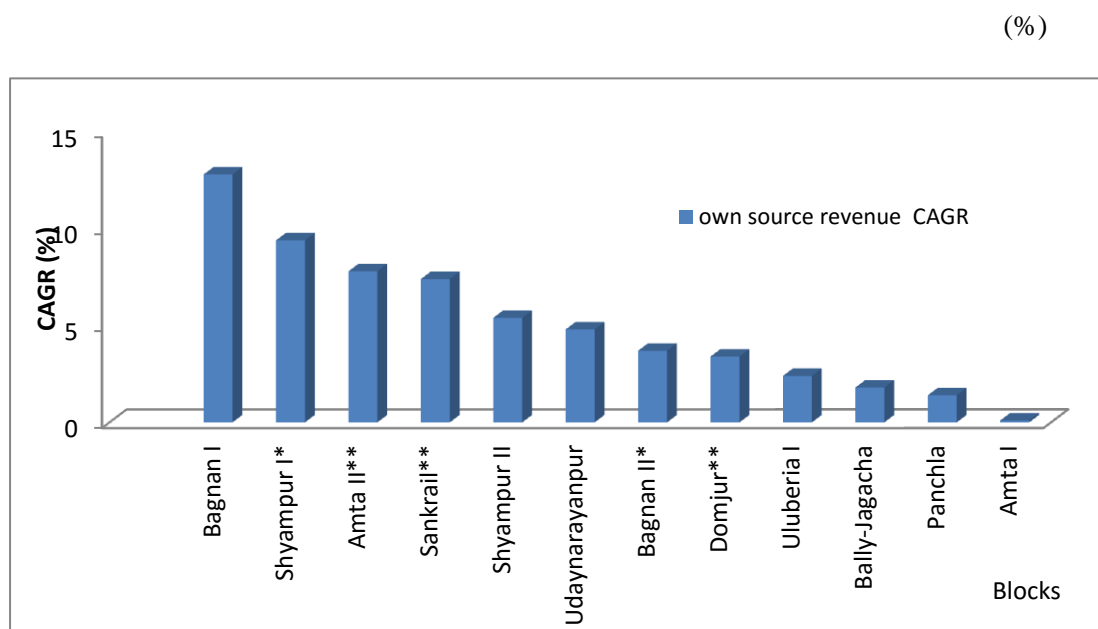
5.4 Structural Change of Own Source Revenue

Structural change of own source revenue reflects the change in the percentage share of tax and non-tax revenue to the total own source revenue. In 2008-09 nine blocks, namely Udaynarayanpur, Amta II, Bagnan I, Bagnan II, Bally-Jagacha, Domjur, Panchla, Shyampur I I, Amta I witnessed the percentage share of non-tax revenue above 50 per cent while three blocks, namely Uluberia I , Shyampur I and Sankrail recorded the percentage share of non-tax revenue below 40 per cent.

During 2012-13 only one block, Uluberia I, registered the percentage share of non-tax revenue below 40 per cent while ten blocks, namely Udaynarayanpur, Amta II, Bagnan I, Bagnan II, Bally-Jagacha, Domjur, Panchla, Shyampur I I , Shyampur I , and Amta I witnessed the percentage share of non-tax revenue above 50 per cent. Thus the structure of own source revenue for most of the blocks changed in favour of non-tax revenue during 2008-09 to 2012-13 (Table 5.9).

Table 5.9 Percentage Share of Non-Tax Revenue of Blocks,2008-09 to 2012-13

Blocks	Percentage Share of Non-Tax Revenue to Total Revenue		
	2008-09	2010-11	2012-13
Amta I	77.1	67.1	75.4
Amta II	62.2	81.3	85.1
Bagnan I	67.7	74.4	75.6
Bagnan II	73	75.3	76.4
Bally-Jagacha	64.5	53	60.1
Domjur	59.2	50.3	51.2
Panchla	68.3	60	55.9
Sankrail	36.9	50.3	48.2
Shyampur I	35.8	22	54.9
Shyampur I I	65.2	70.6	71.5
Udaynarayanpur	72.3	68.7	74.3
Uluberia I	25.4	51.3	39.1

Source: As in Table 5.8

5.5 Variation in Per Capita Own Source Revenue

Per capita own source revenue of Panchayats is the ratio between total own revenue and total population. Per capita own source revenue varied widely across the blocks during the period from 2008-09 to 2012-13.

Figure 5.7 Per Capita Own Source Revenue of Blocks of Howrah District, 2008-09 To 2012-13   (Rs)
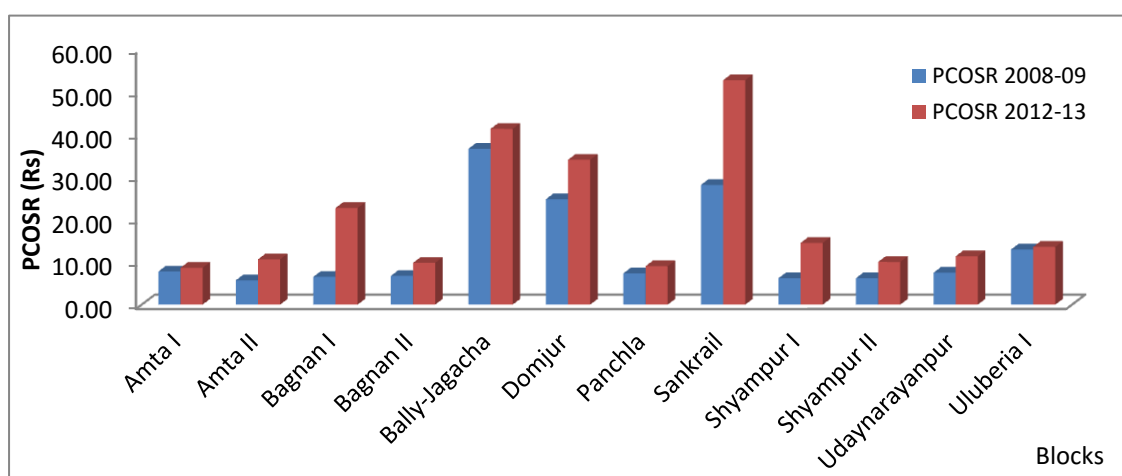
In 2008-09 Bally-Jagacha recorded the highest per capita own source revenue (Rs 36.6) to be followed by Sankrail (Rs 28.09) and Domjur (Rs 24.73). Block Amta II witnessed the lowest per capita own source revenue (Rs 5.70). In 2012-13 block Sankrail registered the highest per capita own source revenue (Rs 52.66) to be followed by Bally Jagacha (Rs 41.24) and Domjur (Rs 33.99). Block Amta I recorded the lowest per capita own source revenue (Rs 8.64) (Appendix Table A.18 and Figure 5.7).

Frequency distribution of blocks by per capita own source revenue revealed that in 2008-09 nine blocks, namely Panchla, Uluberia I, Udaynarayanpur, Bagnan I, Bagnan II, Shyampur I, Shyampur II, Amta I, Amta II belonged to the per capita own source revenue (PCOSR) group below Rs 20. Only three blocks, namely Bally-Jagacha, Domjur and Sankrail belonged to the PCOSR group Rs 20-Rs 39.9.

During 2010-11 only one block Sankrail belonged to the highest PCOSR group of Rs 40 and above, which continued till 2012-13. Nine blocks, namely Bagnan I and II, Shyampur I and II, Amta I, Amta II, Udaynarayanpur, Panchla, Uluberia I belonged to the PCOSR group below Rs 20.0 and except block Bagnan I they remained so till 2012-13. Block Bally-Jagacha got elevated to the highest group of per capita own source revenue (Rs 40 and above) (Table 5.10).

Table 5.10 Frequency Distribution of Blocks by Per Capita Own Source Revenue, 2008-09 to 2012-13 (Rs)

Class (Rs)	2008-09		2010-11		2012-13	
	Number	Blocks	Number	Blocks	Number	Blocks
0-19.9	9	A I, bA II, P, UDNP, B I, B II, S I, S II, U I	9	A I, A II, P, UDNP, B I, B II, S I, S II, U I	8	A I, A II, P, UDNP, B II, S I, S II, U I
20-39.9	3	Snk, Dmj, B-J	2	B-J, Dmj	2	B I, Dmj
40 andMORE		Nil	1	Snk	2	Snk, B-J
Total	12		12		12	

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
Source: Howrah DPRDO Report.

Per Capita Tax Revenue

Per capita tax revenue of Panchayats is the ratio between total tax revenue and total population of the Panchayats. It varied widely across the blocks during 2008-09 to 2012-13. In 2008-09, block Sankrail recorded the highest per capita tax revenue (Rs 17.71) followed by Bally-Jagacha (Rs 12.98) and Domjur (Rs 10.09). Amta I witnessed the lowest per capita tax revenue (Rs1.78).

During 2012-13 again block Sankrail (Rs 27.27) led other blocks to be followed by Domjur (Rs 16.60) and Bally Jagacha. Block Amta II (Rs 1.58) registered the lowest per capita tax revenue (Appendix Table A.19 and Figure 5.8).

Figure 5.8 Per Capita Own Tax Revenue of Blocks of Howrah District, 2008-09 to 2012-13 (Rs)
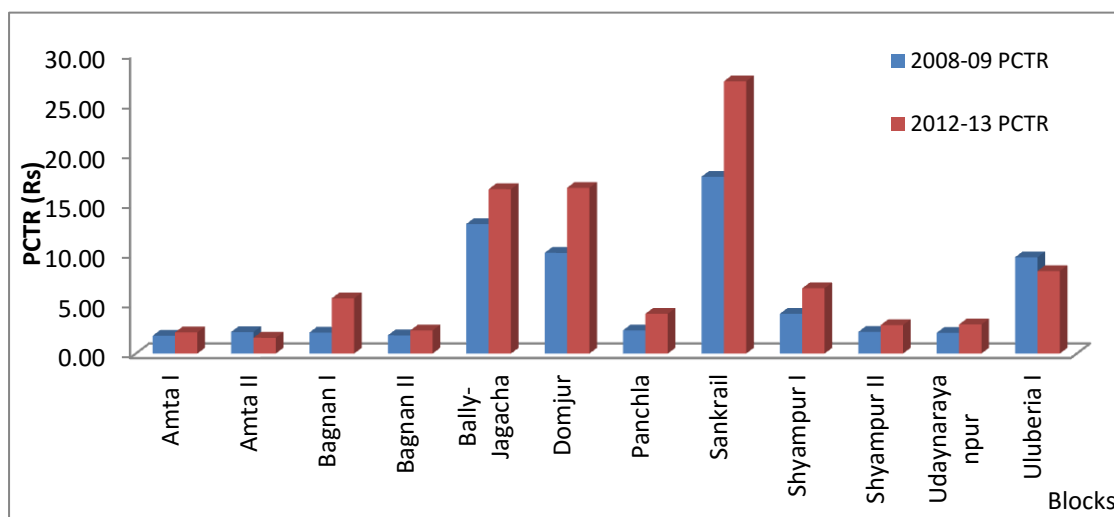
Frequency distribution of blocks by per capita tax revenue revealed that in 2008-09 nine blocks, namely Panchla, Uluberia I, Udaynarayanpur, Bagnan I, Bagnan II, Shyampur I, Shyampur II, Amta I and Amta II belonged to the lowest group below Rs 10. Only three blocks, namely Bally-Jagacha, Domjur and Sankrail belonged to the PCOTR group of Rs 10 to Rs 19.9.

Table 5.11 Frequency Distribution of Blocks by Per Capita Own Tax Revenue, 2008-09 to 2012-13 (Rs)

Class (Rs)	2008-09		2010-11		2012-13	
	Number	Blocks	Number	Blocks	Number	Blocks
0-9.99	9	A I, A II,P,UDNP, B I,B II,S I,S II,U I	9	A I,A II,P,UDNP, B I,B II,	9	A I,A II,P,UDNP,B I,B II,S I,S II,U I
10-19.9	3	Snk,Dmj,B-J	2	B-J,Dmj	2	B-J,Dmj
20 and Above	0	Nil	1	Snk	1	Snk
Total	12		12		12	

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
Source: Howrah DPRDO Report.

During 2010-11 only one block Sankrail belonged to the highest PCOTR group of Rs 20 and above and remained so throughout the whole period. Nine blocks, namely Bagnan I and II, Shyampur I and Shyampur II, Amta I, Amta II, Udaynarayanpur, Panchla, Uluberia I belonged to the PCOSR group below Rs 10 and except block Bagnan I they continued to remain so till 2012-13 (Table 5.11).

Per capita Non-Tax Revenue

Per capita non-tax revenue of blocks is the ratio between total non-tax revenue and total population of the blocks. The per capita non-tax revenue varied widely across the blocks during 2008-09 to 2012-13.

In 2008-09, Bally-Jagacha registered the highest per capita non-tax revenue (Rs 23.58) followed by Domjur (Rs 14.65) and Sankrail (Rs 10.38). Block Shayampur I recorded the lowest per capita tax revenue (Rs 2.22).

During 2012-13 block Sankrail witnessed the highest per capita non-tax revenue (Rs 25.39) followed by Bally-Jagacha (Rs 24.77) and Domjur (Rs 12.87) while Panchla recorded the lowest per capita non-tax revenue (Rs 5.05) (Appendix Table A.20 and Figure 5.9).

Figure 5.9. Per Capita Own Non-Tax Revenue of Blocks of Howrah District, 2008-09 to 2012-13 (Rs)
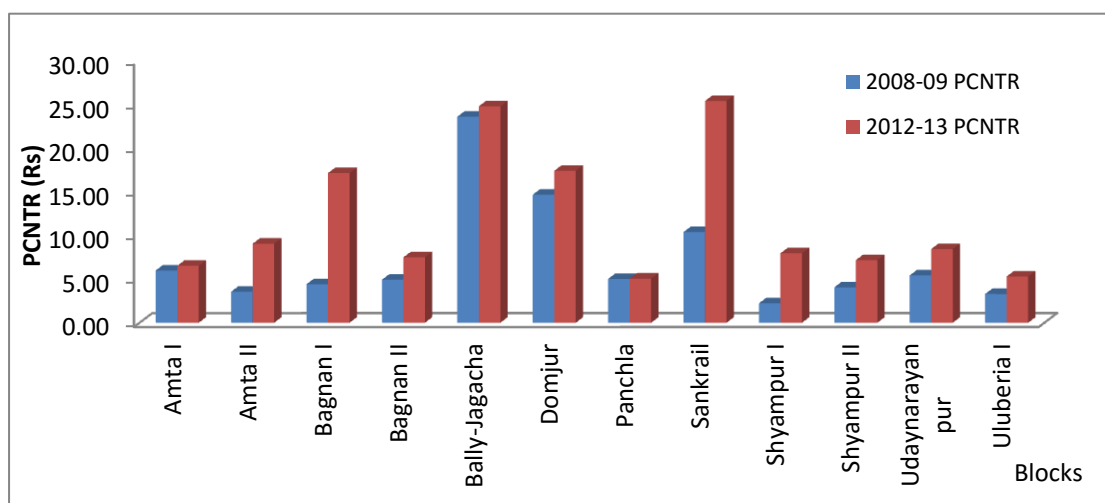
Frequency distribution of blocks by per capita non-tax revenue revealed that in 2008-09 nine blocks, namely Panchla, Uluberia I, Udaynarayanpur, Bagnan I, Bagnan II, Shyampur I , Shyampur II, Amta I, and Amta II belonged to the group of per capita own non-tax revenue (PCONTR) below Rs 20. Only one block Bally Jagacha belonged to the PCONTR group above Rs 20 and it remained so in 2012-13.

Table 5.12 Frequency distribution of blocks by per capita own non-tax revenue, 2008-09 to 2012-13

(Rs)

Class (Rs)	2008-09		2010-11		2012-13	
	Number	Blocks	Number	Blocks	Number	Blocks
0-9.99	9	A I, A II, P, UDNP, B I, B II, S I, S II, U I	9	A I, A II, P, UDNP, B I, B II, S I,S II, U I	8	A I, A II, P, UDNP, B II, S I,S II, U I
10-19.9	2	Snk, Dmj	2	B-J, Dmj	2	B I, Dmj
20 and above	1	B-J	1	Snk	2	Snk, B-J
Total	12		12		12	

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
Source: Howrah DPRDO Report.

In 2010-11 only block Sankrail belonged to the highest PCONTR group of Rs 20 and above, which continued till 2012-13. Nine blocks, namely Bagnan I and II, Shyampur I and II, Amta I, Amta II, Udaynarayanpur, Panchla, and Uluberia I belonged to the PCONTR group below Rs 20, and except block Bagnan I they remained so till 2012-13. Block Sankrail got elevated to the highest group of per capita own non-tax revenue (Rs 40 and above) (Table 5.12).

The notable feature is that there was substantial fluctuation over years in per capita own source revenue, per capita tax revenue and per capita non-tax revenue during period from 2008-09 to 2012-13.

Now to examine whether the means of per capita own source revenue, per capita tax revenue and per capita non-tax revenue of the selected districts significantly increased in 2012-13 compared to 2008-09, we can use Fischer's 't'-test.

In the case of per capita own source revenue (PCOSR),

Now before going to examine whether the mean of per capita own source revenue of the selected blocks significantly increased in 2012-13 compared to 2008-09 or not, we have to know the equality of variance.

The equality of the variance of per capita own source revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 blocks the null hypothesis is not accepted for 2008-09 and 2012-13.

Here for unequal Variance, calculated value t_0 (1.3) is not higher than tabulated value t_α (1.7).Hence the null hypothesis is not rejected. Thus the PCOSR did not significantly increase in 2012-13 compared to 2008-09.

In the case of per capita own tax revenue (PCOTR),

Now before going to examine whether the mean of per capita own tax revenue of the selected districts significantly increased in 2012-13 compared to 2008-09 or not, we have to know the equality of variance.

The equality of the variance of per capita own tax revenue (i.e., $H_0: \sigma_1 = \sigma_2$, against $H_1: \sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 blocks the null hypothesis is not accepted for 2008-09 and 2012-13.

Here for unequal variance, calculated value t_0 (0.82) is not higher than tabulated value t_α (1.7). Hence the null hypothesis is not rejected. Thus the PCOTR did not significantly increase in 2012-13 compared to 2008-09.

In the case of Per capita non-tax revenue (PCNTR) for unequal variance,

Now before going to examine whether the mean of per capita own tax revenue of the selected districts significantly increased in 2012-13 compared to 2008-09 or not, we have to know the equality of variance.

The equality of the variance of per capita own tax revenue (i.e., $H_0: \sigma_1 = \sigma_2$, against $H_1: \sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 blocks the null hypothesis is not accepted for 2008-09 and 2012-13.

Here for unequal variance calculated value t_0 (1.6) is not higher than tabulated value t_α (1.7). Hence the null hypothesis is not rejected. Thus the PCOSR did not significantly increase in 2012-13 compared to 2008-09.

Hence the means of PCOSR, PCTR and PCNTR did not significantly increase in 2012-13 compared to 2008-09.

Now to examine whether the per capita non-tax revenue was significantly higher than per capita tax revenue of the districts during the period from 2002-03 to 2012-13, we can compare means of PCTR and PCNTR by the Fischer's 't' test for 2002-03 and 2012-13. According to the Fisher's 't' test, if calculated value of 't' is higher than tabulated value of 't' then the null hypothesis will be not accepted, otherwise accepted.

Now before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in 2008-09, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given 12 sample of blocks the null hypothesis is not accepted for 2008-09.

Now to compare the mean of per capita tax revenue and per capita non-tax revenue we can use Fischer's 't'-test to check whether the mean of per capita non-tax revenue is significantly higher than per capita tax revenue or not in 2008-09 and 2012-13 .

Now in 2008-09 for unequal variance, calculated value t_0 (0.48) is not higher than $t\alpha$ tabulated value (1.70). Hence the null hypothesis is not rejected. Thus the per capita non-tax revenue was not significantly higher than Per capita tax revenue in 2008-09.

Now before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in 208-09, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given 12 sample of blocks the null hypothesis is not accepted for 2008-09.

Here for unequal variance, calculated value t_0 (1.2) is not higher than $t\alpha$ (1.70) tabulated value. Hence the null hypothesis is not rejected. Thus the per capita non-tax revenue was not significantly higher than per capita tax revenue during 2012-13.

Ratio of Per Capita Tax and Per Capita Non-Tax Revenue

The ratio between per capita tax and per capita non-tax revenue was declining over the study period. In 2008-09 it was 0.90 .During 2012-13 it declined to 0.85. Hence per capita own source revenue changed against the per capita tax revenue over the

period 2012-13 to 2012-13 in Howrah district of West Bengal (Appendix Table A.21).

5.6 Factors of Per capita Own source Revenue of Blocks

Per capita own source revenue (PCOSR) across blocks of Howrah district is shown in relation to literacy rate (LTR) and Percentage of non-farm employment (NFE). The variation in PCOSR of different blocks of Howrah district is significantly explained in terms of these factors (Table 5.13). These socio-economic factors are important for the mobilization of own source revenue of the blocks.

Table 5.13 Per capita Own Source Revenue in Relation to Literacy Rate and Percentage of Non-Farm Employment, 2012-13

name of the blocks	PCOSR (Rs)	LTR (%)	Percentage of NFE
Amta I	8.64	81.26	66.4
Amta II	10.62	81.47	60.1
Bagnan I	22.67	84.02	74.9
Bagnan II	9.8	82.57	67.2
Bally-Jagacha	41.24	87.75	95.8
Domjur	33.99	81.33	83.9
Panchla	9.03	78.98	85.4
Sankrail	52.66	83.19	87.4
Shyampur I	14.49	78.96	59.7
Shyampur I I	10.02	80.49	56.2
Udaynarayanpur	11.35	81.05	65.9
Uluberia I	13.56	77.39	64.3

Notes: PCOSR = Per Capita Own Source Revenue. LTR= Literacy Rate , NFE = Non-Farm Employment.
Sources: Annual report of WB from wbprd website,CENSUS 2011,*District Statistical Hand Book* 2011-12 W.B.

Multiple Regression Equation

It is revealed that variation in PCOR is significantly explained by Literacy Rate (LTR) and Percentage of Non-Farm Employment (NFE) to the extent of 53 per cent. The whole model is significant at 5 % level (Table 5.14).

Table 5.14 Regression Equation Concerning Per Capita Own Revenue

Multiple Regression Equation	R Square	Adjusted R Square	F
PCOR = -141.2+1.4LTR+0.70* TNFE (-01.4) (0.97) (2.4)	0.61	0.52	7.2*

Notes: Figures within parentheses represent t ratio. * significant at the 0.05 level.
PCOSR = Per Capita Own Source Revenue. LTR= Literacy Rate, NFE = Non-Farm Employment.

5.7 Revenue Autonomy and Fiscal Autonomy of Blocks

Revenue autonomy of Panchayats is measured as a proportion of own source revenue in total revenue of the Panchayats. Fiscal autonomy of Panchayats was very poor in almost all the selected blocks and it varied substantially across the blocks over the years. During 2012-2013, two blocks Bally Jagacha and Domjur belonged to the highest group of revenue autonomy above 4 per cent while three blocks, namely Panchla, Shayampur I and Uluberia I belonged to the lowest group of revenue autonomy below 2 per cent. Two blocks, Bagnan I and Udaynarayanpur, got recorded in the group of revenue autonomy of 2 per cent to 4 per cent (Table 5.15 and Figure 5.10).

Table 5.15 Frequency Distribution of Blocks by Its Revenue Autonomy, 2008-09 to 2012-13 (%)

Class (R.A%)	2012-13	
	Number	Blocks
0 To 1.99	3	P, U I, S I
2 To 4	2	B I, UDNP
More Than 4	2	B-J, Dmj
Total	7	

Notes: P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, S I=Shayampore, U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur.Amta I,Amta II, Bagnan II, Shyampore II, Uluberia II, Sankrail are excluded due to unavailability of data.
Source: Howrah DPRDO Report.

Fiscal autonomy is measured as a proportion of own source revenue in total expenditure. Fiscal autonomy of Panchayats was very poor in almost all the selected blocks and it varied substantially across the blocks over the years. In 2012-2013

two blocks, Bally Jagacha and Domjur, were recorded in the highest group of fiscal autonomy above 4 per cent while three blocks, namely Panchla, Shayampur- I and Uluberia I were registered in the lowest group of fiscal autonomy above 2 per cent. Two blocks, Bagnan I and Udaynarayanpur, got recorded in the group of fiscal autonomy of 2 per cent to 4 per cent (Table 5.16 and Figure 5.10).

Table 5.16 Frequency Distribution of Blocks by Its Fiscal Autonomy, 2008-09 to 2012-13

(%)

Class (F.A.%)	2012-13	
	Number	Blocks
0 To 1.99	3	P, U I, S I
2 To 4	2	B I, UDNP
More Than 4	2	B-J, Dmj
Total	7	

Notes: P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, S I=Shayampore, U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur.
Amta I,Amta II, Bagnan II, Shyampore II, Uluberia II, Sankrail are excluded due to unavailability of data.
Source: *Howrah DPRDO Report.*

Figure 5.10 Revenue Autonomy And Fiscal Autonomy of Blocks, 2012-13   (%)
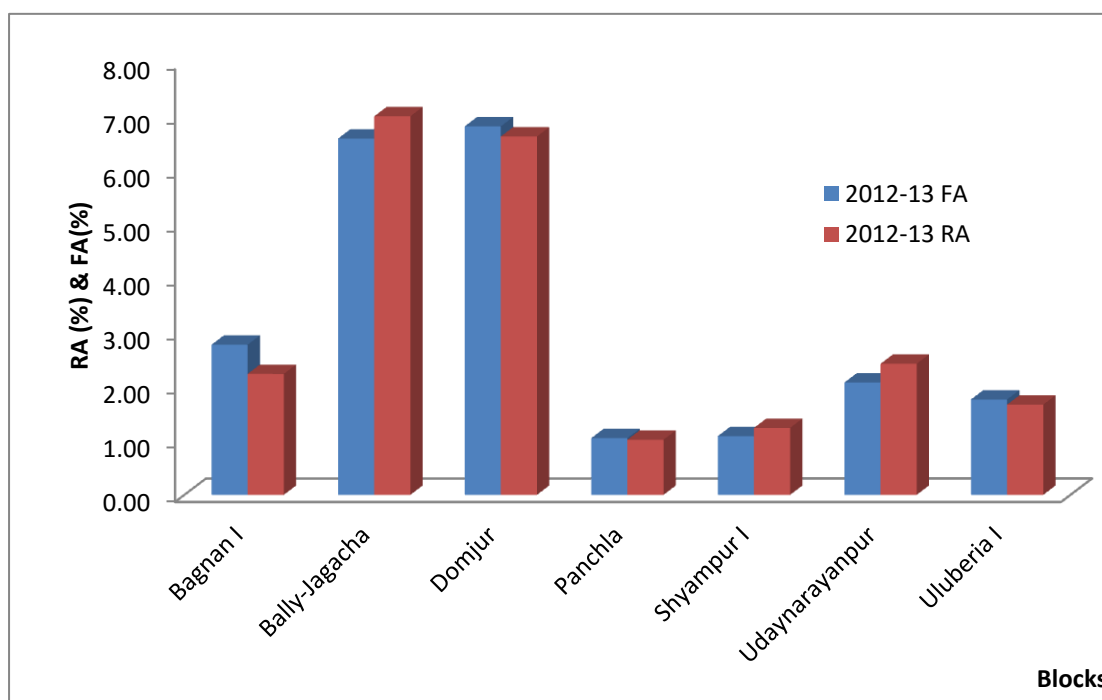
5.8 Case Study on Panchayat Samitis in Howrah District

In the previous sections we did not discuss the issue of diversification of own source revenue, utilization ratio of own source revenue of Pan chayat Samitis of Howrah district. In this section we deal with these and related issues .

Panchayat Samiti at the intermediate level (block level) is a nodal agency for implementing the rural development programmes. The powers and duties of this tier of local government are elaborately set out in chapter III, IX and XIV under Section 133 of the West Bengal Panchayat Act, 1973. The Act assigned Panchayat Samitis the responsibilities of preparation of block level plan of action, implementation of programmes out of funds received from the central and state governments, collection of revenue, convergence of sectoral activities at the block level and supervision of developmental activities taken up by the gram Panchayats. In performing these assigned functions and responsibilities, the Pan chayat Samitis in general are even more dependent on government grants. There are overlapping powers of charging levies and fees and tolls among the three tiers. In practice, Pan chayat Samitis do not utilise these levying powers. But some Pan chayat Samitis in the state have been able to earn a good income from their remunerative assets including social forestry, tanks and ponds,ferries etc. But their performance has not been uniform. Pan chayat Samiti has discretionary powers of levy of tolls, rates and fees under the West Bengal Panchayat Act, l973 (Section 133). They are: (i) levy tolls on persons, vehicles or animals at any toll bar established by it or any bridge vested in it or under its management; (ii) levy tolls in respect of any ferry established by it or under its management; (iii) levy the fees and rates like fees on registration of vehicles, fees for providing sanitary arrangement at places of worship, fairs within its jurisdiction, license fees on offensive and dangerous trade renewable annually by Panchayat Samitis, fees for license for hat or market etc. Besides, Pan chayat Samiti is empowered to borrow money from banks and other financial institutions for the specific schemes and purposes (Section 135A).

In that subsection we have taken all Panchayat Samitis in Howrah District except Jagatballavpur and Uluberia II due to lack of relevant data for the period during 2008-09 to 2012-13.

The theme in this section can be presented as follows. Sub-section 5.8.1 analyses growth and diversification of own source revenue of Panchayat Samitis of Howrah district during 2008-09 to 2012-13. Sub-section 5.8.2 examines the utilization ratio of own source revenue and total revenue of Panchayat Samitis. Sub-section 5.8.3 presents variation in per capita own source revenue during 2008-09 to 2012-13. Sub-section 5.8.4 examines the revenue autonomy and fiscal autonomy of Panchayat Samitis in Howrah district.

5.8.1 Growth and diversification of own source revenue of Panchayat Samitis during 2008-09 to 2012-13

Own source revenue of Panchayat Samitis comes from non-tax revenue. It is observed that own source revenue of Pan chayat Samitis fluctuated over the period from 2008-09 to 2012-13.

During 2008-09 Panchayat Samiti Domjur recorded the highest own source revenue Rs 1311606 to be followed by Amta I (Rs 587055) while Bally-Jagacha witnessed the lowest own source revenue (Rs 1587). In 2012-13 Panchayat Samiti Bagnan I (Rs 1233487) led others, followed by Amta II (Rs 748480), Domjur (Rs 697491) and Sankrail (Rs 545269). Again, Bally Jagacha recorded the lowest own source revenue (Rs 111437) during this period (Appendix Table A 22. and Figure 5.11)

Figure 5.11 Own Source Revenue of Panchayat Smitis, 2008-09 to 2012-13   (Rs)
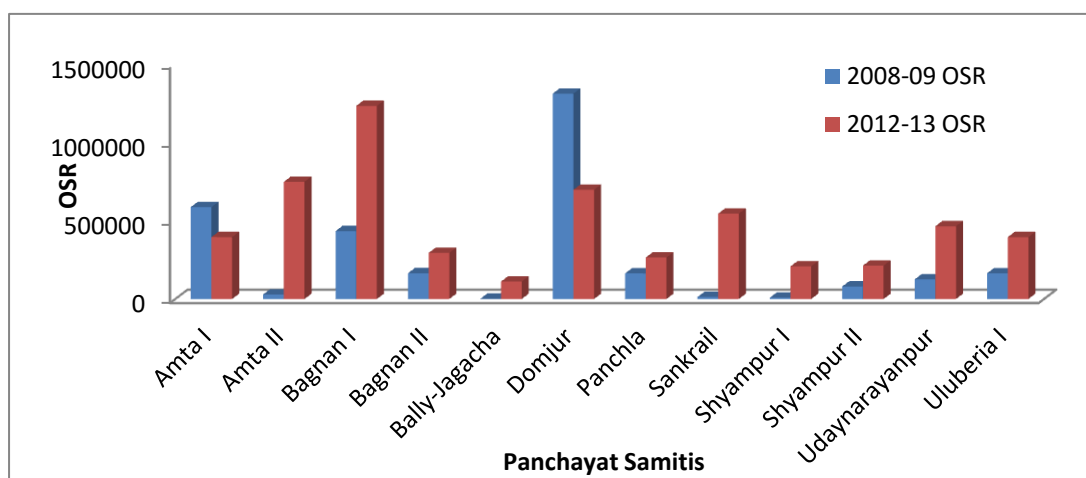
Frequency distribution of Panchayat Samitis of Howrah district by amount of own source revenue revealed that in 2008-09 Panchayat Samiti Domjur belonged to the highest group of own source revenue Rs 10 lakh and above, which continued to be so till 2010-11.

Table 5.17 Frequency Distribution of Panchayat Samitis by Own Source Revenue, 2008-09 to 2012-13   (Rs)

Class (Rs In Lakh)	2008-09		2010-11		2012-13	
	Number	Panchayat Samitis	Number	Panchayat Samitis	Number	Panchayat Samitis
0-4.99	10	B I ,B II, A ,II, B-J, P, Snk,S I, S II, U I, UDNP	10	B I, B II, A II, B-J, P, Snk, S I, S II, A I, UDNP	8	A I, B II, B-J, U I, P, S I, S II, UDNP
5-9.99	1	A I	1	U I	3	Dmj, A II, Snk
10 and above	1	Dmj	1	Dmj	1	B I
Total	12		12		12	

Notes: A I=Amta I, A II=Amta II, P=Panchla, UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore, S II=Shyampore-II, U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
Source: Howrah DPRDO Report.

Ten Pachayat Samitis, namely Bagnan I, Amta II, Bagnan II, Bally-Jagacha, Panchla, Sankrail, Shyampur I and Shyam II, Udaynarayanpur and Uluberia I belonged to the lowest group of own source revenue below Rs 5 lakh, and except Amta II, Sankrail and Bagnan I they continued in the same group of OSR till 2012-13. Pan chayat Samiti Bagnan I got elevated to the highest group of own source revenue of Rs 10 lakh and above in 2012-13 while Pan chayat Samiti Domjur and Amta I got deteriorated in 2012-13 (Table 5.17).

Two Panchayat Samitis, Domjur and Amta I, witnessed negative compound annual growth rate (CAGR) while four Pan chayat Samitis, namely Amta II, Shyampur I, Bally-Jagacha and Sankrail, recorded compound annual growth rate of 40% and above. The CAGRs of Panchayat Samitis Shyampur I, Bally-Jagacha and Sankrail were statistically significant. Five Pan chayat Samitis, namely Panchla, Uluberia I, Shyampur II, Bagnan I and Bagnan II witnessed CAGR below 20% (Table 5.18 and Figure 5.12).

Table 5.18 Frequency Distribution of Panchayat Samitis by Compound Annual Growth Rate (CAGR) of Own Source Revenue , 2008-09 to 2012-13 (%)

CAGR Class	Number	Pan chayat Samitis
Negative Growth Rate	2	Dmj, A I
0-19.9	6	P, U I, UDNP, B II, S II, B I
20-39.9	0	Nil
40 and above	4	A II, S I*, B-J**, Snk**
Total	12	

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
CAGR is measured at constant price (2004-05 as base year).
Source: Howrah DPRDO Report.

Figure 5.12 **Compound Annual Growth Rate (CAGR) of Own Source Revenue, 2008-09 to 2012-13** (%)
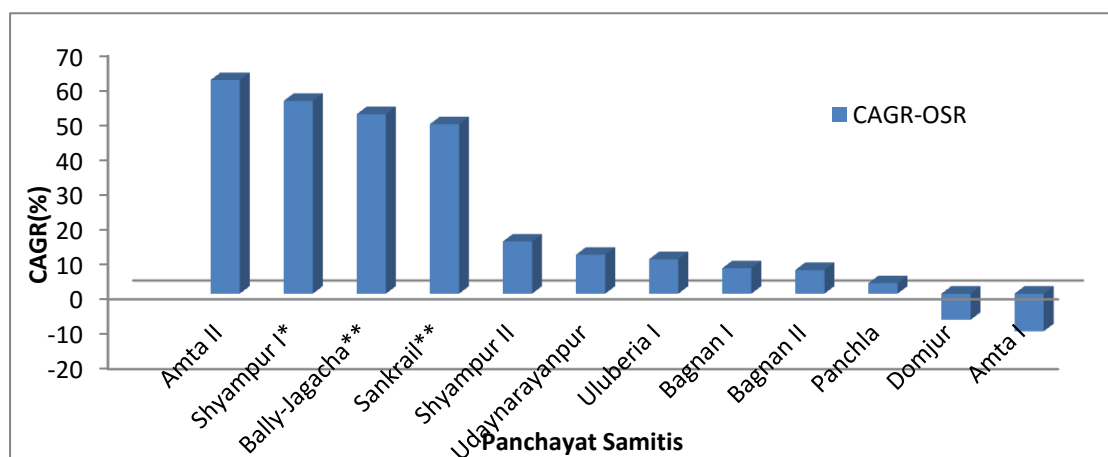
Diversification Index at Panchayat Samiti Level

Own source revenue comes from registration and renewal fee for dangerous and offensive trades, toll, license fee for hat and bazaar, income from remunerative assets, registration and renewal fee from contractors, income from sale of tender form, income from water / lighting / conservancy rate, income from other sources (Appendix Table A 22.1).

Now to examine diversification of own source revenue, we can use Entropy Diversification Index. Here we examine the extent of diversification of own source revenue (OSR) of Pan chayat Samitis of Howrah during 2009-10 to 2012-13. Entropy

measure of diversification of OSR shows an increasing diversification of OSR of the Pan chayat Samitis except Udaynarayanpur, Shyampur I, Bagnan II and Sankrail.

During 2009-10 the diversification index was 0.27 which increased to 0.29 during 2012-13. Thus the Entropy measure recorded an increasing diversification of own source revenue of Pan chayat Samitis of Howrah district during 2009-10 to 2012-13 (Table-5.19).

Table 5.19 Entropy Diversification Index of Own Source Revenue of Pan chayat Samitis, 2009-10 to 2012-13

Blocks	Entropy Index 2009-10	Entropy Index 2012-13
Bally-Jagacha	0.24	0.26
Domjur	0.23	0.24
Sankrail	0.25	0.25
Panchla	0.21	0.3
Uluberia I	0.24	0.3
Bagnan I	0.3	0.29
Bagnan II	0.31	0.3
Shyampur I	0.26	0.26
Shyampur II	0.21	0.29
Amta II	0.25	0.28
Udaynarayanpur	0.43	0.39
Mean	0.27	0.29
SD	0.06	0.04
CV(%)	23.58	14.02

Notes: SD=Standar Deviation, CV= Coefficient of Variation

5.8.2 Utilization ratio of total revenue and own source revenue of Panchayat Samitis

This section examines whether Panchayat Samitis are efficient in utilizing the funds available to them. The rate of utilization of fund available to Panchayat Samitis is an indicator that measures the efficiency of Panchayat Samitis in utilization of resources.

Utilization ratio of own source revenue of Panchayat Samitis

In 2012-13 Bagnan I belonged to the lowest group of utilization ratio (below 50 per cent) of own source revenue while three Panchayat Samitis, namely Bally-Jagacha,

Panchla and Shayampur I were registered in the highest group of utilization ratio (above 100 per cent) of own source revenue (Table 5.20and Figure 5.13).

Table 5.20 Frequency distribution of Panchayat Samitis by Utilisation ratio of own source revenue, 2012-13 (%)

Class(Utilisation Ratio of OSR.%)	2012-13	
	Number	Panchayat Samitis
BELOW 50	1	B I
50TO100	4	U I, B I, Dmj, UDNP
MORE THAN 100	2	B-J, P, S I
Total	7	

Notes: P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, S I=Shayampore, U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur.
Amta I,Amta II, Bagnan II, Shyampore II, Uluberia II, Sankrail are excluded due to unavailability of data.
Source: *Howrah DPRDO Report.*

Figure 5.13 Utilization Ratio of Own Fund of Panchayat Samitis, 2012-13 (%)
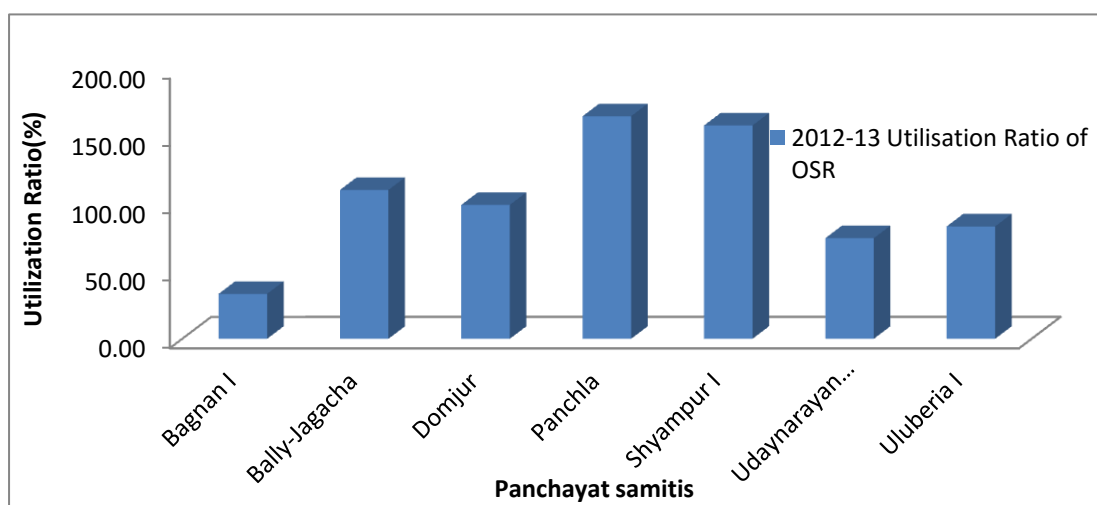
5.8.3 Variation in Per Capita Own Source Revenue during 2008-09 to 2012-13

It is observed that per capita own source revenue of Panchayat Samitis fluctuated during 2008-09 to 2012-13. In 2008-09 Panchayat Samiti Domjur collected highest per capita own source revenue of Rs 4.21 followed by Amta I (Rs 2.93) and Bagnan I (Rs 2.27) while Bally-Jagacha witnessed the lowest per capita own source revenue (Rs 0.01). In 2012-13 Panchayat Samiti Bagnan I (Rs 6.45) led

others, followed by Amta II (Rs 3.95), Udaynarayanpur (Rs 2.7), Domjur (Rs 2.24) and Uluberia I (Rs 2.17). Again Bally-Jagacha recorded thre lowest own source revenue (Rs 0.68) (Appendix Table A.23 and Figure 5.14).

Figure 5.14 Per Capita Own Source Revenue of Panchayat Samitis, 2008-09 to 2012-

<div align="right">

13(Rs)

</div>
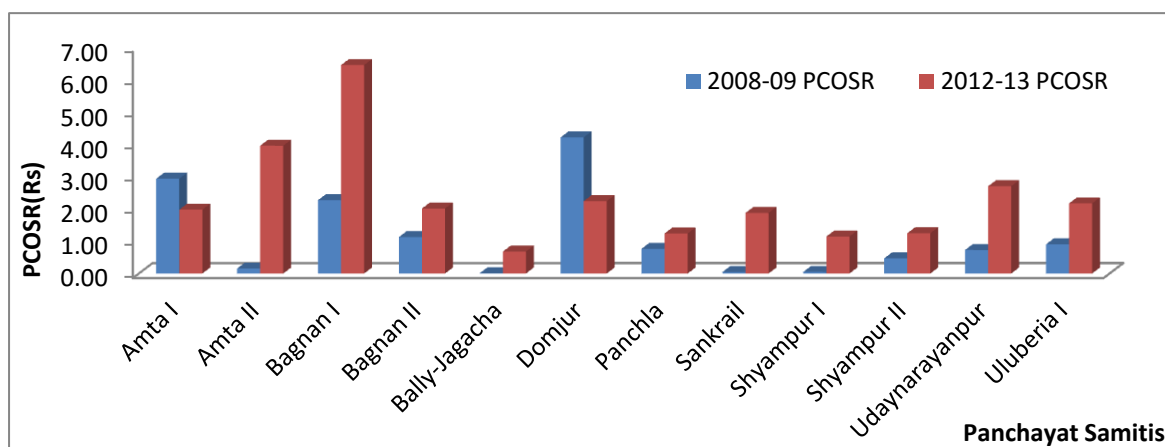
Table 5.21 Frequency Distribution of Panchayat Samitis by Per Capita Own Source Revenue , 2008-09 to 2012-13 (Rs)

Class (Rs In Lakh)	2008-09		2010-11		2012-13	
	Number	Panchayat Samitis	Number	Panchayat Samitis	Number	Panchayat Samitis
0-2.99	11	B I, B II, A I, A II, B-J, P, Snk, S I, S II, U I, UDNP	11	B I, B II, A I, A II, B-J, P, Snk, S I, S-II, U I, UDNP	10	A I, Dmj, B II , B-J, Snk, U I, P, S I, S -II, UDNP
3-5.99	1	Dmj	1	Dmj	1	A II
6 and above	0	Nil	0	Nil	1	B I
Total	12		12		12	

Notes: A I=Amta I,A II=Amta II,P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, B II=Bagnan II,S I=Shayampore,S II=Shyampore-II,U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur, Snk=Sankrail.
Source: Howrah DPRDO Report.

Frequency distribution of Panchayat Samitis of Howrah district by amount of per capita wn source revenue revealed that In 2008-09 only Panchayat Samiti Domjur

witnessed the second highest group of PCOSR Rs 3.0 – Rs 5.9 while eleven Panchayat Samitis, namely Bagnan I, Amta I, Amta II, Bagnan II, Bally-Jagacha, Panchla, Sankrail, Shyampur I and Shyampur II, Udaynarayanpur and Uluberia I belonged to the lowest group of PCOSR below Rs 3 and except Amta II and Bagnan I they continued till 2012-13. Bagnan I got elevated to the highest group of PCOSR of Rs 6 and above in 2012-13 while Panchayat Samiti Domjur got deteriorated in 2012-13 (Table 5.21).

It is observed that per capita own source revenue of Panchayat Samitis widely varied over the study period 2008-09 to 2012-13. Now to test whether the mean of per capita own source revenue was significantly higher in 2012-13 compared to 2008-09 we can use Fishers' t-test.

Now before going to examine whether the mean of per capita own source revenue of the selected districts significantly increased in 2012-13 compared to 2008-09 or not, we have to know the equality of variance.

The equality of the variance of per capita own source revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 12 Panchayat samitis the null hypothesis is not accepted during 2008-09 and 2012-13.

Here for unequal variance, calculated value t_0 (1.97) is higher than tabulated value t_α (1.72). Hence the null hypothesis is not accepted. Thus per capita own source revenue significantly increased in 2012-13 compared to 2002-03.

5.8.4 Revenue Autonomy and Fiscal Autonomy of Panchayat Samitis

Revenue Autonomy

Revenue autonomy of Panchayats was very poor in almost all the selected Panchayat Samitis and it varied substantially across the selected Panchayat Samitis. During 2012-2013 Panchayat Samiti Bally-Jagacha belonged to the highest group of revenue autonomy above 2 per cent while three Panchayat Samitis, namely Panchla, Shayampur I and Uluberia I belonged to the lowest group of revenue autonomy below 1 per cent. Three Panchayat Samitis, namely Bagnan I, Domjur and

Udaynarayanpur belonged to the group of revenue autonomy above 1 per cent to 2 per cent (Table 5.22 and Figure 5.15).

Table 5.22 Frequency Distribution of PanChayat Samitis By Revenue Autonomy,

2012-13 (%)

Class (R.A.%)	2012-13	
	Number	Panchayat Samitis
0 To 0.99	3	P, U I, S I
1to 2	3	B I, UDNP, Dmj
above 2	1	B-J
Total	7	

Notes: P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, S I=Shayampore, U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur.
Amta I,Amta II, Bagnan II, Shyampore II, Uluberia II, Sankrail are excluded due to unavailability of data.
Source: *Howrah DPRDO Report.*

Fiscal Autonomy

Fiscal autonomy of Panchayats was very poor in almost all the selected blocks and it varied substantially across the blocks. In 2012-2013, Panchayat Samiti Domjur belonged to the highest group of fiscal autonomy above 2 per cent while three Panchayat Samitis, namely Panchla, Shayampur I and Uluberia I belonged to the lowest group of fiscal autonomy (below 1 per cent). Three Panchayat Samitis, namely Bagnan I , Bally-Jagacha and Udaynarayanpur belonged to the group of fiscal autonomy 1.0 per cent to 1.99 per cent (Table 5.23 and Figure 5.15).

Table 5.23 Frequency Distribution of Blocks by Fiscal Autonomy, 2012-13 (%)

| Class (F.A.%)	2012-13	
	Number	Panchayat Samitis
0 To 0.99	3	P, U I, S I
1to 2	3	B I, UDNP, B-J,
More Than 2	1	Dmj
Total	7	

Notes: P=Panchla,UDNP=Udaynarayanpore,B I=Bagnan I, S I=Shayampore, U I=Uluberia I, B-J=Bally-Jagacha, Dmj=Domjur.
Amta I,Amta II, Bagnan II, Shyampore II, Uluberia II, Sankrail are excluded due to unavailability of data.
Source: *Howrah DPRDO Report.*

Figure 5.15 Revenue autonomy and fiscal autonomy of Panchayat Samitis(PS), 2012-13

(%)
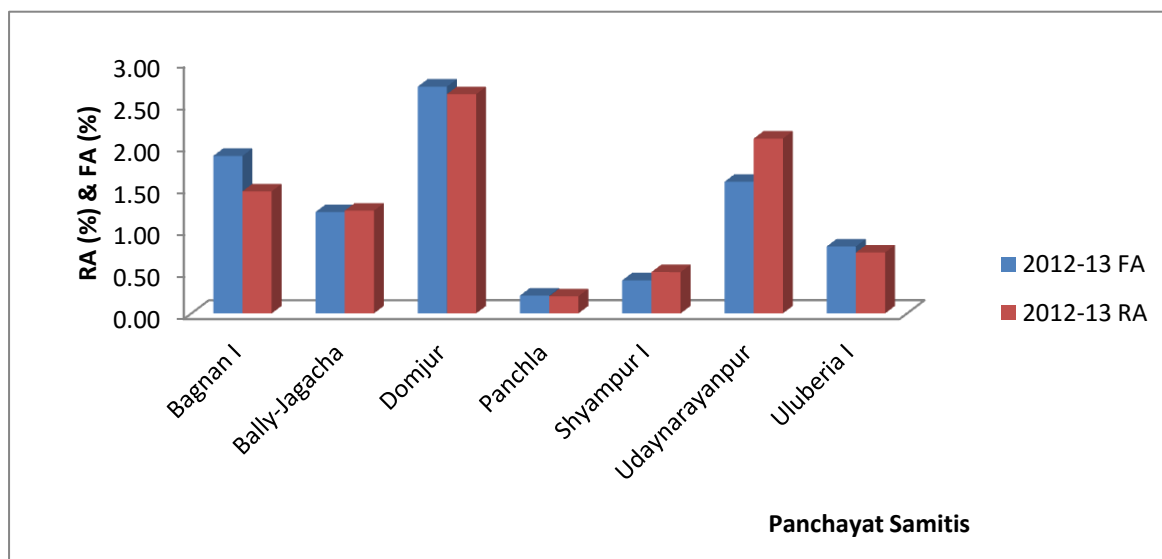
5.9 Summary

Percentage of collection to demand of tax revenue witnessed an increasing trend for the blocks of Howrah district during 2008-09 to 2012-13. The structure of own source revenue of most of the Panchayats (two-tier) of Howrah district changed in favour of non-tax revenue. The compound annual growth rates of own source revenue, own tax revenue and non-tax revenue of the Panchayats were not impressive.

Panchayats of Blocks Shayampur I, Panchla, Domjur and Bagnan I recorded compound annual growth rate of own tax revenue varying between 5 per cent and 9.99 per cent. The compound annual growth rates of own tax revenue of Panchayats of blocks Bally-Jagacha, Sankrail, Shayampur I, Panchla, Domjur and Bagnan I were statistically significant at 1 % level.

Panchayats of Blocks Amta II, Sankrail, Bagnan I and Shayampur I belonged to the highest group of growth rate of own non-tax revenue of 10 per cent and above while the growth rates of Amta II and Sankrail were statistically significant at 1% level. Panchayats of two blocks, namely Amta I and Panchla witnessed negative growth of own non-tax revenue during 2008-09 to 2012-13. Panchayats of Bagnan I block belonged to the highest group of compound annual growth rate (CAGR) of above 10 percent. Panchayats of four blocks, namely Sankrail, Amta II, Shayampur I and

Shyampur II witnessed CAGR varying between 0.5 per cent and 9.9 per cent. The growth rates of Panchayats of Sankrail, Amta II, and Shayampur-I were statistically significant. Per capita tax and per capita non-tax ratio of Panchayats of the blocks of Howrah district was declining over the study period. Per capita non-tax revenue was not significantly higher than per capita tax revenue. The means of per capita own source revenue, per capita tax revenue and per capita non-tax revenue did not significantly increase in 2012-13 compared to 2008-09. The variation in PCOR is significantly explained by Literacy Rate (LTR), and Percentage of Non-Farm Employment (NFE).The fiscal autonomy of most of the Panchayats of blocks was very poor and did not significantly increase in recent years.

Both total own source revenue and per capita own source revenue substantially varied across the Panchayat Samitis of Howrah district during 2012-13. In 2008-09 Panchayat Samiti Domjur recorded the highest own source revenue collection while in 2012-13 Panchayat Samiti Bagnan I led other Panchayat Samitis. Four Panchayat Samitis, namely Amta II, Shyampur I, Bally Jagacha and Sankrail recorded compound annual growth rate (CAGR) of 40% and above. The CAGRs of Shyampur I, Bally-Jagacha and Sankrail were statistically significant.

Only Panchayat Samiti Bagnan I belonged to the highest group of per capita own source revenue in 2012-13. The Entropy measure showed an increasing trend of diversification of own source revenue during the period from 2008-09 to 2012-13. Revenue autonomy and fiscal autonomy of Panchayat Samitis substantially varied across the Panchayat Samitis during 2012-13.

Chapter 6

STUDY OF GRAM PANCHAYATS

Gram Panchayats or rural local self-governments have ancient origin in India and there was a well-developed system in village Gram Panchayats throughout the Indian history. Before the transfer of power in 1947, the Union Board formed the most practical unit for village administration. Some states enacted their Gram Panchayats Acts and constituted the Gram Panchayats at the village level before Independence. The West Bengal Panchayat Act,1957 made on the basis of the recommendations of the Balwantray Mehta Committee provided for a three-tier structure of Panchayati Raj in the state (Datta and Pramanick 1995). The Act was subsequently amended in 1973. At present, the structural frame of Panchayati Raj in West Bengal is a three-tier organisation, consisting of the Zilla Parishads at the district level, Gram Panchayats at the Block level and Gram Panchayats at the village level (Dutta 2013).

The seventy-third Constitutional Amendment carried out in 1992 by the Union Government envisaged vastly enhanced expenditure responsibilities for the village Gram Panchayats in the country. However, it had not made any specific assignments of taxes to these bodies to meet their enhanced expenditure. It had been left to the State Legislature to authorize village Gram Panchayats to collect taxes, duties, tolls, and fees or to assign such taxes to them and also to provide grant-in-aid to them. Though the State Legislature was competent to do this even before the constitutional amendment virtually none of the States took initiative in this matter (Nair 2004).

Gram Panchayats in the present day development process are conceived as people's institution. The underlying ethics of their functioning is based on the spirit of democracy where people's choice and voice are adequately captured. In participatory development it is very difficult to state categorically the exact nature of participation in plan formulation and implementation of different rural development programmes (Maity 2008).In West Bengal, the State Government endeavors to encourage the process of participatory development through the amendments (Section 16A) of the West Bengal Panchayat Act. Now, the electors of each constituency of a Gram Panchayat have been given the right to participate directly in the democratic process to guide and advise the Gram Panchayat in a forum called Gram Sansad. Again, the

formation of Gram Unnayan Samiti (Section 16A (6) C) of the West Bengal Panchayat Act) has further widened the scope of more active participation of the people in the overall planning of gram Panchayat. This executive body of the Gram Sansad has been given the task to prepare plan for economic as well as social development of rural areas with the active participation of local people. In performing these functions Gram Panchayats are mainly dependent on external sources of revenue, which basically comes from central and state governments. But external funds are very much irregular in nature. This affects the progress of decentralised planning. Hence great emphasis is now made on mobilisation of own resources of Gram Panchayats.

As far as the West Bengal Panchayat Act is concerned, Gram Panchayats are authorised to augment their own revenue either by way of tax or from non-tax sources. Here the colonial legacy of authorising only the Gram Panchayats to levy taxes on land and buildings of its jurisdiction, as provided in the Bengal Village Self-government Act, 1919, still continues. Gram Panchayats are also authorised to collect non tax revenue by way of providing services and otherwise, from different sources, which include conservancy rate, drainage rate and general sanitary rate, fees for grazing cattle on vested land, use of burning ghat, registration of shallow tube wells, tolls imposed on roads/bridges constructed by it, licence fees from running Trades and Business in its area etc.

Against this backdrop the present chapter discusses the various issues of own source revenue of 144 Gram Panchayats (91.72 per cent) out of 157 Gram Panchayats of Howrah district for which the relevant data are available for all years from 2006-07 to 2012-13 from the offices of the DPRDO, Howrah district and the Department of Gram Panchayats and Rural Development, Kolkata.

The plan of the chapter is as follows. Section 6.1 examines growth and section 6.2 structural change of own source revenue of the 144 Gram Panchayats of Howrah District during the period from 2006-07 to 2012-13. Section 6.3 analyses the variation in per capita own source revenue of the Gram Panchayats. Section 6.4 examines the revenue autonomy and fiscal autonomy of the Gram Panchayats. Section 6.5 presents a case study on twenty Gram Panchayats of Howrah district. Section 6.6 makes the summary of the chapter.

6.1 Growth of Own Source Revenue of the Gram Panchayats of Howrah District

Total own source revenue (TOSR) is composed of own tax revenue and own non-tax revenue. TOSR of 144 Gram Panchayats increased from Rs 3.2 crores to Rs 7.8 crores during 2006-07 to 2012-13. Index of the same increased from 100 to 244, which implies 44 per cent growth of TOSR during the whole period of 7 years, i.e., an annual average growth rate of over 6 per cent during this period (Table 6.1& Figure 6.1).

Table 6.1 Total Own Source Revenue (TOSR) of 144 Gram Panchayats, 2006-07 to 2012-13

(Rs in Crores)

Year	Total own source revenue	Index
2006-07	3.2	100
2009-10	4.9	153
2012-13	7.8	244

Source: Howrah DPRDO Annual Report

Figure 6.1 Total Own Source Revenue of 144 Gram Panchayats, 2006-07 to 2012-13

(Rs In Crores)
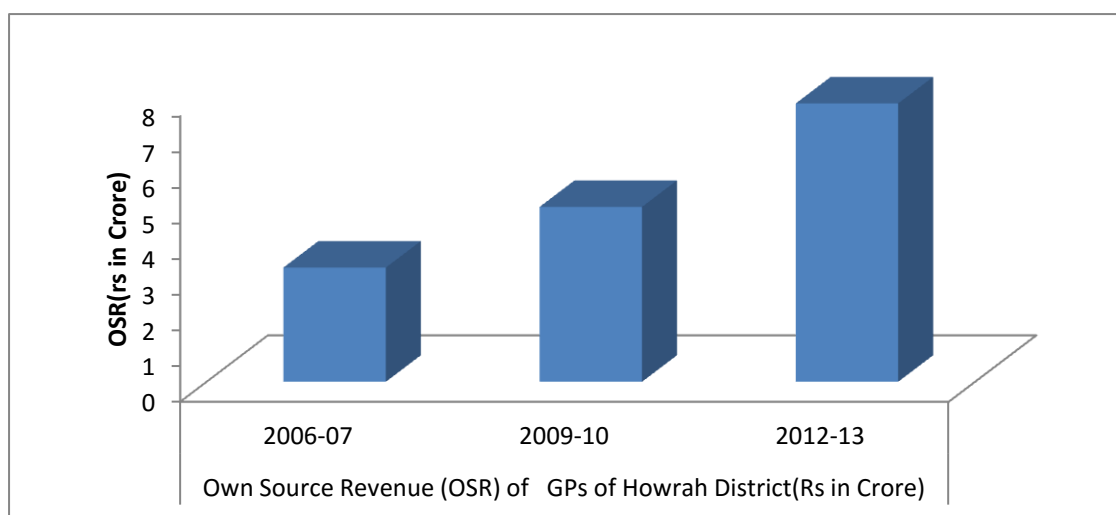
Own Tax Revenue of Gram Panchayats

Own tax revenue (OTR) of Gram Panchayats revealed that during 2006-07 to 2012-13 it increased from Rs 1.2 crores to Rs 3.7 crores. Index of the same increased from 100 to 247, which implies 44 per cent growth of OTR during the whole period of 7 years, i.e., an annual average growth rate of about 7 per cent during this period (Table 6.1 and Figure 6.2).

Table 6.2 Own Non-Tax Revenue of 144 Gram Panchayats, 2006-07 to 2012-13(Rs in Crores)

Year	Own tax revenue	Index
2006-07	1.5	100
2009-10	2.4	160
2012-13	3.7	247

Sources: HowrahDPRDO Office Documents

Figure 6.2 Total Own Tax Revenue of 144 Gram Panchayats, 2006-07 to 2012-13

(Rs in crore)
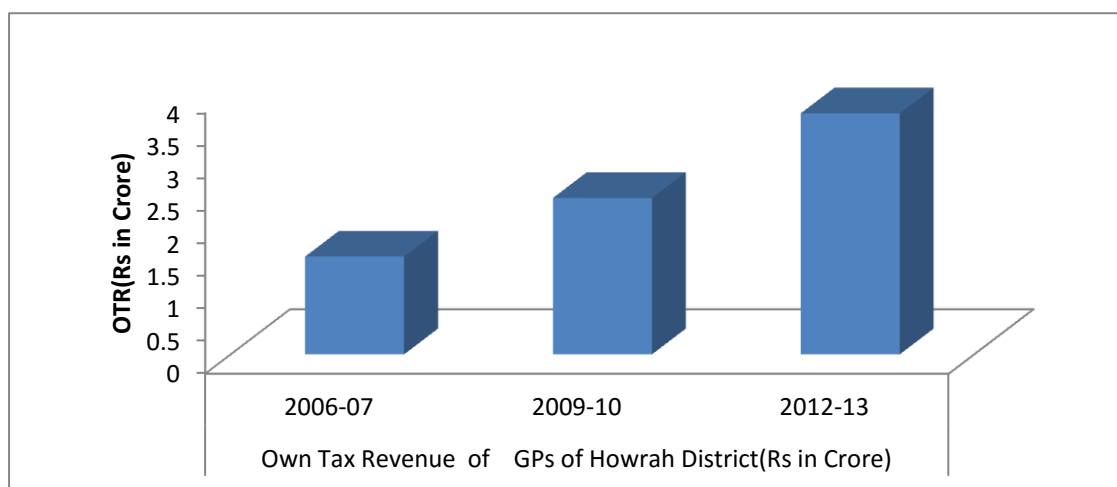
Own Non-Tax Revenue of Gram Panchayats

Own non-tax revenue (ONTR) of Gram Panchayats revealed that during 2006-07 to 2012-13 it increased from Rs 1.6 crores to Rs 4.1 crores. Index of the same increased from 100 to 256, which implies 56 per cent growth of ONTR during the whole period of 7 years, i.e., an annual average growth rate of over 8 per cent during this period (Table 6.3 & Figure 6.3).

Table 6.3 Own Non-Tax Revenue of 144 Gram Panchayats, 2006-07 to 2012-13

(Rs in crore)

Year	*Own non-tax revenue*	Index
2006-07	1.6	100
2009-10	2.6	163
2012-13	4.1	256

Source: Howrah DPRDO Annual Report

Figure 6.3 Own Non-Tax Revenue of 144 Gram Panchayats, 2006-07 to 2012-13
(Rs in Crores)
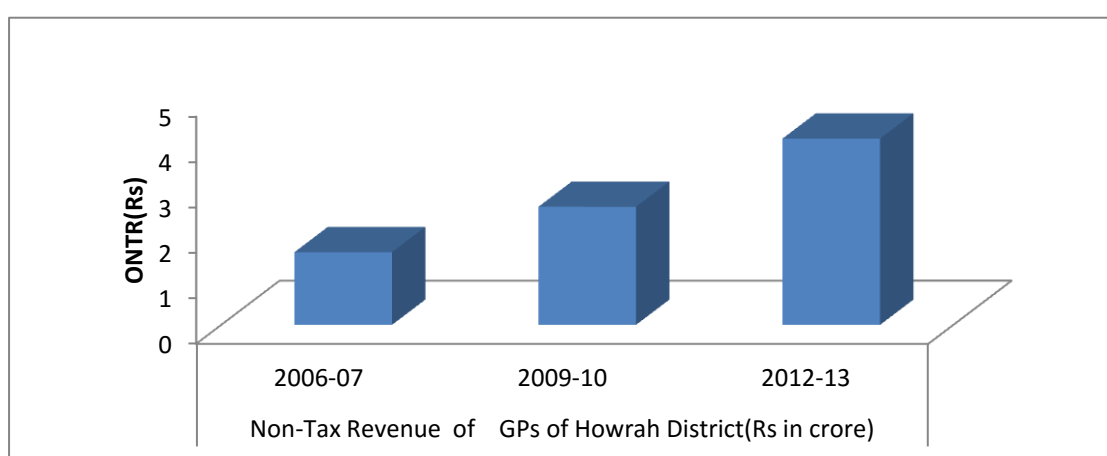
Compound annual growth rate (CAGR) of own source, own tax and own non-tax revenue of 144 Gram Panchayats of Howrah district witnessed the respective growth rates of 6.9 per cent, 7.1 per cent and 7.4 per cent, which are statistically significant at 1% level and the CAGR of non-tax revenue of the Gram Panchayats was higher than that of tax revenue (Table 6.4 and Figure 6.4). This higher growth rate of non-tax revenue compared to tax revenue implies the higher importance of the same in the structure of total own source revenue, which is reflected in the changing structure of total own source revenue, which we discuss in the section that follows.

Table 6.4 Compound Annual Growth Rate of Tax, Non-Tax and Own Source Revenue of 144 Gram Panchayats, 2006-07 to 2012-13

Gram Panchayats	CAGR (%)
OSR	6.9**
OTR	7.1**
ONTR	7.4**

Notes: OSR = Own Source Revenue. OTR= Own tax revenue. ONTR= Own Non-Tax Revenue. CAGR=Compound Annual Growth Rate.
CAGR is measured at constant price (2004-05 as base)
*** significant at 1 per cent level.*
 Source:Howrah DPRDO Annual Report

Figure 6.4 Compound Annual Growth Rate of Tax, Non-Tax and Own Source Revenue of Gram Panchayats, 2006-07 to 2012-13 **(%)**
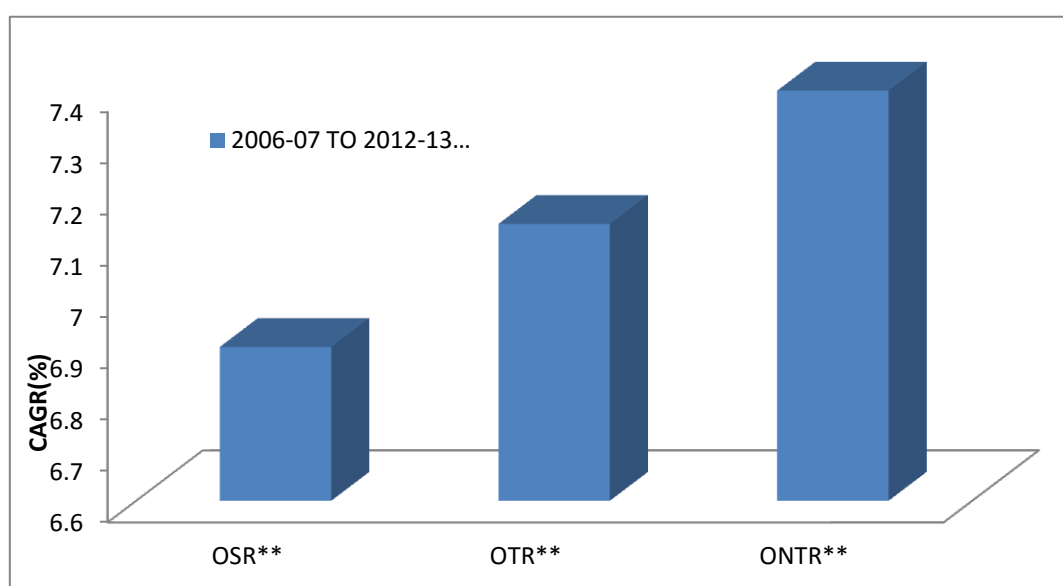
6.2 Structural Change of Own Source Revenue at Gram Panchayat level

We observe that the structure of total own source revenue changed in favour of non-tax revenue of most of the selected Gram Panchayats during the period from 2006-07 to 2012-13. In 2006-07, the share of total non-tax revenue to total own source revenue was 50.8 per cent, which increased to 55.6 per cent during 2012-13 (Table 6.5).

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Table 6.5 Percentage Share of Non-Tax Revenue to Total Own Source Revenue of 144 Gram Panchayats, 2006-07 to 2012-13

Year	Percentage share of non-tax revenue	Index
2006-07	50.82	100
2009-10	52.42	103
2012-13	55.63	109

Source: Howrah DPRDO Annual Report

This is the overall scenario. The percentage share of total non-tax revenue to total own source revenue varied widely across the 144 Gram Panchayats, which we examine below.

Frequency distribution of 144 GPs by percentage share of non-tax revenue to total own source revenue revealed that in 2006-07, 36.8% GPs (53 GPs out of 144 GPs) belonged to the group of percentage share of non-tax revenue of 40.1% to 60% while 2.1% GPs (03 GPs out of 144 GPs) were recorded in the group of percentage share of non-tax revenue above 80%.

Table 6.6 Frequency Distribution of 144 Gram Panchayats by Percentage Share of Non-Tax Revenue , 2006-07 To 2012-13

Percentage Share of Non-Tax Revenue	2006-07		2012-13	
	GPs	Percentage of GPs	GPs	Percentage of GPs
0.0-20.0	9	6.3	11	7.6
20.1-40.0	35	24.3	17	11.8
40.1-60.0	53	36.8	45	31.3
60.1 -80.0	44	30.6	50	34.7
Above 80.0	3	2.1	21	14.6
Total	144	100	144	100

Source: Howrah DPRDO Annual Report

In 2012-13, 34.7% GPs (50 GPs out of 144 GPs) belonged to the group of percentage share of non-tax revenue of 60.1% to 80%. On the other hand, 14.6% GPs (21 GPs out of 144 GPs) belonged to the group of percentage share of non-tax revenue above 80%. Thus the percentage share of non-tax revenue is seen to be improving compared to percentage share of tax revenue during the whole period from 2006-07 to 2012-13.Hence we can state that own source revenue changed in favour of non-tax revenue during this period (Appendix Table A.22 & Table 6.6).

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6.3 Variation in Per capita Own Source Revenue of Gram Panchayats

Per capita own source revenue (PCOSR) varied widely across 144 Gram Panchayats of Howrah district under our study during the period from 2006-07 to 2012-13. Overall per capita own source revenue of the GPs of the district was not impressive.

Table 6.7 Frequency Distribution of 144 Gram Panchayats by Per Capita Own Source Revenue, 2006-07 to 2012-13 (Rs)

Class of PCOSR(Rs)	2006-07		2009-10		2012-13	
	GPs	Percentage of GPs	GPs	Percentage of GPs	GPs	Percentage of GPs
0.1 -15.0	112	77.8	93	64.6	75	52.1
15.1—50.0	29	20.1	41	28.5	46	31.9
50.1—100.0	2	1.4	8	5.6	17	11.8
100.1-200.0	1	0.7	2	1.4	4	2.8
above 200.0	0	0	0	0	2	1.4
Total	144	100	144	100	144	100

Source: Howrah DPRDO Annual Report

77.8% GPs (112GPs out of 144 GPs) were registered in the lowest group of per capita own source revenue of Rs 0.0-Rs 15 while no GP is found in the highest group above Rs 200 in 2006-07. In 2009-10 the result did not improve to a large extent. During 2012-13, 52% GPs (75 GPs out of 144 GPs) were recorded in the lowest group of per capita own source revenue (Rs 0 – Rs 15) while two GPs were recorded in the highest group of per capita own source revenue above Rs 200 (Table 6.7 and Figure 6.5).

Figure 6.5 Frequency Distribution of 144 Gram Panchayats by Per Capita Own Source Revenue, 2006-07 to 2012-13 (Rs)
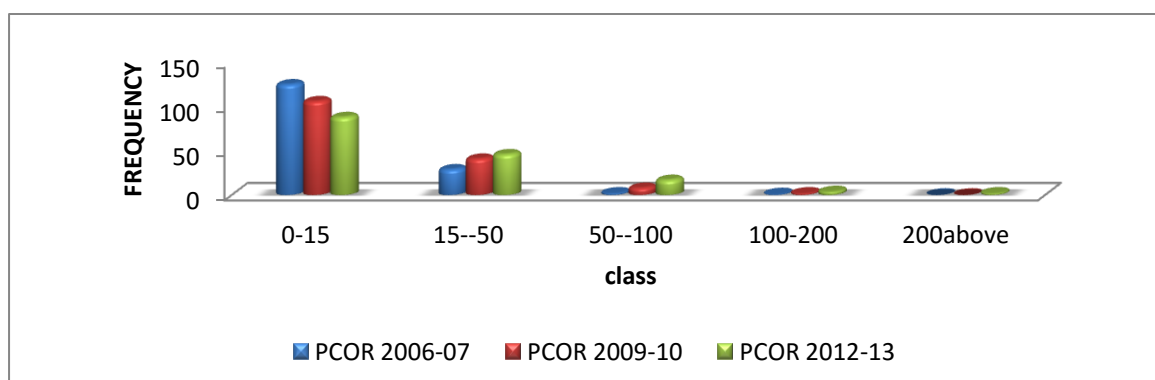
Per Capita Tax Revenue (PCTR)

Per capita tax revenue of Panchayat is the ratio between total tax revenue and total population of the Panchayat. During 2006-07, it is observed that the 72.2% GPs (104 GPs out of 144 GPs) belonged the lowest group of PCTR Rs (0-5) and no GP is to be found in the highest group of PCTR above Rs 100.

Table 6.8 Frequency Distribution of 144 Gram Panchayats by Per Capita Own Tax Revenue, 2006-07 to 2012-13 (Rs)

Class of PCOR(Rs)	2006-07		2009-10		2012-13	
	GPs	Percentage of GPs	GPs	Percentage of GPs	GPs	Percentage of GPs
0-5	104	72.2	91	63.2	75	52.1
05.1--10	19	13.2	21	14.6	24	16.7
10.1--20	10	6.9	13	9	15	10.4
20.1--50	10	6.9	16	11.1	22	15.3
50.1 -100	1	0.7	2	1.4	6	4.2
100.1-200	0	0	1	0.7	2	1.4
above 200	0	0	0	0	0	0
Total	144	100	144	100	144	100

Source: As in Table 6.3

In 2009-10 the result marginally altered, only one GP is observed in the group of Rs100 to Rs 200. But in 2012-13 two GPs were registered in the highest group of PCTR above Rs 100 but with in Rs 200 and 52% GPs (75GPs out of 144 GPs) were

recorded the lowest group of per capita tax revenue (0 – Rs 5) (Appendix Table A.24 & Table 6.8 and Figure 6.6).

Figure 6.6 Frequency Distribution of 144 Gram Panchayats by Per Capita Own Tax Revenue, 2006-07 to 2012-13 (Rs)
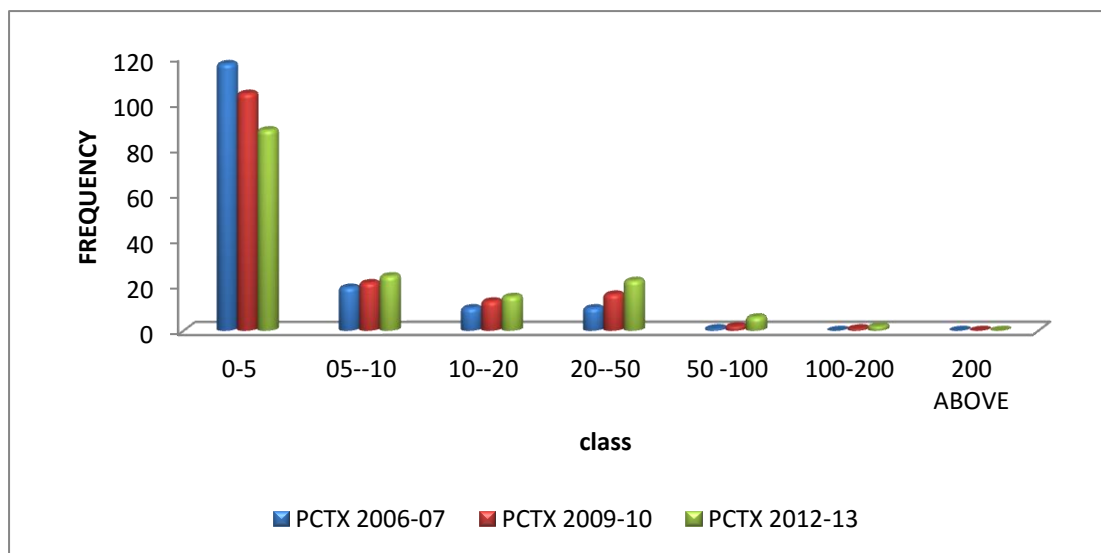
*Per capita Non-Tax Revenue (*PCNTR)

Per capita non tax revenue of Panchayat is the ratio between total non tax revenue and total population of Panchayat. In 2006-07, it is observed that, 56% GPs (89 GPs out of 144 GPs) belonged to the lowest group of the PCNTR Rs (0-5) and no GP is found in the group of above Rs 50. During 2009-10 only one GP is observed in the group of Rs 50 to Rs 100. In 2012-13 two GPs were registered the group of PCNTR Rs 100 to Rs 200 and only one GP recorded the highest group of PCNTR above Rs 200.Again it is observed that in 2012-13 , 25% GPs (36 GPs out of 144 GPs) recorded in the lowest group of per capita non-tax revenue Rs (0-5) (Table 6.61and Figure:6.3).

Table 6.9 Frequency Distribution of 144 Gram Panchayats by Per capita Non-Tax Revenue , 2006-07 to 2012-13 (Rs)

Class of PCOR(Rs)	2006-07		2009-10		2012-13	
	GPs	Percentage of GPs	GPs	Percentage of GPs	GPs	Percentage of GPs
0-5	76	52.8	45	31.3	36	25
05--10	44	30.6	49	34	37	25.7
10--20	21	14.6	35	24.3	37	25.7
20--50	3	2.1	14	9.7	28	19.4
50 -100	0	0	1	0.7	4	2.8
100-200	0	0	0	0	1	0.7
above200	0	0	0	0	1	0.7
Total	144	100	144	100	144	100

Source: As in Table 6.3

Figure 6.7 Frequency Distribution of 144 Gram Panchayats by Per Capita

Non-Tax Revenue, 2006-07 to 2012-13 (Rs)

The notable feature is that there was substantial fluctuation over years in per capita own source revenue, per capita tax revenue and per capita non-tax revenue.

Now to examine whether the mean of per capita own source revenue, per capita tax revenue and per capita non-tax revenue of the 144 Gram Panchayats significantly increased in 2012-13 compared to 2006-07 or not , we can use Fischer's 't'-test for equality of mean .

Here, in the case of per capita own source revenue (PCOSR),

Now before going to examine whether the mean of per capita own source revenue of the selected districts significantly increased in 2012-13 compared to 2006-07 or not, we have to know the equality of variance.

The equality of the variance of per capita own source revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 144 Gram Panchayats the null hypothesis is not accepted for 2006-07 and 2012-13.

Here for unequal variance, calculated value t_0 (5.5) is higher than tabulated value t_α (1.6). Hence the null hypothesis is not accepted. Thus the PCOSR significantly increased in 2012-13 compared to 2006-07.

Here, in the case of per capita tax revenue (PCTR),

Now before going to examine whether the mean of per capita own tax revenue of the selected districts significantly increased in 2012-13 compared to 2006-07 or not, we have to know the equality of variance.

The equality of the variance of per capita own tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 144 Gram Panchayats the null hypothesis is not accepted for 2006-07 and 2012-13.

Here for the unequal variance, calculated value t_0 (3.9) is higher t_α (1.6) tabulated value. Hence the null hypothesis is not accepted. Thus the PCTR significantly increased in 2012-13 compared to 2006-07.

Here, in the case of per capita non-tax revenue (PCNTR),

Now before going to examine whether the mean of per capita own non-tax revenue of the selected districts significantly increased in 2012-13 compared to 2006-07 or not, we have to know the equality of variance.

The equality of the variance of per capita own non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 144 Gram Panchayats the null hypothesis is not accepted for 2006-07 and 2012-13.

Here for unequal variance, the calculated value t_0 (4.9) is higher than $t\alpha$ (1.6) tabulated value. Hence the null hypothesis is not accepted. Thus the PCNTR significantly increased in 2012-13 compared to 2006-07.

Hence the means of PCOR, PCTR and PCNTR significantly increased in 2012-13 compared to 2006-07.

Now to analyse whether the per capita non-tax revenue is significantly higher than per capita tax revenue of Gram Panchayats of the 144 Gram Panchayats during the period from 2006-07 to 2012-13 we can compare the mean of per capita tax revenue and per capita non- tax for 2006-07 and 2012-13.

Now to examine whether the per capita non-tax revenue was significantly higher than per capita tax revenue of the districts during the period from 2006-07 to 2012-13, we can compare means of PCTR and PCNTR by the Fischer's 't' test for 2006-07 and 2012-13. According to the Fisher's 't' test, if calculated value of 't' is higher than tabulated value of 't' then the null hypothesis will be not accepted, otherwise accepted.

Now before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in 2006-07, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 144 Gram Panchayats the null hypothesis is not accepted for 2006-07.

Here for unequal variance, calculated value to (0.23) is not higher than the t_α (1.6) tabulated value. Hence the null hypothesis is not rejected. Thus the per capita non-tax revenue was not significantly higher than per capita tax revenue in 2006-07.

Now again in 2012-13, before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 144 Gram Panchayats the null hypothesis is not accepted for 2012-13.

Here for unequal variance, calculated value t_0 (0. 8) is not higher than t_α (1.6) tabulated value. Hence the null hypothesis is not rejected. Thus per capita non-tax revenue was not significantly higher than per capita tax revenue in 2012-13.

Ratio of Per Capita Tax and Per Capita Non-Tax Revenue

The ratio between per capita tax and per capita non tax revenue of 144 Gram Panchayats of Howrah district is declining over the study period. During 2006-07 it was 0.95 which declined to 0.86.Hence the per capita own source revenue is changed in favour to per capita non-tax revenue (Appendix Table A.24).

6.4 Revenue Autonomy and Fiscal Autonomy of Gram Panchayats in Howrah District

Revenue autonomy of Gram Panchayats is defined as the ratio between own source revenue and total revenue of the Gram Panchayats. It is observed that during the period from 2011-12 to 2012-13 revenue autonomy of own source revenue varied across the Gram Panchayats. During this period revenue autonomy continuously declined due to petty amount of own source revenue compared to total revenue and massive increase of total revenue/receipts of the Gram Panchayats under centrally sponsored schemes in Howrah district in recent years (Table 6.10 and Figure 6.8).

Table 6.10 Revenue Autonomy of 144 Gram Panchayats, 2006-07 to 2012-13   (%)

Year	Revenue Autonomy (%)
2011-12	11.6
2012-13	10.3

Source: Howrah DPRDO Annual Report

Figure 6.8 Revenue Autonomy of Gram Panchayats, 2011-12 to 2012-13   (%)
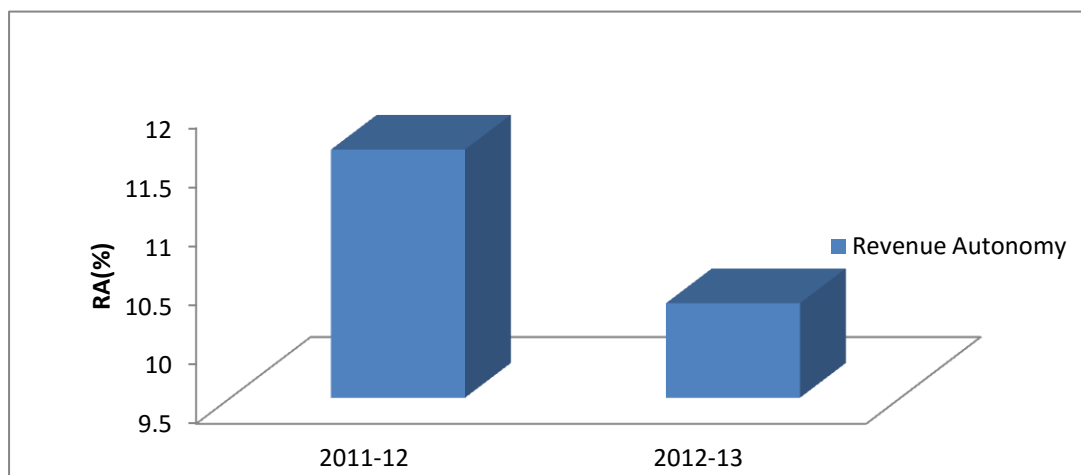
Fiscal autonomy of Gram Panchayats is defined as the ratio between own source revenue and total expenditure. It is observed that during the period from 2011-12 to 2012-13 fiscal autonomy varied across the Gram Panchayats. During this period fiscal autonomy continuously declined due to petty amount of own source revenue compared to total expenditure of the Gram Panchayats in Howrah district (Table 6.11 and Figure 6.9). This occurred on account of the massive total expenditures incurred by the Gram Panchayats under the centrally sponsored schemes.

Table 6.11 Fiscal Autonomy of 144 Gram Panchayats, 2006-07 to 2012-13

Year	Fiscal Autonomy (%)
2011-12	11
2012-13	10.5

Source:Howrah DPRDO Annual Report

Figure 6.9 Fiscal Autonomy of Gram Panchayats, 2011-12 to 2012-13   (%)
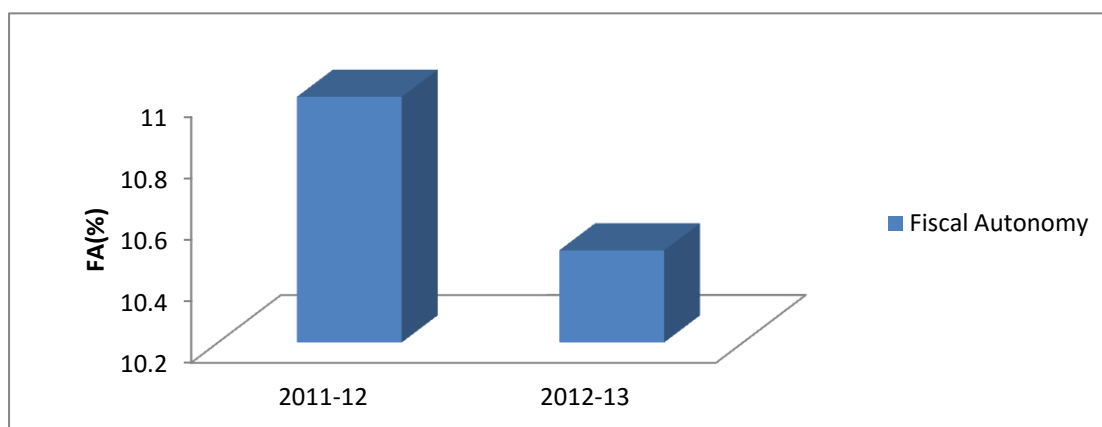
6.5 Case Study on Twenty Gram Panchayats of Howrah District

In the previous sections we did not discuss percentage of collection of revenue to demand of revenue, diversification of own non-tax revenue, ratio of own source revenue to external development revenue, utilization ratio of total and own source revenues of Gram Panchayats of Howrah district. In this section we dwell upon these issues.

For this purpose we have considered the details of own source revenue mobiliasation of purposively selected twenty Gram Panchayats, namely Bagnan I, Khalore, Joargori, Bangalpur, Bainan, Banibon, Basudevpur, Khalisani, Amta, Annulia, Balichak, Basantpur, Jagatballavpur I, Jagatballavpur II, Bargachia I, Bargachia II, Nischinda, Chamrail, Durgapur-Abhoynagar II and Jagadishpur from five different blocks (Bagnan I, AmtaI, Jagatballavpur, Uluberia II and Bally-Jagacha) of Howrah district.

The plan of this section is as follows.Sub-section 6.5.1 analyses demand and realisation of revenue of the selected Gram Panchayats. Sub-section 6.5.2 examines growth of own source revenue during the study period. Sub-section 6.5.3 deals with structural changes of own source revenue. Sub-section 6.5.4 examines the issue of diversification of own non-tax revenue of the Gram Panchayats. Sub-section 6.5.5 examines the utilization ratio of total revenue and own source revenue of the Gram Panchayats. Sub-section 6.5.6 analyses the variation of per capita own revenue, per capita tax revenue, and per capita non tax revenue during the period from 2006-07 to 2012-13. Sub-section 6.5.7 examines issue of revenue autonomy and fiscal autonomy of the Gram Panchayats. Sub-section 6.5.8 examines the ratio of own source revenue to external development revenue of the selected Gram Panchayats during the period from 2011-12 to 2014-15.

6.5.1 Demand and Collection of Revenue of Selected Gram Panchayats

Here the indicator used is percentage of tax revenue collected to demand of revenue of the Gram Panchayats. High percentage of tax revenue collected to demand implies high level of own source revenue mobilization.

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Table 6.12 Percentage of Revenue Collected to Demand in Gram Panchayats (GPs), 2006-07 to 2012-13 (%)

GPs	2006-07	2012-13	GPs	2006-07	2012-13
			Percentage of Tax Collected to Demand		
Amta	25.7	30	Durgapur-Abhoynagar-II	32.9	48.1
Anulia	39.2	46.5	Jagadishpur	32.4	33.1
Bagnan-I	90.2	153.6	Jagatballavpur-I	18.2	15
Bainan	30.2	69.4	Jagatballavpur-II	36.8	15.9
Balichak	27.2	25.4	Joargori	43.8	33.8
Bangalpur	70	72.5	Khalisani	21.6	41.8
Banibon	13.1	21.2	Khalore	21.7	106.4
Bargachia-I	39	28.3	Nischinda	67.8	41.5
Bargachia-II	34.7	30	Mean	37.3	46.1
Basantapur	35	27.3	SD	20.4	34.1
Basudevpur	8.8	17			
Chamrail	58.2	64.3	CV (%)	54.6	74.1

Notes: CV= Coefficient of Variation ,SD=Standard Deviation . Source: Howrah DPRDO Annual Report .

During 2006-07 Bagnan I recorded the highest percentage of tax collection to tax demand (90.2 per cent) followed by Bangalpur (70 per cent) and Nischinda (67.8 per cent), the lowest percentage being registered in Basudevpur (8.8 per cent). During 2012-13, Bagnan I recorded the highest percentage of tax collection to tax demand followed by Khalore and Bangalpur. Gram Panchayat Jagatballavpur I registered the lowest percentage of tax collection to tax demand (15.0 per cent). Percentage of total tax revenue collection to total tax demand of selected 20 Gram Panchayats in Howrah district recorded an increase from 37.3 per cent in 2006-07 to 46.1 per cent in 2012-13 (Table 6.12).

6.5.2 Own Source Revenue of Selected Gram Panchayats

In 2006-07, Gram Panchayat Chamrail witnessed the highest own source revenue (OSR) (Rs 726837 accounting for 15.5 per cent of total OSR of the selected Gram Panchayats) followed by Durgapur-Abhoynagar II (Rs 616121 accounting for 13.1 per cent) and Nischinda (Rs 447898 accounting for 9.5 per cent). In 2009-10, again Panchayat Chamrail (Rs 1654631 accounting for 23.4per cent of OSR of the Panchayts) led other Gram Panchayats, followed by Jagadishpur, (Rs 785980 accounting for 12.1 per cent of OSR of the Gram Panchayats) Durgapur-Abhoynagar

II (Rs 855788 accounting for 11.1 per cent of OSR of the Gram Panchayats) and Bagnan I (Rs 451628 accounting for 6.4 per cent of OSR of the Panchayts). During 2012-13 Gram Panchayat Chamrail (Rs 2106492 accounting for 17.9 per cent of OSR of the Panchayts) registered the highest own source revenue to be followed by Nischinda (Rs 1453016 accounting for 12.4per cent of OSR of the Panchayts) Durgapur-Abhoynagar II (Rs 1387433 accounting for 11.8 per cent of OSR of the Panchayts) and Khalore (Rs 1259822 accounting for 10.7 per cent of OSR of the panchayts). Gram Panchayat Balichak of Panchayat Samiti Amta I recorded the lowest amount of own source revenue during the study period from 2006-07 to 2012-13 (Appendix Table A.25, Figure 6.10).

Figure 6.10 Own Source Revenue of Selected Gram Panchayats (GPs), 2006-07 to 2012-13   (Rs)
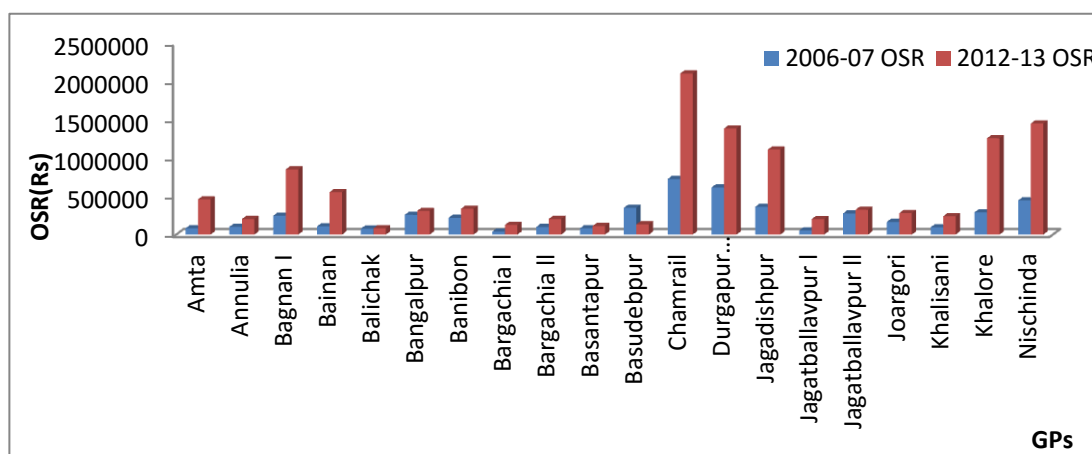
Frequency distribution of 20 selected Gram Panchayats in 2006-07 revealed that only one GP Bargachia I was recorded in the lowest group of own source revenue (below Rs 50000) while 11 GPs, namely Bagnan I, Khalore, Joargori, Bangalpur, Bainan, Basudevpur, Jagatballavpur II, Nischinda, Chamrail, Durgapur-Abhaynagar II and Jagadishpurare belonged to the highest group of OSR (Rs 150000 and above) and except Basudebpur they remained so in 2012-13.

Table 6.13. Frequency distribution of Gram Panchayats by own source revenue, 2006-07 to 2012-13   (Rs in thousands)

CLASS(Rs in '000')	2006-07		2009-10		2012-13	
	Number	GPs	Number	GPs	Number	GPs
0-49.9	1	Br I	1	Bsntp	0	Nil
50-99.9	6	Amt, Bsntp, Br II, Jgt-I, B.C, Khlsn	3	Amt, An, B.c	1	B.C
100-149.9	2	An, Bnibn	3	Br I, Br II, Bsdp	3	Br I, Bsdp, Bsntp
150 and above	11	Ban, Jgt II, Bnglpr, Jrg, DA II, Bsdp, Bag I, Chmrl, Jdsp, khlr, Nschnd	13	Ban, Jgt II, Bnglpr, Jrg, DA II, Bag I, Jdsp, khlr, Nschnd, Jgt-I, Khlsn, Bnibn, Chmrl	16	Ban, Jgt II, Jgt-I, Bnglpr, Jrg, DA II, Bsdp, Bag I, Chmrl, Br II , Bnibn, Jdsp, khlr, Nschnd, Khlsn, Amt
Total		20		20		20

Notes: Br I = Bargachia-I , Amt=Amta,Bsntp=Basantapur,Br II = Bargachia-II , Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=Durgapur-Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Chmrl=Chamrail, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda.
Source:Howrah DPRDO Annual Report

GP Bargachia I got elevated to the group of own source revenue of Rs 1 lakh to Rs 1.49 lakh in 2012-13. Gram Panchayats Amta, Bargachia II, Khalisani and Jagatballavpur I got elevated to the highest group of own source revenue (Rs 150000/ and more) from the group of own source revenue (Rs50,000 to Rs99,000) during the period from 2006-07 to 2012-13 (Table 6.13).

Frequency distribution of 20 Gram Panchayats revealed that Gram Panchayats, namely Jagatballavpur II, Basantpur, Baniban and Annulia were recorded in the group of compound annual growth rate of own source revenue below 6 per cent while Basudebpur and Balichak witnessed negative growth rate. Nine Gram Panchayats, namely Nischinda, Bangalpur, Amta, Khalisani, Jagatballavpur I, Bargachia II, Nischinda, Durgapur-Abhaynagar II and Jagadishpur belonged to the group of CAGR of 5 per cent to 10 per cent of own source revenue. Four Gram Panchayats, namely Khalore, Bagnan I , Bainan and Bargachia I were recorded in the highest group of growth of own source revenue above 10%. The growth rates of own source revenue were statistically significant for the GPs, namely Amta, Anulia, Bagnan I, Bargachia I and II, Jagadishpur, Khalore, Durgapur-Abhaynagar II and Nischinda during the period from 2006-07 to 2012-13 (Table 6.14, Figure 6.11).

Table 6.14 Frequency Distribution of Gram Panchayats by Compound Annual Growth Rate (CAGR) of Own Source Revenue (OSR), 2006-07 to 2012-13 (%)

Class of CAGR (%) of OSR	Number	GPs
Negative growth rate	2	bsdp, b.c
0-5	4	an* , bnibn, bsntp, Jgt II
5—10	9	Br II**, DA II**, jdsp**, jgt-I, khlsn, am*, bnglpr, jrg, nschnda**
Above 10	4	Bag I**, ban, Br I**, khlr**
Total		19

Notes: Amt=Amta,Bsntp=Basantapur,Br II = Bargachia-II , Jgt-I =JagatBallavpur-I, Bc=Balichak, Br I=Bargachia-I Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=Durgapur-Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda.
Source:Howrah DPRDO Annual Report.

Figure 6.11 Compound Annual Growth Rate (CAGR) of Own Source Revenue, 2006-07 to 2012-13 (%)
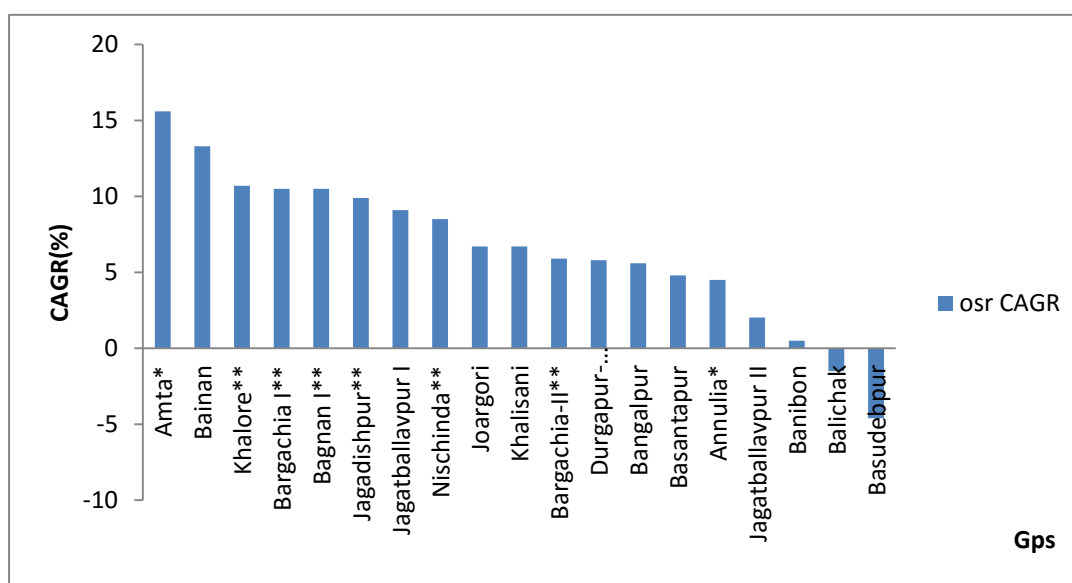
Own Tax Revenue of Gram Panchayats

In 2006-07, Gram Panchayat Chamrail recorded the highest own tax revenue (OTR) (Rs 461882) followed by Durgapur-Abhoynagar II (Rs 253595) and Nischinda (Rs 225254). During 2009-10, again Panchayat Chamrail (Rs 749525.) led other Gram Panchayats in tax revenue, followed by Jagadishpur (Rs 569606), Durgapur-Abhoynagar II (Rs 368417) and Nischinda (Rs 198145).

Figure 6.12 Own Tax Revenue of Selected Gram Panchayats, 2006-07 to 2012-13

(Rs)
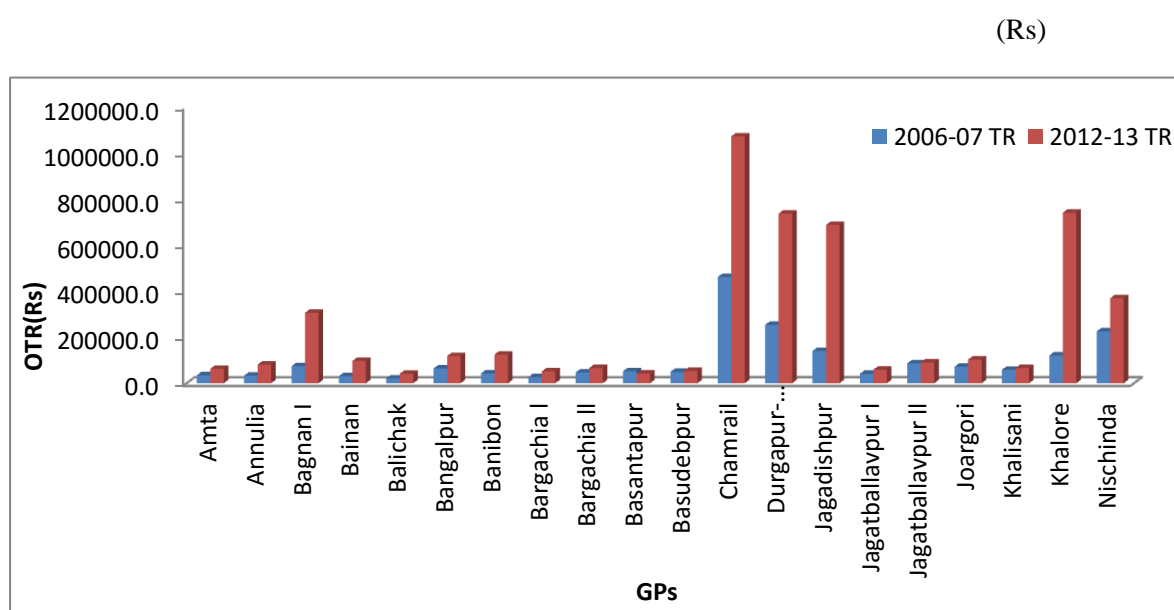
Table 6.15 Frequency distribution of 20 gram Panchayats by own tax revenue, 2006-07 to 2012-13
(Rs in Thousands)

Class(Rs in'000')	2006-07		2009-10		2012-13	
	Number	GPs	Number	GPs	Number	GPs
5-24.9	2	B.C, Br I	2	Amt, B.C	0	Nil
25-49.9	6	Amt, An, Bnibn, Ban, Br II, Bsdp	6	An, Br I, Bsntpr, Bsdp, Jgt-I, Ban	2	B.C, Bsntpr
50-99.9	7	Bag I, Bnglpr, Bsntpr, Jgt-I, Jgt II, Jrg, Khlsn	5	Jgt II, Br II, Bnglpr, Bnibn, Bag I	9	Amt, Anu, Bnibn, Br I, Br II, Bsdp, Jgt-I, Jgt II, Khlsn
100 and above	5	Chmrl, DA II , Jdsp, khlr, Nschnd	7	Chmrl, DA II, Jdsp, khlr, Nschnd, Khlsn, Jrg	9	Bag I, Bnglpr, Ban, Jrg, Chmrl, DA II, Jdsp, khlr, Nschnd
Total	20		20		20	

Notes: Br I = Bargachia-I , Amt=Amta,Bsntp=Basantapur,Br II = Bargachia-II , Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Chmrl=Chamrail, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda.
Source: Howrah DPRDO Annual Report.

In 2012-13, Panchayat ChamraiL (Rs 1072960) witnessed the highest own tax revenue to be followed by Khalore (Rs 741222), Durgapur-Abhoynagar II (Rs 737363) and Jagadishpur (Rs 688103). Gram Panchayat Balichak of Panchayat Samiti

Amta I witnessed the lowest amount of own tax revenue during the period from 2006-07 to 2012-13 (Appendix Table A.26 and Figure 6.12).

Frequency distribution of 20 selected Gram Panchayats in 2006-07 revealed that two GPs, namely Balichak and Bargachia I were recorded in the lowest group of own tax revenue (below Rs 25000).

Of these Bargachia I got elevated to the next higher group of tax revenue (Rs 50,000 to Rs 99,000) while 5 GPs, namely Khalore, Nischinda, Chamrail, Durgapur-Abhoynagar II and Jagadishpur belonged to the highest group of tax revenue (Rs 1 lakh and more) and they remained so in 2012-13. Gram Panchayats Joargori, Bangalpur, Bainan, Bagnan I got elevated to the highest group of own tax revenue (Rs 1 lakh and more) from the group of own tax revenue below Rs 1 lakh during the period 2006-07 to 2012-13 (Table 6.15).

Frequency distribution of 20 Gram Panchayats revealed that Gram Panchayats, namely Jagatballavpur II, Jagatballavpur I, Nischinda, Basantapur, Bangalpur, Khalisani, Bargachia I and Bargachia II were recorded in the group of compound annual growth rate of own tax revenue below 6 per cent while four Gram Panchayats registered the highest growth rate of own tax revenue above 10 per cent.

Table 6.16 Frequency Distribution of Gram Panchayats by Compound Annual Growth Rate (CAGR) of Own Tax Revenue (OTR), 2006-07 to 2012-13 (%)

Class of CAGR(%) of OTR	Number	GPs
0-5	8	Bnglpr**, Br I**, Br II**, Bsntp, Jgt II**, Jgt I,Khlsni , Nschnda*
5--10	7	Am*, An**, Bc**, Bsdp, DA II**, Jdsp**, Jrg
Above 10	4	Bag I**, Ban**, Khlr**, Bnibn**
Total		19

Notes: Amt=Amta,Bsntp=Basantapur,Br II = Bargachia-II , Br I = Bargachia-I , Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda.
** Indicates 1% level of Significance
* Indicates 5% level of Significance
CAGR is measured at constant price (2004-05 as Base year)
Source: Howrah DPRDO Annual Report .

The growth rate of own tax revenue of the selected Gram Panchayats, namely Bagnan I, Khalore, Bainan, Amta, Annulia, Banibon, Bangalpur, Durgapur-Abhoynagar II,

Bargachia I and Bargachia II, Jagatballavpur-II, Nischinda, Balichak and Jagadishpur were statistically significant during the period from 2006-07 to 2012-13 (Table 6.16 and Figure 6.13).

Figure 6.13 Compound Annual Growth Rate (CAGR) of Own Tax Revenue, 2006-07 to 2012-13 (%)
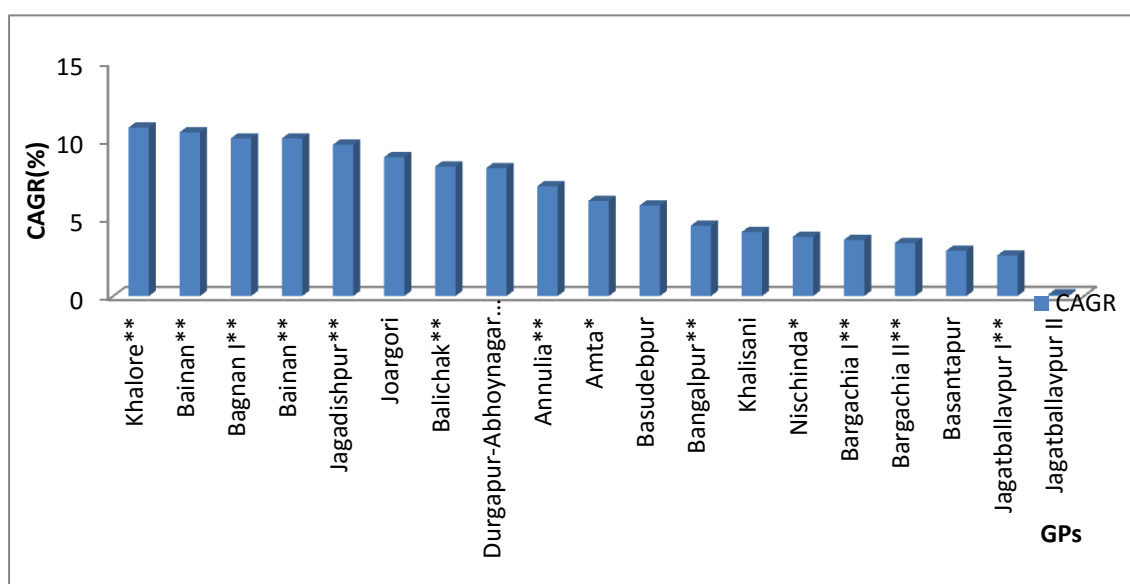
Own Non-Tax Revenue (ONTR) of Selected Gram Panchayats

During 2006-07, Gram Panchayat Durgapur-Abhoynagar II witnessed the highest own non-tax revenue (ONTR) (Rs 362526) followed by Basudebpur (Rs 301255) and Chamrail (Rs 264955). In 2009-10 Panchayat Chamrail (Rs 905106) led other Gram Panchayats in non-tax revenue collection, followed by Durgapur-Abhoynagar II (Rs 487371) and Bagnan I (Rs 361348). During 2012-13 Panchayat Chamrail (Rs 1033532) witnessed the highest non-tax revenue by followed by Durgapur-Abhoynagar II (Rs 650070) and Bagnan I (Rs 546106). Gram Panchayat Balichak of Panchayat Samiti Amta I registered the lowest amount of own tax revenue during the period from 2006-07 to 2012-13 (Appendix Table A. 27 and Figure 6.14).

Figure 6.14 Non-Tax Revenue of Selected Gram Panchayats, 2006-07 to 2012-13   (Rs)
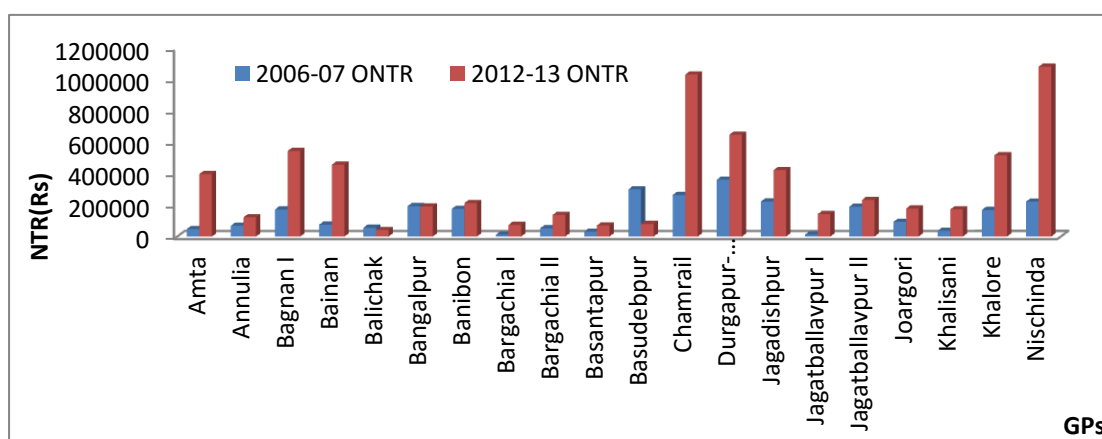
Frequency distribution of selected Gram Panchayats in 2006-07 revealed that two GPs, namely Jagatballavpur I and Bargachia I belonged to the lowest group of non-tax revenue (less than Rs 25000). Both of them got elevated to the next higher group of non-tax revenue (Rs 50,000 to Rs 99,000) while GP Jagatballavpur I was recorded in the highest group of non-tax revenue Rs 1lakh and more. 10 GPs, namely Bagnan I, Banibon, Khalore, Nischinda , Chamrail, Durgapur-Abhoynagar II, Jagatballavpur II, Bangalpur, Basudebpur and Jagadishpur belonged to the highest group of non-tax revenue (Rs 1 lakh and above) and except Basudebpur they remained so in 2012-13. Gram Panchayats Joargori, Bargachia II, Amta, Annulia, Bainan, Jagatballavpur I and Khalisani got elevated to the highest group of own tax revenue (Rs 1 lakh and more) from the group of non-tax revenue below 1 lakh during 2006-07 to 2012-13. The condition of Gram Panchayat Balichak deteriorated in 2012-13 compared to 2006-07 i.e., she got retrograded to the lower level of group of non-tax revenue below Rs 50,000 from the group of more than Rs 50,000 during the period from 2006-07 to 2012-13 (Table 6.17).

Table 6.17. Frequency Distribution of Selected Gram Panchayats by Own Non-Tax Revenue , 2006-07 To 2012-13

(Rs in thousands)

Class(Rs in Thousand '000')	2006-07		2009-10		2012-13	
	Number	GPs	Number	GPs	Number	GPs
5-24.9	2	Br I, Jgt-I	1	Bsntp	0	Nil
25-49.9	3	Amt, Bsntpr, Khlsn	2	Anu, B.C	1	B.c
50-99.9	5	Anu, Ban, B.C, Br II, Jrg	5	Br I, Br II, Amt, Jgt II, Bsdp	3	Br I, Bsntp, Bsdp
100 and above	10	Bnglpr, Bnibn, Chmrl, DA II, Jgt II, Jdsp, khlr, Nschnd, Bag I, Bsdp	12	Bnibn, Ban, Bag I, Jgt-I, Khlsn, Bnglpr, Jrg, Chmrl, DA II, Jdsp , khlr, Nschnd	16	Bnibn, Br II, Amt, Anu, Ban, Bag I, Jgt-I, Jgt II, Bnglpr, Jrg, Chmrl, DA II, Khlsn, Jdsp, khlr, Nschnd
Total	20		20		20	

Notes: Amt=Amta,Bsntp=Basantapur, Br I = Bargachia-I Br II = Bargachia-II , Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Chmrl=Chamrail, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda
Source: Howrah DPRDO Annual Report .

Frequency distribution of Gram Panchayats revealed that Gram Panchayats, namely Baniban, Balichak, and Basudebpur were recorded in the group of negative compound annual growth rate of own non-tax revenue. The CAGR of Gram Panchayat Basudebpur were statistically significant at 1% level. 8 Gram Panchayats, namely Bagnan I, Bainan, Bargachia I, Khalore, Nischinda, Amta and Jagatballavpur I registerd   the highest growth rate of own non-tax revenue above 10 per cent. And the three Gram Panchayats, namely Annulia,   Durgapur-Abhoynagar II   and Jagatballavpur II were recorded in the group of compound annual growth rate of own non-tax revenue below 6%. The growth rates of own non-tax revenue of the selected Gram Panchayats Jagadishpur, Amta , Bargachia I and Bargachia II, Bagnan I and Khalore were statistically significant for the period from 2006-07 to 2012-13 (Table 6.18 and Figure 6.15).

Table 6.18 Frequency Distribution of Selected Gram Panchayats by Compound Annual Growth Rate (CAGR) of Own Non-Tax Revenue, 2006-07 to 2012-13 (%)

Class of CAGR (%) of OSR	Number	GPs
Negative Growth Rate	3	bsdp**, b.c, bnibn
0-5	3	an, DA II, Jgt II
5--10	5	Br II**, khlsn, bsntp, bnglpr, jrg
Above 10	8	Bag I**, ban**, Br I**, khlr**, nschnda, jdsp*, jgt-I, am**
Total		19

Notes: Amt=Amta, Bsntp=Basantapur, Br II = Bargachia-II , Br I = Bargachia-I , Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani, An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II,Bnglpr=Bangalpur,Jrg=Joargori,D-AII=Durgapur-Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda.
** Indicates 1% level of Significance
* Indicates 5% level of Significance
CAGR is measured at constant price (2004-05 as Base year)
*Source:*Howrah DPRDO Annual Report .
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Figure 6.15 Compound Annual Growth Rate (CAGR) of Own Non-Tax Revenue, 2006-07 to 2012-13 (%)
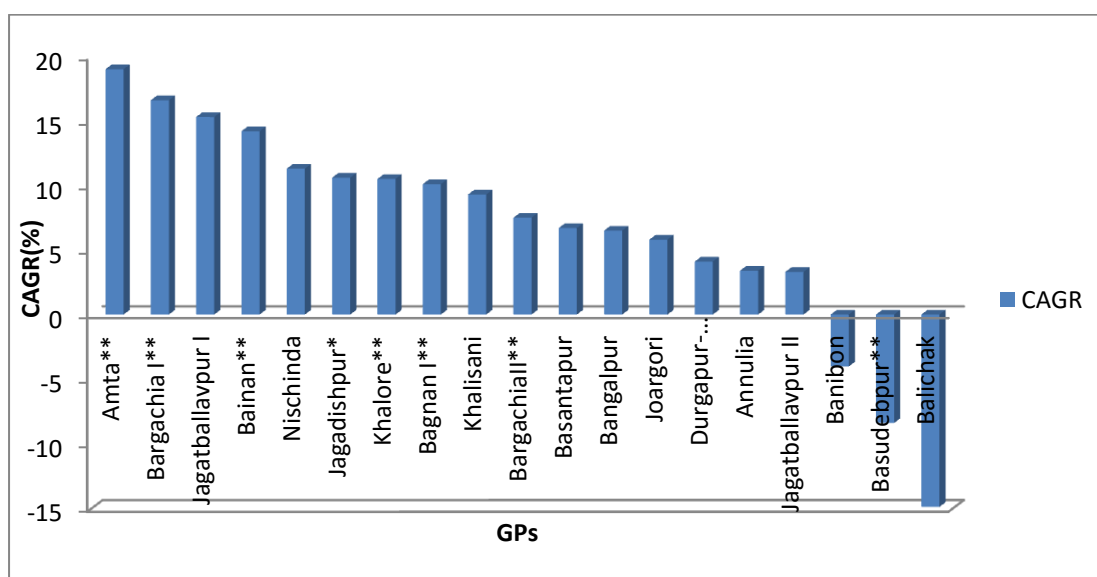
6.5.3 Structural Changes of Own Source Revenue

The structure of own source revenue of 20 selected Gram Panchayats as a whole changed in favour of non-tax revenue during the period from 2006-07 to 2012-13.

During 2006-07, 14 out of 20 Gram Panchayats were registered in the group of percentage share of non-tax above 50%. In 2012-13, 16 Gram Panchayats belonged

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to the group of percentage share of non-tax revenue above 50 per cent. So the percentage share of the non-tax revenue improved compared to the percentage share of tax revenue over this period. That's why it can be stated that the own source revenue changed against tax revenue and in favour of non-tax revenue over the study period of the selected 20 Gram Panchayats.

Frequency distribution of 20 selected Gram Panchayats by percentage share of non-tax revenue to total own source revenue revealed that in 2006-07 six Gram Panchayats, namely Bargachia I, Basantapur, Chamrail, Jagatballavpur I, Nischinda and Khalisani belonged to the group of percentage share of non-tax revenue below 50 per cent.

Table 6.19 Frequency Distribution of Selected Gram Panchayats by Percentage Share of Non-Tax Revenue to Total Own Source Revenue, 2006-07 to 2012-13   (%)

Class (Percentage share of non-tax revenue)	2006-07		2012-13	
	Number	GPs	Number	GPs
Below 50	6	Br I, Bsntp, Chmrl, JgtI, Nschnda, Khlsni	4	Chmrl, DA II, Jgdsp, Khlr
50-69.9	8	Br II, Am, An, DAII, Jgdsp, Jgt II, Jrg, Khlre	11	Br II, Br II, An, Jrg, Bag I, Bc, Bnibn, Ban, Bsdp, Bsntp, Bnglpr
70 and above	6	Bag I, Ban, Bnibn, Bc, Bnglpr, Bsdp	5	Am, Jgt I, Jgt II, Khlsni, Nschnda
Total	20		20	

Notes: Amt=Amta,Bsntp=Basantapur, Br I = Bargachia-I Br II = Bargachia-II , Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Chmrl=Chamrail, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda
Source:Howrah DPRDO Annual Report .

Six Gram Panchayats, namely BagnanI, Bainan, Banibon, Bangalpur, Balichak and Basudebpur belonged to to the group of percentage share of non-tax revenue 70 per cent and above. During 2012-13 four Gram Panchayats, namely Chamrail, Durgapur-Abhanagar II, Jagadishpur and Khalore belonged to the group of percentage share of non-tax revenue below 50 per cent. Five Gram Panchayats, namely Amta I, Jagatballavpur I, Jagatballavpur II, Khalisani and Nischinda belonged to the group of percentage share of non-tax revenue 70 per cent and above.11 GPs belonged to the group of percentage share of non-tax revenue of 50 per cent to 69.9 per cent during 2012-13 (Table 6.19).

6.5.4 Own Non-Tax Revenue Diversification Index

Own non-tax revenue comes from fees, toll, cess and income from other sources. Now to examine diversification of own source revenue, we can use Entropy Diversification Index. Here we look into the extent of diversification of own source revenue (OSR) of Gram Panchayats of Howrah during 2006-07 to 2009-10. It is revealed that Entropy measure of diversification of own non-tax revenue shows an increasing trend for 20 selected Gram Panchayats except Amta, Basantapur, Chamrail and Durgapur-Abhoynagar II. During 2006-07 the value of diversification index was 0.18 which increased to 0.23 during 2012-13 (Appendix Table A.28).

Frequency Distribution of Selected Gram Panchayats by value of Entropy Diversification Index of Own Non-Tax Revenue of Selected Gram Panchayats revealed that in 2006-07 only one Gram Panchayat Chamrail belonged to the highest group of Entropy Index of 0.3 and above while three GPs belonged to the lowest group of Entropy Index below 0.1. During 2009-10 two GPs belonged to the highest group of Entropy Index of 0.3 and above while only one GP namely Jagatballavpur I belonged to the lowest group of Entropy Index below 0.1. And 14 GPs belonged to group of Entropy Index of 0.1 to 0.29 during 2006-07(Table 6.20).

Table 6.20 Frequency Distribution of Selected Gram Panchayats by Entropy Diversification Index of Own Non-Tax Revenue, 2006-07 to 2009-10

Class of Entropy Index	2006-07		2009-10	
	Number	GPs	Number	GPs
Below 0.1	3	Br II, Nschnda, Jgt II	1	Jgt I,
0.1-o.29	13	Bsntp, Jgt I, Khlsni, Am, An, DAII, Jgdsp, Jrg, Khlre, Bag I, Ban, Bnglpr, Bsdp	14	Bsntp, Am, DAII, Jgdsp, Jrg, Khlre, Bag I, Ban, Bnglpr, Bsdp,Chmrl, Br II, Nschnda, Jgt II
0.3 and above	1	Chmrl	2	Khlsni, An
Total	17		17	

Notes: Amt=Amta,Bsntp=Basantapur, Br II = Bargachia-II , Jgt-I =JagatBallavpur-I, Khlsn=Khalisani,An=Anulia, , Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Chmrl=Chamrail, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda Bargachia-I, Banibon and Balichak are excluded due to lack of relevant data.
Source:Howrah DPRDO Annual Report .

6.5.5 Utilization Ratio of Total Revenue and Own Source Revenue of Gram Panchayats

This section examines whether Gram Panchayats of Howrah district are efficient in utilizing the funds available to them. The rate of utilization of fund available to Gram Panchayats is an indicator that measures the efficiency of Panchayat functionaries in utilization of resources.

Table 6.21 Frequency Distribution of Gram Panchayats by Utilization Ratio of Total Revenue (TR), 2012-13 (%)

Class	2012-13	
(Utilisation Ratio of T.R. %)	Number	GPs
Below 85	1	Bnibn
85 To100	5	DA II, Br I, Br II, Bsdp, Jagt-II
More Than 100	5	Chmrl, Nschnda, Jrg, Jgdsp, Khlsni
Total	11	

Notes: Br I= Bargachia-I ,Br II = Bargachia-II , Khlsn=Khalisani,, Bnibn=Banibon, , Jgt II=JagatBallavpur-II, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Chmrl=Chamrail, Jdsp=Jagadishpur, Nschnd=Nischinda.
Amta, Basantapur, JagatBallavpur-I, Balichak, Anulia, Bainan, Bangalpur, Bagnan-I, Khalore are excluded due to unavailability of relevant data.
Source: Howrah DPRDO Annual Report .

Utilization Ratio of Total Revenue of Gram Panchayats

It is revealed that during 2012-13 five Gram Panchayats, namely Chamrail, Nischinda, Joargori, Jagadishpur and Khalisani were recorded in the highest group of utilization ratio [above 100 percent on account of high utilization of arrear (balance) fund] of total revenue while only one gram Panchayat Banibon witnessed the lowest group of utilization ratio below 85 percent (Table 6.21 & Figure 6.16).

Utilization Ratio of Own Source Revenue of Gram Panchayats

 In 2012-13 four Gram Panchayats, namely Chamrail, Nischinda, Durgapur-Abhaynagar II and Jagadishpur belonged to the lowest group of utilization ratio (below 50 per cent) of own source revenue while two Gram Panchayats, namely Bargachia I and Joargori were recorded in the highest group of utilization ratio (above 100 per cent) of own source revenue (Table 6.22 & Figure 6.16).

Table 6.22 Frequency Distribution of Gram Panchayats by Utilisation Ratio of Own Source Revenue, 2012-13 (%)

Class(Utilisation Ratioof OSR.%)	2012-13	
	Number	GPs
Below 50	4	Chmrl, Nschnda, Jgdsp, DA II
50TO100	5	Jagt-II, Bnibn, Bsdp, Khlsni, Br II
More Than 100	2	Br I, Jrg
Total		11

Notes: Br I= Bargachia-I ,Br II = Bargachia-II , Khlsn=Khalisani,, Bnibn=Banibon, , Jgt II=JagatBallavpur-II, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Chmrl=Chamrail, Jdsp=Jagadishpur, Nschnd=Nischinda.
Amta, Basantapur, JagatBallavpur-I, Balichak, Anulia, Bainan, Bangalpur, Bagnan-I, Khalore are excluded due to unavailability of relevant data.
Source: Howrah DPRDO Annual Report .

Figure 6.16 Utilization Ratio of Own Fund and Total Fund of Gram Panchayats, 2012-13 (%)
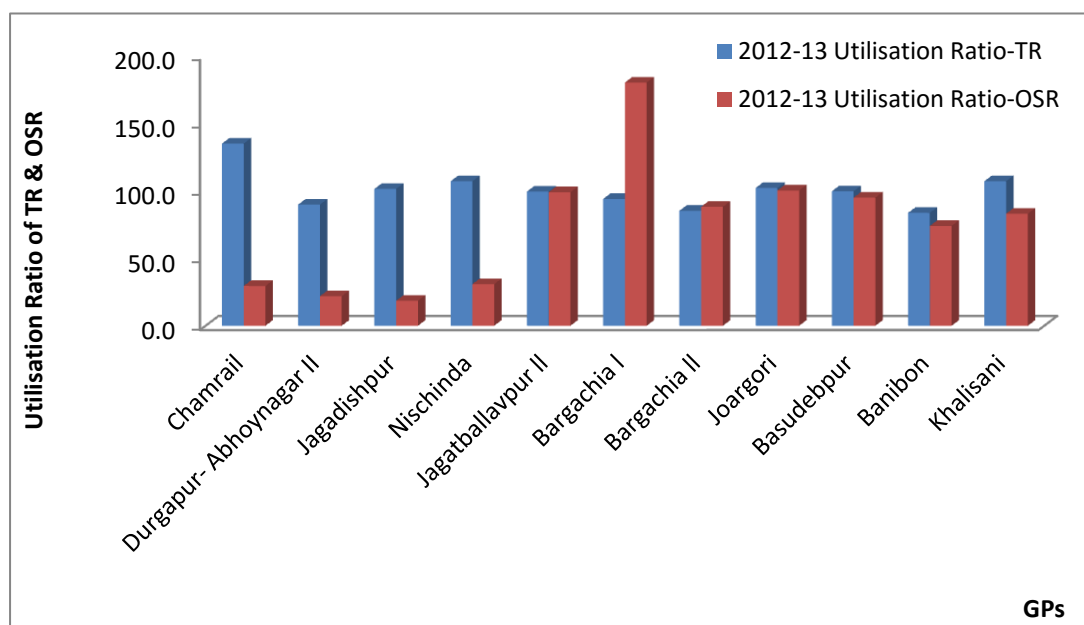
6.5.6. Variation in Per Capita Own Revenue during 2006-07 to 2012-13

Per capita own source revenue of Gram Panchayats (PCOSR) varied widely across the selected 20 Gram Panchayats under our study. In 2006-07 Gram Panchayat Bagnan I witnessed the highest per capita own source revenue (PCOSR) (Rs 137.01) followed by Durgapur-Abhoynagar II (Rs 43.79) and Nischinda (Rs 20.68). In 2009-10, again Panchayat Bagnan I (Rs 250.77) led other Gram Panchayats followed by Chamrail (Rs 82.75), Durgapur-AbhoynagarII (Rs 60.83) and Jagadishpur (Rs 41). During 2012-13, Panchayat Bagnan I (Rs 473.33) witnessed the highest per capita own source revenue to be followed by Chamrail (Rs 105.35), Durgapur Abhoynagarn II (Rs 98.62) and Nischinda (Rs 67.09). Gram Panchayats Basantapur and Balichak recorded

the lowest per capita own source revenue during the period from 2006-07 to 2012-13 (Appendix Table A. 29 and Figure 6.17).

Figure 6.17 Per Capita Own Source Revenue of Gram Panchayats, 2006-07 to 2012-13
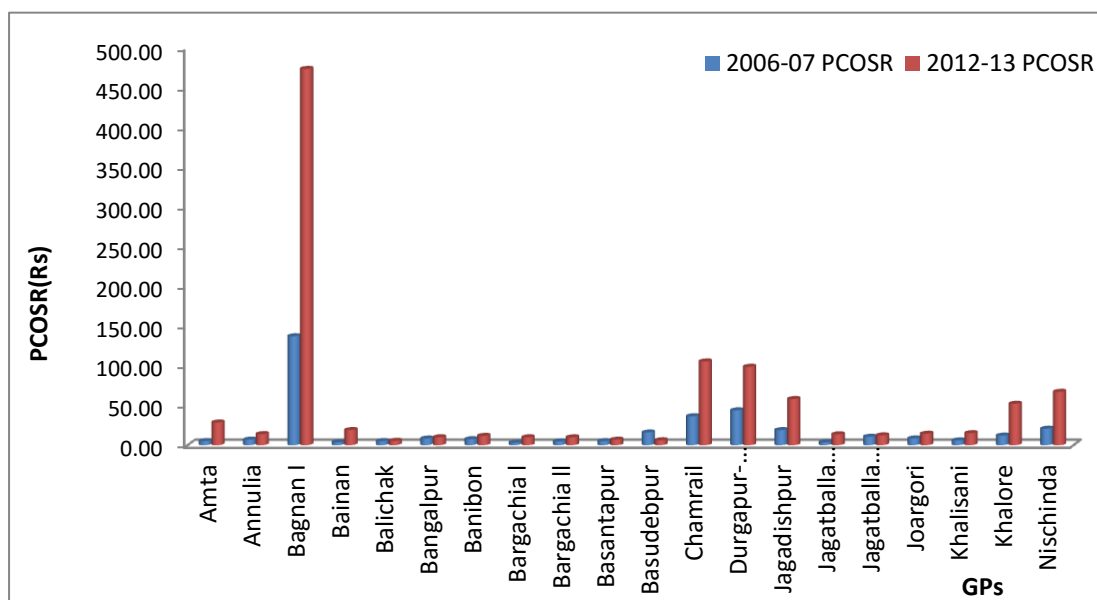
(Rs)

Frequency distribution of 20 selected Gram Panchayats by amount of per capita own source revenue (PCOSR) revealed that in 2006-07, only GP Bagnan I belonged to the highest group of own source revenue (Rs 60 and above) and remained so in 2012-13 while 16 GPs, namely Khalore, Joargori, Bangalpur, Bainan, Basudevpur, JagatballavpurII, Banibon, Bargachia I, Bargachia II, Jagatballavpur I, Balichak, Khalisani, Basantpur, Anullia, Amta, and Jagadishpur were recorded in the lowest group of PCOSR (less than Rs 20). Of them, except Jagadishpur, Amta and Khalore they remained so in 2012-13. GPs Jagadishpur, Amta and Khalore got elevated to the next higher group of own source revenue in 2012-13. Gram Panchayats Chamrail, Nischinda and Durgapure-Abhoynagar II got elevated to the highest group of own source revenue (Rs 60 and above) from the group of own source revenue (Rs 20 to Rs 59.9) during 2006-07 to 2012-13 (Table 6.23).

Table 6.23 Frequency Distribution of Gram Panchayats by Per Capita Own Source Revenue, 2006-07 to 2012-13 (Rs)

Class (Rs)	2006-07		2009-10		2012-13	
	Number	GPs	Number	GPs	Number	GPs
0-19.9	16	Bnibn, Br II, Amt, An, Ban, Jgt-I, Jgt II, Bnglpr, Jrg, Khlsn, B.c, Br I, Bsntp, Bsdp, Jdsp, khlr	12	Bnibn, Br II, Amt, An, Ban, Jgt II, Bnglpr, Jrg, B.c, Br I, Bsntp, Bsdp	13	Bnibn, Br II, An, Ban, Jgt II, Jgt-I, Bnglpr, Jrg, B.c, Br I, Bsntp, Bsdp, Khlsn
20-39.9	2	Chmrl, Nschnd	4	khlr, Jgt-I, Khlsn, Nschnd	1	Amt
40-59.9	1	DA II	1	Jdsp	2	Khlr, Jdsp
60 and above	1	Bag I	3	Chmrl, DA II, Bag I	4	Nschnd, DA II, Chmrl, Bag I
Total	20		20		20	

Notes: Amt=Amta, Bsntp=Basantapur, Br II = Bargachia-II , Br I = Bargachia-I Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani, An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=DurgapurAbhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Chmrl=Chamrail, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda
Source:Howrah DPRDO, Annual Report .

Per capita own tax revenue

Per capita own tax revenue of Gram Panchayats (PCOTR) varied widely across the selected 20 Gram Panchayats of the district during the study period. In 2006-07 Gram Panchayat Bagnan I recorded the highest per capita own tax revenue (PCOTR) (Rs 41) followed by Chamrail (Rs 23.1), Durgapur-Abhoynagar II (Rs 18) and Nischinda (Rs 10.4). During 2009-10, again Gram Panchayat Bagnan I (Rs 50.1) led other Gram Panchayats, followed by Chamrail (Rs 37.5), Jagadishpur (Rs 29.7) and Durgapur-Abhoynagar II (Rs 26.2). In 2012-13 Gram Panchayat Bagnan I (Rs 170.1) witnessed the highest per capita own tax revenue followed by Chamrail (Rs 53.7), Durgapur-Abhoynagar II (Rs 52.4) and Jagadishpur (Rs 35.9). Gram Panchayats Basantapur, Basudebpur and Balichak recorded the lowest amount of per capita own tax revenue during 2006-07 to 2012-13 (Appendix Table A.30, & Figure 6.18).

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Figure 6.18 Per Capita Own Tax Revenue of 20 Gram Panchayats , 2006-07 to 2012-13

(Rs)
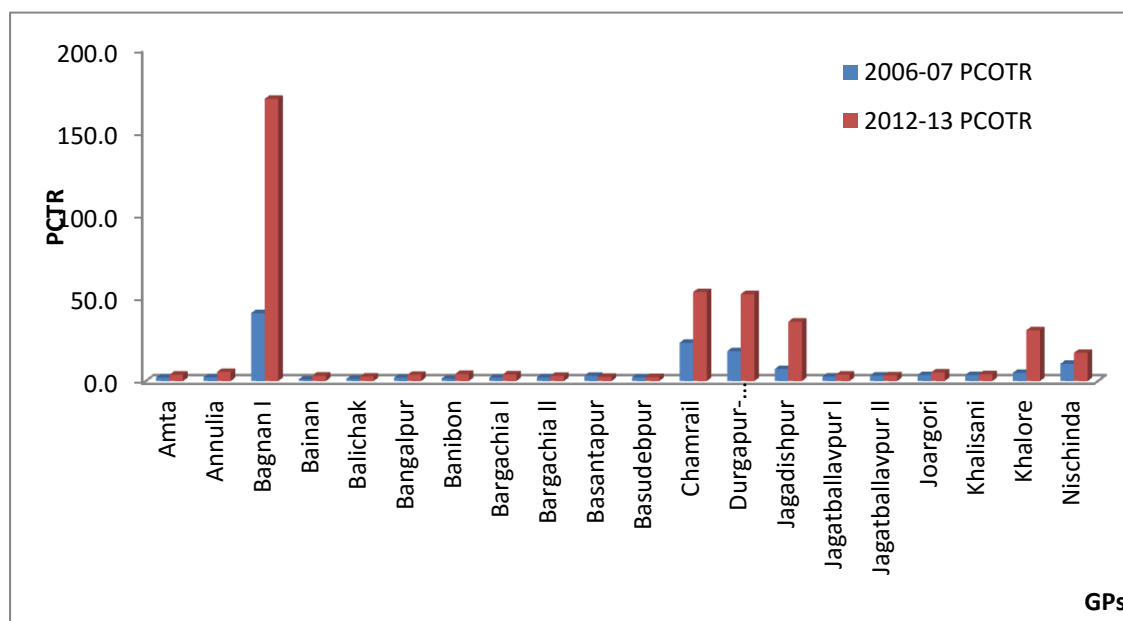
Table 6.24 Frequency Distribution of 20 Gram Panchayats by Percapita Own Tax Revenue, 2006-07 to 2012-13 (Rs)

Class (Rs)	2006-07		2009-10		2012-13	
	Number	GPs	Number	GPs	Number	GPs
0-19.9	18	Bnibn, Br-II, Amt, Anu, Ban, Jgt-I, Jgt II, Bnglpr, Jrg, DA II, Khlsn, B.c, Br I, Bsntp, Bsdp,Jdsp, khlr, Nschnd	16	Bnibn, Br II, Amt,Anu, Ban, Jgt-I, Jgt II,Bnglpr, Jrg, Khlsn, B.C, Br I, Bsntp, Bsdp,khlr, Nschnd	15	Bnibn, Br II, Amt,Anu, Ban, Jgt-I, Jgt II,Bnglpr, Jrg, Khlsn, B.C, Br I, Bsntp, Bsdp, Nschnd
20-39.9	1	Chmrl	3	Chmrl, Jdsp, DA II	2	khlr, Jdsp
40-59.9	1	Bag I	1	Bag I	2	Chmrl, DA II
60 and above	0	nil	o	nil	1	Bag I
Total	20		20		20	

Notes: Amt=Amta,Bsntp=Basantapur,Br II = Bargachia-II , Br I = Bargachia-I Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II,Bnglpr=Bangalpur,Jrg=Joargori,DA II=DurgapurAbhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Chmrl=Chamrail, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda
*Source:* Howrah *DPRDO, Annual Report.*

Frequency distribution of 20 Gram Panchayats by amount of per capita own tax revenue (PCOTRP) revealed that in 2006-07 only GP Bagnan I was recorded in the second highest group of per capita own tax revenue (Rs 40 to Rs 59.9) and got elevated to the highest group of own tax revenue (Rs 60 and above) in 2012-13.

GPs Chamrail and Durgapur-Abhoynagar II got elevated to the next higher group of per capita own tax revenue (Rs 40 to Rs 59.9) in 2012-13 while 18 GPs, namely Khalore, Joargori, Bangalpur, Bainan, Durgapur-Abhoynagar II, Basudevpur, Banibon, Bargachia I, Bargachia II, Jagatballavpur I, Jagatballavpur II, Balichak, Khalisani, Basantpur, Anullia, Amta, Nischinda and Jagadishpur were registered in the lowest group of per capita own tax revenue (below Rs 20). These GPs, except Durgapur-Abhoynagar II, Jagadishpur and Khalore remained so in 2012-13 (Table 6.24).

Per Capita Non-Tax Revenue

Per capita non-tax revenue varied widely across the selected 20 Gram Panchayats of the Howrah district during the period 2006-07 to 2012-13. In 2006-07 Gram Panchayat Bagnan I witnessed the highest per capita own non-tax revenue (PCONTR) (Rs 96.03) followed by Durgapur-Abhoynagar II (Rs 25.77), Basudebpur (Rs 13.7) and Chamrail (Rs 13.25). During 2009-10, again Panchayat Bagnan I (Rs 200.64) led other Gram Panchayats, followed by Chamrail (Rs 45.26), Durgapur-Abhoynagar II (Rs 34.64) and Jagatballavpur I (Rs 22.9). In 2012-13 Panchayat Bagnan I (Rs 303.22) witnessed the highest per capita non-tax revenue followed by Chamrail (Rs 51.69), Nischinda (Rs 50.03) and Durgapur-Abhoynagar II (Rs 46.21). Gram Panchayats, namely Basantapur, Bangalpur, Bargachia l, Bargachia II, and Balichak recorded the lowest amount of per capita non-tax revenue during the period from 2006-07 to 2012-13 (Appendix Table A.31& Figure 6.19).

Figure 6.19 Per Capita Own Non-Tax Revenue of 20 Gram Panchayats, 2006-07 to
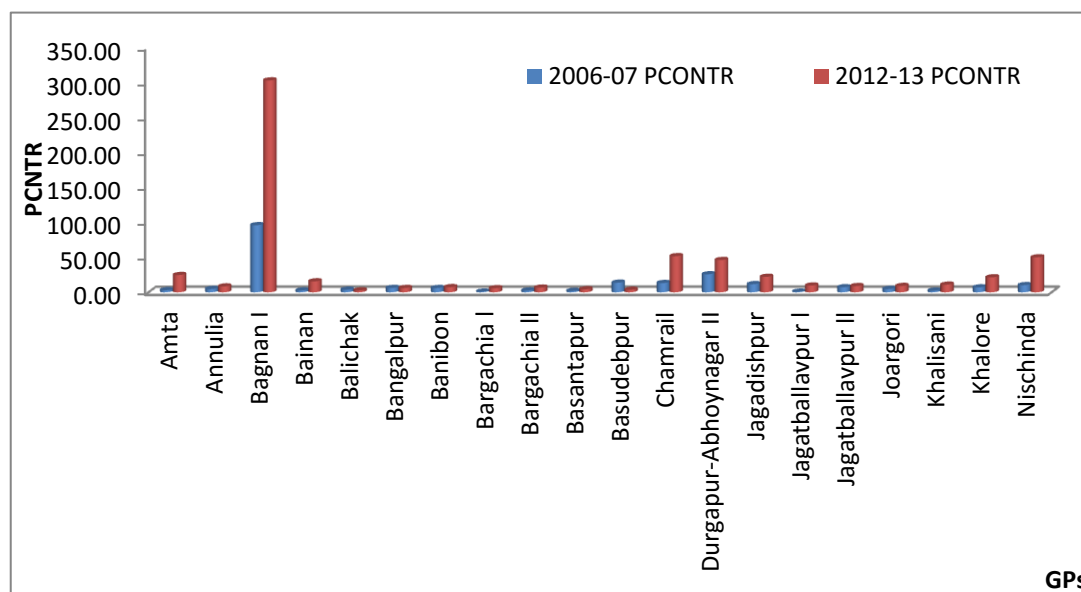
2012-13 (Rs)

Table 6.25 Frequency Distribution of 20 Gram Panchayats by Percapita Own Non-Tax Revenue , 2006-07 to 2012-13 (Rs)

Class(Rs)	2006-07		2009-10		2012-13	
	Number	GPs	Number	GPs	Number	GPs
0.0-19.9	18	Bnibn,Br II, Amt,Anu,Ban,Jgt-I,Jgt II, Bnglpr, Jrg,Chmrl, Khlsn,B.c, Br I,Bsntp,Bsdp, Jdsp,khlr,Nschnd	16	Bnibn, Br II, Amt, Anu,Ban,Jgt-I,Jgt II, Bnglpr,Jrg,Khlsn,B.C, Br I, Bsntp,Bsdp, ,khlr, Nschnd	13	Bnibn, Br II, Anu, Ban, Jgt-I, Jgt II, Bnglpr, Jrg,Khlsn,B.C, Br I, Bsntp,Bsdp, ,Nschnd
20-39.9	1	DA II	2	Jdsp,DA II	3	Jdsp,khlr,Amt
40-59.9	0	Nil	1	Chmrl	3	Chmrl,DA II, Nschnd
60 and above	1	Bag I	1	Bag I	1	Bag I
Total	20		20		20	

Notes: Amt=Amta,Bsntp=Basantapur,Br II = Bargachia-II , Br I = Bargachia-I Jgt-I =JagatBallavpur-I, Bc=Balichak, Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II,Bnglpr=Bangalpur,Jrg=Joargori,DA II=DurgapurAbhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Chmrl=Chamrail, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda
Source: Howrah *DPRDO Annual Report.*

Frequency distribution of 20 Gram Panchayats by amount of per capita own non-tax revenue (PCONTRP) revealed that in 2006-07, only GP Bagnan I was recorded the highest group of own tax revenue (Rs 60 and above) and remained so in 2012-13.

GPs Chamrail, Nischinda and Durgapur-Abhoynagar II got elevated to the second highest group of per capita non-tax revenue (Rs 40 to Rs 59.9) in 2012-13 while 18 GPs, namely Khalore, Joargori, Bangalpur, Bainan, Chamrail, Basudevpur, Banibon, Bargachia I, Bargachia II, Jagatballavpur I, Jagtballavpur II, Balichak, Khalisani, Basantpur, Anullia, Amta, Nischinda and Jagadishpurare were registered in the lowest group of PCONTR (below Rs 20). These Gram Panchayats, except Durgapur-Abhoynagar II, Jagadishpur, Amta, Khalore, Chamrail and Nischinda remained so in 2012-13 (Table 6.25).

The notable feature is that there is substantial fluctuation over years in per capita own source revenue, per capita tax revenue and per capita non-tax revenue.

Now to examine whether the mean of per capita own source revenue, per capita tax revenue and per capita non-tax revenue of the 20 selected Gram Panchayats significantly increased in 2012-13 compared to 2006-07 or not , we can use Fischer's 't'-test for equality of mean .

Here, in the case of per capita own source revenue (PCOSR),

Now before going to examine whether the mean of per capita own source revenue of the selected districts significantly increased in 2012-13 compared to 2006-07 or not, we have to know the equality of variance.

The equality of the variance of per capita own source revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 20 selected Gram Panchayats the null hypothesis is not accepted for 2006-07 and 2012-13.

Here for unequal variance, calculated value t_0 (1.4) is not higher than tabulated value t_α (1.7). Hence the null hypothesis is not rejected. Thus the PCOSR did not significantly increase in 2012-13 compared to 2006-07.

Here, in the case of per capita tax revenue (PCTR),

Now before going to examine whether the mean of per capita own tax revenue of the selected districts significantly increased in 2012-13 compared to 2006-07 or not, we have to know the equality of variance.

The equality of the variance of per capita own tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 20 selected Gram Panchayats the null hypothesis is not accepted for 2006-07 and 2012-13.

Here for the unequal variance, calculated value t_0 (1.5) is not higher than $t\alpha$ (1.7) tabulated value. Hence the null hypothesis is accepted. Thus the PCTR did not significantly increase in 2012-13 compared to 2006-07.

Here, in the case of per capita non-tax revenue (PCNTR),

Now before going to examine whether the mean of per capita own non-tax revenue of the selected districts significantly increased in 2012-13 compared to 2006-07 or not, we have to know the equality of variance.

The equality of the variance of per capita own non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 20 selected Gram Panchayats the null hypothesis is not accepted for 2006-07 and 2012-13.

Here for unequal variance, the calculated value t_0 (1.3) is not higher than t_α (1.7) tabulated value. Hence the null hypothesis is accepted. Thus the PCNTR did not significantly increase in 2012-13 compared to 2006-07.

Hence the means of PCOR, PCTR and PCNTR did not significantly increase in 2012-13 compared to 2006-07.

Now to analyse whether the per capita non-tax revenue is significantly higher than per capita tax revenue of Gram Panchayats of the 20 selected Gram Panchayats during the period from 2006-07 to 2012-13 we can compare the mean of per capita tax revenue and per capita non- tax for 2006-07 and 2012-13.

Now to examine whether the per capita non-tax revenue was significantly higher than per capita tax revenue of the districts during the period from 2006-07 to 2012-

13, we can compare means of PCTR and PCNTR by the Fischer's 't' test for 2006-07 and 2012-13. According to the Fisher's 't' test, if calculated value of 't' is higher than tabulated value of 't' then the null hypothesis will be not accepted, otherwise accepted.

Now before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in 2006-07, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 20 selected Gram Panchayats the null hypothesis is not accepted for 2006-07.

Here for unequal variance, calculated value to (0.83) is not higher than the t_α (1.7) tabulated value. Hence the null hypothesis is not rejected. Thus the per capita non-tax revenue was not significantly higher than per capita tax revenue in 2006-07.

Now again in 2012-13, before going to examine whether the mean of per capita non-tax revenue was significantly higher than per capita tax revenue or not in, we have to know the equality of variance.

The equality of the variance between per capita own tax and per capita non-tax revenue (i.e., H_0: $\sigma_1 = \sigma_2$, against H_1: $\sigma_1 / \sigma_2 > 1$) is subject to F test. For given sample of 20 selected Gram Panchayats the null hypothesis is not accepted for 2012-13.

Here for unequal variance, calculated value t_0 (0.6) is not higher than t_α (1.7) tabulated value. Hence the null hypothesis is not rejected. Thus per capita non-tax revenue was not significantly higher than per capita tax revenue in 2012-13.

Table 6.26 PCOSR, PCOTR and PCONTR in relation to utilization ratio of total revenue of sample gram Panchayats, 2012-13 (%)

Gps	PCOSR	PCOTR	PCONTR	Utilization Ratio (UR) of total revenue %
Chamrail	105.35	53.7	51.65	134.9
Durgapur-Abhoynagar II	98.62	52.4	46.22	89.7
Jagadishpur	58	35.9	22.1	101.3
Nischinda	67.09	17.1	49.99	107
Jagatballavpur ll	12.33	3.4	8.93	99.3
Bargachia l	9.93	4.1	5.83	93.9
Bargachia ll	9.84	3.2	6.64	85.1
Joargori	14.34	5.2	9.14	102
Basudebpur	6.12	2.4	3.72	99.6
Banibon	11.67	4.3	7.37	83.6
Khalisani	15.08	4.2	10.88	107

Sources: As Table 6.25

Regression equations

Regression equations concerning PCOSR and PCONTR shows that the variation in PCOSR is explained by that in the ratio of utilization (UTR) of total revenue, i.e, the ratio of total revenue to total expenditure to the extent of 20 per cent and the model is significant at 10 per cent level. The variation in PCONTR is also explained by that in the UTR to the extent of 21.8 per cent and the model is significant at 10 per cent level (Table 6.27).

Table 6.27 Regression Equation concerning PCOSR and PCONTR of Sample Gram Panchayats

Regression Equation	adj R^2	F-value
PCOSR= -106.7 + 1.43*UTR (-1.37) (1.86)	0.197	3.48*
PCONR= -55.06 + 0.751*UTR (-1.41) (1.95)	0.218	3.79*

Notes: UTR = Utilization ratio, * Indicates significance level at 10%,

6.5.7 Revenue Autonomy and Fiscal Autonomy of Selected Gram Panchayats

Revenue Autonomy

It is measured as a proportion of own source revenue to total revenue of Gram Panchayats. Revenue autonomy of Gram Panchayats was very poor in almost all the

selected Gram Panchayats and it varied substantially across the selected Gram Panchayats. During 2012-13, Gram Panchayats Chamrail, Durgapur-Abhoynagar II, Jagadishpur and Nischinda were recorded in the highest group of revenue autonomy (above 10 per cent) while four Gram Panchayats, namely Banibon, Bargachia I, Bargachia II and Basudebpur were registered in the lowest group of revenue autonomy (below 5 per cent). Three Gram Panchayats, namely Khalisani, Joargori and Jagatballavpur belonged to the group of revenue autonomy above 5 per cent to10 per cent (Table 6.28 & Figure 6.20).

Table 6.28 Frequency Distribution of Selected Gram Panchayats by Revenue Autonomy, 2012-13   **(%)**

Class(R.A.%)	2012-13	
	Number	Blocks
Below 5	4	Bnibn, Br I , Br II, Bsdp
5 to 10	3	Khlsni, Jrg, Jgt II
Above 10	4	Chmrl, DA II, Jgdsp, Nschnda
Total	11	

Notes: Br II = Bargachia-II , Br I = Bargachia-I , Khlsn=Khalisani,, Bnibn=Banibon,Jgt II=JagatBallavpur-II, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Chmrl=Chamrail, Jdsp=Jagadishpur, Nschnd=Nischinda.***Amta, Basantapur, JagatBallavpur-I, Balichak, Anulia, Bainan, Bangalpur, Bagnan-I, Khalore are excluded due to unavailability of relevant data.
Source: Howrah DPRDO Annual Report .

Fiscal Autonomy

It is measured as a proportion of own source revenue to total expenditure of Gram Panchayats. Fiscal autonomy of Gram Panchayats was very poor in almost all the selected GPs and it varied substantially across the selected GPs. In 2012-2013 Gram Panchayats, Chamrail, Durgapur-Abhoynagar II, Jagadishpur and Nischinda were recorded in the highest group of fiscal autonomy (above 10 per cent) while four Gram Panchayats, namely Khalisani, Bargachia I, Bargachia II and Basudebpur belonged to the lowest group of revenue autonomy (below 5 per cent). Three Gram Panchayats, namely Banibon, Joargori and Jagatballavpur were registered in the group of revenue autonomy 5.0 per cent to 10 per cent (Table 6.29 & Figure 6.20).

Table 6.29 Frequency Distribution of Selected Gram Panchayats by Fiscal Autonomy, 2012-13 (%)

| Class(F.A.%) | 2012-13 | |
	Number	Blocks
Below 5	4	Khlsni, Bsdp, Br I, Br II
5 to 10	3	Jagt-II, Jrg, Bnibn
More Than10	4	Chmrl, DA II, Jgdsp, Nschnda
Total	11	

Notes: Br II = Bargachia-II , Br I = Bargachia-I , Khlsn=Khalisani,, Bnibn=Banibon, , Jgt II=JagatBallavpur-II, , Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Chmrl=Chamrail, Jdsp=Jagadishpur, Nschnd=Nischinda.***Amta, Basantapur, JagatBallavpur-I, Balichak, Anulia, Bainan, Bangalpur, Bagnan-I, Khalore are excluded due to unavailability of relevant data.

Source: Howrah *DPRDO, Annual Report* .

Figure 6.20 Revenue Autonomy and Fiscal Autonomy of Gram Panchayats,

2012-13 (%)
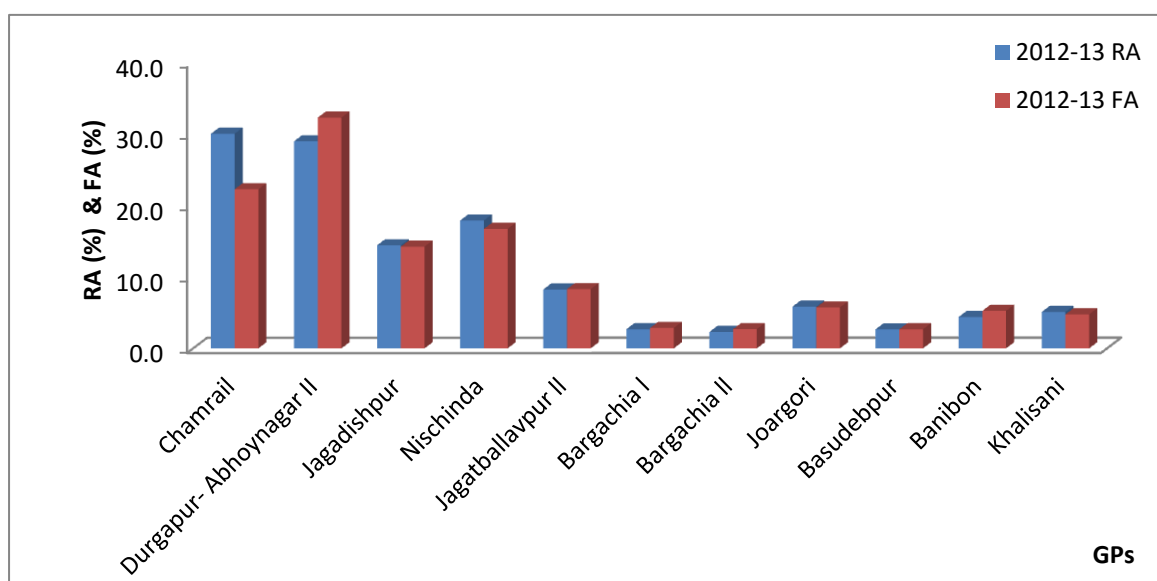
6.5.8 Ratio of Own Source Revenue to External Development Revenue of Selected Gram Panchayats in Howrah District 2011-12 to 2014-15

While GPs are largely dependent on external fund we felt interested in calculating the extent to which they are self-sufficient vis a vis external development revenue. This we do in the sub-section that follows.

Ratio of own source revenue to external development revenue (EDR) Gram Panchayats varied widely across the selected 20 Gram Panchayats of the district in our study period. In 2011-12 Gram Panchayat Durgapur-Abhoynagar II had the highest ratio of own source revenue to external development revenue (61.5%), followed by Jagadishpur (40.6%) and Nischinda (37.6) while Bargachia I recorded the lowest ratio of own source revenue to external development revenue (1.5%), led by Annulia (1.7%) and Basantapur (1.9%). During 2014-15, again Panchayat Durgapur-Abhoynagar II (79.3%) led other Gram Panchayats followed by Bagnan I (74.2%), Jagadishpur (52%) and Nischinda (31.9%). On the other hand, Gram Panchayat Bangalpur witnessed lowest ratio of own source revenue to external development revenue (3.4%), led by Bargachia II (3.9%) and Balichak (4.2%) (Appendix Table A.33 and Figure 6.21).

Figure 6.21 Ratio between Own Source Revenue and External Development Revenue , 2011-12 to 2014-15 (%)
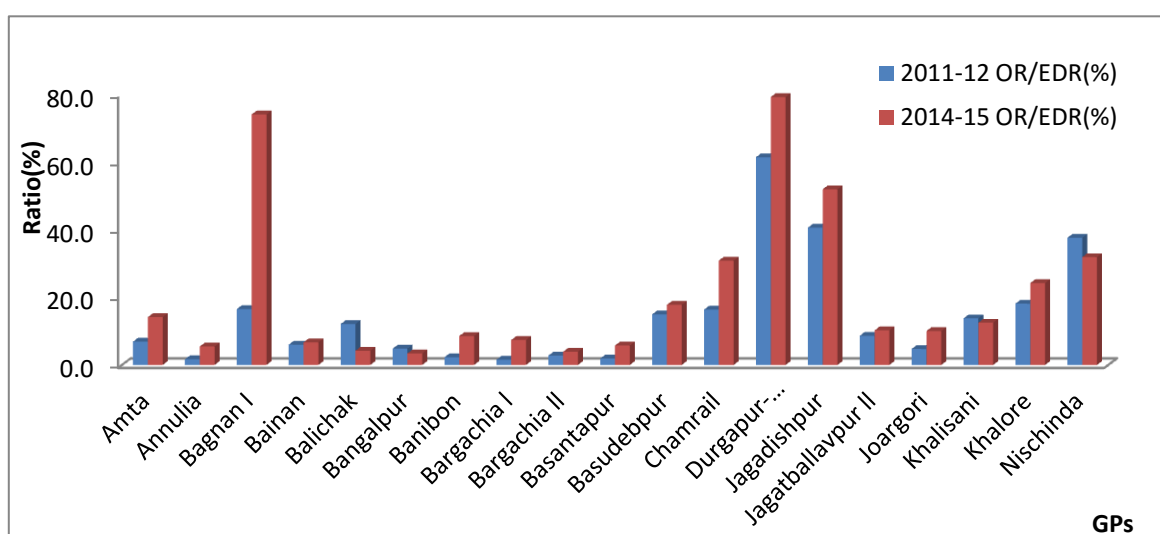
Frequency Distribution of Selected Gram Panchayats by Ratio of Own Source Revenue to External Development Revenue during 2011-12 to 2014-15

In 2011-12 it is observed that 10 Gram Panchayats, namely Anulia, Amta, Bainan, Bangalpur, Banibon, Bargachia I, Joargori, Basantapur, Jagatballavpur II and Bargachia II belonged to the lowest group of the ratio (below 10 per cent) of own source revenue (OSR) to external development revenue (EDR) and they, except Jagatballavpur II and Amta remained so in 2014-15.

Table 6.30 Frequency Distribution of selected Gram Panchayats by ratio of Own Source Revenue to External Development Revenue, 2011-12 to 2014-15 (%)

class of percentage of the ratio	2011-12		2014-15	
	Number	GPs	Number	GPs
0-9.99	10	An, Bsntp, Bnibn, Br I & II,Jrg, Bnglpr, Ban, Amt, Jgt II	8	B.C, An, Bsntp, Bnibn, Br I&II, Bnglpr,Ban
10-19.9	6	Bc, Khsln, Bsdp, Chmrl, Bag I, Khlr	5	Jrg, Khsln, Bsdp, Amt, Jgt II
20-39.9	1	Nschnd	3	Khlr, Chmrl, Nschnd
40-59.6	1	Jgdsp	1	Jgdsp
60 and above	1	DA II	2	Bag I, DA II
Total	19		19	

Notes: Amt=Amta,Bsntp=Basantapur,Br II = Bargachia-II , Br I = Bargachia-I Bc=Balichak, Khlsn=Khalisani,An=Anulia, Bnibn=Banibon, Ban=Bainan, Jgt II=JagatBallavpur-II, Bnglpr=Bangalpur, Jrg=Joargori, DA II=Durgapur Abhaynagar-II, Bsdp=Basudebpur, Bag I=Bagnan-I, Jdsp=Jagadishpur, khlr=Khalore, Nschnd=Nischinda, Chmrl=Chamrail.
Source:Howrah DPRDO Annual Report

Only GP Durgapur-Abhoynagar II was recorded in the highest group of percentage ratio (60 per cent and above) and it remained so in 2014-15. Bagnan I got elevated to the highest group of ratio in 2014-15 from 2011-12(Table 6.30).

6.6 Summary

Own tax, non-tax and own source revenue substantially varied across the 144 Gram Panchayats and over the period from 2006-07 to 2012-13. The structure of own source revenue for most of these Gram Panchayats changed in favour of non-tax revenue during this period. The growth rates of own source revenue, own tax revenue and own non-tax revenue of the Gram Panchayats, namely Jagadishpur, Amta, Bargachia I, Bargachia II , Bagnan I and Khalore were statistically significant. The ratio of per capita tax revenue to per capita non-tax revenue declined during this period. Per capita non-tax revenue was not, however, significantly higher than per capita tax revenue of the Gram Panchayats. Fiscal autonomy for most of the 144 Gram Panchayats was very poor and it continuously declined due to tiny amount of own source revenue compared to total expenditure of these Gram Panchayats.

In the case study conducted on selected 20 Gram Panchayats, it is observed that the percentage of total collection to demand of own tax revenue witnessed an increasing

trend. The Entropy measure indicated an increasing trend of diversification of own source revenue of these Gram Panchayats. The ratio of per capita tax revenue to per capita non-tax revenue was increasing. Hence the per capita tax revenue compared to per capita non-tax revenue was increasing but per capita tax revenue was not significantly higher than per capita non- tax revenue of these Gram Panchayats.

Regression equations concerning per capita own source revenue (PCOSR) and per capita own non-tax revenue (PCONTR) show that the variation in PCOSR is explained by that in the ratio of utilization (UTR) of total revenue, i.e., the ratio of total revenue to total expenditure, to the extent of 20 per cent and the model is significant at 10 per cent level. The variation in PCONTR is also explained by that in the UTR to the extent of 21.8 per cent and the model is significant at 10 per cent level

Ratio of own source revenue (OSR) to external development revenue (EDR) of the selected Gram Panchayats did not significantly increase in 2014-15 compared to 2011-12.

Chapter 7

MICROLEVEL STUDY

We have discussed so far different issues of own resource mobilisation of Panchayats at state , district, block and gram levels in Howrah district based on secondary and primary data. But in order to examine the issues relating to participation of people in own resource mobilization of Gram Panchayats (GPs) there is a need for disaggregate level analysis of own resource mobilization of Panchayats at the household level against their socio-economic characteristics. This is done in this chapter based on the primary data that have been collected from 300 sample households. These households are randomly selected from 6 sample villages of 3 Gram Panchayats of Bagnan1 block of the district.

The plan of this chapter is as follows. Section 7.1 presents the profile of sample villages. Section 7.2 examines the socio-economic conditions of sample households. Section 7.3 presents the extent of households' financial contribution (payment as tax and non-tax revenue) to Panchayats. Section 7.4 analyses the opinions of sample households on Gram Panchayat functioning in relation to own resource mobilization of Panchayats and presents their suggestions so as to increase the own source revenue of Gram Panchayats. Section 7.5 summarizes the discussion made earlier in this chapter.

7.1 Profile of Sample Villages

As per the Census of India 2011 the demographic structure of sample villages varied widely. Two villages Khadinan and Khajutti of Bagnan I block had the size of population above five thousand. Total Number of persons were relatively low in two villages, Tenpurnabasan and Hijlak. Number of households also largely varied across sample villages. It varied between 744 in Tenpurnabasan and 2059 in Khadinan (Table 7.1). Most of the sample villages were pre-dominantly inhabited by general caste people. Scheduled caste population was relatively high in Karia (30.3 per cent) followed by Tenpurnabasan (25 per cent) and Hijlak (18.5 per cent). Scheduled tribe population was relatively low in sample village Hijlak (0.32 per cent) followed by

Khadinan (0.08 per cent) and Tenpurnabasan (0.06 per cent). Villages Chandrapur and Karia of Bagnan I block don't have any S.T population. Literacy rate was fairly high in four sample villages of the block, e.g, Hijlak (83.69 per cent), Chandrapur (75.8 per cent), Khadinan (75.05 per cent), Khajutti (75.03 per cent) and Tenpurnabasan (74.86 per cent).

Table 7.1.Demographic Structure of Sample Villages of Bagnan I block

GPs	Name of the Villages	No HH	TO POP	SC%	ST%	LTR%	TW%	MNW%	CLV of MNW%	AL of MNW%	OTW of MNW%	%NW
Bagnan I	Hijlak	888	3808	19	0.3	83.69	34.5	30	1.44	4.99	4.46	65.52
	Tepur nabasan	744	3234	25	0.1	74.86	41.1	33.9	2.35	1.82	7.24	58.87
Bagnan II	Chandra pur	1019	4742	17	0	75.88	40.3	31.8	3.12	2.53	8.54	59.68
	Khadinan	2059	9297	12	0.1	75.05	39.2	29.8	1.04	1.55	9.44	60.79
Bainan	Khajutti	1425	7380	0.1	0	75.03	33.2	26.3	6.48	15.5	0.22	66.79
	Karia	964	4737	30	0	61.14	30.4	24.5	1.54	6.48	5.91	69.64

Sources: Census of India 2011

Work participation rate is relatively high in two sample villages of the block. It is near about 41.13 per cent in Tenpurnabasan and 40.32 per cent in Chandrapur of the G.Ps Bagnan I and Bagnan II. Work participation rate is relatively low in villages Karia (30.36 per cent), Khajutti (33.21 per cent) of Bainan G.P. and Hijlak (34.48 per cent) of Bagnan I G.P. In Khadinan village of Bagnan II G.P that rate is 39.21 per cent.

The percentage of cultivators to total workers is relatively high in Khajutti and Chandrapur villages of G.Ps Bagnan II and Bainan village of Bagnan I block as compared to other villages of the G.Ps of the block. It is highest in Khajutti (10.25 per cent) of Bainan followed by Chandrapur (3.29 per cent) of Bagnan II. But the proportion of agricultural labourers to total workers is relatively high in Khajutti (22.37 per cent) of G.P Bainan as compared to other sample villages. The proportion of other workers to total workers is remarkably high in all the sample villages except Hijlak of Bagnan I, Karia and Khajutti of Bainan. Thus non-agricultural employment was relatively high in sample villages in G.Ps Bagnan I and Bagnan II of Bagnan I

block (Table 7.1). There are some other noticeable features of the sample villages that are taken into consideration. Four villages, namely Hijlak and Tenpurnabasan of G.P Bagnan I, Khadinan and Chandrapur of G.P Bagnan II have well-developed communication. Other two sample villages of G.P Bainan are far away from the town and the main road or railway station. All the sample villages have electric facilities and each village has primary schools and high schools.

7.2 Socio-Economic Conditions of Sample Households

Here we dwell on literacy rate, economic livelihood and incomer of sample households of the three GPs - Bagnan I, Bagnan II and Bainan.

Literacy

Level of education affects the quality of decision making of the members of households. It is revealed that in the sample villages 4.3 per cent of the household respondents are illiterate, 40 per cent respondents have secondary education and only 32.6 per cent and 6.6 per cent of the total 300 respondents surveyed are graduates and post-graduates respectively.

Table 7.2 Frequency Distribution of Respondents of 300 Sample Households of 6 Sample Villages of 3 Sample GPs by their Educational Standard

GPs	Villages	ILTR	Primary	Secondary	Graduate	Post - Graduate	Technical	Total
	Hijlak	1	2	18	25	3	1	50
	Tenpurnabasan	1	1	16	22	7	3	50
Bagnan I	**Total**	**2**	**3**	**34**	**47**	**10**	**4**	**100**
	Chandrapur	1	5	22	17	3	2	50
	Khadinan	2	2	20	19	5	2	50
Bagnan II	**Total**	**3**	**7**	**42**	**36**	**8**	**4**	**100**
	Karia	5	20	19	5	1	0	50
	Khajutti	3	10	25	10	1	1	50
Bainan	**Total**	**8**	**30**	**44**	**15**	**2**	**1**	**100**

Notes: ILTR= Illiterates.
Source: Household Survey

Economic Livelihood of Sample Households

Only 1.33 per cent of total 300 respondents surveyed are educated in technical stream. GP-wise comparative analysis reveals that GP Bagnan I is developed in terms of literacy rate relative to other two sample GPs. GP Bainan is relatively backward in this respect (Table 7.2).

Frequency distribution of sample households by their occupational pattern reveals that agriculture-allied activity is main source of income for 15 sample households of V_i village, for 10 households of V_{ii}, V_{iii}, V_{iv} villages and for 15 households of V_{vi}, whereas this figure is 3 in sample village V_v. Most of the households belonging to six sample villages earn their livelihood from services and from processing. All the sample villages are not so much dependent on agricultural labour except sample households belonging to V_v and V_{vi} of Bainan.

Table 7.3 Major Occupational Pattern of Sample Households

GPs	Bagnan I			Bagnan II			Bainan			Grand total	Per cent
Villages	Hijlak	Tenpurnab asan	Total	Chandra pur	Khadina n	Total	Karia	Khajutti	Total		
	(V_i)	(V_{ii})		(V_{iii})	(V_{iv})		(V_v)	(V_{vi})			
Cultivator	5	3	8	5	3	8	10	5	15	31	10
Agriculture Allied	15	10	25	10	10	20	3	15	18	63	21
Agricultural Labour	3	2	5	5	5	10	15	10	25	40	13
Processing	10	7	17	10	10	20	12	12	24	61	20
Services	17	28	45	20	22	42	10	8	18	105	36
Total	50	50	100	50	50	100	50	50	100	300	100

Source: Household Survey

It is also revealed that agriculture is the major source of income for 44% all 300 sample households followed by services (36%) and processing (20%). In other words, agriculture still remains the mainstay of the sample rural households. In terms of economic structure also sample households of Bagnan I GP where 56 per cent are non-agricultural excels those of other two sample GPs.

Income

A substantial proportion of sample households belong to the class of monthly income of Rs 1000-4900. It is seen that 27.3% sample households have the monthly income less than Rs 5000 while 25% and 18.3% sample households have the monthly income

Rs 5000-9900 and Rs 10000-14999 respectively. It is also observed that only 15% sample households belong to the monthly income class of Rs 20000 and above (Table 7.4).

Table 7.4 Frequency Distribution of Sample Households by their Monthly Income

<div align="right">(Rs)</div>

Monthly Income (Rs)	Bagnan I			Bagnan II			Bainan			Grand total	Per cent
	Hijlak (V_i)	Tenpurnabasan (V_{ii})	Total	Chandrapur (V_{iii})	Khadinan (V_{iv})	Total	Karia (V_v)	Khajutti (V_{vi})	Total		
1000-4999	7	12	19	10	5	15	20	15	35	79	26.3
5000-9999	15	8	23	15	10	25	12	15	27	75	25
10000-14999	10	10	15	15	10	25	10	10	20	60	20
15000-19999	10	5	15	5	10	15	6	8	14	44	14.7
20000 & above	8	15	18	5	15	20	2	2	4	42	14
Total	50	50	100	50	50	100	50	50	100	300	100

Source: Household Survey

7.3 Households' Payment of Tax and Non-Tax Revenue to Gram Panchayats

Gram Panchayat alone has been empowered to assess and realize any tax, viz. tax on land and buildings. In this section we analyse the sample households' payment to Gram Panchayats during financial year 2014-15. Households' payment to Gram Panchayat may be in the form of tax on land and buildings and fees for different services of Panchayats.

It is observed that 41.7 per cent sample households pay tax on land and buildings to the amount less than Rs 10 while 44.3 per cent sample households pay the amount varying between Rs 10 and Rs 30. Only 8.7 per cent families pay tax varying between Rs 31 and Rs 50 while only 5.3 per cent of the sample families pay within

the range Rs 51 to Rs 100 as tax on land and buildings. It is revealed that the amount of tax to the tune of Rs 71 to Rs 100 is paid by the maximum number of households in Bagnan I GP while the minimum number of households of GP Bainan pay even this amount. As per contribution of tax to Gram Panchayat Bagnan I GP leads sample GPs (Table 7.5).

Table 7.5 Frequency Distribution of Sample Households by Payment of Tax to GP

(Rs)

GPs	Bagnan I			Bagnan II			Bainan			Grand total	Per cent
Amount of Tax (Rs)	Hijlak	Tenpurnabasan		Chandra pur	Khadinan		Karia	Khajutti			
	(V_i)	(V_{ii})	**Total**	(V_{iii})	(V_{iv})	**Total**	(V_v)	(V_{vi})	**Total**		
0-09	20	20	**40**	20	25	**45**	20	20	**40**	125	41.7
10--30	20	25	**45**	18	20	**38**	25	25	**50**	133	44.3
31-50	5	3	**8**	9	4	**13**	3	2	**5**	26	8.7
51-70	4	1	**5**	2	1	**3**	2	2	**4**	12	4
71-100	1	1	**2**	1	1	**1**	0	1	**1**	4	1.3
101 & above	0	0	**0**	0	0	**0**	0	0	**0**	0	0
Total	50	50	100	50	50	100	50	50	100	300	100

Source: Household Survey

The low amount paid in the form of tax on land and buildings is, according to the sample households, mainly due to the lack of proper assessment on the value of land and buildings, irregularity in collection of tax by the Panchayats and lack of political will of the Panchayat members. There are some institutional constraints on mobilization of tax revenue by the Gram Panchayat.

Institutional Constraints

As per Panchayat Rules tax ought to be assessed on the basis of existing market value of land and building and annual value of the premises. The annual value should be determined at the rate 6% of the market value of the land and building and the rate of tax be varied between 1 and 2 per cent depending upon the annual value. This may be treated as potential tax revenue but actually the value of land and building is assessed and the tax rate is fixed arbitrarily and hence the actual tax amount for individual households is far less than the potential tax amount.

We here make an attempt to compare the actual tax amount and the potential tax amount based on relevant data from 100 randomly selected households of Bagnan I GP.

Potential Tax Revenue

To estimate the potential tax revenue we need to study the relevant provisions of the Panchayat Act. Section 46 of the West Bengal Panchayat Act, 1973 as modified up to the 31st January, 2004 specifies the tax rate as well as procedure for assessment of the annual value of lands or buildings. It reads as:

46 (1) Subject to such rules as may be made in this behalf, a Gram Panchayat shall impose yearly –

 (a) on lands and buildings within the local limits of its jurisdiction[1], a tax –

(i) at the rate of [2] (one per centum) of the annual value of such lands and buildings when the annual value does not exceed rupees one thousand, and

 (ii) at the rate of [3](two per centum) of the annual value of such lands and buildings when the annual value exceeds rupees one thousand, to be paid by the owners and occupiers thereof:

"annual value", in relation to any lands or buildings, means an amount equal to six per centum of the market value of such land or buildings at the time of assessment estimated in the prescribed manner:

It is revealed that the estimated tax per household is several times higher than actual amount realized at the GP level. The relevant data are presented in Table 7.6.

Table 7.6 Estimated and Actual Tax Paid by 100 Sample Households of Bagnan I Gram Panchayat

Number of Sample Households	Average land holding per household (Katha)	Average annual value of land & building per household (Rs in lakh)	Average tax amount estimated /potential per household (Rs)	Average actual tax paid per household (Rs)
20	2.5	0.56	1120	25
60	3.5	0.78	1560	55
12	4.47	1.01	2020	90
8	5.5	1.23	2460	150

Notes: 1 Katha =1.65 decimal.
Source: Household Survey of 100 Households of Bagnan I G.P.

Hence Panchayats realize the amount of tax very much less than their potential amount at the existing rate. They are reluctant and not prepared to realize the full potential of the tax on land and building for fear of loss of public support. Thus the relatively low performance of GPs in tax revenue mobilization is attributed to their unwillingness in optimally applying the tax instrument for fear of unpopularity at the Panchayat level. Besides, in the absence of any post of assessor Gram Panchayat find it difficult to assess the present value of land and buildings on which the tax amount has to be scientifically assessed.

This may be treated as institutional constraint on own resource mobilization of Panchayats in Howrah districts.

Payment of Fees

Amount of fees paid by the sample households to Gram Panchayats is low. Only 34 sample households pay fees to the amount of Rs 30 and below while only one household pays fees of Rs 101. Voluntary contribution of the sample households for

completion of development projects in terms of payment in kind or money has been either zero or very meager. Their contributions mainly relate to the projects like sinking and repair of tube wells and construction of morum roads. Here also we observe that only households of GP Bagnan I have contributed to the Panchayats in terms of fees of Rs 101 and above (Table 7.7).

Table 7.7 Frequency Distribution of Households by Payment of Fees to GP   (Rs)

Amount of Fees(Rs)	Bagnan I			Bagnan II			Bainan			Grand Total
	Hijlak	Tenpurnabasan	Total	Chandrapur	Khadinan	Total	Karia	Khajutti	Total	
	(V_i)	(V_{ii})		(V_{iii})	(V_{iv})		(V_v)	(V_{vi})		
0-10	2	5	7	4	3	7	3	2	5	19
11--30	4	2	6	2	5	7	1	1	2	15
31-50	1	1	2	5	0	5	2	1	3	10
51-70	2	2	4	1	1	2	0	0	0	6
71-100	2	1	3	2	1	3	0	0	0	6
101 & above	1	0	1	0	0	0	0	0	0	1
Total	12	11	23	14	10	24	6	3	10	57

Source: Household Survey

Per Capita Payment

Per capita payment (PCP) in the form of tax and fees etc. varies widely across the selected households of the sample villages. PCP is the ratio of total tax and non-tax payment to total population of selected households. Since these villages vary widely in respect of PCP to Panchayats, we may relate this variation in PCP to PCI, NWF

and PLH at the village level. The correlation matrix concerning the sample six villages is shown in Table 7.8.

Table 7.8 Per Capita Payment to Gram Panchayat in Relation to Per Capita Income of Sample Households, Percentage of Non-Farm Workers and Per Capita Landholding in Six Sample Villages

Villages	Per Capita Payment (Rs)	Per Capita income (Rs)	Percentage of NFW to Total Worker	per capita land holding (Katha)
v1	32.7	3200	63.89	1.10
v2	35.4	3800	72.41	1.55
v3	30.5	3100	53.85	0.93
v4	20.2	2700	48.15	0.76
v5	10.4	1800	31.14	0.43
v6	15.6	2200	45.26	0.66

Notes: NFW = Non-Farm Worker. 1Katha = 1.65 Decimal

It is observed that the PCP is highest in village 1 followed by village 2 and village 3, the lowest value being witnessed in village 5 led by village 6 and village 4. PCI, PCL and NFW are seen to be highest in village 2 followed by village 1, the lowest being observed in village 5 led by village 6 and village 4. Intuitively, there appears to be high correlation between the pairs of these values of the variables.

Correlation Matrix concerning per capita payment (PCP) to Gram Panchayat, per capita income (PCI) of sample households, percentage of non-farm workers (% of NFW) and per capita landholding (PCL) is shown in Table 7.9. It is observed that all the correlation coefficients presented in Table 7.9 are statistically significant at 1 per cent level.

Table7. 9 Correlation Matrix concerning PCP, PCI, PCL and NFW

Variables	PCP	PCI	NFW	PCL
PCP	1			
PCI	0.973**	1		
NFW	0.951**	0.97**	1	
PCL	0.921**	0.968**	0.975**	1

Notes: **Indicates1% level of significant.

The variation in PCP is explained by PCI and PCL jointly to the extent of 92 per cent. The coefficient of the variable PCI is significant at 10 per cent level. The variation in PCP is significantly explained by PCI, PCL and NFW separately (Table 7.10).

Table 7.10 Regressions Equations Concerning Six Sample Villages

Regressions Equations	R^2	Adj R^2	F
PCP = -19.08 + 0.018*PCI - 8.8PCL (0.115) (2.65) (-0.69)	0.95	0.92	31.6**
PCP = -14.2 + 0.014**PCI (-3.05) (8.5)	0.95	0.93	72.1**
PCP = 2.40 + 24.01**PCL (0.486) (4.7)	0.84	0.81	22.3**
PCP = -10.8+ 0.66**NFW (-1.8) (6.12)	0.9	0.88	37.5**

Notes: PCP = Per Capita Payment. PCI = Per Capita Income. NFW = Percentage of Non-Farm Workers. PCL = Per Capita Land holding.
1 Katha = 1.65 Decimal
** Indicates significance at 1% level.* Indicates significance at 10 % level.

 Per capita income and percentage of non-farm workers are treated as economic factors and per capita land holding may be treated as institutional factor. Thus the fourth Hypothesis made in chapter 1 (p-15) that economic and institutional problems constitute the major constraints on the own resource mobilization of Panchayats of

Howrah district of West Bengal is accepted. Alternatively we may go for considering the values of the above-mentioned four variables at the household level direct and finding out the relationships among these variables.

Percentage distribution of sample 300 households by classes of per capita payment to Gram Panchayat, per capita income, per capita land holding and percentage of non-farm workers is shown in Table 7.11.

Table 7.11 Percentage Distribution of Sample 300 Households by Classes of Per Capita Payment to Gram Panchayat, Per Capita Income, Per Capita Land Holding and Percentage of Non-Farm workers

Class of Per capita payment (Rs)	Percentage of HHs	Class of Per capita Income(Rs)	Percentage of HHs	Class of Percentage of Non-farm Workers	Percentage of HHs	Class of Per Capita Land Holding (Katha)	Percentage of HHs
0.5-9.9	65.7	Below 1000	27.7	Below 50.0	50.0	Below 0.5	78.0
10-29.9	27.3	1000-4999.99	48.7	50.0-74.9	32.7	0.5-0.99	15.0
30-49.9	4.0	5000-9999.9	21.0	75.0-99.9	15.0	1-1.499	4.3
50 and above	3.0	10000 and above	2.7	100.0	2.3	1.5 And Above	2.7
Total	100	Total	100	Total	100	Total	100

Notes: 1 Katha= 1.65 Decimal, HHs =Households. *Source*: Household Survey.

It is observed that most of the sample households belong to the class of PCP below Rs 10, to the class of PCL below 0.5 katha, to the class of NFW below 75 per cent and PCI below Rs 5000. These class-wise distributions of PCP, PCI, NFW and PCL may be correlated. It is observed that correlation coefficients between PCP and PCI, PCP and PCL and PCP and NFW classes are 0.98, 0.96 and 0.95 respectively, which are significant at 1 per cent level.

The results of the regression equations concerning the PCP as a function of PCI, PCL and NFW for 300 sample households are presented in Table 7.12. The adjusted R^2 and F of the estimated regression equation are such that the relevant regression model is fitted to the data set. The result of the regression equation concerning per capita payment to the Panchayats indicates that the variation in PCP is positively and significantly explained by per capita income (PCI), percentage of non farm workers to the total workers (NFW) and per capita land holding(PLH) to the extent of 86 per cent. The model is significant at 1% level. High level of per capita income, per capita land holding and high percentage of non-farm workers lead to economic prosperity of the households. Per capita payment of households to the Panchayat is positively influenced by the economic prosperity of the households.

Table 7. 12 Regression equation Concerning PCP by 300 sample households

Regression Equation	F-value	R^2	adj R^2
PCP= -201.4 + 0.002**PCI+ 2.24**NFW+0.78**PLH			
(-13.3) (13.2) (7.4) (4.6)	633.7**	87%	86%

Notes: **1% level of significance.
The values within parenthesis indicate 't' ratios.

7.4 Opinion and Suggestions of Sample Households

We consider here the opinion and suggestions of sample 300 households about the functioning of Gram Panchayats so as to Increase own source revenue of Gram Panchayats. It is observed that 38.66 per cent respondents opine 'good' about the quality of work done by Gram Panchayats whereas 40.33 per cent respondents argue 'not bad'. 19 per cent respondents are not satisfied at all in respect of the performance of Gram Panchayats in overall development of their areas. Only 1.66 per cent respondents are fully satisfied about the functioning of Gram Panchayats. Thus, near about 80 per cent respondents are satisfied either partially or fully about the functioning of Gram Panchayats. So the households of GPs Bagnan I and Bagnan II express the knowledge regarding Panchayat's own resource mobilization by their valuable opinions whereas the sample households of Bainan are not so much pleased

about Panchayat's performance (Table 7.13).

Table 7.13 Frequency distribution of sample household respondents by their opinion about the quality of work done by Gram Panchayats

GPs	Bagnan I			Bagnan II			Bainan			Grand total	Per cent
Villages	Hijlak	Tenpurnabasan	**Total**	Chandrapur	Khadinan	**Total**	Karia	Khajutti	**Total**		
Excellent	1	0	**1**	0	0	**0**	0	0	**0**	**1**	0.3
Very Good	2	1	**3**	1	0	**1**	0	1	**1**	**5**	1.7
Good	35	30	**65**	25	15	**40**	6	5	**11**	**116**	38.7
Not Bad	10	14	**24**	19	25	**44**	29	24	**53**	**121**	40.3
Bad	2	5	**7**	5	10	**15**	15	20	**35**	**57**	19
Total	50	50	**100**	50	50	**100**	50	50	**100**	**300**	100

Source: Household Survey

Households' Opinion in respect of awareness of Panchayat Expenditures and Willingness to pay more tax to Panchayat

In this section we make a study about the household's opinion in respect of their awareness about the pattern of Gram Panchayat's expenditure. It is expected that households have an idea about Panchayat's expenditures. It is observed that only 65 per cent respondents have idea about the pattern of expenditure of Gram Panchayats whereas 35 per cent of the sample respondents (out of 300 samples) have no idea about their expenditure pattern.

Another important issue that needs to be addressed is whether households are ready to increase the tax rate and expand the tax base of Gram Panchayats. We make a study about their opinion in this respect. It is observed that 65.3 per cent of the sample respondents out of 300 respondents of 6 sample villages argue in favour of increasing the tax rate and expanding the tax base provided that this must be spent for the development of their areas whereas only 34.7 per cent respondents have the opinion that Gram Panchayats should not increase the tax rate and expand the tax base because of their inability to share the excess burden. Thus, it is concluded that the Panchayats as well as Government near about 80 per cent respondents are satisfied either partially or fully about the functioning of Gram Panchayats. So the households of GPs Bagnan I and Bagnan II express the knowledge regarding Panchayat's own

resource mobilization by their valuable opinions whereas the sample households of Bainan are not so much pleased about Panchayat's performance (Table 7.14).

Table 7.14 Frequency Distribution of Sample Respondents by their Opinion in respect of Awareness of Panchayat's Expenditure and Willing to Pay more Tax to Panchayat

GPs	Bagnan I			Bagnan II			Bainan				
Villages	Hijlak		Tenpurnabasan	**Total**	Chandrapur	Khadinan	**Total**	Karia	Khajutti	**Total**	Grand total	Per cent
whether house hold have any idea about Panchayat expenditure? Yes	45	40	**85**	35	30	**65**	25	20	**45**	195	65.0
No	5	10	**15**	15	20	**35**	25	30	**55**	105	35.0
Total	50		50	**100**	50	50	**100**	50	50	**100**	300	100.0
are household ready to increase tax rate & tax base ? Yes	40	35	**75**	30	25	**55**	39	27	**66**	196	65.3
No	10	15	**25**	20	25	**45**	11	23	**34**	104	34.7
Total	50		50	**100**	50	50	**100**	50	50	**100**	300	100.0

Source: Household Survey

Households' Suggestions to increase in Own Source Revenue of Gram Panchayats

In this section we present the suggestions made by the sample households to increase own revenue of Panchayats based on the opinion of 300 sample respondents of 6 sample villages of Bagnan I Block in Howrah District.

Table 7.15 Frequency Distribution of Sample Households by their Suggestions to Increase Own Source Revenue of Gram Panchayats

GPs	Bagnan I			Bagnan II			Bainan				
	Hijlak	Tenpurnabasan	**Total**	Chandrapur	Khadinan	**Total**	Karia	Khajutti	**Total**		
Suggestions	(V_i)	(V_{ii})		(V_i)	(V_{ii})		(V_i)	(V_{ii})		Grand total	Per cent
Creation of Revenue Building Assets	10	10	**20**	5	10	**15**	5	15	**20**	55	18.3
A] Proper Assesment of Tax & Fees	15	20	**35**	10	15	**25**	20	10	**30**	90	30
B]Utilization of Own Fund	10	15	**25**	15	20	**35**	15	15	**30**	90	30
[A+B]	15	5	**20**	20	5	**25**	10	10	**20**	65	21.7
Total	**50**	**50**	**100**	**50**	**50**	**100**	**50**	**50**	**100**	300	100

Source: Household Survey

It is observed that all the sample households recommended how to improve the own fund and its mobilization through Panchayats. It is observed that 30 per cent respondents stressed on the proper assessment of tax and fees. 30 per cent respondents stressed on the proper assessment of utilization of own fund. 18.33 per cent respondents stressed on the creation of revenue building assets and 21.33 per cent respondents stressed on both proper assessment of tax and fees and Utilization of own fund (Table 7.15).

Households' Opinion about the Basis of Taxation of Gram Panchayats

As mentioned earlier that annual value of land and buildings is the only basis of taxation of the Gram Panchayats. It is observed that out of 300 respondents 31.3 per

cent argue that value of productive assets should only be the appropriate basis of taxation and 42.7 per cent argue that the value of land and building should only be the appropriate basis of taxation while 26 per cent per cent respondents mentioned that household's income from non-agricultural enterprises should be the basis of taxation (Table 7.16).

Table 7.16 Frequency Distribution of Sample Respondents by their Opinion about the Basis of Taxation

GPs	Bagnan I			Bagnan II			Bainan			Grand total	Per cent
	Hijlak	Tenpur nabasan		Chandrapur	Khadin an		Karia	Khajutti			
Basis of taxation	(V_i)	(V_{ii})	**Total**	(V_i)	(V_{ii})	**Total**	(V_i)	(V_{ii})	**Total**		
Value of productive assests	17	15	**32**	20	15	**35**	15	12	**27**	94	31.3
Income from non - agriculture enterprise	13	10	**23**	10	22	**32**	10	13	**23**	78	26.0
Value of land and buildings	20	25	**45**	20	13	**33**	25	25	**50**	128	42.7
Total	**50**	**50**	**100**	**50**	**50**	**100**	**50**	**50**	**100**	300	100.0

Source: Household Survey

7.5 Analysis of Tax Revenue of GP and its Co-factors at the Household Level

Framework of the Model

The empirical analysis of households' willingness to pay tax to Gram Panchayat is made on the basis of the theoretical background of Probit model. The households' willingness of tax payment to Gram Panchayat depends on awareness of activity of

Panchayats, literacy rate, quality of work of Panchayats, proper assessment of tax, fees and utilization of total fund, and also distance of household from town.

Probit model is called for to estimate the coefficients of independent variables which influence households' willingness of tax payment to Gram Panchayat.

We have set the Probit model by using dummy variable such as, whether a person interested on tax payment to the Panchayat then (Y=1) or (Y=0) as dependent variable and whether a person aware about Panchayat performance the (Y=1) or (Y=0). We have adjusted the order variables as their rank on quality of Panchayat work such as Excellent = 1, Very Good = 2, Good = 3… etc. We have also taken the distance of different sample villages from town, literacy rate and also tax revenue enhancement by all types of Panchayat asset building capacity (Y=1) or (Y=0) as independent variables.

The Specification of the Variables in the Model

The variables that determine the households' willingness of tax payment to Gram Panchayat is presented in Table 7.14. The values of mean, S.D, coefficient of variation (CV) and the notations used for the variables are also listed in the Table 7.17.

Now the regression equation can be written as,

$Y=\beta_1 x_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$ {where Y=INTP. And X_1=DST, X_2=QLW, X_3=ASST, X_4=AWRNS, X_5=LTR. βi = Estimated coefficient}

Table 7.17 Notation, Specification, Mean, S.D, CV of Variables used in Probit Estimation at the Household Level

	Notation	Specification	Mean	S.D	CV	Max-Value	Min-Value
		Dependent Variable					
	INTP	Willingness to pay tax (Y=1&N=0)	0.4	0.49	1.23	1	0
Economic Factors		*Independent Variables*					
	QLW	Quality of Work of Panchayats (Order Variable-1 To 5)	3.76	0.8	0.21	5	1
	ASST	Proper Assesment of Tax & Fees & Utilization of Total Fund(Y=1/N=0)	0.19	0.4	2.11	1	0
Social Factors	AWRNS	Awareness of Panchayats Activity(Y=1/N=0)	0.85	0.36	0.42	1	0
	DSTH	Location of HHs Distance from Town	9.47	2.17	0.23	12	5.8
	LTR	Literacy Rate (%)	85.92	7.04	0.08	95.3	75.6

Notes: *INTP*= Willingness or Interested to pay tax , *QLW*= Quality Of Work Of Panchayats ,*ASST*= Proper Assesment of Tax & Fees & Utilization of Total Fund, *AWRNS*= Awareness of Panchayats Activity, *DSTH*= Location of HHs Distance from Town, *LTR*= Literacy Rate
 Source: Household survey

Probit Estimates

It is observed that the tax payment is positively related with quality work of Panchayat, assessment for tax, awareness of Panchayat activities, and literacy rate at 5% level of significance where as it is observed that the distance of households from town is inversely related with tax payment at 5% level of significance(Table 7.18).

Table 7.18 Statistical Results of Probit Model

Variables	Coefficient	Standard Error	z	P>z	
					Number of Observations =300
					LR chi^2(5) = 87.05
DSTH	-0.227	0.069	-3	0.001	
QLW	0.001	0.114	0	0.995	Pseudo R^2 = 0.2152
ASST	0.52	0.209	2.5	0.013	
LTR	0.037	0.021	1.7	0.088	Log likelihood = -158.77502
AWRNS	0.371	0.231	1.6	0.108	
Cons	-1.691	2.49	-1	0.497	Prob > chi^2 = 0.0000

Source: Household Survey

7.6 Summary

Various issues relating to participation of people in own resource mobilization of Gram Panchayats were discussed at the disaggregate level involving 300 sample households randomly selected from 6 sample villages of 3 Gram Panchayats of Bagnan1 block of Howrah district. The amounts of tax paid were low and largely varied across the sample households. The low amount paid in the form of tax on land and buildings is, according to the sample households, mainly due to the lack of proper assessment on the value of land and buildings, irregularity in collection of tax by the Panchayats and lack of political will of the Panchayat members. There are some

institutional constraints on mobilization of tax revenue by the Gram Panchayat (GP). The estimated tax per household as per Panchayat Rules was several times higher than actual amount realized at the Gram Panchayat level. The relatively low performance of GPs in tax revenue mobilization is attributed to their unwillingness in optimally applying the tax instrument for fear of unpopularity at the Panchayat level. Besides, in the absence of any post of tax assessor Gram Panchayat find it difficult to assess the present value of land and buildings on which the tax amount has to be scientifically assessed.

Amount of fees paid by the sample households to Gram Panchayats is also low. Voluntary contribution of the sample households for completion of development projects in terms of payment in kind or money has been either zero or very meager. Their contributions mainly relate to the projects like sinking and repair of tube wells and construction of morum roads. Here also we observe that only households of GP Bagnan I, the relatively developed one, have contributed much to the Panchayats

Per capita payment (PCP) in the form of tax and fees etc. varies widely across the selected households of the sample villages. Correlation Matrix concerning PCP of Gram Panchayat, per capita income of sample households, percentage of non-farm workers and per capita landholding shows that all the correlation coefficients were statistically significant at 1 per cent level.

The variation in PCP was positively and significantly explained by per capita income (PCI), percentage of non-farm workers to total workers (NFW) and per capita land holding (PLH) to the extent of 86 per cent. The model was significant at 1% level.

Near about 80 per cent respondents of sample villages of the two relatively developed GPs, Bagnan I and Bagnan II, express their satisfaction, more or less, with Panchayat's development efforts and own resource mobilization whereas the sample households of the economically not advanced GP Bainan were not so much pleased about Panchayat's performance. Most of household respondents stressed on the proper assessment of tax and fees and utilization of own fund, the creation of revenue building assets.

The empirical analysis of households' willingness to pay tax to Gram Panchayat was made on the basis of the theoretical background of Probit model. The households'

willingness of tax payment to Gram Panchayat depends on awareness of activity of Panchayats, literacy rate, quality of work of Panchayats, proper assessment of tax, fees and utilization of total fund, and also distance of household from town. The analysis of the Probit model exhibits that Panchayat revenue from tax is positively related with quality work of Panchayat, assessment for tax, awareness of Panchayat activities, and literacy rate at 5% level of significance while the distance of households from town is inversely related with tax payment at 5% level of significance because the long distance from town indicates the high incidence of poverty in the region. Thus the tax revenue of Panchayats is significantly related to the economic conditions of the households under Panchayats.

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1. *The West Bengal Panchayat Act*,1973 as modified up to the 31st jan,2004

2. Government of India (2001), *Report of the Working Group on Decentralized Planning and Panchayati Raj Institutions,* for the Tenth Five Year Plan, Ministry of Rural Development.

3. Government of India (2001), *Report of the Task Force on Panchayati Raj Institutions(PRIs)*, Planning Commission, December, p9-12.

Chapter 8

CONCLUDING OBSERVATIONS

8.1 Conclusions

Panchayats in West Bengal as well as all other major states of India derive most of their revenues from external sources, i.e., from central and state governments and partly from own sources. The issue of own resource mobilization of Panchayats has assumed importance in recent years, particularly after two landmark developments, namely the structural adjustment programme that began in a comprehensive way since 1991 and the 73rd amendment to the Constitution of India. Great emphasis is now made on mobilization of own resources of Panchayats that are now formalized as third tier of government, local self-government, with the constitutional responsibility of planning for economic development and social justice in the rural areas. Panchayats' own resources largely determine their fiscal autonomy.

Own source revenue of Panchayats varied widely across the selected states of India including the state of West Bengal. The compound annual growth rate of own source revenue was significant for states like Haryana, West Bengal, Andhra Pradesh, Punjab, and Tamil Nadu.

Percentage share of non-tax revenue to total own source revenue was higher than that of tax revenue. The ratio between per capita tax revenue and per capita non-tax revenue was declining over years. Thus the structure of own source revenue changed in favour of non-tax revenue.

There was differential growth rate of per capita own source revenue across the states. Per capita non-tax revenue and per capita own source revenue significantly increased in 2006-07 compared to that in 1995-96. But per capita tax revenue did not significantly increase in 2006-07 compared to 1995-96. Per capita non-tax revenue was not, however, significantly higher than per capita tax revenue during 1995-96 and 2006-07.

The variation in per capita own source revenue across selected states including West Bengal was significantly explained by that in development indicators like Human Development Index and percentage of non-farm workers to total workers.

Both revenue autonomy and fiscal autonomy of Panchayats were very low in almost all the selected states of India and it varied substantially across the states and also over years. The values of these two indicators were relatively high in states like Punjab, Gujarat, Maharashtra and Kerala compared to other states. West Bengal was among the low revenue autonomy and fiscal autonomy states. During 2006-07 six states, namely Gujarat, Assam, Orissa, Uttar Pradesh, Madhya Pradesh and West Bengal belonged to the group below 5 per cent of revenue autonomy and fiscal autonomy. The revenue autonomy and fiscal autonomy of Panchayats of states of India did not significantly increase in recent years. Thus the Panchayats in most of the states including West Bengal were much dependent on external grant, which created a dependency syndrome for them.

The percentage of collection to demand of own revenue in the districts of West Bengal registered an increasing trend during 2005-06 to 2012-13.The structure of own source revenue changed in favour of non-tax revenue or against tax revenue. There were also differential growth rates of own source revenue, tax revenue and non-tax revenue of Panchayats across the districts. The compound annual growth rates of own source revenue of Panchayats of the districts, namely Nadia, Purulia, Paschim Medinipur, Uttar Dinajpur, Coochbehar, Murshidabad, Bankura, Jalpaiguri, Howrah and Dakhsin Dinajpur were below 11% during 2002-03 to 2012-13 and they were statistically significant.

The growth rates of own tax revenue of Panchayats of the districts, namely Paschim Medinipur, Murshidabad, Malda, Howrah and Dakhsin Dinajpur were statistically significant and the growth rates of own non-tax revenue of Panchayats of districts Dakhsin Dinajpur, Coochbehar and Darjeeling also were statistically significant during 2002-03 to 2012-13.

Per capita tax, per capita non-tax, and per capita own source revenue of Panchayats varied across the districts and also over years. The variation in per capita own source revenue of Panchayats across the districts was significantly explained by that in

Human Development Index and percentage of non-agricultural land to total land and the model was significant at 1% level.

Fiscal autonomy of panchayats was very low in almost all the selected districts and it varied substantially across the districts. This was relatively high in districts like Howrah, Birbhum and Darjeeling. The districts of Nadia, Malda and Uttar Dinajpur recorded low level of fiscal autonomy of Panchayats compared to other districts of West Bengal.

Revenue and expenditure of Howrah Zilla Parishad varied substantially over the years. The Entropy measure indicated an increasing trend of own revenue diversification during 2005-06 to 2010-11. Utilization of own fund of Howrah Zilla Parishad was high. The revenue autonomy of Howrah Zilla Parishad varied from 1.91 per cent to 6.13 per cent during this period.

Percentage of collection to demand of revenue witnessed an increasing trend for the Panchayats (two-tier) of selected blocks of Howrah district during 2008-09 to 2012-13. The structure of own source revenue of Panchayats of most of the Panchayats of blocks of the district changed in favour of non-tax revenue. The compound annual growth rates of own source revenue, own tax revenue and non-tax revenue of Panchayats of the blocks were not encouraging.

Panchayats of Blocks Shayampur-I, Panchla, Domjur and Bagnan I recorded compound annual growth rates of own tax revenue varying between 5 per cent and 9.99 per cent. The growth rates of own tax revenue of Panchayats of blocks Bally-Jagacha, Sankrail, Shayampur I, Panchla, Domjur and Bagnan I were statistically significant at 1 % level.

Panchayats of Blocks Amta II, Sankrail, Bagnan I and Shayampur I belonged to the highest group of growth rates of own non-tax revenue of 10 per cent and above while those of Amta II and Sankrail were statistically significant at 1% level. Panchayats of two blocks, Amta I and Pancla, witnessed negative growth of own non-tax revenue. Panchayats of Bagnan I block belonged to the highest group of the growth rate above 10 percent. Panchayats of four blocks, namely Sankrail, Amta II, Shayampur I and II witnessed varying growth rates. The growth rates of Panchayats of Sankrail, Amta IIand Shayampur-I were statistically significant.

Ratio of per capita tax and per capita non-tax revenue of Panchayats of the blocks was declining. But the per capita non-tax revenue was not significantly higher than per capita tax revenue. The means of per capita own source revenue, per capita tax revenue and per capita non-tax revenue did not significantly increase in 2012-13 compared to 2008-09. The variation in per capita own revenue was significantly explained by literacy rate and percentage of non-farm employment. The fiscal autonomy of Panchayats of most of the blocks was very poor and did not significantly increase over years.

Both own source revenue and per capita own source revenue varied across the Panchayat Samitis. Four Panchayat Samitis, namely Amta II, Shyampur I, Bally-Jagacha and Sankrail recorded significant compound annual growth rate. Only Panchayat samiti Bagnan I belonged to the highest group of per capita own source revenue in 2012-13. The Entropy measure showed an increasing trend of diversification of own source revenue during the period from 2008-09 to 2012-13. Revenue autonomy and fiscal autonomy substantially varied across the Panchayat Samitis during 2012-13.

Own tax, non-tax and own source revenue substantially varied across the 144 Gram Panchayats and over the period from 2006-07 to 2012-13. The structure of own source revenue for most of these Gram Panchayats changed in favour of non-tax revenue during this period. The growth rates of own source revenue, own tax revenue and own non-tax revenue of Gram Panchayats, namely Jagadishpur, Amta, Bargachia I, Bargachia II , Bagnan I and Khalore were statistically significant. The ratio of per capita tax revenue to per capita non-tax revenue declined during this period. Per capita non-tax revenue was not significantly higher than per capita tax revenue of the Panchayats. Fiscal autonomy of most of the 144 Gram Panchayats was very poor and it continuously declined due to tiny amount of own source revenue compared to total expenditure of these Panchayats.

Percentage of total collection to demand of own revenue of selected 20 Gram Panchayats witnessed an increasing trend. The Entropy measure indicated an increasing trend of diversification of own source revenue of these Gram Panchayats. The ratio of per capita tax revenue to per capita non-tax revenue was increasing. Hence the per capita tax revenue compared to per capita non-tax revenue was

increasing but per capita tax revenue was not significantly higher than per capita non- tax revenue of these Panchayats.

Regression equations concerning per capita own source revenue (PCOSR) and per capita own non-tax revenue (PCONTR) shows that the variation in PCOSR was explained by that in the ratio of utilization (UTR) of total revenue, i.e., the ratio of total revenue to total expenditure, to the extent of 20 per cent and the model was significant at 10 per cent level. The variation in PCONTR was also explained by that in the UTR to the extent of 21.8 per cent and the model was significant at 10 per cent level

The ratio of own source revenue to external development receipts continuously declined for the selected Gram Panchayats of Howrah district, which represented their dependency syndrome (on external receipts).

Various issues relating to participation of people in own resource mobilization of Gram Panchayats were discussed at the disaggregate level involving 300 sample households randomly selected from 6 sample villages of 3 Gram Panchayats of Bagnan1 block of Howrah district. The amounts of tax paid were low and largely varied across the sample households. The low amount paid in the form of tax on land and buildings was, according to the sample households, mainly due to the lack of proper assessment on the value of land and buildings, irregularity in collection of tax by the Panchayats and lack of political will of the Panchayat members. There were some institutional constraints on mobilization of tax revenue by the Gram Panchayat (GP). The estimated tax per household as per Panchayat Rules was several times higher than actual amount realized at the Gram Panchayat level. The relatively low performance of GPs in tax revenue mobilization was attributed to their unwillingness in optimally applying the tax instrument for fear of unpopularity at the Panchayat level. Besides, in the absence of any post of tax assessor Gram Panchayat found it difficult to assess the present value of land and buildings on which the tax amount had to be scientifically assessed.

Amount of fees paid by the sample households to Gram Panchayats was also low. Voluntary contribution of the sample households for completion of development projects in terms of payment in kind or money had been either zero or very meager.

Their contributions mainly related to the projects like sinking and repair of tubewells and construction of morum roads. Here the households of GP Bagnan I, the relatively developed one, only contributed much to the Panchayats

Per capita payment (PCP) in the form of tax and fees etc. varied widely across the selected households of the sample villages. Correlation Matrix concerning PCP of Gram Panchayat, per capita income of sample households, percentage of non-farm workers and per capita landholding showed that all the correlation coefficients were statistically significant at 1 per cent level.

The variation in PCP was positively and significantly explained by per capita income, percentage of non-farm workers to total workers and per capita land holding to the extent of 86 per cent. The model was significant at 1% level.

Near about 80 per cent respondents of sample villages of the two relatively developed GPs, Bagnan I and Bagnan II expressed their satisfaction more or less with Panchayat's development efforts and own resource mobilization whereas the sample households of the economically not advanced GP Bainan were not so much pleased with Panchayat's performance. Most of household respondents stressed on the proper assessment of tax and fees, utilization of own fund and the creation of revenue building assets.

The empirical analysis of households' willingness to pay tax to Gram Panchayat was made on the basis of the theoretical background of Probit model. The households' willingness of tax payment to Gram Panchayat depended on awareness of activity of Panchayats, literacy rate, quality of work of Panchayats, proper assessment of tax, fees and utilization of total fund, and also distance of households from town. The analysis of the Probit model exhibited that Panchayat revenue from tax was positively related with quality work of Panchayat, proper assessment of tax, awareness of people about Panchayat activities and literacy rate at 5% level of significance while the distance of households from town was inversely related with tax payment at 5% level of significance because the long distance from town indicated the high incidence of poverty in the region. Thus the tax revenue of Panchayats was significantly related to the economic conditions of the households under Panchayats.

8.2 Policy Recommendations

In the light of the analysis made on own resource mobilization of Panchayats of Howrah district we may make some policy prescriptions for its improvement.

- Development of regional productive resources for further enhancement of non- tax revenue.
- Quality of services of Panchayats should be enhanced.
- Valuation of land and building be made on scientific basis to enhance tax revenue.
- To create a monitoring committee at the district and block levels to monitor the assessment of tax revenue.
- An incentive system be developed at district and block levels to reward the best performing Panchayats in respect of both tax and non tax revenue mobilization.
- Whatever and whenever khas land or vested lands are available Panchayat may develop those lands, if possible as market centres, to enhance own source revenue.

- The involvement of the people in the planning process is necessary to take into account their felt needs, to mobilize local resources, to increase the speed of implementation by securing the people's cooperation, to increase the acceptance of the plan and projects suggested by stakeholders at the local level and also to bring about a change in the power structure in people's institutions in favour of the poor.

The Panchayat income from tax is positively related with quality work of Panchayats, proper assessment of tax, awareness of Panchayat activities, and literacy rate whereas the distance of households from town is inversely related with tax payment. We need to concentrate on those factors which would improve the tax base and enhance own resource mobilization, which leads to develop the Panchayat activity & existing conditions of Panchayats.

The majority of the respondent households opined that proper assessment of tax & fees, utilization of own fund and total revenue of Panchayats are the areas where gram Panchayats must concentrate to increase own source revenue.

The analysis points out to the need for a radical restructuring of the system of Panchayats in respect of own source revenue with a view to making them effective tools of rural transformation on equitable basis. Moreover, decentralization of planning which has been recently emphasized throughout the country has envisaged that the decentralization be carried down to the grass root level of village planning so they are enabled to plan effectively on the basis of assured sources of finance. However, to exploit successfully the potential sources of finance and to properly utilize it for rural development programmes as per priority assigned by the state government, people are to be involved and their participation, co-operation and initiative may be enlisted. In the proper decentralized system and finance people's participation and awareness are the important ingredients for successful and effective rural planning and Panchayat finance including own resource mobilization.

8.3 Limitations of the Study

There are some limitations of the present study. We may briefly mention the following.

a) Own source revenue of Panchayats that vary across the relatively developed and backward blocks and Gram Panchayats could not be studied in details and depth.

b) The issue of own resource mobilization of Gram Panchayats could not be discussed in relation to their creation of productive assets on account of the deficiency of database in this area.

c) The differential of own resource mobilization across Gram Panchayats could not be analysed with reference to different social categories of households on account of time constraint.

8.4 Scope for Future Research

The future research on different emerging issues in the era of liberalization, privatisation and globalization may be conducted. The following are some of the areas in which future research needs to be conducted.

a) Own source revenue of Panchayats across the relatively developed and backward blocks and below may be studied in details and depth.

b) The database on the creation of different productive assets of Panchayats needs to be created. The issue of own resource mobilization of Gram Panchayats may be studied in relation to the creation of the productive assets.

c) Own resource mobilization differential across Gram Panchayats may be analysed with reference to different social categories of households.

APPENDIX

Table A.1 Own Source Revenue of Panchayats of the States (all-tires), 1995-96 To 2006-07

(Rs in Crores)

States	1995-96	2002-03	2004-05	2006-07
Andhra Pradesh	162.31	191.91	174.26	348.49
Assam	5.08	8.56	4.81	11.77
Gujarat	54.72	78.49	36.02	77.46
Haryana	59.28	88.04	57.75	234.43
Kerala	119.89	253.93	133.26	282.75
Maharashtra	117.65	528.2	318.95	519.82
Madhya Pradesh	45.69	196.4	30.14	42.75
Orissa	11.06	6.19	5.1	9.12
Punjab	76.82	110.99	80.49	161.06
Tamil Nadu	49.42	73.53	120.08	245.9
Uttar Pradesh	57.49	77.83	38.78	72.5
West Bengal	22.85	35.12	35.93	90.33

Sources: 11th, 12th, and 13th Finance Commission Report

Table A.2 Amount of Panchayats' Own Tax Revenue (all-tires) of the Selected States, 1995-96 to 2006-07   (Rs in Crores)

States	1995-96	2004-05	2006-07
Andhra Pradesh	88.71	71.74	152.37
Assam	5.06	0.28	0.56
Gujarat	39.85	23.03	34.01
Haryana	0.28	3.77	5.91
Kerala	107.18	65.06	140.82
Maharashtra	16.4	250	364.86
Madhya Pradesh	89.55	15.37	10.48
Orissa	7.22	0.68	1.23
Punjab	1.03	9.3	17.39
Tamil Nadu	48.02	43.72	92.48
Uttar Pradesh	12.28	7.89	12.16
West Bengal	9.12	9.16	21.89

Sources: As in Table A.1

Table A.3 Amount of Panchayats' Own Non-Tax Revenue of the Selected States (all-tires), 1995-96 to 2006-07   (Rs in Crores)

States	1995-96	2004-05	2006-07
Andhra Pradesh	88.71	102.53	196.12
Assam	0.05	4.53	11.21
Gujarat	14.88	42.42	61.89
Haryana	58.97	101.78	246.86
Kerala	12.68	68.21	141.93
Maharashtra	28.11	68.95	154.95
MP	29.28	14.77	32.27
Orissa	3.82	4.42	7.88
Punjab	45	71.19	143.68
Tamil Nadu	1.38	76.36	153.42
Uttar Pradesh	45.2	30.89	60.33
West Bengal	13.78	26.77	68.44

Sources: As in Table A.1

Table A.4 Amount of Panchayats' Per Capita Own Source Revenue of the Selected States (all-tires), 1995-96 to 2006-07

(Rs)

States	1995-96	2000-01	2004-05	2006-07
Andhra Pradesh	20.9	1.7	20.6	41.2
Assam	1.7	2.0	1.5	3.8
Gujarat	9.1	13.3	6.0	12.8
Haryana	23.4	29.2	22.8	92.7
Kerala	36.0	58.2	95.8	156.1
Maharashtra	4.0	36.8	5.4	10.1
Madhya Pradesh	16.5	14.6	18.4	39.0
Orissa	2.6	1.8	1.2	2.2
Punjab	16.6	31.5	29.1	58.1
Tamil Nadu	6.9	10.2	16.7	34.1
Uttar Pradesh	2.9	9.8	1.9	3.6
West Bengal	2.5	3.5	3.9	9.9

Sources: As in Table A.1

Table A.5 Amount of Panchayats' Per Capita Own Tax Revenue of the Selected States (all-tiers), 1995-96 to 2006-07

(Rs)

States	1995-96	2003-04	2005-06	2006-07
Andhra Pradesh	10.5	15.6	16.9	18.0
Assam	1.6	0.2	0.2	0.2
Gujarat	6.6	4.1	3.5	5.6
Haryana	0.1	0.7	2.3	2.3
Kerala	32.2	36.6	42.6	42.3
Maharashtra	1.5	56.4	31.8	32.5
Madhya Pradesh	12.4	3.8	3.9	1.4
Orissa	1.7	0.3	0.3	0.3
Punjab	0.4	1.4	5.8	6.3
Tamil Nadu	6.7	11.3	11.7	12.8
Uttar Pradesh	0.6	0.8	0.7	0.6
West Bengal	1.0	1.8	2.0	2.4

Sources: As in Table A.1

Table A.6 Amount of Panchayats' Per Capita Own Non-Tax Revenue of the Selected States (all-tiers), 1995-96 to 2006-07

(Rs)

States	1995-96	2003-04	2005-06	2006-07
Andhra Pradesh	10.5	20.6	22.2	23.2
Assam	0.0	2.9	2.6	3.6
Gujarat	2.5	8.1	9.4	10.3
Haryana	23.3	46.0	91.2	97.6
Kerala	3.8	35.3	39.0	42.6
Maharashtra	2.5	11.4	11.5	13.8
Madhya Pradesh	4.0	4.0	4.4	4.5
Orissa	0.9	2.1	1.9	1.9
Punjab	16.2	42.6	44.1	51.9
Tamil Nadu	0.2	17.2	18.9	21.3
Uttar Pradesh	2.3	2.8	3.3	3.0
West Bengal	1.5	4.3	5.4	7.5

Sources: As in Table A.1

Table A.7 Ratio of Per Capita Tax and Per Capita Non-Tax Revenue of the Selected States

Ratio between Per Capita Tax and Per Capita Non-Tax Revenue	
2002-03	2012-13
1	0.8

Sources: As in Table A.1

Table A.8 Own Source Revenue of PRIs all-tiers) across districts in West Bengal, 2002-03 to 2012-13 (Rs in lakhs)

Districts	2002-03	2006-07	2008-09	2012-13
Cooch Behar	120.04	252.81	272.56	568.90
Jalpaiguri	194.64	591.27	432.86	393.71
Darjeeling	59.22	179.15	175.75	240.5
Uttar Dinajpur	83.95	161.70	148.31	275.03
Dakhsin Dinajpur	112.40	134.60	160.04	182.98
Malda	213.50	468.77	277.08	241.50
Murshidabad	299.96	352.90	357.01	799.45
Nadia	270.86	417.04	454.52	471.38
North 24Parganas	331.69	622.01	1091.10	187.40
South 24 Parganas	308.00	610.31	1017.60	264.08
Howrah	245.23	539.23	506.59	461.87
Hoogly	508.00	781.09	721.11	334.37
Purba Medinipur	490.40	521.18	572.24	663.54
Paschim Medinipur	256.59	1036.66	1102.12	768.00
Bankura	105.32	596.73	402.15	674.97
Purulia	51.26	95.56	104.75	109.35
Burdwan	651.71	1269.93	1161.92	688.39
Birbhum	237.60	458.51	556.28	233.23

Sources: Annual Report of DPRDO Howrah

Table A.9 Amount of own tax revenue of districts (all-tiers), 2002-03 to 2012-13

(Rs in lakhs)

Districts	2002-03	2006-07	2008-09	2012-13
Cooch Behar	30.39	45.19091	56.03077	100.2389
Jalpaiguri	71.58	144.6909	94.83077	129.4936
Darjeeling	49.43	62.18182	72.49231	143.8
Uttar Dinajpur	25.09	49.84545	52.54615	104.8217
Dakhsin Dinajpur	19.22	30.24545	35.14615	53.11169
Malda	51.4	67.74545	77.86923	144.5267
Murshidabad	53.65	105	112.2154	233.066
Nadia	92.46	184.2	170.1231	221.9133
North 24-parganas	129.8	195.8636	187.9769	78.34968
South 24-parganas	110.5	142.7909	146.8769	96.42002
Howrah	113.9	140.5455	169.2308	185.98
Hoogly	145.5	210.2455	178.5	174.9066
Purba Medinipur	84.92	105.5909	115.6385	318.7354
Paschim Medinipur	120.7	171.5455	201.9231	262.4764
Bankura	40.87	56.9	43.03077	140.7972
Purulia	2.563	5.7	9.123077	6.843216
Burdwan	186.6	238.7727	252.6846	228.9634
Birbhum	68.46	115.5273	127.4231	128.7246

Sources: As in Table A.8

Table A.10   Amount of Own Non-Tax Revenue of Districts (all-tiers), 2002-03 to 2012-13

(Rs in lakhs)

Districts	2002-03	2006-07	2008-09	2012-13
Cooch Behar	89.65	209.92	216.53	468.66
Jalpaiguri	123.06	451.96	338.02	264.22
Darjeeling	9.79	118.59	103.26	96.39
Uttar Dinajpur	58.86	113.33	95.76	170.21
Dakhsin Dinajpur	93.18	105.58	124.89	129.87
Malda	162.10	405.28	199.21	96.97
Murshidabad	246.32	251.11	244.80	566.39
Nadia	178.40	236.63	284.40	249.46
North 24-parganas	201.86	431.80	903.13	109.05
South 24-parganas	197.49	473.07	870.73	167.66
Howrah	131.31	403.59	337.36	275.89
Hoogly	362.53	577.94	542.61	159.46
Purba Medinipur	405.48	420.33	456.60	344.80
Paschim Medinipur	135.90	874.53	900.20	505.53
Bankura	64.46	545.25	359.12	534.17
Purulia	48.70	90.72	95.63	102.51
Burdwan	465.09	1042.70	909.23	459.43
Birbhum	169.14	347.15	428.85	104.50

Sources: As in Table A.8

Table A.11 Per Capita Own Source Revenue of Selected Districts (all-tiers) of West Bengal, 2002-03 to 2012-13   (Rs)

Districts	2002-03	2006-07	2008-09	2012-13
Cooch Behar	5.33	11.22	12.09	25.24
Jalpaiguri	6.97	21.16	15.49	14.09
Darjeeling	5.44	16.45	16.14	20.9
Uttar Dinajpur	3.91	7.53	6.91	12.81
Dakhsin Dinajpur	8.61	10.31	12.25	14.01
Malda	7.00	15.37	9.08	7.92
Murshidabad	5.84	6.87	6.95	15.57
Nadia	7.47	11.50	12.54	13.00
North 24-parganas	8.12	15.23	26.72	4.59
South 24-parganas	5.29	10.49	17.48	4.54
Howrah	11.56	25.42	23.88	21.78
Hoogly	15.15	23.29	21.50	9.97
Purba Medinipur	12.39	13.17	14.46	16.77
Paschim Medinipur	5.49	22.20	23.60	16.45
Bankura	3.56	20.18	13.60	22.83
Purulia	2.25	4.19	4.59	4.79
Burdwan	14.99	29.21	26.72	15.83
Birbhum	8.62	16.63	20.18	8.46

Sources: As in Table A.8

Table A.12 Per capita Own Tax Revenue of selected Districts (all-tiers) of West Bengal, 2002-03 to 2012-13

(Rs)

Name of the Districts	2002-03	2006-07	2008-09	2012-13
Cooch Behar	1.3	2	2.49	4.45
Jalpaiguri	2.6	5.18	3.39	4.63
Darjeeling	4.5	5.71	6.66	12.5
Uttar Dinajpur	1.2	2.32	2.45	4.88
Dakhsin Dinajpur	1.5	2.32	2.69	4.07
Malda	1.7	2.22	2.55	4.74
Murshidabad	1	2.05	2.19	4.54
Nadia	2.6	5.08	4.69	6.12
North 24-parganas	3.2	4.8	4.6	1.92
South 24-parganas	1.9	2.45	2.52	1.66
Howrah	5.4	6.63	7.98	8.77
Hooghly	4.3	6.27	5.32	5.21
Purba Medinipur	2.1	2.67	2.92	8.05
Paschim Medinipur	2.6	3.67	4.32	5.62
Bankura	1.4	1.92	1.46	4.76
Purulia	0.1	0.25	0.4	0.3
Burdwan	4.3	5.49	5.81	5.27
Birbhum	2.5	4.19	4.62	4.67

Sources: As in Table A.8

Table A.13 Per capita Own Non-Tax Revenue of Selected Districts (all-tiers) of West Bengal, 2002-03 to 2012-13

(Rs)

Name of the Districts	2002-03	2006-07	2008-09	2012-13
Cooch Behar	3.98	9.3	9.6	20.79
Jalpaiguri	4.4	16.2	12.1	9.46
Darjeeling	0.9	10.9	9.5	8.4
Uttar Dinajpur	2.74	5.3	4.5	7.93
Dakhsin Dinajpur	7.13	8.1	9.6	9.94
Malda	5.31	13.3	6.5	3.18
Murshidabad	4.8	4.9	4.8	11.03
Nadia	4.92	6.5	7.8	6.88
North 24-parganas	4.94	10.6	22.1	2.67
South 24-parganas	3.39	8.1	15	2.88
Howrah	6.19	19	15.9	13.01
Hooghly	10.81	17.2	16.2	4.75
Purba Medinipur	10.25	10.6	11.5	8.71
Paschim Medinipur	2.91	18.7	19.3	10.82
Bankura	2.18	18.4	12.1	18.06
Purulia	2.13	4	4.2	4.49
Burdwan	10.7	24	20.9	10.57
Birbhum	6.13	12.6	15.6	3.79

Sources: As in Table A.8

Table A.14 Ratio of Per Capita Tax and Per Capita Non-Tax Revenue of the Selected Districts

Ratio between Per Capita Tax and Per Capita Non-Tax revenue	
2002-03	2012-13
1.2	0.5

Sources: As in Table A.8

Table A.15 Amount of Own Tax Revenue of Blocks, 2008-09 to 2012-13   (Rs)

Name of the Blocks	2008-09	2010-11	2012-13
Amta I	356137.30	337024.48	424803.59
Amta II	407682.54	329572.03	299172.46
Bagnan I	403312.70	468083.92	1059081.44
Bagnan II	266553.97	254076.22	338103.59
Bally-Jagacha	2135398.41	2439932.17	2708861.08
Domjur	3140881.75	4999639.16	5170601.80
Panchla	497996.83	680597.20	852364.67
Sankrail	5153475.40	6734025.17	7934008.98
Shyampur-I	726654.76	1032907.69	1194279.04
Shyampur II	370371.43	464973.43	488047.31
Udaynarayanpur	356544.44	373672.03	501587.43
Uluberia I	1757193.65	1018244.76	1504405.39

Sources: As in Table A.8

Table A.16 Amount of Own Non-tax Revenue of Blocks, 2008-09 to 2012-13   (Rs)

Blocks	2008-09	2010-11	2012-13
Amta I	1197826.98	686606.29	1305151.50
Amta II	671989.68	1434804.20	1711692.22
Bagnan I	843546.83	1357244.76	3276805.39
Bagnan II	719662.70	775481.12	1095897.60
Bally-Jagacha	3879788.10	2754267.83	4075921.56
Domjur	4561738.10	5055109.09	5415753.89
Panchla	1072844.44	1021304.20	1079522.16
Sankrail	3019020.63	6619177.62	7385237.13
Shyampur-I	404573.81	291897.90	1450917.96
Shyampur II	692948.41	1116400.00	1226468.26
Udaynarayanpur	931591.27	819297.90	1451062.28
Uluberia I	598907.14	1074042.66	964532.93

Sources: As in Table A.8

Table A.17 Amount of Own Source Revenue of Blocks, 2008-09 to 2012-13 (Rs)

Name of The Blocks	2008-09	2010-11	2012-13
Amta I	1553964	1023631	1729955
Amta II	1079672	1764376	2010865
Bagnan I	1246860	1825329	4335887
Bagnan II	986216.7	1029557	1434001
Bally-Jagacha	6015187	5194200	6784783
Domjur	7702620	10054748	10586356
Panchla	1570841	1701901	1931887
Sankrail	8172496	13163558	15319246
Shyampur-I	1131229	1324806	2645197
Shyampur II	1063320	1581373	1714516
Udaynarayanpur	1288136	1192970	1952650
Uluberia I	2356101	2092287	2468938

Sources: As in Table A.8

Table A.18 Amount of Per capita Own Source Revenue of Blocks 2008-09 to 2012-13

(Rs)

Name of the Blocks	2008-09	2010-11	2012-13
Amta I	7.76	5.11	8.64
Amta II	5.70	9.32	10.62
Bagnan I	6.52	9.55	22.67
Bagnan II	6.74	7.04	9.80
Bally-Jagacha	36.56	31.57	41.24
Domjur	24.73	32.29	33.99
Panchla	7.35	7.96	9.03
Sankrail	28.09	45.25	52.66
Shyampur-I	6.20	7.26	14.49
Shyampur II	6.22	9.24	10.02
Udaynarayanpur	7.49	6.93	11.35
Uluberia I	12.94	11.49	13.56

Sources: As in Table A.8

Table A.19 Amount of Per capita Own Tax Revenue of Blocks, 2008-09 to 2012-13

(Rs)

Name of the Block	2008-09	2010-11	2012-13
Amta I	1.78	1.68	2.12
Amta II	2.15	1.74	1.58
Bagnan I	2.11	2.45	5.54
Bagnan II	1.82	1.74	2.31
Bally-Jagacha	12.98	14.83	16.46
Domjur	10.09	16.05	16.60
Panchla	2.33	3.18	3.99
Sankrail	17.71	23.15	27.27
Shyampur-I	3.98	5.66	6.54
Shyampur II	2.16	2.72	2.85
Udaynarayanpur	2.07	2.17	2.92
Uluberia I	9.65	5.59	8.26

Sources: As in Table A.8

Table A.20 Amount of Per capita Own Non-Tax Revenue of Blocks, 2008-09 to 2012-13

(Rs)

Name of the Blocks	2008-09	2010-11	2012-13
Amta I	5.98	3.43	6.52
Amta II	3.55	7.58	9.04
Bagnan I	4.41	7.10	17.14
Bagnan II	4.92	5.30	7.49
Bally-Jagacha	23.58	16.74	24.77
Domjur	14.65	16.23	17.39
Panchla	5.02	4.78	5.05
Sankrail	10.38	22.75	25.39
Shyampur-I	2.22	1.60	7.95
Shyampur II	4.05	6.53	7.17
Udaynarayanpur	5.42	4.76	8.44
Uluberia I	3.29	5.90	5.30

Sources: As in Table A.8

Table A.21 Ratio of Per Capita Tax and Per Capita Non-Tax Revenue of the Selected Blocks

Ratio between Per Capita Tax and Per Capita Non-Tax revenue	
2002-03	2012-13
0.9	0.85

Sources: As in Table A.8

Table A.22 Amount of Own Source Revenue of Panchayat Samitis , 2008-09 to 2012-13

(Rs)

Name of the Panchayat Samitis	2008-09	2010-11	2012-13
Amta I	587055	10663	395479
Amta II	28968	432046	748480
Bagnan I	433618	423985	1233487
Bagnan II	164680	140087	294222
Bally-Jagacha	1587	6993	111437
Domjur	1311606	1177402	697491
Panchla	163372	95210	265167
Sankrail	12738	71259	545269
Shyampur I	8730	20909	208898
Shyampur II	80112	222172	213153
Udaynarayanpur	125081	110211	464611
Uluberia I	163967	530201	395183

Sources: As in Table A.8

Table A.22.1 Components of Own Source Revenue of Panchayat Samitis, 2009-10 to 2012-13

(Rs)

Name of the Panchayat Samitis	2009-10				2012-13			
	Total amount of Fees	Toll	Cess	Others	Total amount of Fees	Toll	Cess	Others
Bally-Jagacha	924866	0	0	2894633	1970235	0	0	4650454
Domjur	938891	0	0	3992699	1944307	0	0	5935192
Sankrail	1139040	0	0	3186429	2970492	0	0	8452254
Panchla	296152	0	0	1344528	636498	0	0	723475
Uluberia I	160170	0	0	516607	369792	3730	0	577292
Bagnan I	598688	0	0	815132	1373519	0	0	2038823
Bagnan II	219626	37030	0	620411	618162	0	0	720636
Shyampur I	150445	20350	0	634822	576315	0	0	1497858
Shyampur II	238767	0	0	1034832	653643	0	0	1038593
Amta II	348611	0	900	964344	584561	0	1794	1022210
Udaynarayanpur	529839	193700	0	652700	576588	44600	59212	966974

Sources: As in Table A.8

Table A.23 Amount of Per capita Own Source Revenue of Panchayat Samitis , 2008-09 to 2012-13 (Rs)

Name of the Panchayat Samitis	2008-09	2010-11	2012-13
Amta I	2.93	0.05	1.98
Amta II	0.15	2.28	3.95
Bagnan I	2.27	2.22	6.45
Bagnan II	1.13	0.96	2.01
Bally-Jagacha	0.01	0.04	0.68
Domjur	4.21	3.78	2.24
Panchla	0.76	0.45	1.24
Sankrail	0.04	0.24	1.87
Shyampur-I	0.05	0.11	1.14
Shyampur II	0.47	1.3	1.25
Udaynarayanpur	0.73	0.64	2.7
Uluberia I	0.9	2.91	2.17

Sources: As in Table A.8

Table A.24 Ratio of Per Capita Tax and Per Capita Non-Tax Revenue of the Selected Gram Panchayats

Ratio between Per Capita Tax and Per Capita Non-Tax Revenue	
2002-03	2012-13
0.95	0.86

Sources: As in Table A.8

Table A.25 Own Source Revenue of Selected Gram Panchayats, 2006-07 to 2012-13

(Rs)

Gram Panchayats	2006-07	2009-10	2012-13
Amta	82186	85691	461224
Annulia	102169	81666	203671
Bagnan I	246757	451628	852474
Bainan	106898	196961	555107
Balichak	77178	59212	82683
Bangalpur	257915	176320	310013.6
Banibon	219269	229688	338133
Bargachia I	39100	120415	126401
Bargachia II	99642	118211	204061
Basantapur	83202	42587	112235
Basudebpur	350446	122963	134234
Chamrail	726837	1654631	2106492
Durgapur-Abhoynagar II	616121	855788	1387433
Jagadishpur	363651	785980	1111899
Jagatballavpur I	53818	381160	202428
Jagatballavpur II	276663	159869	324167
Joargori	165697	353468	281676
Khalisani	95002	321305	239408.76
Khalore	290430	433237	1259822
Nischinda	447898	438867	1453016

Sources: As in Table A.8

Table A.26 Own Tax Revenue of Selected Gram Panchayats, 2006-07 to 2012-13 (Rs)

Gram Panchayats	2006-07	2009-10	2012-13
Amta	34486.0	24091.0	62405.0
Annulia	33163.0	32576.0	80970.0
Bagnan I	73811.0	90280.0	306368.0
Bainan	30779.0	40429.0	96859.0
Balichak	20758.0	23912.0	41277.0
Bangalpur	63832.0	65385.0	118275.0
Banibon	42769.0	64538.0	124578.0
Bargachia I	26490.0	37922.0	51579.0
Bargachia II	46842.0	53045.0	66080.0
Basantapur	52267.0	33970.0	41865.0
Basudebpur	49191.0	40599.0	53732.0
Chamrail	461882.0	749525.0	1072960.0
Durgapur Abhoynagar II	253595.0	368417.0	737363.0
Jagadishpur	139931.0	569606.0	688103.0
Jagatballavpur I	40818.0	42090.0	59012.0
Jagatballavpur II	86198.0	82026.0	90432.0
Joargori	71799.0	110114.0	102938.0
Khalisani	58402.0	105270.0	66093.0
Khalore	120594.0	158637.0	741222.0
Nischinda	225254.0	198145.0	369454.0

Sources: As in Table A.8

Table A.27 Own Non-Tax Revenue of Selected Gram Panchayats, 2006-07 to 2012-13

(Rs)

Gram Panchayats	2006-07	2009-10	2012-13
Amta	47700	61600	398819.0
Annulia	69006	49090	122701.0
Bagnan I	172946	361348	546106.0
Bainan	76119	156532	458248.0
Balichak	56420	35300	41406.0
Bangalpur	194083	110935	191738.6
Banibon	176500	165150	213555.0
Bargachia I	12610	82493	74822.0
Bargachia II	52800	65166	137981.0
Basantapur	30935	8617	70370.0
Basudebpur	301255	82364	80502.0
Chamrail	264955	905106	1033532.0
Durgapur -Abhoynagar II	362526	487371	650070.0
Jagadishpur	223720	216374	423796.0
Jagatballavpur I	13000	339070	143416.0
Jagatballavpur II	190465	77843	233735.0
Joargori	93898	243354	178738.0
Khalisani	36600	216035	173315.8
Khalore	169836	274600	518600.0
Nischinda	222644	240722	1083562

Sources: As in Table A.8

Table A.28 Entropy Diversification Index of own non-tax revenue of Selected Gram Panchayats, of Howrah District 2006-07 to 2009-10

GPs	Entropy Index 2006-07	Entropy Index 2009-10
Amta	0.2	0.09
Anulia	0.1	0.3
Bagnan I	0.18	0.29
Bainan	0.26	0.26
Bangalpur	0.17	0.24
Bargachia II	0.04	0.2
Basantapur	0.28	0.16
Basudevpur	0.14	0.29
Chamrail	0.3	0.23
Durgapur-Abhoynagar II	0.24	0.22
Jagadishpur	0.23	0.29
Jagatballavpur I	0.07	0.09
Jagatballavpur II	0.21	0.28
Joargori	0.2	0.2
Khalisani	0.27	0.3
Khalore	0.19	0.27
Nischinda	0.06	0.22

Sources: As in Table A.8

Table A.29 Per capita Own Source Revenue of Gram Panchayats during 2006-07 to 2012-13 (Rs)

GPs	2006-07	2009-10	2012-13
Amta	5.08	5.30	28.52
Annulia	7.00	5.60	13.95
Bagnan I	137.01	250.77	473.33
Bainan	3.65	6.73	18.98
Balichak	5.10	3.91	5.46
Bangalpur	8.30	5.67	9.98
Banibon	7.57	7.93	11.67
Bargachia I	3.07	9.46	9.93
Bargachia II	4.80	5.70	9.84
Basantapur	5.10	2.61	6.88
Basudebpur	15.97	5.60	6.12
Chamrail	36.35	82.75	105.35
Durgapur Abhoynagar II	43.79	60.83	98.62
Jagadishpur	18.97	41.00	58.00
Jagatballavpur I	3.63	25.73	13.67
Jagatballavpur II	10.52	6.08	12.33
Joargori	8.44	18.00	14.34
Khalisani	5.98	20.24	15.08
Khalore	12.01	17.91	52.09
Nischinda	20.68	20.26	67.09

Sources: As in Table A.8

Table A.30 Per capita Own Tax Revenue of selected Gram Panchayats of Howrah District, 2006-07 to 2012-13 (Rs)

Gram Panchayats	2006-07	2009-10	2012-13
Amta	2.1	1.5	3.9
Annulia	2.3	2.2	5.5
Bagnan I	41.0	50.1	170.1
Bainan	1.1	1.4	3.3
Balichak	1.4	1.6	2.7
Bangalpur	2.1	2.1	3.8
Banibon	1.5	2.2	4.3
Bargachia I	2.1	3.0	4.1
Bargachia II	2.3	2.6	3.2
Basantapur	3.2	2.1	2.6
Basudebpur	2.2	1.8	2.4
Chamrail	23.1	37.5	53.7
Durgapur-Abhoynagarb II	18.0	26.2	52.4
Jagadishpur	7.3	29.7	35.9
Jagatballavpur I	2.8	2.8	4.0
Jagatballavpur II	3.3	3.1	3.4
Joargori	3.7	5.6	5.2
Khalisani	3.7	6.6	4.2
Khalore	5.0	6.6	30.6
Nischinda	10.4	9.1	17.1

Sources: As in Table A.8

Table A.31 Per capita Non-Tax Revenue of selected Gram Panchayats of Howrah District, 2006-07 to 2012-13 (Rs)

GPs	2006-07	2009-10	2012-13
Amta	2.95	3.81	24.66
Annulia	4.73	3.36	8.41
Bagnan I	96.03	200.64	303.22
Bainan	2.60	5.35	15.67
Balichak	3.73	2.33	2.73
Bangalpur	6.25	3.57	6.17
Banibon	6.09	5.70	7.37
Bargachia I	0.99	6.48	5.88
Bargachia II	2.55	3.14	6.65
Basantapur	1.90	0.53	4.31
Basudebpur	13.73	3.75	3.67
Chamrail	13.25	45.26	51.69
Durgapur-Abhoynagarb II	25.77	34.64	46.21
Jagadishpur	11.67	11.29	22.11
Jagatballavpur I	0.88	22.89	9.68
Jagatballavpur II	7.24	2.96	8.89
Joargori	4.78	12.39	9.10
Khalisani	2.31	13.61	10.92
Khalore	7.02	11.35	21.44
Nischinda	10.28	11.12	50.03

Sources: As in Table A.8

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Table A.32 Ratio between Own Source Revenue (OSR) to External Development Revenue (EDR) , 2011-12 to 2014-15

Gram Panchayats	2011-12 OR/EDR(Percentage)	2014-15 OR/EDR(Percentage)
Amta	6.9	14.2
Annulia	1.7	5.5
Bagnan I	16.6	74.2
Bainan	6.0	6.7
Balichak	12.1	4.2
Bangalpur	4.8	3.4
Banibon	2.3	8.6
Bargachia I	1.5	7.4
Bargachia II	2.7	3.9
Basantapur	1.9	5.8
Basudebpur	15.0	17.8
Chamrail	16.4	30.9
Durgapur Abhoynagar II	61.5	79.3
Jagadishpur	40.6	52.0
Jagatballavpur II	8.6	10.2
Joargori	4.7	10.1
Khalisani	13.8	12.5
Khalore	18.1	24.2
Nischinda	37.6	31.9

Sources: As in Table A.8

Questionnaire for the Participant Households under Own Resource Mobilization of Gram Panchayats

Name of the head of the household (HH)…………………………………….

Vill……….……….   Gram Panchayat ………………………….

P.O...……………   Block……………….Dist…………………

Family Status: APL/ BPL; Caste/Community: SC/ST/OBC(A)/OBC(B)/General/ Minority

1. Details of members of the family:

Sl.No	Name	Age	Sex	Education	Occupation	Income /M

2. Assets of the HH:

Sl.No	Types of assests		Amount / Number	Value
1	Land	Irrigated		
		Non-Irrigated		
2	Building			
3	Pond			
4	Other , if any			

3. Major Occupational Pattern of Sample Households

GPs						
Villages						
Cultivator						
Agriculture Allied						
Agricultural Labour						
Processing						
Services						

4. Payment of tax and fee (Rs)

GPs						
Village						
Tax payment						
Payment of Fee						

5. Households'opinion about the quality of work done by Gram Panchayats

GPs					
Villages					
Excellent					
Very Good					
Good					
Not Bad					
Bad					

6. Opinion in respect of awareness of Panchayat's expenditure and willing to pay more Tax to Gram Panchayats

GPs						
Villages						
Whether households have any idea about Panchayat expenditure?	Yes					
	No					
Are households ready to increase tax rate & expand tax base ?	Yes					
	No					

7. Suggestions by households to increase own source revenue of Gram Panchayats

GPs						
Villages						
Suggestions						
Creation of Revenue Building Assets						
A] Proper Assesment of Tax & Fees						
B]Utilization of Own Fund						

8. Opinion of households about basis of taxation

GPs						
Villages						
Basis of Taxation						
Value of Productive Assests						
Income From Non - Agriculture Enterprise						
Value of Land and Buildings						

9. Remark, if any ……………………………………………………..

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