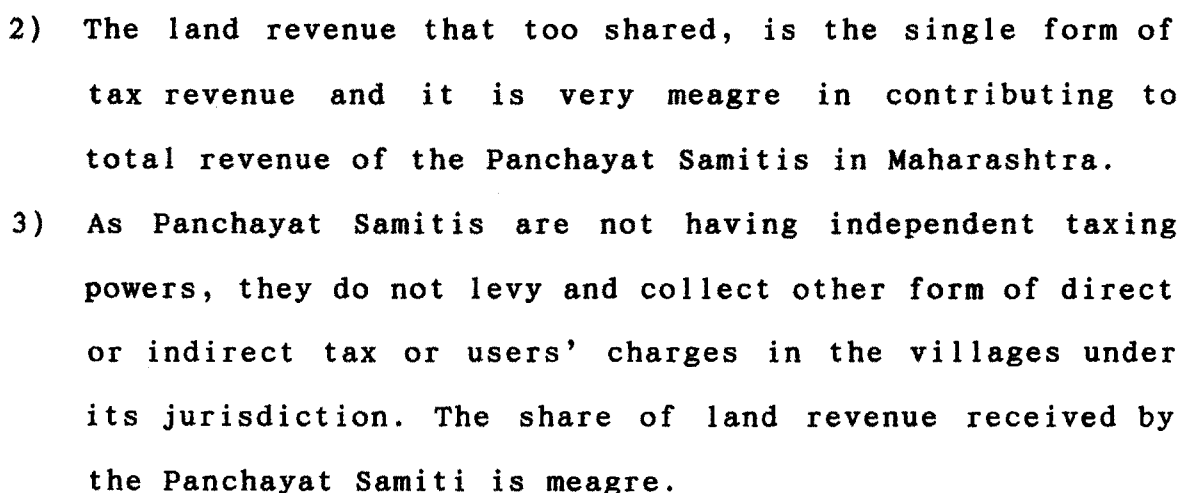


CHAPTER - I V

MAJOR FINDINGS AND SUGGESTIONS



- 4) The Panchayat Samiti does not have its own debt revenue - and hence 'Grants-in-aid' got from the Zilla Parishad is the single largest component or the only major source of revenue of Panchayat Samitis in Maharashtra.
- 5) Government grants constitute a large portion of the income of local bodies. Without such grants they would not survive.
- 6) Panchayat Samiti has been doing expenditure on following activities -
 1. Sanitation and Health
 2. Public works
 3. Education and Culture
 4. Self-defence and Panchayat circle defence
 5. Administration
 6. Welfare of the people
 7. Agriculture and Preservation of Forests
 8. Breeding and Protecting cattle
 9. Village industries and
 10. Miscellaneous.
- 7) However, Panchayat Samiti is not autonomous in case of public expenditure because sources of revenue of Panchayat Samiti are very limited. Therefore, Panchayat Samiti has been purely dependent upon Zilla Parishad grants and government grants.
- 8) While examining the growth and composition of the expenditure pattern of Panchayat Samiti especially in case of Maharashtra. The following have to be kept in mind.

- i) The extent and level of public expenditure mainly depends upon the grants-in-aid that the Panchayat Samiti receives from the Zilla Parishad and which in turn depends upon the State Govt. grant-in-aid.
 - ii) By and large, it is found that the local government own revenue sources mainly tax revenue and non-tax revenue hardly contribute to the total revenues of Panchayat Samiti.
- 9) The research found that in case of Panchayat Samiti Ajara, it depended mainly on grants - has its source of revenue, which determined its expenditure pattern. Thus we can say that in case of the Panchayat Samiti Ajara, decentralised decision making has taken place but the Panchayat Samiti's own sources of revenue have not increased and hardly contribute to the aggregate revenue of the Panchayat Samiti's total finance. There are wide fluctuations in the grant-in-aid received by the Panchayat Samiti.
- 10) Aggregate total expenditure of Panchayat Samiti, Ajara shows fluctuating growth trends. In 1965-66 aggregate expenditure was Rs.1.19 lakh which decrease to only Rs. 8,000/- in 1970-71 in 1980-81, it declines in 1985-86 but increase to Rs.4.30 lakh in 1990-91 after which it is declining and in 1994-95 the aggregate total expnditure was only Rs.49,000/-.
- 11) Non-receipt of grants in proper time, delay in payment by the Zilla Parishad have direct impact on the amount of

actual expenditure undertaken at the Panchayat Samiti level.

- 12) The Panchayat Samiti in Kolhapur district undertake various expenditure programme annually from the specific purpose grants received by them for the above mentioned purpose-wise utilisation.
- 13) Our study indicates that during the period under study expenditure on construction, social welfare scheme, education were the most important components of the expenditure of the Panchayat Samiti under study.
- 14) However, the percentage share of each shows fluctuations year to year. Expenditure on construction as percentage of the total expenditure was only Rs.9.7 in 1965-66 but increased for 72.49% in 1980-81 and again decreased 23.02% by 1990-91, increased the next year and 1994-95 was 21.43%. Social welfare as the component of public expenditure also is the major component but its percentage to the total contribution also shows year to year fluctuations during the period under study. For example, it was as low as 3.94 in 1980-81 and as high as 43.1 in 1993-94 and was 21.13% in 1994-95. Expenditure on education as the component of total expenditure also shows the same trend fluctuations.

Fluctuation in these components are mainly due to increase or decrease in the actual amount of expenditure incurred purpose-wise by the Panchayat Samiti under study.

- 15) The construction activities by the Panchayat Samiti, Ajara is undertaken mainly for -
- (a) construction and repair of primary school buildings.
 - (b) construction of village roads and small bridges,
 - (c) construction and maintenance of Panchayat Samiti staff quarters.
- 16) Social Welfare expenditure undertaken Panchayat Samiti mainly consists of target oriented programmes. The beneficiary families are provided with social and economic assets and through these expenditure programme the Panchayat Samiti reaches the poorer section of societies. The Panchayat Samiti Ajara during the period under study undertook the following expenditure programme :
- (a) Provision of gohar gas plant for SC and ST families with subsidy Rs.500/- per unit since 1981-82.
 - (b) For proper hygiene and sanitation provision of latrine and bowel for SC and ST families and subsidy of Rs.200/- per unit. This amount of subsidy in recent days is increased to Rs.500/-.
 - (c) Cash subsidy Rs.700/- per family is given since 1981-82 to identify SC and ST families for construction of proper housing facilities. In addition, if these identify families have grass root housing to change this and replace it by proper roots subsidy of Rs.250/- per family is provided. For additional income generation these identified families are also provided cash subsidy of Rs.100% in form of the fruit

bearing and plants trees. For example, the distribution of mango, cashew trees to identify SC and ST families which would generate additional family income to the identify families.

17) Expenditure on education is mainly undertaken by the Panchayat Samiti for -

- (1) Repair and renovation of primary school building,
- (2) Development of educational facilities in primary school. The salary payments of the primary school teacher is made by the Zilla Parishad.

18) The following developmental schemes and extension work are undertaken by the Panchayat Samiti, Ajara for the agricultural development to increase agricultural productivity and farm income of the small and marginal farmers in the block.

- i) Distribution of quality cashew and mango samplings to marginal, small and medium farmers on the basis of hundred percentage subsidy.
- ii) Distribution of insecticides and pesticides from spraying on paddy farms in the block at the subsidy of twenty-five percent.
- iii) Provision of artificial insemination and animal vaccines through the animal husbandary department to the farmer in the block as the basis of hundred percentage subsidy.
- iv) Provision of subsidy in cash form of Rs.10,000/- for providing agriculture implement fertilizer and HVV seeds. In recent years this subsidy is extended for the encouraging farmers to go for the drip irrigation scheme

and power traylor, farm equipment spraying pump, harvester machine and oil-seed crashing machine. Thus these expenditures help in the development agriculture increase farm productivity and new technology into the nature of agricultural in the block.

SUGGESTIONS :

- 1) Adequate financial fund availability is the major constraints in the functioning of the Panchayat Samiti as autonomous decentralised decision making rural form of governmental body. Inadequate sources and heavy dependence on State Governments and Zilla Parishads grants curb the developmental activities in the area of villages under Panchayat Samiti. Our study shows that by and large really under-developed taluka, Ajara has remained underdeveloped due to :
 - (a) inadequate finance of PRIs,
 - (b) non-availability of grants at the right time of the expenditure.
- 2) The study recommends that financial decentralisation is necessary for the proper working of economic decentrali-sation for this -
 - (a) State government shows increased financial outlays on grants to be given Zilla Parishad each year,
 - (b) Grants should be given on recurring basis.

- 3) The Panchayat Raj Samiti and each village Panchayat in addition to grant from Zilla Parishads have to mobilize their own financial base for this.
 - (a) The Village Panchayat should have compulsory power to tax,
 - (b) When Public merit wants are satisfied user taxation principle can be followed.
 - (c) Rates of property, business operations etc. be revised.
 - (d) The Village Panchayat and Panchayat Samiti should mobilised resource based from the local private sector, the co-operative sector and the co-operative credit societies.
- 4) At the local Samiti or Panchayat level local voluntary organisation should be encouraged to help the local rural bodies in implementation of economic and social welfare programmes.
- 5) Unproductive Village Panchayat expenditure have to be reduced and in study expenditure on basis social facilities like proper drinking water, proper sanitations, primary health and education be provided so that resources are more productivity utilised.
- 6) In the preparation of the annual revenue and expnditure plan at the Panchayat Samiti level proper activities participation by Samiti Supervisor staff, local government department and elected representative is a need. The expenditure plan each year has to be parepared at right time and forwarded to Zilla Parishad and the

Panchayat Samiti members at the district level should see that adequate grants reach the Panchayat Samiti in time for proper expenditure use. The Panchayat Samiti has to see that once grant is available matching resources are also mobilised at the Panchayat level and these resources together are used special purpose-wise. The Panchayat Samiti has to monitor the use of resource and see that all the grants are utilised on actual expenditure for the purpose which they are given such weorking of Panchayat Samiti will help in local need based and target programmes reaching social and economically weaker section of society.

- 7) It is suggested that a separate state finance commission be set up to recommend to transfer the resource from the State Government to Zilla Parishad, to augment own resources of Panchayat Raj institutes and to review the finances of Panchayat Samiti and Zilla Parishad periodically.
- 8) The Zilla Parishad at district level can be given limited borrowing powers to raise debt receipts for financing developmental expenditure as the Researcher finds that the savings of rural form sector in district like Kolhapur have increased and these local rural saving potential can be trapped by local rural bodies through co-operatives to finance their expenditure outlays.