

Issues of Own Resources Mobilization of Panchayats

A District Level Study in West Bengal

Suman Chakraborty

Introduction

Own revenue of panchayats comes from tax and non-tax resources including voluntary contributions. Panchayats' tax receipt as well as voluntary contributions depend on rural people's willingness and capacity to pay, which in turn depends on people's saving and investment. The structure of own sources revenue in most of the districts of West Bengal changed in the favour of non-tax revenue or against own tax revenue. The compound annual growth rates of per capita own sources revenue of all districts of West Bengal is not significant. The tax, non-tax, and total own sources revenue vary across the districts and also over years for particular district. The variation of per capita own sources revenue across districts of West Bengal significantly explained by Literacy Rate, Income Index, Gender Development Index, Human Development Index. Per capita own sources revenue of panchayats (all tiers) of few districts of West Bengal belonged to a decent PCOR group in the recent year whereas initially that was not observed in any district of West Bengal.

According to the district-wise Broad Pattern of Land Utilization (in hectares) report, the district South 24th Pargana and Midnapore West possesses Largest area (9,53,368 hect., 9,28,581 hect.) again the district Howrah possesses the smallest area (1,38,676 hect.) apart from Kolkata. The district Midnapore West possesses the largest (5,94,155 hect.) and the district Howrah possesses smallest (91,609 hect.) cultivable land area. According to largest forest area the district South 24-parganas takes the first position on the other hand the district Nadia possesses the lowest

Table 15. 1: Broad Pattern of Land Utilization in West Bengal 2004-05

State/District	Reporting Area	Classification of reported area (Area in Hectares)		
		Cultivable area	Area not available for cultivation excluding forest	Forest area
	(In Hectares)	(In Hectares)	(In Hectares)	(In Hectares)
West Bengal*	8687450	5812686 (66.91)	1699993 (28.16)	1174771 (13.52)
Burdwan	698762	479749 (68.65)	196747 (28.16)	22266 (3.19)
Birbhum	451118	343112 (79.06)	92153 (20.43)	15853 (3.15)
Bankura	687995	391025 (56.85)	148040 (21.52)	148930 (21.65)
Midnapore East	396594	303406 (76.50)	92289 (23.27)	899 (0.23)
Midnapore West	928581	594155 (63.98)	162491 (17.50)	171935 (18.52)
Howrah	138676	91609 (66.06)	47067 (33.94)	NA
Hooghly	312224	226435 (72.52)	85259 (27.31)	530 (0.17)
North 24-Parganas	386524	272055 (70.39)	114469 (29.61)	NA
South 24-Parganas	953368	397309 (41.67)	129759 (13.61)	426300 (44.72)
Nadia	390656	308845 (79.06)	80595 (20.63)	12.16 (0.31)
Murshidabad	532499	409077 (79.82)	122651 (23.03)	771 (0.15)
Uttar Dinajpur	312466	279709 (89.52)	32177 (10.30)	580 (0.18)
Dakshin Dinajpur	221907	192584 (86.79)	28391 (12.79)	932 (0.42)
Malda	370862	285603 (77.01)	83580 (22.54)	1679 (0.45)
Jalpaiguri	622700	363041 (58.30)	80659 (12.95)	179000 (28.75)
Darjeeling	325469	165463 (50.84)	35430 (10.89)	124576 (38.27)
Cooch Behar	331566	264984 (79.92)	62326 (18.80)	42.56 (1.28)
Purulia	625483	444525 (71.07)	105910 (16.93)	75048 (12.00)

Notes: 1.* Excluding Kolkata

2. Figures in parentheses are percentage to total area.

3. Cultivable area includes Permanent Pastures and other grazing land, land under misc. tree groves not included.

forest area. From the table 15.1 we can state the districts Burdwan and Darjeeling having the largest and smallest area respectively which are not available for cultivation excluding forest area (Table 15.1).

The districts Burdwan, Murshidabad, Coochbehar have the highest number of regulated principal markets (4) and the districts South Dinajpur, South 24th Pargana, Howrah have the lowest number of regulated principal markets (1). On the other hand in the case of sub-market the district Coochbehar has the highest numbers of sub-markets (108) and the district Howrah has the lowest numbers (6) of sub-markets. Apart from Howrah and Nadia all other districts consist of double digit number of sub-markets (Table 15.2).

Table 15.2: Regulated Markets in West Bengal by Category and District (as on 31st October, 2007)

<i>Districts</i>	<i>Principal market</i>	<i>Sub-market</i>
Coochbehar	4	108
Jalpaiguri	3	57
Darjeeling	2	37
Dinajpur (N)	2	26
Dinajpur (S)	1	16
Malda	2	17
Murshidabad	4	27
Nadia	3	9
N-24th Pargana	1	53
S-24th Pargana	nil	45
Howrah	1	6
Hooghly	3	85
Midnapore (E)	2	23
Midnapore (W)	3	31
Bankura	3	21
Purulia	2	10
Burdwan	4	41
Birbhum	3	29

Source: Directorate of Agricultural Marketing Government of West Bengal.

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 State Finance Commission, Status Reports prepared by Department of Rural Development reveal that the performance of most of the states in India regarding own resources mobilization is poor. In this background a few questions that arise are: What is the trend and pattern of own resources mobilization in West Bengal

Table 15.3: Own Sources Revenue Pattern of Panchayats' Revenue Collection of Districts During 2006-07 to 2008-09
(Amount in Rs. Lakhs)

Name of the Districts	Population	Tax Collection			Non-Tax Collection			Total			
		2006-07		2007-08	2006-07		2007-08	2006-07		2007-08	2008-09
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	
Coochbehar	22.54	49.71	41.76	72.84	97.32	112.18	61.06	147.03	153.94	133.9	
Jalpaiguri	27.94	159.16	119.53	123.28	115.58	138.4	144.77	274.74	257.93	268.05	
Darjeeling	10.89	68.4	131.81	94.24	34.08	81.25	68.12	102.48	213.06	162.36	
N. Dinajpur	21.47	54.83	24.18	68.31	48.56	54.26	71.14	103.39	78.44	139.45	
S. Dinajpur	13.06	33.27	33.63	45.69	50.3	63.95	88.8	83.57	97.58	134.49	
Malda	30.5	74.52	49.41	101.23	90	117.04	108.76	164.52	166.45	209.99	
Murshidabad	51.34	115.5	109.88	145.88	100.58	161.17	167.26	216.08	271.05	313.14	
Nadia	36.25	202.62	214.32	221.16	135.69	174.08	222.95	338.31	388.4	444.11	
N. 24 Pargans	40.83	215.45	245.17	244.37	261.52	352.65	370.47	476.97	597.82	614.84	
S. 24 Pargans	58.2	157.07	95.21	190.94	209.3	169.29	296.8	366.37	264.5	487.74	
Howrah	21.21	154.6	173.68	220	169.24	195.06	238.03	323.84	368.74	458.03	
Hooghly	33.54	231.27	225.3	232.05	392.17	408.72	442.66	623.44	634.02	674.71	
E. Medinipur	39.57	116.15	128.43	150.33	252.38	289.66	326.15	368.54	418.09	476.48	
W. Medinipur	46.7	188.7	215.49	262.5	361.4	457.29	508.89	550.1	672.78	771.39	
Bankura	29.57	62.59	67.83	55.94	282.58	390.49	342.71	345.17	458.32	398.65	
Purulia	22.81	6.27	4.85	11.86	18.28	21.52	38.96	24.55	26.37	50.82	
Burdwan	43.48	262.65	254.58	328.49	434.88	553.53	616.36	697.53	808.11	944.85	
Birbhum	27.57	127.08	125.15	165.65	131.75	160.63	206.07	258.83	285.78	371.72	

Sources: Annual Report of WB from WBPRD website.

and her districts during the recent years? Is there any significant variation of own resource mobilization across districts of West Bengal? What are the factors that accounted for the variation of own resource mobilization across districts of West Bengal? The present study seeks to address these and allied questions.

Data Base and Methodology

The entire study is based on secondary data, which are collected from official website of dprd web West Bengal Government, Finance Commission and Census Report. We have taken major districts of West Bengal. PCOR data have been taken 2002-03 to 2008-09. These data have been analysed by using simple statistical techniques, (*viz.*, ratio, correlation–regression, compound annual growth rate, coefficient variation etc.). All the calculations have been done by using statistical software SPSS and computer software MS excel.

The Objectives of the Study

- (i) To examine the pattern of growth and structural changes of own revenue of panchayats in West Bengal across the districts.
- (ii) To examine the factors that affect own revenue differential across the districts.

The entire study approaches by the following way. The section 2nd describes total own sources revenue, tax and non-tax revenue of Panchayats and also Per Capita Own Sources Revenue (all tiers) during 2002-03 to 2008-09 in the districts of West Bengal. The section 3rd explains pattern of growth Per Capita own sources revenue and structural changes of own sources revenue. The section 4th reveals the variation of own sources revenue. The section 5th analyses the determinants of own sources revenue and correlation with per capita own sources revenue. The section 6th makes the concluding remarks.

Own Sources Revenue

Table 15.3 shows the tax, non-tax, and total own sources revenue collected by the panchayats of different districts of West Bengal during 2006-07 to 2008-09. In the year of 2006-07 the district Burdwan had the highest own sources revenue (697.53) to be followed by the districts Hooghly

(623.44), and West Midnapore (550.10). The district Purulia had the lowest own source revenue (24.55) followed by the district South Dinajpur (83.57). In the year of 2008-09 again the district Burdwan was on the top position (944.85) and to be followed by Midnapore West (771.39), Hooghly (674.71) and North 24 Pargana (614.84) on the contrary The district Purulia again had the lowest own source revenue (50.82). The district Purulia continued to remain having lowest own source revenue during 2006-07 to 2008-09. The district Burdwan continued to remain having highest own source revenue during 2006-07 to 2008-09.

Per Capita Own Sources Revenue: Table 15.4 Per capita own source revenue of panchayats varies widely across the districts of West Bengal in our study. In the year of 2002-03 Hoogly (Rs. 13.48) and Burdwan (13.33) had the highest PCOR (all tier) to be followed by Midnapore (Rs. 11.03) and Howrah (Rs. 10.29). The district Purulia (Rs. 2) had the lowest Per Capita own source revenue. In the year of 2005-06 the highest per capita own source revenue collector was Burdwan (Rs. 26.84) and to be followed by Hooghly (Rs. 22.18), Howrah (Rs. 17.9) and West Midnapore (Rs. 14.35). The district Purulia was the lowest Per capita own source revenue (Rs. 1.91) collector. In the year of 2008-09 again we have got the highest Per capita own source revenue collector Burdwan

Table 15.4: Per capita Own Sources Revenue of Different Districts of West Bengal During 2002-03 to 2008-09 *(Amount in Rs.)*

Districts	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Coochbehar	4.74	6.09	8.44	11.13	12.45	12.34	15.72
Jalpaiguri	6.2	9.12	8.77	11.93	23.49	15.74	20.14
Darjeeling	4.84	6.06	10.17	14.46	18.26	22.78	20.98
U-Dinajpur	3.48	4.37	5.26	5.2	8.36	6.0	8.98
D-Dinajpur	7.66	6.17	12.49	13.75	11.44	14.99	15.93
Malda	6.23	5.64	13.52	9.71	17.06	12.64	11.81
Murshidabad	5.2	4.67	6.52	8.11	7.63	8.81	9.04
Nadia	6.65	6.49	8.2	9.43	12.77	13.85	16.3
N-24th Pargana	7.23	6.59	9.78	12.06	16.91	23.23	34.74
S-24th Pargana	4.71	5.03	8.27	8.16	11.64	22.03	22.73
Howrah	10.29	12.02	13.75	17.9	28.22	16.13	31.05
Hooghly	13.48	16.96	21.83	22.18	25.85	21.63	27.95
E-Midnapore	11.03	9.65	7.27	10.6	14.62	19.09	18.8
W-Midnapore	4.89	6.38	11.43	14.35	24.64	23.72	30.68
Bankura	3.17	8.73	11.05	14.12	22.4	34.06	17.68
Purulia	2	1.54	6.07	1.91	4.65	3.87	5.97
Burdwan	13.34	19.34	23.25	26.84	32.42	28.16	34.74
Birbhum	7.67	10.62	13.25	14.08	18.46	22.88	26.23
West Bengal	7.13	8.4	11.11	12.61	17.36	18.65	21.64

Source: Annual Report of WB from WBPRD website.

and North 24-Pargana (34.74) to be followed by Howrah (31.05), West Midnapore (30.68) and the result of Purulia remain unchanged (i.e. lowest position) or consistently bad.

Frequency Distribution of Districts of West Bengal by Per Capita Own Sources Revenue of Panchayats (All Tiers): Table 15.5 describes the frequency distribution of per capita own source revenue of the districts of West Bengal (all tiers). It reveals that in 2002-03 eight districts, namely Coochbehar, Darjeeling, Uttar Dinajpur, South Dinajpur, West Midnapore, Bankura, Purulia belonged to the PCOR group below Rs. 6. Only two districts, namely Hooghly and Burdwan belonged to the PCOR group above Rs. 15. Not any district of West Bengal belonged to the PCOR group above Rs. 18. In the year of 2005-06 only two districts, namely Uttar Dinajpur and Purulia belonged to the PCOR group below Rs. 6. And seven districts having more than Rs. 15, but less than Rs. 18 and only one district belonged to the PCOR group above Rs. 24, namely Burdwan. In the year 2008-09 only one district of West Bengal namely Purulia belonged to the group below Rs. 6. and six districts belonged to the PCOR group above Rs. 24 those are as follows Burdwan, Birbhum, North 24-Pargana, Howrah, Hooghly, Midnapore West. The district Purulia continued to remain in the lowest PCOR group of below Rs. 6, during 2002-03 to 2008-09 on the contrary the district Burdwan continued to remain in the highest PCOR group of more than Rs. 24 during 2005-06 to 2008-09.

Pattern of Growth of Own Sources Revenue of Panchayats

Table 15.6 shows the districts of the State of West Bengal registered differential growth rate of per capita own source revenue of panchayats during 2002-03 to 2008-09. Most of the districts are statistically significant for their compound annual growth rate in the level of significance at 5 per cent and 1 per cent level of t-statistic, apart from three districts of West Bengal, namely North Dinajpur, Murshidabad and Purulia.

Structural Changes in Own Sources Revenue of Panchayats: Table 15.7 shows the facts that the structure of own source revenue of panchayats of most of districts apart from Coochbehar, Malda, Howrah of West Bengal changed in favour of non-tax revenue, but in the case of the districts Midnapore (East and West) change of share of tax and non-tax revenue is negligible.

Table 15.5: Frequency distribution of districts of West Bengal by per capita own sources revenue of panchayats (All Tiers)

Range	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
0-5.99	8 (cb, dj, ud, mur, s24p, wm, ban, puru)	5 (ud, mld, mur, s24p, puru)	1 (ud)	2 (ud, puru)	1 (puru)	1 (puru)	1 (puru)
6-11.99	8 (jpg, dd, mld, nd, n24p, hwh, em, brvm)	10 (cb, jpg, dj, dd, nd, n24p, em, wm, ban, brvm)	11 (cb, jpg, dj, mur, nda, n24p, s24p, em, wm, ban, puru)	7 (cb, jpg, mld, mur, nda, s24p, em)	4 (ud, dd, mur, s24p)	2 (ud, mur)	3 (ud, mld, mur,)
12-17.99	2 (hgly, brdmn)	3 (hwh, hgly, brdmn)	4 (dd, mld, hwh, brvm)	7 (dj, dd, n24p, hwh, wm, ban, brvm)	5 (cb, mld, nda, n24p, em)	6 (cb, jpg, dd, mld, nda, hwh)	4 (cb, dd, nda, ban)
18-23.99	NA	NA	2 (hgly, brdmn)	1 (hgly)	4 (jpg, dj, ban, brvm)	7 (dj, n24p, s24p, hgly, em, wm, brvm)	4 (jpg, dj, s24p, em)
24 and Above	NA	NA	NA	1 (brdmn)	4 (brdmn, wm, hwh, hgly)	2 (ban, brdmn)	6 (n24p, hwh, hgly, wm, brdmn, brvm)
Total	18	18	18	18	18	18	18

Source: As above.

Table 15.6: Pattern of Growth of Own Sources Revenue of Panchayats

Remarks	Name of the Districts	Level of Significant**
Statistically Significant	Coochbehar*, Darjeeling**, Jalpaiguri**, S. Dinajpur**, E. Midnapore**, W. Midnapore**, Malda*, Bankura*, Birbhum**, Howrah**, Hooghly**, N-24 Pargana**, S-24 Pargana**, Nadia*, Burdwan**, Jalpaiguri**	1%, *5%
Statistically Insignificant	N. Dinajpur Murshidabad Purulia	Nil

Source: As above.

Table 15.7: Structural Changes in Own Sources Revenue of Panchayats

Name of the District	% Share of Own tax revenue to total OR			% Share of Non-tax revenue to total OR		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Coochbehar	33.81	27.13	54.40	66.19	72.87	45.60
Jalpaiguri	57.93	46.34	45.99	42.07	53.66	54.01
Darjeeling	66.75	61.87	58.04	33.26	38.13	41.96
N. Dinajpur	53.03	30.83	48.99	46.97	69.17	51.01
S. Dinajpur	39.81	34.46	33.97	60.19	65.54	66.03
Malda	45.30	29.68	48.21	54.70	70.32	51.79
Murshidabad	53.45	40.54	46.59	46.55	59.46	53.41
Nadia	59.89	55.18	49.80	40.11	44.82	50.20
N. 24 Pargana	45.17	41.01	39.75	54.83	58.99	60.25
S. 24 Pargana	42.87	36.00	39.15	57.13	64.00	60.85
Howrah	47.74	47.10	48.03	52.26	52.90	51.97
Hooghly	37.10	35.54	34.39	62.90	64.46	65.61
E. Medinipur	31.52	30.72	31.55	68.48	69.28	68.45
W. Medinipur	34.30	32.03	34.03	65.70	67.97	65.97
Bankura	18.13	14.80	14.03	81.87	85.20	85.97
Purulia	25.54	18.39	23.34	74.46	81.61	76.66
Burdwan	37.65	31.50	34.77	62.35	68.50	65.23
Birbhum	49.10	43.79	44.56	50.90	56.21	55.44

Source: As above.

Variation of Own Sources Revenue of Panchayats Across Districts and Over Years

Table 15.8 explains Panchayats tax, non-tax and total own revenue vary across the districts and also over years for particular districts. The coefficient variation over years for individual districts varied widely. The highest being in the Purulia (48%) for own tax revenue, as well as non-tax

revenue (42%) and for total own source revenue (43%). The district Hooghly recorded the lowest coefficient variation for tax (6.21%) and non-tax revenue (4.20%). The district Jalpaiguri recorded the lowest coefficient variation for total own source revenue (3.17%).

Table 15.8: CV (%) of Tax, Own Sources Revenue, Non-Tax of WB, 2006-07 to 2008-09

Name of the Districts	CV		
	TAX	Non-Tax	OSR
Coochbehar	29.48	29.16	7.02
Jalpaiguri	16.33	11.55	3.17
Darjeeling	32.49	39.81	34.75
N. Dinajpur	46.05	20.25	28.64
S. Dinajpur	18.84	28.84	25.00
Malda	34.53	13.16	14.26
Murshidabad	15.65	25.78	18.25
Nadia	4.41	24.63	13.56
N. 24 Pargana	7.21	17.81	13.35
S. 24 Pargana	32.86	28.97	29.97
Howrah	18.40	17.31	17.81
Hooghly	1.61	6.21	4.20
E. Medinipur	13.15	12.75	12.83
W. Medinipur	16.81	16.91	16.68
Bankura	9.59	15.97	14.13
Purulia	48.38	42.37	43.26
Burdwan	14.38	17.23	15.17
Birbhum	16.40	22.55	19.30

Source: As above.

Determinants of Per Capita Own Sources Revenue

Table 15.9 shows the PCOR and its determinants. The PCOR across districts of West Bengal is shown in relation to Literacy Rate (LTR), Human Development Index (HDI), Income Index (II) and Reg: Small Scale and Cottage Industries. The variation of PCOR of different districts of the State West Bengal explained in terms of these factors (LTR, HDI, II Reg: Small Scale and Cottage Industries).

The correlation matrix regarding Panchayat's PCOR is shown in below Table 15.10. It is represented that PCOR is significantly correlated

Table 15.9: Determinants of Per Capita Own Sources Revenue

Districts/Items	PCOR	LTR	HDI	Income Index	Reg: Small Scale and Cottage Industries
Coochbehar	15.72	66	0.52	0.41	332
Jalpaiguri	20.14	62.85	0.53	0.38	292
Darjeeling	20.98	71.79	0.65	0.49	142
Dinajpur	24.91	57.8	0.51	0.39	189
Malda	11.81	50.28	0.44	0.36	315
Murshidabad	9.04	54.35	0.46	0.29	861
Nadia	16.3	66.14	0.57	0.41	541
N. 24 Pargana	34.74	78.07	0.66	0.49	1002
S. 24 Pargana	22.73	69.45	0.6	0.4	551
Howrah	31.05	77.01	0.68	0.53	1140
Hooghly	27.95	75.11	0.63	0.46	343
Midnapore	49.48	74.9	0.62	0.45	1471
Bankura	17.58	63.44	0.52	0.26	322
Purulia	5.97	55.57	0.45	0.18	289
Burdwan	34.74	70.18	0.64	0.47	941
Birbhum	26.23	61.48	0.47	0.27	309

Source: Annual Report of WB from WBPRD website.

Table 15.10: Correlation Matrix Regarding Per capita Own Sources Revenue of Panchayats

Pearson Correlation					
Districts/Items	PCOR	LTR	HDI	Income Index	Reg: Small Scale and Cottage Industries
PCOR	1				
LTR	.748**	1			
HDI	.707**	.948**	1		
Income Index	.642**	.773**	.868**	1	
Reg: Small Scale and Cottage Industries	.669**	.512*	.501*	0.428	1

Note: *. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

Source: As above.

with Literacy Rate (LTR), Human Development Index (HDI), Income Index (II) and Reg: Small Scale and Cottage Industries. The factors Ltr, HDI, II, Reg: Small Scale and Cottage Industries are significantly correlated.

Table 15.11: Regression Equation Concerning Per Capita own Revenue

<i>Independent Variable</i>	<i>Constant</i>	<i>Coefficient</i>	<i>R Square</i>	<i>F</i>
LTR	-40.849 (-2.679)	.970 (4.220)	56%	17.81
HDI	-30.297 (-2.1)	95.435 (3.738)	50%	13.97
Income Index	-5.324 (-.570)	72.862 (3.130)	41%	9.79
Reg: Small Scale and Cottage Industries	12.519 (3.299)	.019 (3.363)	45%	11.3

Note: Figures within Parentheses represent T-Ratio.

The regression equations concerning PCOR of Panchayats are shown in the above Table 15.11. It is revealed that variation in PCOR is explained by Literacy Rate (Ltr), Human Development Index (HDI), Income Index (II) and Reg: Small scale and Cottage Industries to the extent of 56 per cent, 50 per cent, 41 per cent and 45 per cent respectively. All the models are statistically significant.

Concluding Remarks

On the basis of the above findings of the existing study we can draw the concluding remarks by the following way: The level of own sources revenue and its structure of panchayats vary widely across the districts of West Bengal. There is also differential growth rate of per capita own source revenue across the districts of the State. The variation is clearly explained by literacy rate, human development index, registered Small Scale and Cottage Industries and income index which is statistically significant at 5 per cent and 1 per cent level. The present study exhibits that the percentage share of non-tax revenue is greater than percentage share of tax revenue to the total revenue. It proves that the share of tax revenue declines over the years on the contrary the non-tax revenue plays a significant role to boost up the economy. Another challenge of any developing economy as well as Panchayat is high rate of population which leads to disguised unemployment and low rate of per capita income which

may pull the economy towards under development or backwardness. The District having significant growth rate have maximum number of prime markets and sub-markets. The process of utilization of land can play a vital role to improve own revenue structure *vis-à-vis* economic condition of gram panchayats.

The policy suggestions may be on enhancing the values of the development indices such as literacy rate, human development index, income index and Reg: Small Scale and Cottage Industries for the districts. The State can adopt strict population control policy to reduce the high growth rate of population to improve per capita revenue structure. The State can enjoy the fiscal autonomy by using the non-tax revenue from its productive resources and to improve the tax structure. The percentage of unused land is not too small. So, that if the panchayats use it in commercial purpose, viz. aqua agriculture, they use the unused land as a park and charge a fee from the visitors etc. The tax structure should be changed according to recent time purchasing power or standard of living index and price index. The policy may reduce the dependency on external grant which leads to a stable economic condition of panchayats of the districts *vis-à-vis* the State.

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