

Entrepreneurial Role of Gaon Panchayat for Village Development

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ABSTRACT

After 73rd amendment, Gaon Panchayat has been considered as the most effective mechanism of realizing the goals of village development. Gaon Panchayats have been entrusted the responsibilities of 29 subjects of economic development and social justice like sanitation, water supply, rural energy, etc. for ensuring all round rural development through the optimal use of rural resources. Similarly, to remove the financial shortage, the Article 243(H) and the Article 243(I) of the Constitution of India have made the provisions for financial devolutions to the

Gaon Panchayats as well as own revenue mobilization. Following the directions of the 73rd amendment of the Constitution of India, the Assam government has passed the Assam Panchayat Act, 1994 and the Assam Panchayat (Financial) Rules, 2002 to enrich the Panchayats as effective organization of rural economic development by transferring autonomy in functions and finance. But transfer of powers and functions and making provision of the financial resources to the Gaon Panchayat may not guarantee local village economic development. Gaon Panchayats have to be able to mobilize financial resources from the possible sources to acquire financial autonomy. For sound village development, Gaon Panchayats have to promote rural entrepreneurship by giving infrastructural and technological support. In this background, this paper throws light on the role and prospect of the Gaon Panchayats for promoting rural entrepreneurship by acquiring financial autonomy. This paper is prepared on the basis of strengths and potentialities of own revenue mobilization of 10 sample Gaon Panchayats of Nalbari district of Assam.

Keywords: Gaon Panchayat, Own Revenue, Rural entrepreneur and Rural Development.

Introduction: After 73rd amendment, Gaon Panchayat as the local-self government at the grass-root level has been considered as the most effective mechanism of realizing the goals of village development. Gaon Panchayats have been entrusted the responsibilities of 29 subjects of economic development and social justice like sanitation, water supply, rural energy, etc. Similarly, the Article 243(H) and the Article 243(I) of the Constitution of India have made the provisions for financial devolutions to the Gaon Panchayats. The Article 243(H) empowers the Gaon Panchayats to levy, collect and appropriate specified taxes, duties, fees, etc., for mobilizing financial resources to be self government in planning and execution for village development. Following the directions of the 73rd amendment of the Constitution of India, the Assam government passed the Assam Panchayat (Financial) Rules, 2002 on 9th October, 2002 under the provisions of the Assam Panchayat Act, 1994 to enrich the Panchayats as effective organization of rural economic development by providing the financial autonomy. But transfer of power and functions and making provision of the financial resources to the Gaon Panchayat may not guarantee local village economic development. Gaon Panchayats have to be able to mobilize financial resources from the possible sources to acquire financial autonomy. For sound village development, Gaon Panchayats have to promote rural entrepreneurship by giving infrastructural and technological support. In this background, this paper throws light on the role and prospect of the Gaon Panchayats for promoting rural entrepreneurship by acquiring financial autonomy. This paper is prepared on the basis of strengths and potentialities of own revenue mobilization of 10 sample Gaon Panchayats of Nalbari district of Assam.

Objectives:

1. To study the Gaon Panchayats' responsibilities for promoting rural entrepreneurship.
3. To study the revenue mobilization potentialities.

Entrepreneurial Responsibilities of the Gaon Panchayat: Since India is a village dominant agro based country, therefore, India's development must be enriched by rural development. The capacity of the villagers to improve their livelihood must be explored by providing incentives. They need to be provided necessary technological inputs so that village as one unit becomes self reliant.

Rural development requires the development of rural infrastructures and rural technology which are considered as crucial for agriculture and industrial development. Infrastructural development promotes rural entrepreneurship and which may promote agriculture and industry in both farm and non-farm sectors. Gaon Panchayats can play active role for developing rural infrastructures and thereby can motivate the rural youths for entrepreneurial responsibility.

Gaon Panchayats can assist rural youth by arranging loans from financial institutions and technology back up from various sources like Krishi Vigyan Kendras, Corporates, NGOs, SIRD, etc. The development of infrastructures and technology support to the rural youths will create gainful employment opportunities both in farm and non-farm sectors.

For developing rural entrepreneur, marketing opportunity of both farm and non-farm products have to be developed by the Gaon Panchayats. Rural haats, rural marts, village fairs, etc. provide enough opportunity to rural entrepreneurs to demonstrate as well as to sell their products. Sound development of the marketing opportunity may accelerate the entrepreneurial motivation.

To promote entrepreneurial motivation among rural youths through the supply of infrastructural and technology support, financial autonomy of the Gaon Panchayats assumed to be necessary. Gaon Panchayat must be able to acquire financial autonomy through the mobilization of revenues from different sources.

Revenue Mobilization Potentialities: The most crucial factor for giving infrastructural and technology support and to motivate the rural youths for entrepreneur, is the financial autonomy of the Gaon Panchayat. For acquiring financial autonomy, they have to develop financial base with the help of both transferred revenue as well as mobilized revenue. Since the spending of transferred revenue depends on some pre-requisite criteria, therefore, the Gaon Panchayat must emphasize on the mobilization of revenues from own possible sources. As per the Assam Panchayat (Financial) Rules, 2002, the Gaon Panchayat may collect own revenue by imposing the following taxes and fees etc.

- (i) Household tax
- (ii) Tax on trades, callings, manufactures and productions, etc.
- (iii) An additional stamp duty on all payments for admission to any entertainment.
- (iv) Fees for providing the sanitary arrangement at the places of workshop, pilgrimage, etc.
- (v) Fees for the water arrangement for drinking or irrigation, etc.
- (vi) Fees for lighting arrangement on Public Street or places, etc.
- (vii) Fees on sale of fire wood.
- (viii) Fees on slaughter houses.
- (ix) Fees on private/ public market sheds and pounds.
- (x) License fees for running hotels, sweetmeat stall, tea stall, pharmacy, tailoring, saloon, etc.
- (xi) Fees from the registration of the cattle sold, etc.
- (xii) Vehicle tax.

If the Gaon Panchayat can realize the potentialities to the reality, then it may be a great impetus for promoting rural entrepreneurship.

OWN REVENUE POTENTIALITIES OF SOME SELECTED GAON PANCHAYATS OF NALBARI DISTRICT : In Nalbari, there are wide variations among the different Gaon Panchayats in case of the tax and the non-tax sources. In this study, the potentialities of the own revenue of the Gaon Panchayats is calculated on the basis of the strength of resources available in the year 2012-13. The table 1 shows the strengths of own taxable resources of ten Gaon Panchayats of Nalbari in the year 2012-13.

Table-1: Taxable Resources of the Gaon Panchayats in the year 2012-13

Name of Development Block	Name of GP	RCC houses	Assam type houses	Other houses	RCC type houses used for business	Assam type houses used for business	Others houses used for	Number of non agricultural enterprises
Pub Nalbari	4 No Khata	162	2237	1959	28	543	103	612
	6 No Paschim Batahgila	09	2103	1902	16	397	89	502
Borigog Banbhag	12 No Datara	Nil	1272	580	Nil	54	23	126
Paschim Nalbari	23 No Paschim Khetry Dharmapur	Nil	1209	640	Nil	76	42	98
	32(4) No Dakhin Pakowa	03	813	258	07	239	48	172
Madhupur	40 No Dakhin Natun Dehar	03	1097	1022	02	106	32	112
Tihu	41 No Makhibaha	Nil	1202	453	02	121	46	143
Barbhag	51(5) No Upar Barbhag	04	1433	418	17	309	37	332
Barkhetri	64 No Bhangnamari	Nil	2395	2121	Nil	109	99	162
	54 No Kekankuchi Kaplabari	Nil	1523	2115	Nil	127	102	174

Source: Ph. D Thesis, Das, K.

The own tax revenue potentialities of the Gaon Panchayats under study of Nalbari district are presented in the table 2. The Figures of the table 2 have been calculated on the basis of the taxable sources of the Gaon Panchayats, given in the table 1 and the rate of tax determined by the Assam Panchayat (Financial) Rules, 2002.

Name of GP	RCC houses Used for Residence@ Rs. 150/- p.a.		RCC houses used for Business@ Rs.250/- p.a.		Assam type houses used for Residence@Rs.50 /- p.a.		Assam type houses used for Business@ Rs.200/-p.a.		Houses with bamboo/mud wall/thatched roof @Rs.10/-		Trades/Callings/ Manufactures etc. @Rs.350/-		Total Amount (inRs.) (III+V+VII+IX+XI +XIII= XIV)
	No	Amount (in Rs.)	No	Amount (in Rs.)	No	Amount (in Rs.)	No	Amount (in Rs.)	No	Amount (in Rs.)	No	Amount (in Rs.)	
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
4 No Khata	162	24,300	28	7000	2237	111,850	543	108,600	1959	19,590	612	214,200	485,540
6 No Paschim Batahgila	09	1350	16	4000	2103	105150	397	79,400	1902	19,020	502	175,700	384,620
12 No Datara	Nil	00	Nil	00	1272	63600	54	10,800	580	5,800	126	44,100	124,300
23 No Paschim Khetry Dharmapur	Nil	00	Nil	00	1209	60450	76	15,200	640	6,400	98	34,300	116,350
32(4) No Dakhin Pakowa	03	450	07	1750	813	40650	239	47,800	258	2,580	172	60,200	153,430
40 No Dakhin Natun Dehar	03	450	02	500	1097	54850	106	21,200	1022	10,220	112	39,200	126,420
41 No Makhibaha	Nil	00	02	500	1202	60100	121	24,200	453	4,530	143	50,050	139,380
51(5) No Upar Barbhag	04	600	17	4250	1433	71650	309	61,800	418	4,180	332	116,200	258,680
64 No Bhangnamari	Nil	00	Nil	00	2395	119750	109	21800	2121	21210	162	56700	219,460
54 No Kekankuchi Kaplabari	Nil	00	Nil	00	1523	76150	127	25400	2115	21150	174	60900	183,600

Table 2: Source wise Own Tax Revenue Potentialities of the Gaon Panchayats under study

Source: Ph. D Thesis, Das, K.

Like the tax revenue, the Gaon Panchayats may also mobilize own revenues from various non-tax sources like fees, etc. The table 3 shows the strengths of sources of the non-tax revenues of the Gaon Panchayats under study.

Table 3: Strengths of Own Non-Taxable Resources of the Gaon Panchayats under study in 2012-13

Name of Development Block	Name of GP	No of pilgrimage	Sanitary arrangement made by GP at pilgrimage /fairs/melas etc	Drinking water arrangement	No of household beneficiaries from drinking water arrangement (approx)	Irrigation supplied	Quantity of irrigated land in Bigha (approx)	No of weekly markets	No of ponds/ Fisheries/ beels
Pub Nalbari	4 No Khata	07	03	34	245	03	400	03	08
	6 No paschim Batahgila	08	08	27	300	02	300	01	10
Borigog Banbhag	12 No Datara	05	05	29	250	02	300	01	05
Paschim Nalbari	23 No Paschim Khetri Dharmapur	03	03	39	200	01	150	02	12
	32(4) No Dakhin Pakowa	08	07	35	300	02	300	02	09
Madhupur	40 No Dakhin Natun Dehar	06	05	32	250	02	300	01	07
Tihu	41 No Makhibaha	05	04	38	330	01	150	01	07
Barbhag	51(5) No Upar Barbhag	07	07	41	350	01	150	03	10
Barkhetri	64 No Bhangnamari	08	06	28	300	03	400	03	10
	54 No Kekankuchi Kaplabari	04	04	29	300	02	300	02	10

Source: Ph. D Thesis, Khagen Das

The own non-tax revenue potentialities of the sample Gaon Panchayats are shown in table 4. The figures of the table 4 are calculated on the basis of the available quantity of the non-taxable resources as given in the table 3 and the rate structures of fees determined by the Assam Panchayat (Financial) Rules, 2002.

Table 4: Source wise Own Non-Tax Revenue Potentialities of the Gaon Panchayats under study

Name of GP	Sanitation fees from Pilgrimage/fairs/melas , etc.@ Rs. 200/- p.a.		Drinking Water Arrangement fees @ Rs.10/- p.a.		Irrigation Fees @ Rs. 20/- per bigha per annum		Total Amount (in Rs.) (III+V+VII = VIII)
	No of sanitation	Amount (in Rs.)	No of household beneficiaries	Amount (in Rs.)	Quantity of irrigated land (in bigha)	Amount (in Rs.)	
I	II	III	IV	V	VI	VII	VIII
4 No Khata	03	600/-	245	2450/-	400	8000/-	11,050/-
6 No Paschim Batahgila	08	1600/-	300	3000/-	300	6000/-	10,600/-
12 No Datara	05	1000/-	250	2500/-	300	6000/-	9,500/-
23 No Paschim Khetri Dharmapur	03	600/-	200	2000/-	150	3000/-	5,600/-
32(4) No Dakhin Pakowa	07	1400/-	300	3000/-	300	6000/-	10,400/-
40 No Dakhin Natun Dehar	05	1000/-	250	2500/-	300	6000/-	9,500/-
41 No Makhibaha	04	800/-	330	3300/-	150	3000/-	7,100/-
51(5) No Upar Barbhag	07	1400/-	350	3500/-	150	3000/-	7,900/-
64 No Bhangnamari	06	1200/-	300	3000/-	400	8000/-	12,200/-
54 No Kekankuchi Kaplabari	04	800/-	300	3000/-	300	6000/-	9,800/-

Source: Ph. D Thesis, Das, K.

Besides the constitutional tax and non-tax sources, Gaon Panchayats may opt other opportunities to raise own revenue.

1. Gaon Panchayats may develop productive assets to generate revenues in future.
2. The wetlands or fisheries in the areas of the Gaon Panchayats may be used for pisciculture, etc.

3. The Gaon Panchayats may make lighting, sanitary and drinking water arrangement at pilgrimages or places of public worship and may collect fees for supplying those.
4. The Gaon Panchayat can collect revenues from the festivals or fairs held in the villages by making some provisions of lighting, drinking water, etc., to collect fees.
5. In municipal area, prior permission is required for construction, re-construction and extension for which specific fees have to be paid to the municipal authority. If this rule is also applicable in case of the Gaon Panchayat, then it may be good source of revenue to them.

From the above study, it is evident that if the Gaon Panchayat can realize the own revenue potentialities, it will be able to ensure infrastructural development as well as to supply technology and thereby it will be able promote rural entrepreneurship as well as rural development.

Conclusion: Gaon Panchayat as effective local self government must play key role for village development. It has to empower rural youths to develop agriculture and industry by giving entrepreneurial motivation through the development of infrastructures and technology. For developing infrastructures and technology, Gaon Panchayat should have financial autonomy. For financial autonomy, Gaon Panchayats need to mobilize revenues form different sources. They need to develop productive assets for generating income in future.

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