
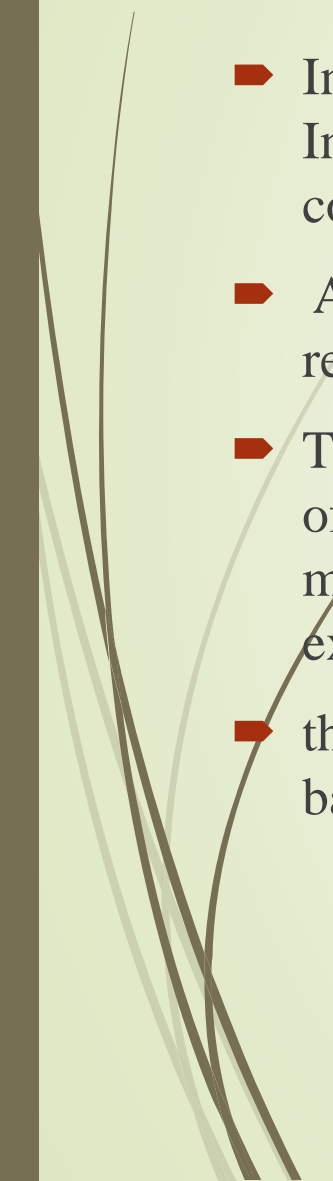


Source of revenue finance in panchayti Raj






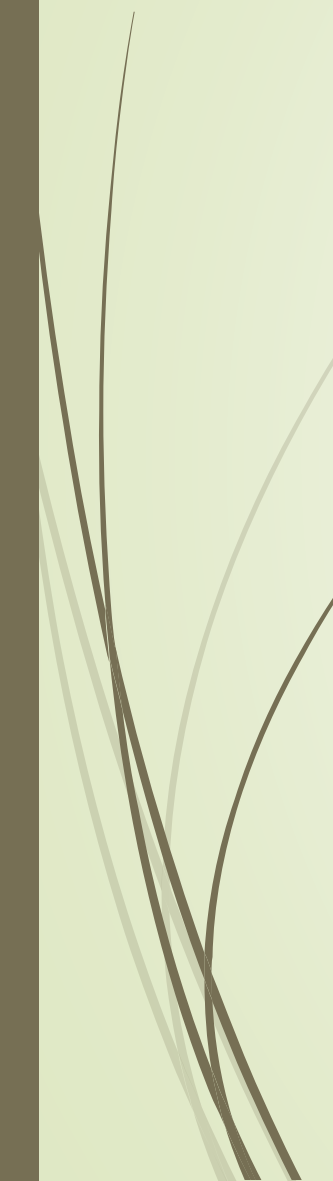
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- In India, the Panchayati Raj generally refers to the local self-government of villages in rural India as opposed to urban and suburban municipalities, this system was introduced by a constitutional amendment in 1992.
 - Although it is based upon the historical panchayat system of the Indian subcontinent. The recommendation of LM Singhvi Committee (1986) was accepted.
 - This Panchayati Raj system was formalized in 1992, following a study conducted by a number of Indian committees on various ways of implementing more decentralized administration. The modern Panchayati Raj and its Gram Panchayats are not to be confused with the extraconstitutional Khap Panchayats (or Caste Panchayats) found in northern India. In India,
 - the Panchayati Raj now functions as a system of governance in which gram panchayats are the basic units of local administration. The system has three levels:



➤ **The Panchayats receive funds from three sources: •**


- Local body grants, as recommended by the Central Finance Commission
- Funds for implementation of centrally sponsored schemes
- Funds released by the state governments on the recommendations of the State Finance Commissions

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- Rural Local Bodies have the duties of providing basic amenities and civic services to rural population.
 - The Rural Local bodies are empowered to collect taxes to raise p their own resources to perform their duties. However, the funds collected through their own revenues do not suffice.
 - Therefore, the Government (Central and State) devolves part of their own tax revenues to the rural local bodies to meet their needs
 - Article 243(I) and 243(Y) of the Constitution of India incorporated by 73rd and 74th Amendment Acts heralded a new era in the history of the Local Bodies by providing for the constitution of a State Finance Commission in all the States within one year from the commencement of the Constitution 73rd Amendment Act, 1992 initially and thereafter at the expiry of every five years to recommend devolution of funds to the Local Bodies.

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- Own Resource Generation Though, in absolute terms, the quantum of funds the Union/State Government transfers to a Panchayat forms the major component of its receipt,
 - the PRI's own resource generation is the soul behind its financial standing. It is not only a question of resources; it is the existence of a local taxation system which ensures people's involvement in the affairs of an elected body.
 - It also makes the institution accountable to its citizens. In terms of own resource collection, the Gram Panchayats are, comparatively in a better position because they have a tax domain of their own, while the other two tiers are dependent only on tolls, fees and non-tax revenue for generating internal resources



■ Gole of the Finance commission for Panchayati raj

- The Ministry of Panchayati Raj including its Secretary,
 - Shri Rahul Bhatnagar and senior officials made a presentation to the Chairman of 15th Finance Commission, Shri N.K. Singh, its Members and senior officials of the Commission.
 - It may be noted that Article 280 (3) (bb) of the Constitution specifies that the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State should be on the basis of the recommendations made by the Finance Commission.
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Empowerment of Women Representatives in Panchayat Raj

- Democracy ensures empowerment, while Panchayat Raj Institutions (PRIs) guarantees participation of all segments of society in the process. Greater gender equality is the key to successful participation of women in any democracy.
- Central and state governments have implemented many programmes to provide equal opportunities in education, employment and to improve economic status of women. As a result of this, status of women in India has been subject to many changes over the past two decades.
- When independence was declared, Mahatma Gandhi observed: 'As long as women of India do not take part in public life there can be no salvation for the country; the dream of decentralization could never be fulfilled. I would have no use for the kind of Swaraj to which such women have not made their full contribution' (Usha, 1999). Gender inequality is a major concern and government of India alongside various state governments have been engaged in a number of intervention programmes aimed at empowering them in true sense.



Thank you