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## **Human Development through Social Sector Expenditure by Panchayati Raj Institutions of Assam**

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### **Abstract**

*The importance of social sector expenditure to reach the basic objective of human development of various layers of governments is well recognized. Social sector expenditure is defined to comprise expenditure on broad budgetary heads called Social Services like Education, Public Health, Family Welfare, etc, and Rural Development. But the goal of human development cannot be ensured only by the bureaucratic led central or state government's developmental schemes. The critical needs of communities in health, sanitation, etc, must be met locally through local responsibility, accountability and action utilising local resources to the greatest possible extent in a country like India. In India, the door is opened by 73<sup>rd</sup> Amendment Act, 1992 which empowers to the Panchayati Raj Institutions to implement and monitor different developmental functions for human development. In line of the Seventy Third Amendment Act, Assam Government also passed Assam Panchayat Act 1994. Accordingly, in recent times, a lot of public fund have been transferred to Panchayati Raj Institutions (PRI) under different schemes to ensure human development through removal of poverty, increasing employment opportunities and community empowerment. But for human development with social justice, PRIs must ensure proper utilization. Therefore an attempt is made to focus the flow of public fund for social sector expenditure and its utilization by the PRIs in Assam in general and Nalbari district in particular.*

**Keywords: Social Expenditure, PRI and Human Development.**

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**Introduction:** The importance of social sector expenditure to reach the basic objective of human development of various layers of governments is well recognized. Social sector expenditure is defined to comprise expenditure on broad budgetary heads called Social Services and Rural Development. Social Services refer (i) Education, Sports, Art and culture; (ii) Medical and Public Health; (iii) Family Welfare; (iv) Water Supply and Sanitation; (v) Housing; (vi) Urban Development; (vii) Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Castes; (viii) Labour and Labour Welfare; (ix) Social Security and Welfare; (x) Nutrition; (xi) Relief on Account of Natural Calamities; (xii) Other Social Services. Within the social sector, social priority areas are defined to comprise elementary education, health and family welfare (excluding medical education, training and research), nutrition, water supply and sanitation and rural development. These are sectors that are particularly important for human development.

To realize the goal of human development, both the Central and State governments have been incurring a lot of expenditure on social services and rural development by implementing different developmental schemes. But mere implementation of developmental schemes by the Governments through bureaucratic interventions cannot ensure proper human development. The critical needs of

communities in health, sanitation, safe drinking water, education, family planning and income must be met locally through local responsibility, accountability and action utilising local resources to the greatest possible extent. Again in the rural dominant country, India, where nearly 720 million people live in rural villages, real development is possible only when rural India is being developed. Realizing these facts, Indian Government revitalized the Panchayati Raj system through 73<sup>rd</sup> Amendment Act, 1992 which empowers to the Panchayati Raj Institutions to implement and monitor different developmental functions in cooperation with governmental departments to accelerate the rate of human development particularly in rural villages. The 73<sup>rd</sup> amendment has made various provisions in Constitution of India as per Articles 243 A, B, C, D, E, F, G, H, I & K for Panchayati Raj system. After the 73<sup>rd</sup> Amendment, much attention has been drawn towards the state-local bodies' relationship and particularly on the crucial issue of financial and functional devolution from state to local bodies. Because the planners realized that without having uniformity between assigned functions and financial resources successful functioning of the local bodies is not possible.

Recently in line of the seventy third amendment of the constitution of India which came in to force on 20<sup>th</sup> August 1993, Assam Government also passed the Assam Panchayati Raj Act and its latest amendment was done in 1994, known as 73<sup>rd</sup> amendment under the name and style of Assam Panchayat Act 1994. To ensure PRIs as a key of rural economic development, under 73<sup>rd</sup> amendment of the Assam Panchayat Act 1994, Assam government passed Assam Panchayat (Financial) Rules 2002 on 9th October, 2002 to develop the financial base of the PRIs. To develop the financial base of the PRIs, Assam Panchayat (Financial) Rule has made the provision of various sources of incomes like taxes, penalties, grants-in-aid for administration from state government, grants for implementing schemes from central and state governments etc., own incomes, loans, donations, public contribution etc. As per State Finance Commission, the sources of income are divided as 1.own income including tax revenues and non tax revenues, 2.grants from the state government and 3.grants from the central government.

Under the Assam Panchayat Act, 1994 and Assam Panchayat (Financial) Rule (2002), the State as well as Central government have already disbursed a lot of public fund to the PRIs to provide the social services and to ensure rural development. In Assam, the governments have transferred fund to the PRIs under different schemes like Swarnajayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana, Indira Awaas Yojana, Pradhan Mantri Gramodaya Yojana (Rural Shelter), Integrated Wasteland Development Programme (IWDP), National Programme of Bio-gas Development (NPBD), Pradhan Mantri Gramin Sadak Yojana (PMGSY), National Social Assistance Programme (NSAP), Annapurna. Mahatma Gandhi National Rural Employment Programmes etc.,. The basic objective of all these programmes is to ensure human development through removal of poverty, increasing employment opportunities and community empowerment.

**Objective:** But mere transfer of fund to the PRIs cannot ensure gurantee to human development. For human development with social justice, PRIs must ensure proper utilization along with other necessities. Therefore in this paper an attempt is made to focus the flow of public fund for social sector expenditure and its utilization by the PRIs in concern with the following issues:

To study the trend public fund to Panchayati Raj institutions and its actual utilization.

To study the reasons for any difference between public fund and its utilization.

**Basis of the Study:** The study is conducted in Nalbari district of Assam. It is located between Kamrup district in south and east, Baksa district in north and Barpeta district in west. There are seven Community Development Blocks, 65 nos Gaon Panchayats and 7 nos Anchalik Panchayat under Nalbari Zila Parishad covering 464 villages in Nalbari District. For Gaon Panchayat level

study, Gaon Panchayats of Pub Nalbari Development Block and Borigog Banbhag Development Blocks have been taken in to account. This paper is based upon both primary and secondary sources of data. Data have been collected basically from Panchayat and Rural Development( P&RD), Nalbari and District Agricultural Office, Nalbari and Gaon Panchayat offices of the sample Development Blocks. Since the Assam Government transferred 29 subjects of administration to Panchayati Raj Institutions only in June, 2007 therefore only three years i.e., 2007-08, 2008-09 and 2009-2010 have been taken in to account.

**Flow of Public Fund to Panchayati Raj Institutions and its Utilization:** At present PRIs receive a lot of fund in the form of grant-in-aid from the central or state governments. The amount of the fund transfer to the PRIs from union FC has been increasing rapidly. For example, the thirteenth union Finance Commission allocated a sum of Rs. 1,577.4crores for PRIs in Assam. But it recommended nothing at all for Zilla Parishads and Anchalik Panchayats including the Sixth Schedule Areas and the tribal and ethnic councils. In addition to the above the Fourteenth FC has recommended for the first time certain performance grants. The performance grants for Gaon Panchayats in Assam are Rs 541.66crores for four years (2016-20).

Central or state governments transfer fund in the form of grant-in-aid to the local governments under different schemes. The different functions of Gaon Panchayats are implemented under the schemes like NREGA, Hariyali, SGSY, IAY and by the finance made by the State Finance Commission.

The National Rural Employment Gurantee Act (NREGA), renamed as Mahatma Gandhi National Rural Employment Gurantee Act (MGNREGA) which occupies an important place in rural development as well as in functioning of PRIs are related with the functions like the development of fisheries, agricultural land, social forestry, waste land development, agricultural bandh, roads, erosion protection etc.

The Hariyali scheme is related with the development of agricultural bandh, agricultural canal, fisheries etc.

The Swarnajayanti Gram Swarojgar Yojana is related with the promotion of Self Help Groups, social infrastructures, training centre, repairing of industry's houses, community assets etc.

IAY is involved with the rural housing.

Similarly, the Gaon Panchayats perform some activities related with social welfare and socio-economic importance with the help of grants-in-aid from the State Finance Commission.

After transferring 29 subjects to Panchayati Raj Institutions(PRI's), the government of Assam as well as Central government have been disbursing huge amount of public fund to PRI's under different line departments to uplift the rate of human development by developing the villages through removing poverty, generating employment opportunities, upgrading the less privileged section of the society and community empowerment. At present, the paucity of public fund is not the problem of human development and community empowerment rather the problem is of effective utilization. The trend of public expenditure and its utilization pattern through PRIs for rural economic as well as human development can be understood from the following table which depicts the flow of public fund from P&RD, Nalbari under various developmental Schemes and its utilization.

**Table I**  
(Rupees in lakh)

Name of the Schemes	2007-08	2007-08	2008-09	2008-09	2009-10	2009-10
	Fund allotted	Fund utilised	Fund allotted	Fund utilised	Fund allotted	Fund utilised
SGSY	540.41	540.41	493.57	493.57	653.61	531.2
IAY	2093.175	2093.175	2299.31	2299.31	1179.086	1179.086
IWDP	-	-	47.85	33.00	0.92	-
MGNREGA	5294.66	1572.00	4858.74	3394.269	3472.1	2831.1588
Hariyali	9.00	9.00	184.16	134.40	227.03	165.70
Total	7937.245	4214.585	7883.63	6354.539	5532.746	4707.1488

Source: P&RD, Nalbari

The table indicates that the amount of public fund utilization is comparatively lower than the released amount by the government. For example 2007-08 only 53% of public fund was utilized while it was 80% in 2008-09. Again in 2009-10 the percentage of public fund utilization was 85. This differences between the released public fund and utilization shows that the rate of human development is lesser than the expectation of the government.

It should be noted that government transfers fund to the PRIs not only under Panchayat and Rural Development (P&RD) department but also under various departments which are vested to bear the responsibility of specific rural developmental needs. Different line departments have different sectoral development schemes. The selection of beneficiaries etc. is done by the concerned department in collaboration with PRIs. For example, the Department of Agriculture bears the responsibility of agricultural development including its extension. In Assam, the Department of Agriculture has introduced a number of major and minor schemes for the development and extension of agriculture in association with Community Development Block and PRIs. The major schemes undertaken by the government of Assam for the development of agriculture are mainly the District Development Plan (DDP), Agricultural Technology Management Agency (ATMA), National Food Security Mission (NFSM), Rastriya Krishi Vikash Yojana (RKVY) in collaboration with Central Government and some State Government's own schemes like Assam Agricultural Competitiveness Project (AACP), Technology Mission for Integrated Development of Agriculture (TMIDH), etc. Besides these, some other schemes undertaken for the development of agriculture are Macro Management Scheme, Chief Minister's Assam Vikash Yojana, States Priority Sector Scheme etc.

The table II gives the picture of flow of fund under different programmes for agricultural development conducted by agricultural department in Nalbari district.

**Table II**  
**Fund allocation under Agricultural Development Schemes**

Sl No	Programme	Source Fund	Allocation		No of scheme
			Year	Amount (in Lakh)	
1	Technology Mission	ASFAC	2007-08	33.30500	15
2	Technology Mission	ASFAC	2008-09	49.90500	24
3	DDP	ZP	2007-08	25.44000	15

4	DDP	ZP	2008-09	24.51000	5
5	DDP	ZP	2009-10	29.96320	2
6	ATMA	AACP (ARIAS)	2007-08	99.60058	1
7	ATMA	AACP (ARIAS)	2008-09	25.00398	1
8	ATMA	AACP (ARIAS)	2009-10	34.57522	1
9	NFSM-Rice	ASFAC	2007-08	46.78500	9
10	NFSM-Rice	ASFAC	2008-09	142.96000	11
11	NWDPRRA	D.A. Assam	2007-08	22.75100	5
12	RKVY	D.A. Assam	2008-09	41.16293	7

Source: District Agricultural Office, Nalbari

There are various other developmental schemes of other development departments like Fishery, Veterinary and Sericulture etc, which also incur expenditure for rural development in collaboration with PRIs. It indicates the growing importance of the PRIs as local government. But it should be noted that if along with the increasing flow of grant-in-aid, own resource mobilization of the PRIs would also increase, then it would be the positive signal for rural development as well as local democracy.

Further, if we analyse the trend of disbursement of public fund to Gaon Panchayat (GP) wise, then it will show large variations. Lesser percentage of GPs have been able to get greater percentage of public fund. Though size of population is one of the basic criteria of disbursing public fund, however in actual practice political and bureaucratic biasness operates as the major determinant of disbursing public fund. Due to such type of maldistribution of public fund the actual human development is lagging behind. The following tables show the inter Gaon Panchayat variations of the flow of public fund of different gaon panchayats of Borigog-Banbhag Development Block and Pub Nalbari Development Block of Nalbari District.

**Table III**  
**Flow of fund under IAY (in Rs.)**

Name of G.P	2006-07	2007-08	2008-09
1 No. khata	2,40,000.00	5,24,800.00	6,11,200.00
2 no khata	3,13,200.00	7,88,200.00	4,58,400.00
3 no khata	2,56,600.00	8,16,000.00	4,58,400.00
4 no khata	3,38,200.00	12,51,200.00	6,49,400.00
5 no Pub Batahgila	22,84,800.00	13,60,000.00	9,55,000.00
6 no Pub Batahgila	6,58,000.00	16,32,000.00	9,16,800.00
7 no Pub Bahjani	9,07,200.00	13,60,000.00	5,34,800.00
8 no Uttar Bahjani	3,65,000.00	10,88,000.00	4,58,400.00
9 no Madhya Bahjani	4,40,400.00	13,32,800.00	8,02,200.00
10 no Dakhin Bahjani	6,51,400.00	22,84,800.00	12,98,800.00
Total	64,54,800.00	124,37,800.00	7143400.00

Source: P&RD, Nalbari

**Table IV**  
**Flow of fund under MGNREGA (in Rs.)**

Name of G.P	2007-08
1 No. khata	37,66,000.00
2 no khata	44,98,000.00
3 no khata	58,00,000.00
4 no khata	57,00,000.00
5 no Pub Batahgila	28,00,000.00
6 no Pub Batahgila	1,25,00,000.00
7 no Pub Bahjani	39,00,000.00
8 no Uttar Bahjani	53,00,000.00
9 no Madhya Bahjani	38,50,000.00
10 no Dakhin Bahjani	65,50,000.00

Source: P&RD, Nalbari

Again the pattern of the flow of public fund is more or less is unidirectional. As is evident from the table I, the government has released larger share of public fund under MGNREGA in recent years which basic objective is to provide rural employment opportunities for removing poverty. But for human development in real sense, along with the increase of employment opportunities and reduction of poverty and inequality, self-earning capacity must be improved by imparting proper skilled education and training.

Similarly, actual utilization of public fund is somewhat lesser than the official statistics. If we take in to account the factors like misuse, corruption, diversion of public fund etc. then the utilization of public fund for human developmental schemes will be very less.

Thus it can be stated that though the flow of public fund has been increasing day by day but due to lack of proper utilization or proper direction, human development through PRIs is far lagging behind the expectation.

**Reasons for improper utilization of public fund:** To ensure human development, the downtrodden section of the society must be developed by providing the facilities like medical and health, education, sanitation etc. and through community empowerment. The public fund must be utilized to improve the standard of living of them. For this, the beneficiaries must be selected in a proper way. For the selection of beneficiaries, though under Panchayati Raj System, a mandatory provision was made to arrange Gaon Sabha, but such type of Gaon Sabha is rarely found in rural villages which has provided the scope of improper use of public fund.

Secondly, lack of proper planning is another important cause of improper use of public fund. Though there is a system of democratic planning, but due to lack of expertise, traditional practice is followed to prepare planning.

Lack of up to date statistics is another important obstacle in executing developmental schemes. It has widened the scope of improper use of public fund.

Lack of public awareness and reluctance about the social developmental schemes stands as a major obstacle in proper use of public fund for human development.

Political biasness and bureaucratic intervention, corruption, etc, are important causes for improper use of public fund.

**conclusion:** Social sector expenditure plays an important role in human development. But mere increase of public expenditure cannot accelerate human development. To ensure human development, expenditure of public fund must be made on the basis of social justice and equity. There should not be any political or bureaucratic biasness in spending public fund for human development. Honesty and efficiency of both political leaders and bureaucrats and awareness of the public can help in proper use of public fund for human development.

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