2

The Structure of Governance

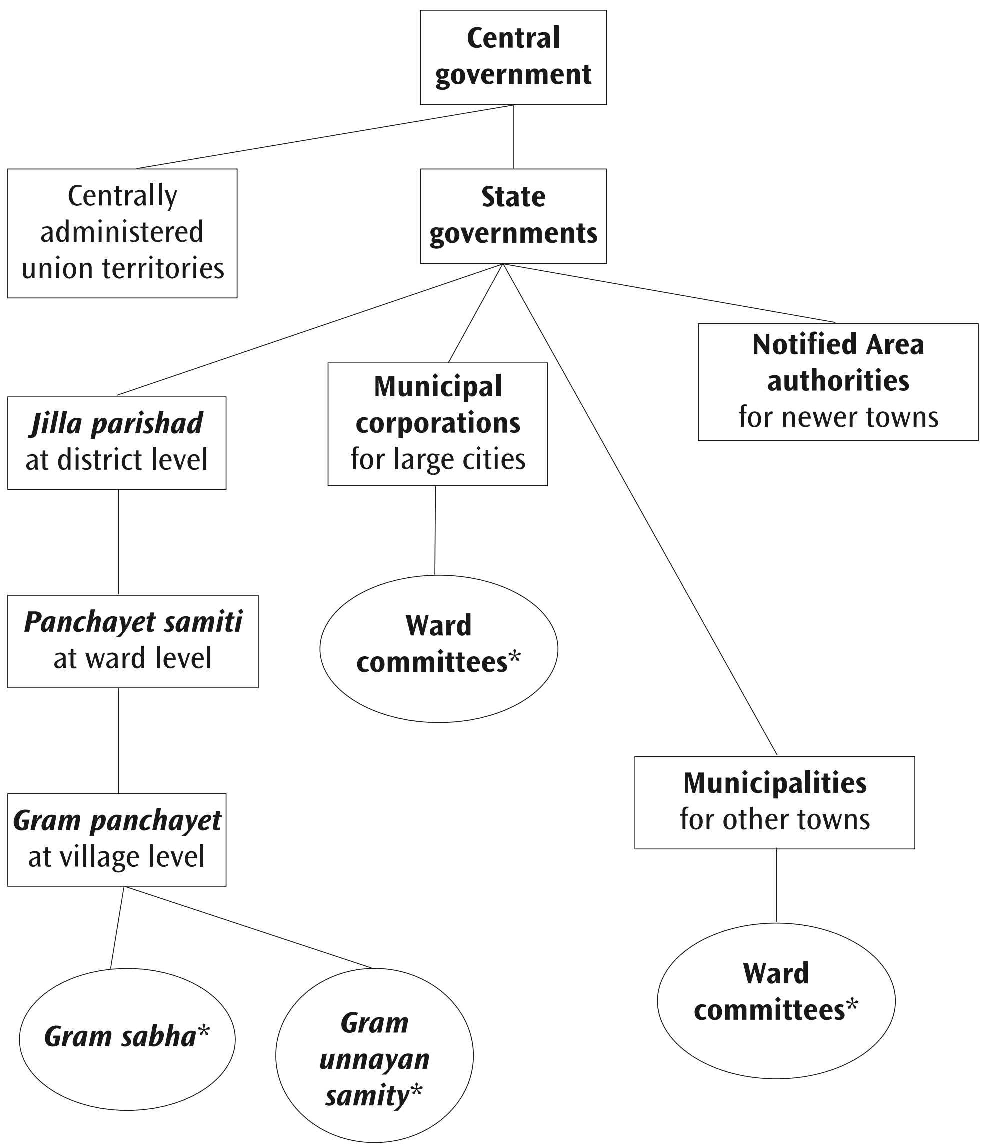
Different levels of government

The GOI – officially referred to as the Union Government – is the governing body of a federal union of 28 states (each with its own elected government) and seven union, i.e. centrally administered, territories. The system of governance was initially designed to have two tiers, the Union and the states; however, in 1992, Parliament passed the 73rd and 74th amendments to the Constitution to set up and constitutionally recognise a third tier of government at local levels: *panchayets* in rural areas and municipal bodies in urban areas.[3] Each state in its turn was authorised to create further two or three tiers within local governments to facilitate greater decentralisation of functions. Now, besides the GOI and the state governments, India has around a quarter of a million local governments.

In rural areas, there are three tiers to the local government, one each at the level of a village (or a small cluster of villages as in the case of West Bengal), at the level of a block and then at the district level.[4] Elections to these three tiers take place simultaneously and are by direct voting for candidates at each of the three levels. In urban areas there are municipal corporations, each authorised by a separate act of the concerned state government, and municipalities for smaller towns, all of which are governed by a common state level act. Newer towns are usually under a Notified Area Authority till they get the status of a municipality. Below these levels are ward committees; while councillors for municipal corporations and municipalities are elected from time to time by adult franchise, ward committee seats are supposed to be filled by nominations and should comprise a group of concerned citizens of the locality. In this paper, the state level situation is illustrated mainly by the pattern in the state of West Bengal, not necessarily because it is typical, but because I am more familiar with it. Figure 1 shows the structure of governance as per the Indian Constitution, of which only the last two levels mentioned in circles are without a constitutional status.

For the legislative functions, the Constitution has provided three lists: the union list, the state list and the concurrent list. Functions included under the concurrent list are those where both the Union and the state governments are permitted to legislate. Besides this, the GOI also has powers to intervene in functions in the state list. The states in turn have been authorised to devolve any of their own functions on to the local government bodies; among states, there is a great variety in relations between the state and the local governments. Each state promulgates its own enactment regarding the system of local government (e.g. The West Bengal *Panchayet* Act no. XLI of 1973, as modified on 31 January 2004 for that state), which lists out the functions and revenue

Figure 2.I The Indian governance structure



*Specific to West Bengal, created by state acts.

sources that can and may be allotted to each level of local government in the state. The *panchayets* in this state cover a cluster of about ten villages with around 10,000 voters, while the middle level, the *panchayet samiti* area, corresponds to that of a block. The *jhilla parishad* is at the district level.

The West Bengal state government has created two more additional layers of local government below the *panchayet* level. Each village is now supposed to form a *gram sabha* and every adult in the village is its member. This *gram sabha* is to meet at least twice a year. In one meeting, the village is to decide on its priorities for local government programmes in the coming year and get them passed by a hand vote. In the other meeting, the budget of the *panchayet* is to be presented for the information of the *gram sabha*. There is also to be a body called the *gram unnayan samity* of nominated members under the leadership of the representative elected from the village to the *gram panchayet*. This body is to liaise between the *gram sabha* and the *gram panchayet*.

According to the Constitution, functions of national defence and international relations are reserved for the GOI. In India's planned economy, decision-making powers regarding the direction and scope of economic development also rest primarily with the Centre. In that capacity, the GOI has chosen to make large public investments for providing some of the more important public goods such as country-wide transport linkages, major irrigation schemes and electricity generation as well of basic goods like steel and coal. Moreover, in general it controls the country's monetary policy.

The state governments have been given the main responsibility for providing social services, particularly education and public health services as well as curative and preventive health care. Among their other functions are building and maintaining roads, providing irrigation and electricity, and maintaining law and order. Furthermore, several state governments, including West Bengal, have made large direct investments in some important industries like surface transport.

The GOI has always utilised the government machinery in each state for executing several of its programmes, particularly those aimed at poverty alleviation. Lately, increasingly, it has been assigning some of these programmes directly to local bodies as well. State governments also give grants to local bodies for carrying out some specific programmes to which it has made budgetary allocations.

In this entire system, only local governments, i.e. the three tiers created through the 73rd and 74th amendments to the Constitution, have reserved 33 per cent of their seats for women. These seats rotate from one election to another, and for each reserved seat all the candidates standing for the election are supposed to be women. Moreover, not only one third of the seats but also one third of the posts of heads and deputy heads in local governments (called *gram pradhans* and *upa-pradhans*) are constitutionally reserved for women. There is a campaign on for similar reservations for women at the other two levels as well, but with little success so far.

Sources of revenue

The Constitution has also divided the sources of revenue into three parts, with the GOI given the more potentially progressive sources, mainly taxes on incomes and profits. It also has powers to levy an excise on manufacture of goods. Powers to tax international trade in commodities, i.e. exports and imports, also rests with the Centre. In addition, all powers to levy taxes on heads that are not specified in the Constitution remain with the GOI. Under that provision, the GOI has recently initiated a tax on services, which is the fastest growing section of the Indian economy. Thus, in spite of being a federation, India's fiscal system is a highly centralised one.

States can levy the following taxes: (i) taxes on sales of commodities, (ii) taxes on land and buildings, (iii) taxes on agricultural incomes, (iv) excise duties on intoxicants and alcohol, (v) taxes on entertainment and (vi) taxes on professions, trades and callings.

Each state is authorised to share its taxing powers as well as functions with the local bodies in any way it prefers.[5] However, the Constitution had tried to ensure some financial independence for the local bodies through the requirement that each state appoint a state finance commission every five years. In West Bengal, the state government has shown great readiness in putting in place the framework of local government and in holding regular elections at that level. Also, it has recently set up its third state finance commission. In general, local bodies everywhere get powers to tax land and property, though not to collect the agricultural income tax.

Table A (Appendix 1) gives details for one year of the resources raised by all states and the GOI from various sources at their disposal. In 2003/04 the GOI's gross tax receipts (gross of the share of states in those receipts) were Rs. 25,434 million, while for all states taken together own tax receipts were Rs. 15,920 millions. Under the directives of the Finance Commission, the GOI distributed about one fourth of its total tax receipts among states. The non-tax receipts of the GOI were also much larger than those of all states taken together. In the year 2003/04, it collected Rs. 7,690 million by way of these sources while the state collected about Rs. 3,806 million from similar sources. The GOI was expected to also share these receipts with states as grants, which in that year amounted to Rs. 4,887 million (i.e. considerably more than states' own collection from non-tax sources). The states together thus got nearly one third of their annual revenue receipts as shares in Central tax receipts or as grants from it.

Each state generally follows the same format as in Table A (Appendix 1) for presenting its revenue receipts. Table B (Appendix 1) gives details of the format of presentation of the capital receipts of states. State budgets also include separate statements of their schematic expenditures for which funds are received from centrally sponsored or central programmes.

Changes in revenue and expenditure patterns

In the period since India switched to the new economic policies in 1991, the country's fiscal position has undergone some major upheavals. Recommendations of the Fifth

Central Pay Commission suddenly raised government expenses of salaries and pensions to its staff and to teachers in the mid-1990s. Average salaries of government employees went up by as much as 60 per cent in a short period (GOI, 2004, table 4.2.1, p. 486). The last few years of the millennium also saw very high nominal interest rates adding to the fiscal burden of debt servicing. Furthermore, there was a marked recession in the country's economy during the early years of the new decade, and that was followed by a severe draught in 2003. It is worth examining how the country's fiscal position worked out through these several years.

Total revenue expenditure of the GOI had stood at just under 13 per cent of the country's gross domestic product (GDP) in the period 1991/93.[6] By 2001/03, this ratio had gone up somewhat to 13.4 per cent. Although the overall change was not very large, the composition of that expenditure had changed radically within the period. The share of pension payments to its former staff had gone up by nearly 50 per cent, as had interest payments whose share in the total had increased by around 18 per cent. The GOI tried to curb its expenditure by reducing to some extent the share of subsidies, particularly to households, in its expenditure budget.[7] However, the bulk of the adjustment came through a fall of over 40 per cent in the share of capital expenditure in the GDP between 1990/93 and 2000/03 (GOI, 2004, pp. 34–36). Table 2.1 shows the changing composition of total expenditure of the GOI from 1991 onwards.

Table 2.1. Composition of the expenditure of the GOI, 1990/91 to 2003/04 (as a percentage of GDP)

	1990/91	1995/96	1999/00	2003/04[a]
A Revenue expenditure	**12.9**	**11.8**	**12.9**	**13.1**
Of which				
Interest payments	3.8	4.2	4.7	4.5
Pensions[b]	0.4	0.4	0.7	0.5
Subsidies	2.1	1.1	1.3	1.6
Rest of A	6.1	6.1	6.2	6.5
B Capital expenditure	**5.6**	**3.2**	**2.5**	**4.0**
A+B Total expenditure	**18.5**	**15.0**	**15.4**	**17.1**

[a]Revised estimate.
[b]The state in India pays pensions only to its own employees; there are no old age pensions for other retired workers except under some special provisions under its poverty programmes. Those are not included here.
Source: GOI, 2004, Table 3.3, p. 35.

Table 2.2 shows that there have been even more dramatic changes on the revenue side: from 1991 onwards, as part of its new policy of trade liberalisation, the Government had been compelled to reduce its levies on imports and exports. To make up for this loss, it made great efforts to rationalise the rate structure of direct taxes, expand their base and tighten their collection machinery. It can be seen from Table 2.2 that in 2003/04 customs duties had come to account for just over half their share in 1990/91, but part of the gap was being made up by the impressive gains made in the collection of direct taxes. Personal income tax and corporation taxes, which together had yielded less than 20 per cent of GOI tax receipts in 1990/91, were estimated to generate over 40 per cent of the same in 2003/04. In absolute terms, receipts of the two direct taxes as a percentage of the GDP rose by over 100 per cent.

Table 2.2. Composition of tax receipts of the GOI, 1990/91 to 2003/04 (percentage)[a]

	1990/91	1995/96	1999/2000	2003/04[b]
Corporation tax	9.3	14.8	17.9	25.0
Income taxes	9.3	14.0	14.9	16.3
Excise duties	42.6	36.1	36.0	35.7
Customs duties	35.8	32.1	28.2	19.1
Union taxes as % of GDP	10.1	9.4	8.9	9.2

[a]The table leaves out some minor taxes, hence the total does not add to 100 per cent.
[b]Revised estimate
Source: GOI, 2004, Table 3.2, p. 33.

State finances

Since the mid-1990s, none of the states has been able to collect sufficient current receipts from all their sources to cover their current revenue expenditures; hence they have been facing a substantial revenue deficit every year. The revenue account deficit of all states taken together had been only 0.7 per cent of the total gross states' domestic product (GSDP) during the period 1993 to 1996. This figure rose to as much as 3.2 per cent of the GSDP in the period 2000 to 2003 (GOI, 2004, Table 3.8, p. 43). The immediate cause for this crisis was the fact that state governments had also been compelled to accept the recommendations of the fifth central pay commission. Many of the state functions – such as education and health services – are particularly labour intensive, so the shock of a sudden rise in employee pay packets hit them even harder than at the Central level. One result common to most states was a rapid increase in their outstanding liabilities in the form of debt. This in turn worsened their revenue deficit position because of the increased liability of annual debt charges.

Some states, notably Karnataka, Kerala and Tamil Nadu, made serious efforts to raise additional tax resources during this period. Therefore, the tax-GSDP ratio of all states taken together went up between 1993/96 and 2000/03 by 0.7 percentage points. Tables 2.3 and 2.4 show that the total tax collection of all states taken together rose faster than that of the GOI so that states' share in total tax collection in the country has been steadily going up (row 1 in Table 2.3).

Table 2.3. Trends in percentage shares in revenue items of GOI and state governments: 1985/86 to 2003/04 (actual)

	1985/86		1990/91		1999/00		2003/04	
	GOI	All states	GOI	All states	GOI	All states	GOI	All states
Items of revenue								
Own tax revenue	49.0	51.0	48.1	51.9	46.7	53.3	45.3	54.7
Own non-tax revenue	62.1	37.9	55.1	44.9	62.4	37.6	66.9	33.1
Own revenue collection[a]	69.5	30.5	67.8	32.2	65.9	34.1	57.4	42.6

[a]Sum of gross tax collection and own non-tax collection; excludes transfers from GOI to states by way of grants.
Source: Rao, 2005, Table 22.1, p. 443; figures for 2003/04 from CMIE, 2005.

Table 2.4. Changes in states' resource position (actual)

	1985/86	1990/91	1999/00	2003/04
Indicators re states				
Own revenue collection as share of own revenue expenditure	57.7	53.1	49.8	53.0
Share of states in the total of revenue by states plus the central government	56.0	54.6	56.4	50.7
Own revenue collection as % of own total expenditure	52.6	51.7	56.0	52.6

Source: Rao, 2005, Table 22.3, p. 446; for 2003/04 figures, CMIE 2005.

Nevertheless, compared to the functions given to the states, their sources of revenue are severely limited. Among those available to them, land taxes could have been a major source of income and have considerable potential for equity and progression. However, these have been discredited for their long association with the excesses of *zamindars* and their British masters.[8] In India's rural economy, which is still dominated by farmers and agriculturists, the tax has thus been politically unacceptable, especially for elected representatives at the levels of state and local governments.[9] Add to that the local perceptions about rampant corruption of officials operating in their areas, and one can appreciate why village people in general feel that a rupee of taxes is a rupee wasted (Akerlof, 2005). The upshot is, land revenue yielded less than 1 per cent of the total own tax revenue of states in 2003/04 and, with agricultural income tax, the total receipts of rural land-based taxes were only about 1.7 per cent of states' own tax revenues in that year (Table A, Appendix 1).

The most important state tax has been the sales tax that is traditionally levied at the stage of final sales to consumers. Here too, there has been a lot of pressure to make the tax progressive, firstly by exempting daily necessities, especially food items, and then by going in for graded rates of taxation, which in the case of West Bengal has been more steep than in most other states.

Variations between tax efforts of different states

The picture of revenue collection by all states taken together hides a lot of variations between the situation of different states. West Bengal's performance in particular has been one of the worst among them, probably due to punitively high rates of sales taxation on selected items combined with lax tax administration. The state also had the highest percentage revenue deficit among all major states. Tables B and C in Appendix 1 provide the relevant numerical data to show the wide variations between the per capita total revenue receipts and per capita own tax revenue receipts (net of shares in central taxes) for 14 major states of India in the period 1990/91 and 2002/03.

Table 2.5 examines whether these variations in fiscal performance of different states can be explained by the difference in their relative levels of development. For each state, the table gives figures of its own tax receipts as percentages of its GSDP for two periods, 1993/96 and 2000/03. The last column shows the relative buoyancy of tax receipts in each state, i.e. the increase in tax receipts per one rupee increase in its GSDP. In West Bengal, tax buoyancy was at its lowest. As a result, the state's tax receipts as a percentage of GDP actually went down between the two time periods.

Table 2.5. Comparative performances of states: own tax revenue (OTR) as a percentage of gross state domestic product (GSDP)

	Average OTR as a percentage of GSDP		Buoyancy[a]
	1993–96 (A)	2000–03 (B)	1993–2003
States			
Bihar	3.71	4.46	1.290
Gujarat	7.51	7.71	1.010
Haryana	7.22	8.30	1.205
Karnataka	8.53	8.33	0.969
Kerala	8.45	8.11	0.946
Madhya Pradesh	4.91	6.45	1.452
Maharashtra	6.64	7.76	1.221
Orissa	3.93	5.81	1.639
Punjab	6.88	7.13	1.061
Rajasthan	5.50	6.48	1.231
Tamil Nadu	8.40	9.00	1.110
West Bengal	5.46	4.26	0.690

[a]Buoyancy is the rate at which OTR increases per unit increase in GSDP.
Source: GOI, 2004.

Centre/state fiscal relations

As mentioned before, the Constitution recognises that the sources of revenue assigned to the states do not match with their responsibilities. It has therefore made provisions for them to share in GOI revenues. These allocations from the Centre to states come through the five-yearly awards of the Central Finance Commission as well as of the Planning Commission, along with annual allocations made by any of the central ministries to states for measures and programmes included in their budgets but to be carried out by state governments. The awards under the Finance Commission are the most important as they account for about 37 per cent of the total annual tax and non-tax receipts of all states taken together. The Finance Commission is responsible for determining the total amount to be shared by the states; it is also to indicate the principles of sharing that amount between states and, based on those principles, to work out the actual share of each state in that pool for the coming five years.

In addition, each state receives grants from the Centre based on some assessment by the Commission of the state's 'needs' for meeting gaps in its annual recurring or revenue budgets. These needs are determined on the basis of some norms regarding the state's efforts to raise its own resources as well as the objective of ensuring that the standards of services given to all Indian citizens are similar regardless of the particular state where they are located. The amount to be received as grants is fixed for five years, while the amount that each state gets as its share in the GOI tax pool is naturally expected to grow as the Centre's tax receipts grow from year to year. The GOI is bound to follow the awards of the Finance Commission for the next five years, until a new Commission gives the next award. Currently, the Indian fiscal system is working as per the recommendations of the Twelfth Finance Commission.

In addition, once every five years, the Planning Commission prepares a plan for economic development. In this it also recommends how much of the public resources for development are to be assigned to states for their development efforts. Of these, a section of the resources gets transferred from the Centre to states, either as loans or as grants, partly for investing in state schemes and partly for carrying out specific Central schemes. In addition, different Central ministries give occasional grants to different states for implementing some of their policy measures at state level.

For the Finance Commission to make recommendations for sharing resources among states, there have to be some objective criteria that fulfil requirements of justice between states as well as of meeting their relative needs. In contrast, the Planning Commission is concerned more with efficient deployment of investment resources between alternative development schemes, which may or may not be uniformly spread throughout the country. Table 2.6 shows the extent of resource transfers at different points of time. Over the years, the non-Finance Commission grants have gone down relative to the Finance Commission grants. This is in keeping with the general decline in public expenditure on capital account.

Table 2.6. Relative transfers to states by Finance Commissions and through other means (percentage of GDP)

Year	Finance Commission transfers	Non-Finance Commission transfers[a]
1993–94	3.05	2.02
1998–99	2.44	1.17
2000–01	3.02	1.20
2002–03	2.80	1.22
Average for 1993–96 [A]	2.94	1.62
Average for 2000–03 [B]	2.88	1.23
[B]–[A]	–0.05	–0.39

[a]As explained in the text.
Source: GOI, 2005, Table 3.6, p. 39.

From the Eleventh Finance Commission onwards, there have been several marked changes in the pattern of devolution of resources from the Centre to the states. According to the earlier pattern, only the income tax and union excise tax receipts were in the divisible pool. By the 80th amendment to the Constitution, the pool has been expanded to include receipts (net of cost of collection) of all taxes barring a small set. In this excluded set is the power of the GOI to tax certain services that are to be decided by Parliament. However, once these are taxed, the devolution of their receipts is to be as per the recommendations of the Finance Commission.

The other major change has been in the relations between the Centre and the urban and rural local bodies. The view of the Tenth Finance Commission had been that the devolutions from states to their local bodies should be a concern for the respective state finance commissions, whose recommendations would then be a part of the information supplied by each state to the Finance Commission. However, since that machinery was not working properly, the Eleventh Finance Commission made special recommendations about the size of grants to be given directly by the Centre to rural and urban local bodies and their division between different local bodies. The Finance Commission also recommended that the GOI should indicate how those resources are to be used by those bodies. The Twelfth Finance Commission has followed the same pattern.

Local finances

Under the current provisions, West Bengal has already gone through three local level elections and has recently appointed its third state finance commission. Among the three tiers of local bodies, only the lowest (the *gram panchayets*) have powers to levy taxation. They can also collect fees, rents, cesses, etc.[10] The other two levels of local bodies are not empowered to collect any taxes; however, if they create some asset, they can collect fees, tolls or cesses for use of that. They can also give specific suggestions about these to the *gram panchayets* under them. The bulk of their resources originate either from the state as part of measures that are included in its nationally approved five-year plan under the Planning Commission or other measures that are put forward by individual departments at state or Central level. Also, the *gram panchayets* may request either of the higher-level local bodies to execute on their behalf some measures that they have adopted in their budgets.

Since the functions and financing patterns of local bodies in each state have been left to the decisions of that state, there are considerable variations in the practices. Our work with these local bodies indicated that, even within the state, there is little uniformity in how accounts were kept and budgets presented. But, once a year, the plans and budgets of each *gram panchayet* are to be put on its notice board and presented before one of the biannual meeting of the *gram sabhas* falling within this ambit.

Table 2.7. The number of local bodies in West Bengal and in India

Rural local bodies (RLB) (including Autonomous District Councils)	Number	Urban local bodies (ULB)	Number
West Bengal			
1 *Gram Panchayats*	3,358	Municipal Corporation	6
2 *Panchayat Samities*	341	Municipalities	114
3 *Zilla Parishads*	18	Notified Area Authority	3
Total	**3,717**	**Total**	**123**
India			
1 *Gram/Village Panchayats* (including Village Councils and Boards)	236,350	Total no. of Municipal Corporations	109
2 *Panchayats Samities*	6,795	Total no. of Municipalities	1,432
3 *Zilla Panchayats*	531	Total No. of *Nagar Panchayats*	2,182
4 Autonomous District Councils	9		
Grand total (all RLBs)	**237,824**	**Grand total (all ULBs)**	**3,723**

Source: GOI, 2005, p. 427.

The West Bengal state government has given considerable publicity to its intentions and policies of decentralisation through local bodies. However, evidence from the ground does little to support those claims as far as rural local bodies are concerned. So far, the only tax they receive is that on land and buildings. No other state tax is assigned to them or shared with them. Local bodies have been given several sources of non-tax revenue, including trade licenses, market fees, and fees for licensing fairs and making sanitary arrangements for them, renting out buildings, running ferries, collecting road tolls, etc.

The main source of revenue for them is grants. The state government gives all local bodies – i.e. all units of local government at the officially approved levels – a subvention grant that entirely covers their expenses of salaries and allowances to staff and elected representatives and of running the office. Each local body gets a grant under the Finance Commission awards, as mentioned before. In addition, local bodies get funds to carry out poverty alleviation programmes on behalf of the GOI. The state government is also supposed to give those units of local government untied grants to carry out schemes of local improvement that the bodies have prioritised. Furthermore, local bodies can raise loans with state guarantee for any capital work they plan.

To find out the practices of local bodies in West Bengal, SACHETANA collected such information about 22 rural *gram panchayets* from eight different districts within the state. These indicate that:

- The per capita tax receipts in most local bodies are negligible, partly because of low assessment and partly because a very low percentage of the amount due as per assessment is collected from each taxpayer.
- There are wide variations in the extent to which local bodies use their non-tax sources of revenue.
- Regular salaries and office expenses of each local body outstrip their own resources by a wide margin. The largest single grant received by them from the state government is meant mainly to cover these overheads.
- Untied grants from the state are relatively very small. Even for these, *gram panchayets* complain that the state government gives specific directions about their use.
- Local bodies are not always capable of spending the funds they get within each fiscal year, and in several of them there is a growing balance of resources carried over to the next year (Table 2.8). This is partly because the funds usually arrive too late for them to enable the *panchayets* to use them within the year, but also because many local bodies are not equipped to carry out all the diverse tasks that they are being given.

Table 2.8. Budgetary position of selected *panchayets* (in Rs. '000s)

	Opening balance			Total expenditure as % of total receipts		
Gram Panchayet	**2001/02**	**2002/03**	**2003/04**	**2001/02**	**2002/03**	**2003/04**
Maraikura	420.2	182.0	367.6	93.3	89.4	82.1
Sahajadapur	674.4	407.3	527.8	77.0	77.8	77.3
Baishata	740.1	330.0	372.9	85.0	86.1	79.4
Pipragachhi	562.3	478.3	615.4	65.5	64.9	72.0
Mayureswar	217.6	147.0	358.9	90.3	76.9	73.0
Balpai	345.2	63.0	331.5	96.6	82.8	66.2
Kundala	512.4	217.9	405.6	85.6	79.1	63.6
Nutangram	76.1	57.5	77.2	95.3	94.9	69.0
Daspalsa	553.4	229.4	351.3	87.9	77.4	70.1
Beldurganagar	1,065.7	1,083.4	1169.1	61.8	66.2	70.5

Source: SACHETANA records of *panchayet* finances.

From several earlier village meetings,[11] SACHETANA had found that the levy of tax on land and buildings has become a highly politicised matter in this state. A woman *pradhan* said that in the villages, taxes were collected by cadres of the ruling political party and often led to bitter disputes, even to the murder of rival party members. Politicians were reportedly uninterested in making a proper assessment of property values; moreover, there were many anomalies. In some cases, people had built houses on other people's land and could not be taxed. In some *gram panchayets*, it had become a standard practice to charge each householder a standard though trivial amount even if he or she had no assessable property. In this, *gram panchayets* under women heads did not fare any better.

In several of our meetings, a common complaint made by women elected representatives was that, even when a woman was the *pradhan*, she and the other women members were not informed about the date and timings of *gram panchayet* meetings when financial matters – including budgets – were discussed. When they complained, they were told that they should attend meetings more regularly. They did not claim that their tax collection records were any better, mainly because the rules and regulations for the levy of any tax had either not been formulated or were not clear to them.

Elected women felt that *gram panchayet* budgets usually did not reflect the gender concerns of the village. Nevertheless, some of the women *pradhans* had made special efforts to raise non-tax receipts by developing and leasing out common assets of the village such as ponds, waste land for trees, etc. In most of these efforts, they had tried to involve village women and to direct the receipts to some requirements of those women.