



**RESOURCE MOBILIZATION PATTERN OF UNION *PARISHAD* : A
STUDY ON KHULNA DISTRICT, SOUTHWEST BANGLADESH**

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Abstract: Financial autonomy largely depends on the revenue generation capacity which is so limited for the government in the developing world. Limited formal employment source, dominance of a large informal sector makes it harder for the government to generate revenue to mitigate the administrative cost and finance the development works. The scenario is even worse in case of the local government body who are accountable for the development of the locality, the root level administrative body of the government. The study focused on the revenue mobilization pattern of eleven randomly selected Union Parishad (UP) in the southern part of Bangladesh. The study is secondary data based. Annual budgetary periodicals published by the UPs has been used as the data source and FGD with the chairman and members had been arranged. To analyze the resource mobilization pattern, first the revenue sources have been analyzed then the expenses under different heads has been analyzed. Non tax revenue is dominating over tax revenue under internal revenue source whereas all the sampled UPs largely depends on the centre to mitigate their expenditure. The allocation varies considerably among the UPs and the sector preference also prevails in sectoral allocation of different development projects undertaken by the UPs. In order to achieve financial autonomy and an efficient resource mobilization capacity, UPs of the region have to expand and extend the tax base.

Keywords: Union *parishad*, resource mobilization, local resource

Introduction

According to Iben Nathan (Blair, 1989), local resource mobilization refers to the steps taken by local administration to collect fund from local sources to finance development activity of that locality. Resource mobilization largely depends on the size and freedom of local government from the centre. Theory supports that the potentiality of revenue generation largely depends on the size of local government both in terms of human settlement and productive performance of the locality (Hye, 1985). But in rural local government, revenue generation is a big challenge in case of resource mobilization where specified factors like revenue raising ability, administrative efficiency, equity in resource allocation and administrative feasibility play determining role on revenue mobilization (Bahl, 1984). Though the inception of UP is considered to be the oldest one but in case of resource mobilization, its role is not much impressive. Weak institutional capacity and resulting

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inadequacy of fund is the major barrier in exercising their mandated responsibilities in spite of having some limited revenue generating power and function. Apart from this, lack of coordination and poor integration among different stakeholders like local government functionaries, sectoral agencies, NGOs, cooperatives and private sectors put barriers towards proper functioning of the UPs (Aminuzzaman & Salahuddin, 2004; Haque, 2002).

The current trend of the emerging economy is to create economic impetus locally through strengthening local administration thus decentralization (Nazin, 2013). Decentralization opens up the opportunity for the local people to take part in decision making regarding the use of their resources which is closely linked to democracy, development and good governance (Islam and Fujita, 2012). All these aspects had been incorporated in several development agenda but they exist more theoretically than practically. When the question is about decentralization, then in Bangladesh, the system is highly centre biased as local bodies highly depends on the central government as the centre has the full power to dissolve the local body in slight charge of gross inefficiency, abuse of power or in failure to meet any financial obligations (Habibullah, 1996). This is one of the main reasons of the vulnerability of the south west region of the country.

UP is the root level oldest local government body which is supposed to have the direct link to the root level people (Naznin, 2013). But there exist some controversy over the effectiveness of local government especially in the developing nations. Budgetary allocation for UPs from the centre is subject to versatile matters which increases the uncertainty of different development works and thus obstruct growth. Such uncertainties are motivating the legislative leaders to look within their organization for opportunities to improve effectiveness and efficiency.

Understanding the realities, recent concentration of Bangladesh government on poverty reduction strategy has integrated local governments' role to instill rural development, combating rural poverty and attainment of growth. In this respect, the relatively small scale UP, the lowest tier rural local government, closest to the rural people, has offered realistic possibilities to play the vital role. The objective of the study is to sketch the pattern of resource mobilization of Ups in the southern part of Bangladesh. Analyzing the pattern, the study tried to find out, to what extent UPs are being able to mobilize resources from local sources, where most of the expenditure is concentrating and to what extent the UPs are being able to touch the potential sectors of development and to chalk out the contribution of the centre and thus the financial dependency of the UPs on central allocation. Apart from this, the study also tried to find out the gap between revenue and expenses. Through analyzing the composition of revenue and expenditure, the study attempted to trace out the local potential revenue sources.

The southern part of the country has some distinctive features where inadequacy of funding is a major barrier towards the development of the area. In the rural areas, local government body play vital role implementing different development initiative especially in infrastructure development which is much crucial for the growth of the rural economy. So far, the studies available in literature have mainly highlighted the overall performance of UPs in Bangladesh but overlooked the resource mobilization capacity addressing the local

needs. This research work tried to find out to what extent the UPs are being able to generate revenue from local sources and to what extent, they are capable to address the local needs.

Study context, problem and significance:

Miserable local resource mobilization is supposed to be the major barrier of UPs on the way of mitigating the needs of rural citizen. But recent thinking of development proponents highly recognized national development as a local responsibility, hence generation of local revenue source is essential for the better performance of the local government bodies (Ullah and Pongquan, 2010). So, the role of Ups is praise worthy for rural development. Fiscal decentralization is the toughest one in the way of decentralization in developing countries which is also an important part of good governance (Crook and Manor, 1998; Devas, 1997; Fukasaku and deMello, 1999; World Bank, 1999). Fiscal decentralization creates a better fiscal responsibility through mobilizing local resources (Bird and Vaillancourt, 2006). But the OECD report revealed that the scope of local government funding is on the decline in most of the developing countries (OECD, 2004). The reasons behind such declines are weaker institutional capacity, reluctance of centre to increase local transfers (DANIDA, 2000), loopholes in taxation policy like inefficient assessment, poor enforcement and tendency in tax evasion (USAID, 1998). All these barriers stressed on the need to identify feasible local revenue source which depends on local fiscal effort along with fiscal and non-fiscal support from centre (Ullah and Pongquan, 2010). But this capacity is highly restricted with the limited size (in terms of human settlement and productive land area) and lack of autonomy of local government in the developing world (Hye, 1985). Administrative feasibility is another major concern in mobilizing local resources for them (Bahl *et al.*, 1984).

In Bangladesh, Local government administration has gone through a series of restructuring keeping pace with the socioeconomic and political transformation. Bangladesh has a long and eventful tradition of local government. The government of Bangladesh accepted UP as the primary economic and administrative unit and has put emphasis on resource mobilization in UPs. Addressing local revenue mobilization, different study emphasized on the need for redesigning government revenue structure and at the same time provides incentive in mobilizing local resources (Schroder, 1984). Another study suggested that local bodies mostly fail to collect potential amount due to weaker institutional capacity of the local authority (Blair, 1989). Local initiatives, structure of government grants changes with political transformation. So there is a need to find out to what extent the Ups are being able to generate fund from local sources and to what extent they are being able to utilize the fund for the development of rural areas. Flawed resource mobilization in rural areas has been considered to be the major barrier which is resulting in weaker fiscal capacity to address local needs and thus creating pressure on centre and thus retarding national development. Why this failure of UP in mobilizing local resources? Different study suggest that political preference of government in budgetary allocation, weak policy without any coordination with line ministry and poor revenue efforts of UPs are the main cause of poor performance of UPs. In spite of being a democratic institution, the immense check and control of centre in local resource sharing and allocation, UPs cannot exercise democracy in reality. This control is supposed to discourage UPs in exploring potential revenue from local sources (Bird, 1990). Limited local source and fund raising capacity and almost no influence

on central allocation all these worsen the financing capacity and increase uncertainty of UP intervention (ADB, ADBI & UNCDF, 2004). This study hypothesized that local factors might have strong impact on revenue mobilization. The relevance of the study lies in detecting the resource mobilization pattern of the UPs in the south western region, how far UPs are addressing the local needs with the funds originated from local sources, who are paying it, whether the fund is being spent on them or not. UPs are the root level local government body which has the closest link to the needs of local people. To address the needs of the local people, UPs performs different activities in local areas much of which overlaps with the other local government bodies like Upazilla parishad (sub-district). But performing those activities the root level highly depends on centre especially for finance which is supposed to be the major barriers towards functioning the UP. The economy of the country depends on the rural economy from a number of aspects like supplying food and raw materials. So we have to speed up the rural economy and UP, as local government authority, are playing the linking role with centre to rural economy. But resource mobilization is supposed to be the main barriers in realizing the roles of UP.

Materials and Methods

The sample area of the study is Khulna district under which there are 9 Upazila (sub-districts) and this 9 Upazilas cover 68 UPs. Among 9 upazilas, the study covered 5 Upazilas and 11 UPs from this those selected Upazilas. For making any general comment based on the study findings, the sample size is too small which is a limitation of the study. As the objective of the study is to analyze the revenue and expenditure pattern of UP, hence UP is the unit of analysis. Data have been collected directly from the official records of UP and also from published sources where regular publications, in form of financial bulletin was available. Apart from these secondary sources, a number of FGD was also conducted where the chairman of UP, One elected member and officials of UP took part where the views regarding the financial issues was tried to address. The sampling distribution has been presented in Table 01.

Table 01: Sample distribution

<i>Zila (district)</i>	<i>Upazila (sub-district)</i>	<i>Union Parishad (UP)</i>
Khulna	Batiaghata	Jalma
	Dighalia	Arongghata
		Barakpur
	Dumuria	Dhamalia
		Dumuria Sadar
		Gutudia
		Raghunathpur
		Rudaghora
	Koiria	Amadi
		Uttar Debkashi
	Rupsa	Aichgati
Total	05	11

If we follow the political trend, the southern part is neglected irrespective of political regime from the beginning. Lack of political concentration along with the unavailability of piped natural gas, poor infrastructure ultimately hampered industrialization in the region. The former major industrial units are mostly shut down like newsprint paper mill, match factory and the jute industry is struggling hard to survive in the region. But the presence of 2nd sea port in Mongla, growing shipbuilding industry and the adjacency of the Sundarbans definitely made Khulna a potential region. But to capture this potentiality, political good will and leadership is a must in the region especially in rural areas. And UP in that case, may play the leading role in development of underprivileged rural economy of the region. The study aims to find out the resource mobilization potentials in the region. Among 09 Upazilas in Khulna District, the study covered 05 Upazilas, the concentration of UPs is higher in Dumuria in sample just due to the convenience of the author. To sketch the pattern, the major sources of revenue has been tried to be identified with the major areas of expenditure to measure whether the revenue is being spent on productive purpose or not.

Results

The study aims to analyze the resource mobilization pattern of the Upazila *Parishads* (Ups) of the south western region. To measure the extent of potentiality of revenue mobilization, the local tax sources is crucial as the capacity of revenue generation from local sources increases the financial autonomy of the local government institutions and thus facilitates the overall autonomy of the local bodies as it reduces the dependency on center for financial allocation. At the same time, increased revenue enables them to address the local needs independently.

Level of literacy: The level of literacy is one of the indicators of economic activity of the region which is ultimately the source of revenue like tax and nontax revenue options. The literacy rate varies in a wide range from thirty four percent in *Dhamalia* to seventy five percent in *Gutudia*. This variation represent the regional variation that also influences the level of economic activity in the region (Fig. 1). Pattern of economic activity again shapes up the tax and non-tax revenue structure for the UPs.

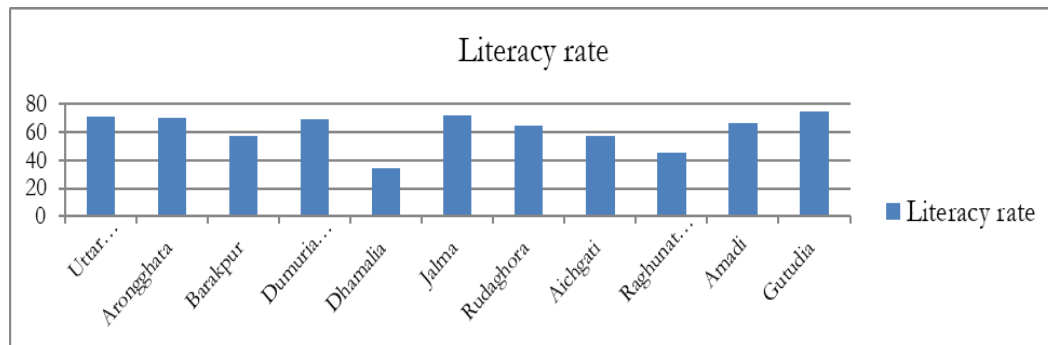


Fig. 01: Literacy rate of Union Parishads (Ups)

Distribution of tax revenue: The distribution pattern of tax revenue tells us that the major taxes of UPs includes taxes on land and holdings which has been titled as holding tax in this study and tax on different professional and business. Holding tax is considered to be the largest contributor of tax revenue. Change in housing pattern in rural areas is a common phenomenon and most of the people from medium to high income have brick built multi storied buildings which is the important source of holding tax. But the survey found that the implementation of holding tax is, a bit difficult in many of the households. FGD with the UP chairman revealed that tendency of tax evasion, lack of knowledge and consciousness about the necessity of tax payment are the main barriers to the realization of holding tax. The contribution of different tax revenue have been presented in Table 02.

Table 02: Contribution of tax revenue

Union <i>Parishad</i>	Holding Tax (%)	Profession and business (%)
<i>Uttar Bedkasi</i>	27.05	72.95
<i>Arongghata</i>	83.92	16.08
<i>Barakpur</i>	78.58	21.43
<i>Dumuria Sadar</i>	91.49	8.51
<i>Dhamalia</i>	66.44	33.57
<i>Jalma</i>	55.56	44.44
<i>Rudaghora</i>	83.33	16.67
<i>Aichgati</i>	75.51	24.49
<i>Ragbunathpur</i>	73.33	26.67
<i>Amadi</i>	98.47	1.53
<i>Gutudia</i>	65.65	34.35

Taxes on profession and business are not so large and showed considerable variation among the UPs like the literacy rate. It could be noted that, among all other sources, income tax is the major contributor of tax revenue in the developed world. Compared to that, many study supported that limited tax base specially limited formal occupation highly limits revenue generation capacity which has also been reflected in case of UPs. Tax on profession and business is smaller in most of the UPs.

Apart from tax revenue, nontax revenue source plays an important role in revenue generation for the government of the developing world. It is also a source which might act as an alternative potential source of revenue to the local authority.

Contribution of non-tax revenue: The package of nontax revenue of UPs incorporates license fee on vehicle, land transfer fee, toll collected from market place (*bat-bazar*), fees on issuing certificates(Birth certificate, death certificate, marriage certificate), fees collected from cattle sheds and lease money collected from different water bodies. The contribution of different non-tax revenue has been presented in Table 03.

Table 03: Contribution of non-tax revenue

<i>Union Parishad</i>	<i>License fee on vehicle (%)</i>	<i>Land transfer Fee (%)</i>	<i>Toll from hat-bazaar (%)</i>	<i>Issuing certificates (%)</i>	<i>Fees from cattle sheds (%)</i>	<i>Lease of water Body (%)</i>
<i>Aichgati</i>	6.32	75.83	5.06	0.83	0.58	11.38
<i>Amadi</i>	5.06	61.83	14.05	2.19	2.81	14.05
<i>Arongbhata</i>	3.12	62.34	17.46	1.50	7.27	8.31
<i>Barakpur</i>	8.33	66.62	10.33	2.00	1.07	11.66
<i>Dhamalia</i>	10.47	79.22	4.70	1.79	0.47	3.36
<i>Dumuria Sadar</i>	8.62	68.97	6.03	6.90	3.45	6.03
<i>Gutudia</i>	16.85	33.38	21.41	4.35	6.09	17.90
<i>Jalma</i>	7.62	87.98	0.29	0.59	1.47	2.05
<i>Raghunathpur</i>	3.91	70.42	18.78	0.47	1.10	5.32
<i>Rudaghora</i>	19.27	32.11	19.27	3.66	6.42	19.27
<i>Uttar Bedkasi</i>	1.55	84.89	7.16	1.16	1.36	3.88

The study found that in case of many of the selected UPs, land transfer fee is contributing the highest in revenue generation from non-tax sources. Though the contribution varies among the UPs as revenue from nontax sources highly depends on the regional characteristics like commercial hub or industrial zone or region which will be acquired by the government, demographic factors like size of population, effective demand, income level of the locality, adjacency to larger market place. Growth of nonfarm activities along with the spread of diversity of agricultural occupation and easier communication with the urban part has increased the number of plying vehicles in the locality. If we focus on the road and transport structure of the region, the number of vehicles has been increased in almost all the region like the southern part. Number of personal transport like motor bike, daily available bus trip all are the contributor of license fee which is an important source of non-tax revenue. The frequency of those contributors largely varies with economic activity largely vary with these factors which ultimately impacts on the nontax revenue structure. In case of *Arongbhata*, *Rudaghora*, *Gutudia* and *Raghunathpur* Union *parishad*, revenue from *hat-bazaar* contributing the highest among the UPs but in case of other UPs, the contribution is minimal, the lowest in *Jalma*. The level of economic activity increases with the *hat-bazaar* and that influences all other taxing sources including taxing sources like taxes on business or vehicles.

Comparison between tax and non-tax source: Potentiality of tax and non-tax revenue sources detects the financial autonomy of local government. But the data showed large variation if we compare among the UPs. In *Rudaghora*, *Amadi* and *Gutudia*, tax sources are the larger contributor of internal revenue of the UPs. Apart from these three, non-tax sources are the larger contributor of revenue from own sources. The comparison between tax and non-tax revenue has been presented in Table 04.

Table 04: Comparison between tax and non-tax source in internal revenue

<i>Union Parishad</i>	<i>Tax revenue (%)</i>	<i>Non-tax revenue (%)</i>
<i>Aichgati</i>	38.25	61.75
<i>Amadi</i>	86.53	13.47
<i>Arongghata</i>	41.55	58.45
<i>Barakpur</i>	31.80	68.20
<i>Dhamalia</i>	16.39	83.61
<i>Dumuria Sadar</i>	44.76	55.24
<i>Gutudia</i>	50.27	49.73
<i>Jalma</i>	28.36	71.64
<i>Raghunathpur</i>	19.01	80.99
<i>Rudaghora</i>	53.62	46.38
<i>Uttar Bedkasi</i>	40.07	59.93

Dependency on center for allocation reduces the autonomy of local bodies and also interrupts the development works targeting the local needs. The UPs in the southern part also are not any exception.

Financial allocation from center: The study showed that the financial allocation from centre varies across the UPs. Political affiliation specifically political affiliation of UP chairman highly detects the bargaining capacity of the chairman, apart from this, geophysical position, strength of the local bodies both from supplier ends and receiver ends, comparative preference of government all shape up the allocation of local government. In this case, it could be noted that, the sectoral allocation is decided from the centre. As for instance, if we concentrate on the sectoral allocation, different UPs gained different allocation for different sectors.

The coverage of allocation of centre includes mainly agriculture development, health and sanitation, road construction and building construction. Road construction got the highest allocation from centre. It could be noted here infrastructure development, specifically connectivity among regions by road is so vital to improve the transport and communication system that facilitates the movement within the regions that promotes economic growth. This might be the motivation behind this allocation from centre. But in case of agricultural, the allocation largely varies across the Ups. The sectoral allocation from centre has been presented in Table 05.

Table 05: Financial allocation from center

<i>Union Parishad</i>	<i>Agriculture (%)</i>	<i>Health And Sanitation (%)</i>	<i>Road Construction (%)</i>	<i>Building Construction (%)</i>	<i>Salary (%)</i>
<i>Aichgati</i>	6.41	10.25	61.90	5.13	16.31
<i>Amadi</i>	27.14	19.86	33.10	9.27	10.64
<i>Arongghata</i>	18.14	7.00	23.49	6.50	44.87
<i>Barakpur</i>	16.84	21.86	35.07	6.22	20.01
<i>Dhamalia</i>	5.85	8.47	24.19	13.10	48.39
<i>Dumuria Sadar</i>	33.21	3.07	46.50	6.64	10.57
<i>Gutudia</i>	17.04	12.20	25.00	5.54	40.21
<i>Jalma</i>	3.94	6.49	38.24	3.82	47.51
<i>Raghunathpur</i>	4.98	10.99	27.62	5.13	51.28
<i>Rudaghora</i>	18.92	18.06	18.92	6.88	37.22
<i>Uttar Bedkasi</i>	14.96	5.82	29.36	5.54	44.32

Apart from this, this patterned allocation might overlook the local needs or priorities. If we compare the different sources of revenue among the total revenue, it is quite evident that UPs largely depends on centre. Different studies on the barriers of functioning of local government.

Comparison between the sectoral contributions in total revenue: The study found that comparing different revenue sources, the highest contribution come from the government and at the same time the allocation of central government varies across the UPs. This dependency considerably reduces the autonomy and also limits the capacity of UPs.

The highest contributor to revenue is the government allocation. In *Barakpur* and *Dumuria*, the dependence is highest whereas in case of *Dhamalia*, *Aichgati*, *Raghunathpur* and *Uttar Bedkashi*, the dependency is relatively low. Chairman from different UPs informed that the allocation comes from centre through different sources like first to *Zila Parishad*, then to *Upazila Parishad* and then to *Union Parishad* (UP). This long channel very often makes the process lengthier, hampers the targeted development works that give rise to inefficiency. Apart from this, nepotism and red tepism both are quite common in channeling the financial allocation.

UP is supposed to be the root level local government body which has the direct link towards the local people and at the same time, UP is the root level body where local people could participate directly both from supply side and receiver side. So the needs and priorities of the locality should be reflected through the expenditure pattern of the UPs. To what extent the UPs are being able to address that theoretical aspect is need to be focused. A comparison between internal sources with central allocation has been presented in Table 06.

Table 06: Comparison of sectoral contribution of internal sources with government allocation

<i>Union Parishad</i>	<i>Tax revenue (%)</i>	<i>Non-tax revenue (%)</i>	<i>Govt. Allocation (%)</i>
<i>Aichgati</i>	17.24	27.84	54.92
<i>Amadi</i>	22.24	10.48	67.28
<i>Arongghata</i>	12.11	17.04	70.85
<i>Barakpur</i>	5.91	12.66	81.43
<i>Dhamalia</i>	10.53	35.77	53.71
<i>Dumuria Sadar</i>	6.65	8.20	85.15
<i>Gutudia</i>	16.66	16.48	66.86
<i>Jalma</i>	10.08	25.47	64.45
<i>Raghunathpur</i>	10.19	43.43	46.38
<i>Rudaghora</i>	19.63	16.98	63.40
<i>Uttar Bedkasi</i>	16.71	24.99	58.29

Distribution of expenditure: If we highlight the expenditure pattern of UPs, it is a bit disappointing that the administrative cost is dominating which is more than eighty percent of the total administrative costs. Size of the administration is always a controversial issue in case of budgetary allocation. The distribution of administrative expenses has been presented in Table 07.

Table 07: Distribution of administrative expenditure

<i>Union Parishad</i>	<i>Salary (%)</i>	<i>Tax collection (%)</i>	<i>Pen and paper (%)</i>	<i>Stationary (%)</i>
<i>Aichgati</i>	88.69	4.29	3.18	3.84
<i>Amadi</i>	63.48	31.74	2.77	2.02
<i>Arongghata</i>	87.22	5.98	4.18	2.62
<i>Barakpur</i>	94.52	2.64	1.71	1.14
<i>Dhamalia</i>	88.94	4.54	3.90	2.62
<i>Dumuria</i>	89.67	4.76	4.08	1.49
<i>Gutudia</i>	79.81	12.53	4.18	3.48
<i>Jalma</i>	83.16	9.29	4.53	3.02
<i>Raghunathpur</i>	81.45	11.92	3.97	2.65
<i>Rudaghora</i>	85.76	7.39	3.83	3.02
<i>Uttar Bedkasi</i>	23.08	43.96	16.48	16.48

In most of the cases, in all the projects, irrespective of public or private, funding severely concentrated on remuneration of the concerned officials. This conclusion very often proposes the need to reduce the size of the administrative body. Findings of the study are also presenting the same scenario. More than eighty percent of administrative cost is incurred as the administrative salary that includes chairman, secretary and other officials.

If we compare the total allocation of revenue we find that in case of *Arbongghata, Dhamalia, Gutudia, Jalma, Raghunathpur, Rudaghora* and *Uttar Bedkashi*, development works got the larger portion of revenue where in case of other UPs, administrative cost covers the larger allocation. Administrative expenditure and development expenditure have been compared in Table 08.

Table 08: Comparison between administrative and development expenditure

<i>Union Parishad</i>	<i>Administrative cost (BDT)</i>	<i>Administrative cost (%)</i>	<i>Development works (BDT)</i>	<i>Development works (%)</i>
<i>Aichgati</i>	755400	51.48	712000	48.52
<i>Amadi</i>	794000	57.91	577000	42.09
<i>Arongghata</i>	764750	46.55	878000	53.45
<i>Barakpur</i>	1054800	27.03	2847000	72.97
<i>Dhamalia</i>	589730	43.44	767700	56.56
<i>Dumuria</i>	736000	53.64	636000	46.36
<i>Gutudia</i>	430800	19.42	1787100	80.58
<i>Jalma</i>	331400	29.74	783000	70.26
<i>Raghunathpur</i>	452832	20.83	1721000	79.17
<i>Rudaghora</i>	727650	14.50	4292250	85.50
<i>Uttar Bedkasi</i>	182000	9.23	1790700	90.77

UPs' sectoral allocation in different development works shows large variation. As for instance, the highest amount of revenue has been allocated in agriculture in *Barakpur*, in *Rudaghora*, road construction has got the highest priority, in *Raghunathpur*, education got the largest priority and in *Amadi*, highest allocation goes to health and sanitation among the UPs. The distribution of development expenditure under different heads has been presented in Table 09.

Table 09: Distribution of development expenditure

<i>Union Parishad</i>	<i>Agriculture (%)</i>	<i>Road construction (%)</i>	<i>Building Construction (%)</i>	<i>Education (%)</i>	<i>Sports and Culture (%)</i>	<i>Health and sanitation (%)</i>
<i>Aichgati</i>	37.22	11.94	11.24	23.88	3.51	12.22
<i>Amadi</i>	24.26	8.67	6.07	31.20	2.08	27.73
<i>Arongghata</i>	25.06	28.47	7.97	20.50	0.91	17.08
<i>Barakpur</i>	78.33	8.43	1.65	10.54	0.25	0.81
<i>Dhamalia</i>	1.43	44.29	12.37	15.63	0.78	25.49
<i>Dumuria</i>	2.36	40.25	8.81	29.40	1.73	17.45
<i>Gutudia</i>	5.88	13.99	1.91	72.74	0.73	4.76
<i>Jalma</i>	19.16	57.47	7.15	3.19	1.15	11.88
<i>Raghunatpur</i>	6.39	6.39	2.32	78.44	0.35	6.10
<i>Rudaghora</i>	4.89	86.39	1.40	2.28	1.54	3.49
<i>Uttar Bedkasi</i>	11.17	25.17	2.51	47.80	2.79	10.55

Government allocation and development works of UP: Study considered the secondary data for a specific financial year (2012-2013). In that specific year shows that the total expenditure on different sectors exceeds the government allocation which tells us that internal sources are contributing notably on development of different sectors like infrastructure, health and sanitation and education. In the concerned year, there was no allocation on education in any of the UP but a notable portion had been invested on education by the UPs from their internal sources. UPs were able allocate resources targeted by the government which reflect that if UPs could generate internal revenue sufficiently then they will be able to fulfill the targets of the locality as well as the nation. The comparison between Sectoral allocation and development expenditure of UPs has been presented in Table 10.

Table 10: Comparison between sectoral allocation from government and expenditure of UP

<i>Union Parishad</i>	<i>Agriculture</i>		<i>Health and Sanitation</i>		<i>Road Construction</i>		<i>Building Construction</i>		<i>Educa tion</i>
	<i>Govt. Allocati on</i>	<i>Expendi- ture of UP</i>	<i>Govt. Alloca- tion</i>	<i>Expendi- ture of UP</i>	<i>Govt. Alloca- tion</i>	<i>Expendi- ture of UP</i>	<i>Govt. Alloca- tion</i>	<i>Expendi- ture of UP</i>	<i>Expendi- ture of UP</i>
<i>Uttar Bedkasi</i>	14.96	37.22	5.82	12.22	29.36	11.94	5.54	11.24	23.88
<i>Arong-ghata</i>	18.14	24.26	7.00	27.73	23.49	8.67	6.50	6.07	31.20

<i>Barakpur</i>	16.84	25.06	21.86	17.08	35.07	28.47	6.22	7.97	20.50
<i>Dumuria</i>									
<i>Sadar</i>	33.21	78.33	3.07	0.81	46.50	8.43	6.64	1.65	10.54
<i>Dhamalia</i>	5.85	1.43	8.47	25.49	24.19	44.29	13.10	12.37	15.63
<i>Jalma</i>	3.94	2.36	6.49	17.45	38.24	40.25	3.82	8.81	29.40
<i>Ruda-ghora</i>	18.92	5.88	18.06	4.76	18.92	13.99	6.88	1.91	72.74
<i>Aichgati</i>	6.41	19.16	10.25	11.88	61.90	57.47	5.13	7.15	3.19
<i>Raghu-nathpur</i>	4.98	6.39	10.99	6.10	27.62	6.39	5.13	2.32	78.44
<i>Amadi</i>	27.14	4.89	19.86	3.49	33.10	86.39	9.27	1.40	2.28
<i>Gutudia</i>	17.04	11.17	12.20	10.55	25.00	25.17	5.54	2.51	47.80

Discussion

UPs are constructed incorporating the villages which are the heart of our agriculture. Infrastructure plays vital role on the growth of agriculture both from supply side like collection of input to demand side like distribution of output. Health and sanitation is crucial for the health status of population that directly impact on labor productivity. Education is another contributor to labor productivity. So, UPs have the opportunity to touch every aspect of life of rural population which is evident in the resource allocation among different sectors under development works. The major sources of revenue incorporate tax revenue, non-tax revenue and government allocation. The highest contributor to revenue is allocation from centre. The revenue structure showing different potential sources tells us that the contribution of tax revenue is relatively lower whereas the non-tax sources are contributing higher than tax sources. Holding tax and tax on business and profession are the twin source of tax revenue for the UPs where the contribution from holding tax contributes higher in most of the UPs and in few UPs, tax on business and profession is contributing higher. It could be noted here that FGD with the chairman of the UPs revealed that imposition and collection of holding tax is tough in rural areas where inhabitants are not so aware about the need to pay holding tax. Again in many of the UPs, prevalence of different informal activity is high which are completely excluded from tax imposition. Activities which have some formal registration could only be taxed. But, as tax on business and profession is the second tax source, decentralization of different economic activities like formal occupation source, formal business activities and industrialization in rural areas should be prioritized.

Under non-tax sources, land transfer fee contributes the highest and license fee, fees on issuing certificates, lease of water bodies are the main source of non-tax revenue. Revenue from water bodies varied largely among the regions which reflects that the realization of revenue might not be possible everywhere. FGD with the chairman along with some selected members informed that in case of *kebas* land and water bodies, a large part are under legal dispute on which UPs fail to collect any lease money which not only reduce the

revenue of UPs, but at the same time government is being unable to implement many development works in the locality. As for instance, scarcity of water both for drinking and daily use is so common in the southern part. Government undertakes pond re excavation program in many of the villages of the southern part. In many cases the implementation of program is being interrupted due to the dispute regarding the ownership of the water bodies mostly with the local elites.

Government allocation is playing a vital role in mitigating expenditure and the dependency on centre is quite evident in the study. A larger portion of government allocation is being spent on administrative salary and allocation on development works is not so satisfactory. But it is also true we have to acknowledge the limited capacity of the government to generate public revenue. That is why the capacity of the UPs to generate revenue from internal sources should get the priority to address local needs.

The expenditure scenario tell us that UPs are concentrating on the sectors which are vital for the locality. Major expenditure areas covers agriculture, road and building construction, health and sanitation, education which are crucial for the economy. In the southern part, safe drinking water is so scarce due to salinity and arsenic contamination. Villagers especially the woman and girls have to fetch water travelling a large distance daily. Under health and sanitation, UPs distribute ring slab among the villagers and construct water filter to provide drinking water for the villagers. Definitely these interventions are improving the quality of life of the villagers. UPs are implementing such projects in collaboration with domestic NGOs like brac, Shushilon, Karitas, Uttaran and international organizations like USAID. So, in creating public private partnership, UPs are playing a mediating role to meet up the local needs and the organizations are not only financing the projects but also enriching local knowledge through this collaboration.

Under road construction, UPs are constructing link roads mostly with brick soling. Under building construction, UPs reconstructs the building like different religious institution as mosque, temple. Apart from this, the graveyards are also developed by the UPs like elevation of graveyard, construct boundary and other maintenance. UPs organize different seminar, training programs, under health sanitation projects with different NGOs. They also work in the schools, organize different feeding program, and distribute education materials among the students of the educational institutions in the locality.

If we compare total revenue and total expenditure of the UPs, we found that all of them maintain balanced budget. In calculation of expenditure presented here in study did not show some specific expenditure due to data insufficiency. Many of the UPs budgetary manual showed that they preserve a specific amount of revenue for monitoring and audit. Expenditure also incurred at transport cost of members and fuel cost for village security.

The political structure of UPs incorporates both elected and nominated post. Whether the combination is beneficial to UPs or a problem is not identified. As for instance, the chairman of different UPs who are politically elected might not have the strong educational background to execute the administrative functions but at the same time political election definitely the practice of democracy. So the conclusion regarding this issue

is so tough. The allocation from centre among UPs reflects large variation might be the fruit of political preference. Now we concentrate on the sectoral allocation. Agriculture being the corner stone of rural economy, got lower allocation, in other words, lower concentration in many of the UPs.

Conclusion

UPs are potential body, the oldest form of local government in the subcontinent, root level body who has the direct connection with local potentials and needs. If we consider the revenue generation capacity in maintaining the budget, UPs are performing well. If we could strengthen and extend the tax base, UPs could operate more efficiently as that will reduce the dependency on national allocation. Again extension of tax base ultimately will be reflected through the higher capacity of the citizens themselves. Decentralization of different activity may improve the current scenario. Complexity of resource mobilization from centre to government should be minimized. As holding tax is important contributor to tax revenue, steps should be taken to scale up the awareness level of the villagers as noncompliance is supposed to be a major barrier, demonstration and motivational programs might be organized to motivate people to comply with. Limited income of the villagers is reducing the capability of tax payers and at the same time education has positive link with tax paying ability. So, efforts should be made to government should concentrate to assure modern educational facilities and sufficient income source for the villagers so that internal migration is reduced which might increase the number of taxpayers in rural areas. The sample size of the study is so small. So, making any general conclusion is not possible. The study only attempted to analyze the resource mobilization pattern of the UPs which might be helpful to strengthen the UPs.

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