
CHAPTER I

INTRODUCTION AND METHODOLOGY

CHAPTER ONE

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1.1 SIGNIFICANCE OF NAGARPALIKA:

The present study is an attempt to bring out the significance of the Local Governments. A study of Nagarpalika is very important to revitalize the local governments. There is a growing need for the decentralization of power in democratic countries. The Welfare State has its duties and responsibilities towards the people. The Central Government cannot perform its duties well because of the tremendous work. For the decentralization of power, most of the duties are given to the local governments. Therefore, the importance of the local government is increasing day by day.

The socialistic pattern of society cannot be brought about in the countries like India, which have tremendous population and various ideologies. Without decentralization of power and active participation of people, the local government cannot perform small constructive functions in the best way. There is centralization of power in economic planning. It results in regional inequalities and unhappiness among the people. Planning at the grassroots is the only remedy to overcome the problems created by centralization of power in economic planning. Most of the difficulties will be solved if planning is brought through the channel of the

of the local governments. It will create a sense of responsibility among the people and it will be also useful in giving the people their due. It is thus important that the role of local government, like Nagarpalika, is studied in various aspects. The present study is significant from this point of view of the critical issues involved in financial functions performed by Nagarpalika.

1.2 STATEMENT OF THE PROBLEM:

The present study is thus taken up for ascertaining the problem areas of Nagarpalika finances and the trends in the revenue and expenditure of the Nagarpalika under question, with a view of suggesting suitable measures to overcome them.

1.3 OBJECTIVES OF THE STUDY:

The major objectives of the proposed work are as under:

- (1) To examine trends and composition of revenue of Sangola Nagarpalika for the period from 1974-75 to 1989-90;
- (2) To study the trends and composition of expenditure of Sangola Nagarpalika during that period;
- (3) To evaluate the main problems of financing the activities;
- (4) To suggest suitable remedial measures.

1.4 METHODOLOGY OF THE STUDY:

The case-study method has been adopted for the present study, with emphasis on secondary data. For this study, Sangola Nagarpalika was deliberately selected. The researcher also selected a span of sixteen years, i.e. from 1974-75 to 1989-90, for conducting the present study. Because prior to 1974-75, for most of the years, adequate data were not available. The data for the present study has been collected from Nagarpalika records. After collecting the data, it was tabulated and calculations were made with a view of drawing the conclusions. The statistical techniques of averaging, percentage-significance, simple growth rates, compound growth rate, have been used for analysing the data for our purposes. In some cases, interviews were taken of the President and the Chief Officer of the Nagarpalika, who are knowledgeable persons in the field of Nagarpalika finances and major changes therein.

1.5 CHAPTER SCHEME:

The Chapter scheme of the proposed research work is as under:

- Chapter-I : Introduction and Methodology
- Chapter-II : Theory of Local Finances
- Chapter-III : Analysis of Revenue
- Chapter-IV : Analysis of Expenditure
- Chapter-V : Major Problems and Suggestions.