

Chapter – 5

**DEVELOPMENT OF PRIMARY SECTOR AND  
RESOURCE MOBILIZATION BY KOLHAPUR  
ZILLA PARISHAD**

- 5.1 Introduction
  - 5.2 District Income
  - 5.3 Growth of District Income of Kolhapur District
  - 5.4 Composition of District Income of Kolhapur District
  - 5.5 Growth and Composition of Primary Sector of Kolhapur District  
Income
  - 5.6 Revenue Mobilization by Kolhapur Zilla Parishad from Primary  
Sector
  - 5.7 Expenditure of Kolhapur Zilla Parishad on Development  
of Primary Sector and Revenue Mobilization from Primary  
Sector
  - 5.8 Comparative Scenario
- References

## Chapter – 5

# DEVELOPMENT OF PRIMARY SECTOR AND RESOURCE MOBILIZATION BY KOLHAPUR ZILLA PARISHAD

### 5.1 Introduction

The national income is most important concept. It is essential for economic planning. According to A. C. Pigou, "National income is that part of objective income of the community including of course income derived from abroad which can be measured in money."<sup>1</sup>

After independence, the Government of India appointed the National Income Committee in August, 1949 so as to compile authoritative estimates of national income. The committee consisted of Prof. P. C. Mahalanobis, Prof. D. R. Gadgil and Prof. V. K. R. V. Rao.<sup>2</sup> For the national development, district income is the important concept. Because the district values will add up to the state value and the state values will add up to the national value.

### 5.2 District Income

Uttar Pradesh was the first state that felt there was need for district level estimates.<sup>3</sup> For the development of local area district income is very important without this information planning is not possible at grassroot level. Therefore, measurement of district income should be accurate but district income cannot be estimated accurately because of a lot of difficulties in calculating the district income. However, estimate of district income is necessary for the economic planning.

Each and every country of the world desires rapid and all-round economic development to offer superior standard of living to its citizens. Hence, the efforts are made to initiate a variety of productive activities whereby the development of the different productive sectors

as well as the economy as a whole can be materialized. Economic growth or development is measured with the help of national income for the economy as a whole. Thus, national income is an indicator of measurement of economic development of the economy or a nation.

Likewise, state domestic product is an indicator of estimating economic growth of the state economy. It is said that higher the gross or net or per capita state domestic product or income then higher the level of economic development of the state and vice versa. Consequently, the standard of living of the people in the area under jurisdiction.

In the same manner district income is used as an indicator of measurement of economic growth of the district income. It is the size and level of district income that shows the level of economic development of the district economy as well as standard of living of the people.

### 5.3 Growth of District Income of Kolhapur District

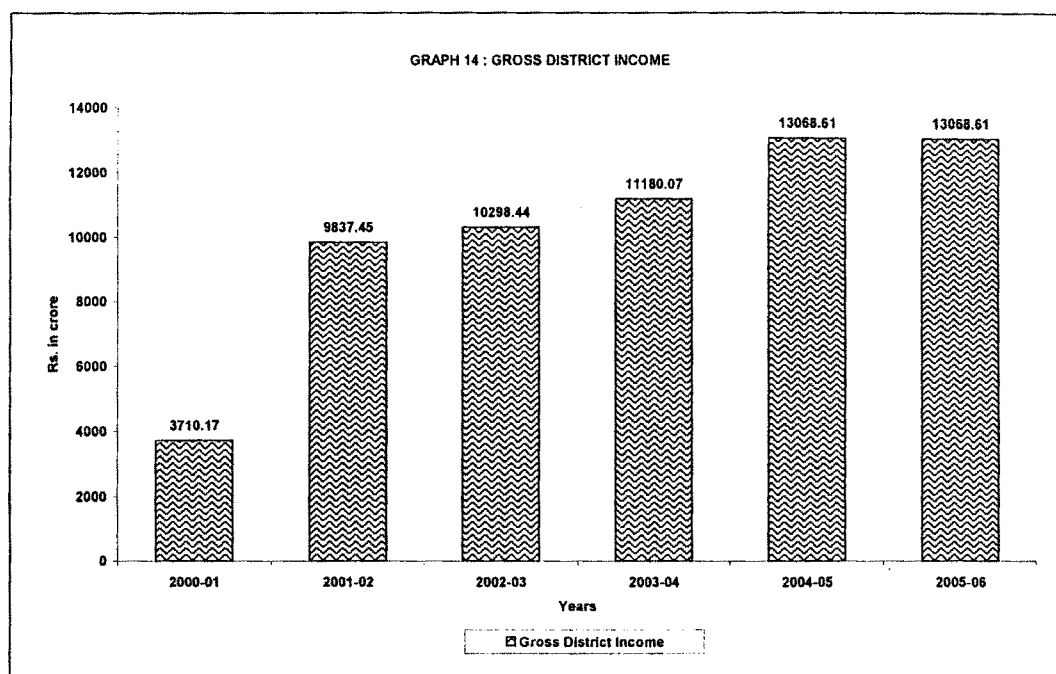
Kolhapur is one of the developed districts in the state of Maharashtra. It has a special economic, political, social, cultural, historical significance.

**Table No. 5.1**  
**Growth of District Income of Kolhapur (At Current Prices)**

(Rs. in crore)

Year	Gross District Income
2000-01	3710.17
2001-02	9837.45
2002-03	10298.44
2003-04	11180.07
2004-05	13068.61
2005-06	13068.61
CGR	9.98

Source : Socio Economic Survey of Kolhapur District



The table No. 5.1 shows growth of gross district income of Kolhapur district during 2000-01 to 2005-06. It rose from Rs. 87101762 crore in 2000-01 to Rs. 111800700 crore in 2003-04 registering a growth of about 9.98 times over the study period.

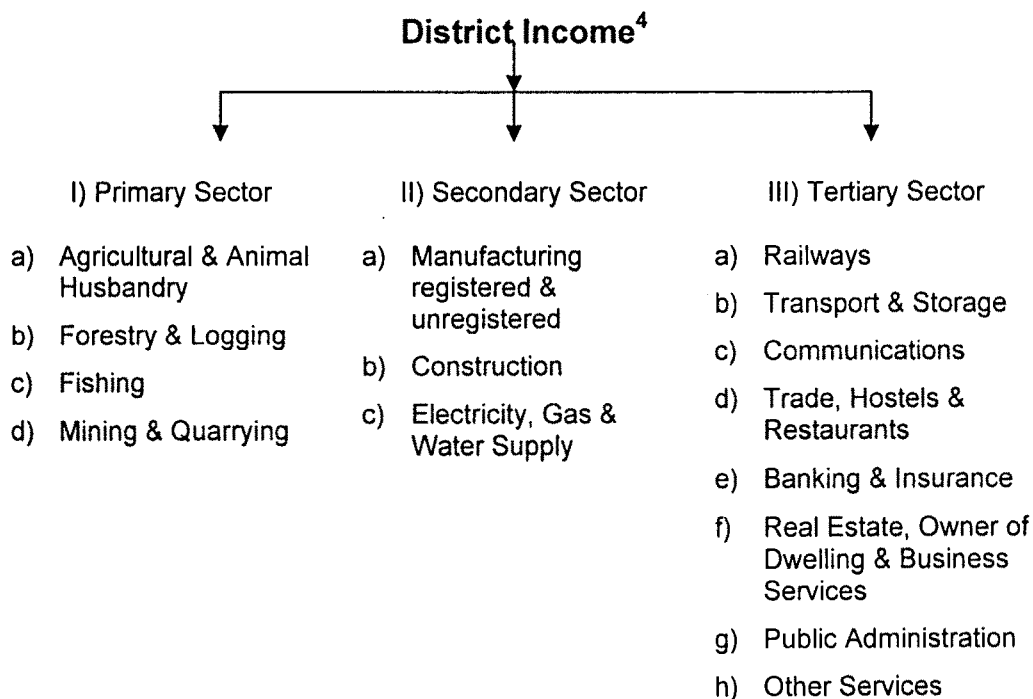
This means that gross district income of Kolhapur district is increasing continuously and significantly. No doubt, it is a significant growth, which has a positive repercussions on the standard of living of the people, and it clearly indicates the process of Kolhapur district economy has become dynamic. It shows the extent of speeding up the process of economic development in the economy of Kolhapur district. This is also an adequate indicator of the level of standard of living of the people of Kolhapur district economy.

#### 5.4 Composition of District Income of Kolhapur District

District income is divided into three sectors namely –

1. Primary Sector
2. Secondary Sector
3. Tertiary Sector

The sectoral distribution of district income shows the contribution of the different productive sectors in the district income of the district economy and thereby their contributions in the economic development of that economy. The sectoral analysis of district income reveals the dependence of the district on the different productive sectors for its economic growth. It also indicates whether that district economy is a primary or agriculture growth oriented or secondary or industry growth oriented or it depends upon tertiary sector to materialize its growth. It is said that industry sector oriented growth economy achieves its sustained growth and emerges out as a developed economy. This implies that service sector growth oriented is not a sustained growth but it is for the short period and temporary. However, the role of primary sector in general and agriculture in particular cannot be denied especially in the underdeveloped countries and rural economies. Its role is significant in achieving desired trend of economic growth.

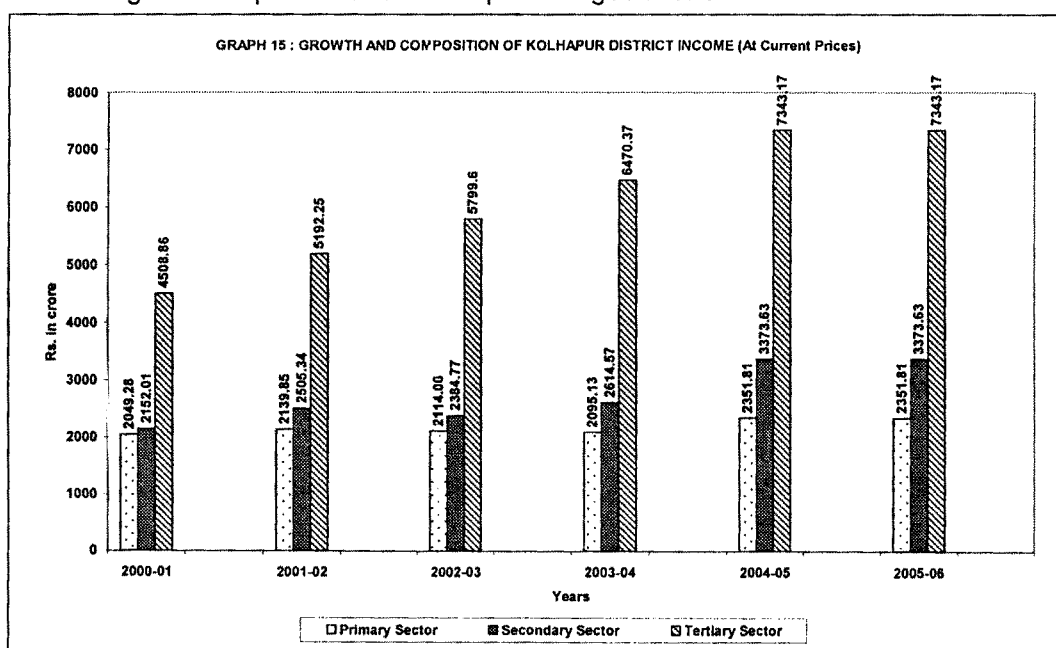


**Table No. 5.2**  
**Composition of District Income of Kolhapur District (At Current Prices)**  
 (Rs. in crore)

Year	Primary Sector	Secondary Sector	Tertiary Sector	Total Gross Income
2000-01	2049.28 (23.52)	2152.01 (24.70)	4508.86 (51.76)	8710.17 (100)
2001-02	2139.85 (21.75)	2505.34 (23.46)	5192.25 (52.78)	9837.45 (100)
2002-03	2114.06 (20.52)	2384.77 (23.15)	5799.60 (56.31)	10298.44 (100)
2003-04	2095.13 (18.73)	2614.57 (23.38)	6470.37 (57.87)	11180.07 (100)
2004-05	2351.81 (17.99)	3373.63 (25.81)	7343.17 (56.18)	13068.61 (100)
2005-06	2351.81 (17.99)	3373.63 (25.81)	7343.17 (56.18)	13068 (100)
CGR	9.99	9.98	9.98	9.98

Source : As of Table No. 5.1

Note : Figures into parenthesis shows percentages to total.



The table shows the composition of district income of Kolhapur Zilla Parishad during 2000-01 to 2005-06. Total gross district income includes income of primary sector, secondary sector and tertiary sector. It rose from Rs. 8710.17 crore in 2000-01 to Rs. 10298.44 crore in 2002-03 and Rs. 13068.61 crore in 2005-06 registering a growth of about 9.98 times over the study period.

Primary sector consist of the activities such as agriculture and animal husbandry, forestry and logging, fishing, mining & quarrying. Its income rose from Rs. 2049.28 crore in 2000-01 to Rs. 2114.06 crore in 2002-03 and Rs. 23.51 crore in 2005-06 registering a growth of about 9.99 times over the study period.

The share of primary sector in Kolhapur district income varied between 17.99% to 23.52% during the period under study.

The secondary sector consists of the activities such as manufacturing (registered, unregistered), construction and electricity, gas and water supply. Its income rose from Rs. 2152.01 crore in 2000-01 to Rs. 2384.77 crore in 2002-03, Rs. 3373.63 crore in 2005-06 registering an average growth of about 9.98% over the study period. The share of secondary sector in district income of Kolhapur ranged between 23.15% to 25.81% during the study period.

The tertiary sector is a major component of district income of Kolhapur. Its share ranged between 51.76% to 57.87% under the study period. Tertiary sector includes the activities like railways, transport and storage, communications, trade, hotels & restaurants, banking & insurance, real estate, ownerships of dwellings, business services, public administration and other services. It rose from Rs. 4508.86 crore in 2000-01 to Rs. 5799.60 crore in 2002-03, Rs. 7343.17 crore in 2005-06 registering a growth of about 9.98% over the study period.

The data in table 5.2 reveals that Kolhapur district economy is a service sector growth oriented economy. It mainly relies on the service sector to achieve its growth. However, it is a fact that it is not sustainable but a temporary. About 55% share in Kolhapur district income is shared by the tertiary sector. Thus, secondary sector and primary sector have not contributed significantly in the district income of Kolhapur. It is a thing of serious concern for the sustained

development of the Kolhapur district income. Comparatively, secondary sector has shared a considerable share into district income of Kolhapur, which stood at between 22% to 25%. However, it is increasing is a good thing. Initially the contribution of primary sector in Kolhapur district income was considerable, but is declining continuously and significantly. On an average about 20.9% share has been contributed by the primary sector in the district income of Kolhapur. This reveals that there is a need for paying due attention towards the development of both the secondary as well as primary sector in Kolhapur district.

The processing of data by using some important statistical tools revealed that district income of primary sector of Kolhapur in total district income of Kolhapur ranged between Rs. 2049.28 crore to Rs. 2351.81 crore. Secondary sector income ranged between Rs. 2152.01 crore to Rs. 3373.63 crore and tertiary sector income ranged between Rs. 4508.86 crore to 7343.17 crore.

Its standard deviation analysis indicated that tertiary sector registered greater variations (SD 11552924) than primary sector (SD 1335697) and secondary sector (SD 5187405).

The correlation analysis of data showed that primary sector (.91), secondary sector (.97) and tertiary sector (.98) showed a strong and positive correlation with the total gross district income.

The regression analysis revealed that tertiary sector was a prominent (Standardized Beta .65) than primary sector (.06) and secondary sector (.29).

A statistical tool standard deviation shows that tertiary sector showed a wide variations but in the positive direction and worked as a persistent source of generating Kolhapur district income. The secondary sector showed variations with wide fluctuations and positive. It could be a prominent source of district income into consideration. The position of primary sector is the same like that



of secondary sector. However, fluctuations were wide and its relative contribution was not significant.

The application of correlation technique in the data processing and analysis about sectoral distribution of Kolhapur district income and thereby its growth reveals that all the three productive sectors showed a positive and high degree correlation between them and district income and thereby economic growth of the Kolhapur district. However, comparatively, tertiary and secondary sector have indicated a positive and strong correlation registering their high degree association in generating Kolhapur district income.

Regression analysis of sectoral distribution Kolhapur district income reveals that tertiary sector influenced very significantly (65%) the generation of district income of Kolhapur, which is followed by secondary (29%) and primary sector (7.5%) respectively. Thus, the efforts should be made to give priority to the development of primary sector, which is lagging so much behind compared to the other sector such as tertiary and secondary. However, there is a significant scope for the development of secondary sector to materialize rapid growth of the district economy.

## **5.5 Growth and Composition of Primary Sector of Kolhapur District Income**

### **1) Agriculture**

Agriculture is usually the largest commodity producing of Kolhapur district. Animal Husbandry is closely interwoven with agriculture and plays an important complementary role in the rural economy. It provides high quality food (milk, meat and eggs), wool, fibre & manure in addition to providing employment or supplementary income. Farmers usually do not keep a separate account of the outputs of agriculture crops and the part that goes as inputs for feeding the animals.

## II) Forestry

Next to agriculture and animal husbandry, the forestry and lagging sector comprises an important component of the commodity producing primary sector of the economy. It provides timber and other industrial wood, fuel wood and charcoal, resin, bamboo, blabber grass, medicinal herbs and other items. They help to control floods and thus they protect the soil against erosion.

## III) Fishing

Fishing contributes significantly to generating employment opportunities or to supplementing the income of small and marginal farmers as well as landless labourers. Fisheries help in raising nutritional levels, augmenting food supply and direct employment.

## IV) Mining and Quarrying

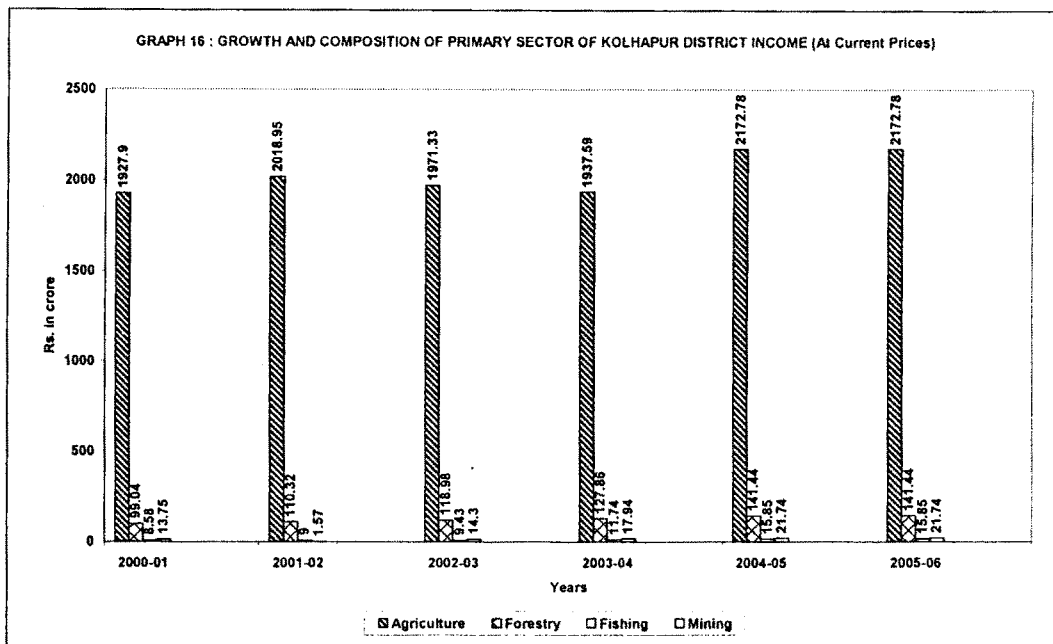
The Tenth Plan has correctly assented 'The development and management of mineral resources plays a major role in the industrial growth of a nation.'<sup>5</sup> Natural gas, coal, crude oil and limestone would characterized as major minerals.

**Table No. 5.3**  
**Growth and Composition of Primary Sector of Kolhapur District**  
**Income (At Current Prices)**

(Rs. in crore)

Year	Agriculture	Forestry	Fishing	Mining	Income of Primary sector
2000-01	1927.90 (94.07)	99.04 (4.83)	8.58 (0.41)	13.75 (0.67)	2049 (100)
2001-02	2018.95 (94.35)	110.32 (5.15)	9.00 (0.42)	1.57 (0.07)	2139.85 (100)
2002-03	1971.33 (93.24)	118.98 (5.62)	9.43 (0.44)	14.30 (0.67)	2114.06 (100)
2003-04	1937.59 (92.48)	127.86 (6.10)	11.74 (0.56)	17.94 (0.85)	2095.13 (100)
2004-05	2172.78 (92.38)	141.44 (6.01)	15.85 (0.67)	21.74 (0.92)	2351.81 (100)
2005-06	2172.78 (92.38)	141.44 (6.01)	15.85 (0.67)	21.74 (0.92)	2351.81 (100)
CGR	9.99	9.98	9.98	9.95	9.99

Source : Same as of Table No. 5.1



The table shows growth and composition of primary sector of Kolhapur district income during 200-01 to 2005-06. Primary sector consists of agriculture, forestry, fishing and mining. Its income rose from Rs. 2049.28 crore in 2000-01 to Rs. 2114.06 crore in 2002-03 and Rs. 2351.81 crore in 2005-06.

Agriculture is the most important constituent in income from primary sector. It rose from Rs. 1927.90 crore in 2000-01 to Rs. 1971.83 crore in 2002-03 and Rs. 21.72.78 crore in 2005-06 registering a growth of about 9.99% over the study period. The share of agriculture is a major component in income of primary sector. It ranged between 92.38% to 94.35% during the study period.

Next to agriculture, forestry is the most important component in income from primary sector. It rose from Rs. 99.04 crore in 2000-01 to Rs. 118.98 crore in 2002-03 and Rs. 141.44 crore in 2005-06 registering a growth of about 9.98 times over the study period.

Fishing contributed in significantly to increase district income of Kolhapur. Its income rose from Rs. 8.58 crore in 2000-01 to Rs. 9.43 crore in 2002-03, Rs. 15.85 crore in 2005-06 registering a growth of about 9.98% over the study period.

The share of mining in income from primary sector was a very minor. It ranged between 0.07% to 0.92% under the study period. It rose from Rs. 13.75 crore in 2000-01 to Rs. 14.30 crore in 2002-03, Rs. 21.74 crore in 2005-06 registering a growth of about 9.95 times over the study period.

The analysis of distribution of income from primary sector of Kolhapur district reveals that agriculture is the main economic activity in generating primary sector income. This reveals that all other activities in primary sector have not been developed. Their development will help in the process of development of primary sector and thereby economic growth of the Kolhapur district economy. Agriculture has contributed by 93% on an average in the primary sector income and development in Kolhapur district. The growth of all the economic activities in the primary sector is considerable, but not satisfactory. However, there is a plenty of scope for the development of allied activities to agriculture to promote its significance in the development of Kolhapur district.

The processing of data by using some important statistical tools revealed that income of agriculture in primary sector of Kolhapur district ranged between Rs. 1927.96 crore to Rs. 2172.78 crore, income of forestry ranged between Rs. 99.04 crore to Rs. 141.44 crore, income from fishing ranged between Rs. 8.58 crore to Rs. 15.85 crore.

Its standard deviation analysis indicated that agriculture sector registered greater variations (SD 1124480) than forestry (SD 170540), fishing (SD 33617) and mining (SD 75061).

The correlation analysis of the data showed that agriculture (0.99) showed a strong and positive correlation with total income of primary sector. Forestry and fishing (.92) showed a strong and positive correlation (0.86) and mining (0.56) showed moderate positive correlation.

The regression analysis revealed that agriculture was a prominent (standardized Beta .84) than forestry (.12), fishing (.01) and mining (.05) sector in the primary sector of Kolhapur district.

A technique of correlation reveals that agriculture, fishing and forestry have shown a positive and strong correlation with the development of primary sector. However, the association of mining with the development of primary sector of Kolhapur district is positive, but not a strong one. The regression analysis indicates the determinants and their relative positions in the development of primary sector of Kolhapur district. It is found that agriculture (84%) is a prominent determinant of primary sector development in Kolhapur district, which followed by forestry (12%), mining (5%) and fishing (2%) respectively.

### **5.6 Revenue Mobilization by Kolhapur Zilla Parishad from Primary Sector**

Zilla Parishad is the strongest tier in the Panchayat Raj system. Kolhapur is one of the developed districts in the state of Maharashtra. Kolhapur district consists of 12 talukas. Kolhapur Zilla Parishad performs the number of functions and helps in the rural socio-economic development. The rising number of duties, responsibilities and functions to promote socio-economic development. Due to this, at the same time there is a rapidly increase in its public expenditure. Therefore, it is necessary to increase its revenue mobilization.

The revenue sources of Zilla Parishad mainly consist of tax revenue, non-tax revenue and grants. State government provides grants to Zilla Parishad. However, tax revenue and non-tax revenue is own income of Kolhapur Zilla Parishad.

Primary sector is playing a very important role in the development of Kolhapur district and its further important role is expected. This necessitates to study the role of Kolhapur Zilla

Parishad in revenue mobilization by the primary sector. Non-tax revenue from primary sector consists of agriculture and animal husbandry.

#### **A) Agriculture**

Non-tax revenue from agriculture includes –

- i) Agriculture school fees
- ii) Agriculture receipts
- iii) Miscellaneous receipts (this will include the grants if any on account of schemes with personal deposit account)
- iv) Miscellaneous recoveries.

#### **B) Animal Husbandry**

Non-tax revenue from animal husbandry consists of veterinary dispensary fees, cattle fairs, other receipts and miscellaneous recoveries.

### **Tax Revenue from Primary Sector**

#### **Land Revenue**

The Taxation Enquiry Commission of 1933 has suggested <sup>6</sup>

1. Disparities in the rates of land revenue prevailing in different states should be removed and uniform rate be adopted as a standard method for calculation in each state.
2. Rate of land revenue should be revised at an interval of time (say ten years) and the revision should be based on the price index of agricultural produce.)
3. Rates may be revised any time if a situation of exemption occurs.

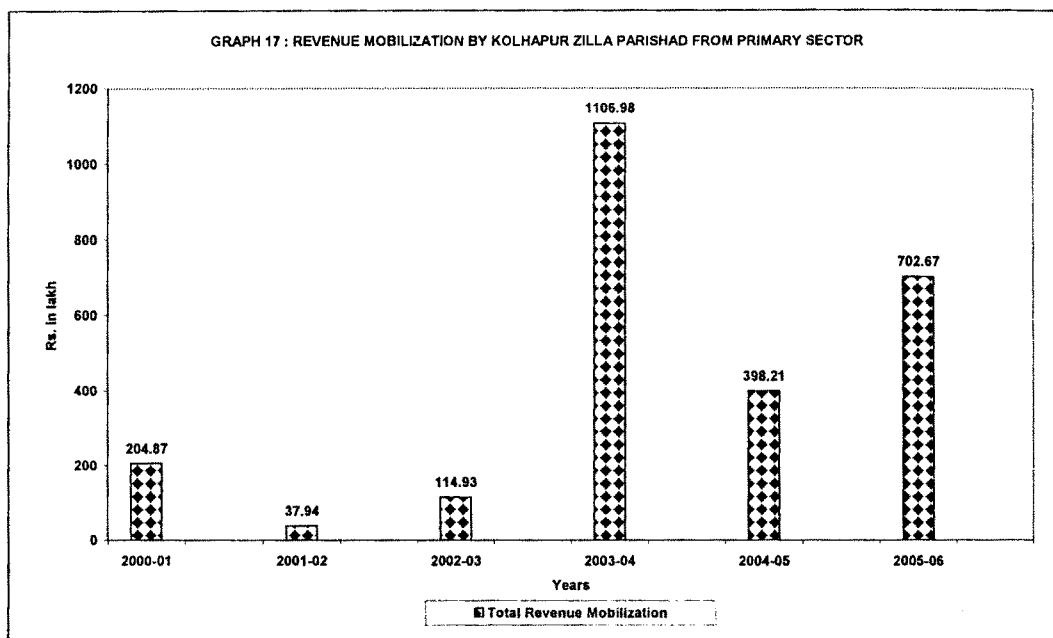
4. Local bodies such as Panchayats and District Boards should be authorized to levy surcharges to meet the local financial needs.
5. 15% of land revenue collected from each local area should be given to the local bodies of the area.

**Table No. 5.4**  
**Revenue Mobilization by Kolhapur Zilla Parishad from Primary Sector**

(Rs. in lakh)

Year	Non-tax Revenue from Primary Sector			Tax Revenue from Primary Sector	Total Revenue Mobilization by Primary sector (C +D)
	A) Agriculture	B) Animal Husbandry	C) Total Non-tax Revenue (A+B)		
2000-01	0.20 (1.50)	13.40 (98.49)	13.60 (6.64)	191.26 (93.35)	204.87 (100)
2001-02	6.99 (28.66)	17.41 (71.35)	24.40 (64.32)	13.53 (35.67)	37.94 (100)
2002-03	6.93 (31.58)	15.02 (68.41)	21.95 (19.10)	92.98 (80.89)	114.93 (100)
2003-04	1.73 (8.71)	18.12 (91.28)	19.85 (1.79)	1087.13 (98.20)	1106.98 (100)
2004-05	4.08 (20.90)	15.45 (79.09)	19.54 (4.90)	378.67 (95.09)	398.21 (100)
2005-06	3.13 (13.82)	19.56 (86.17)	22.70 (3.23)	679.97 (96.76)	702.67 (100)
CGR	9.95	9.99	9.99	9.92	9.94

Source : As of Table No. 5.1



The table shows the growth of revenue mobilization of Kolhapur Zilla Parishad from primary sector during 2000-01 to 2005-06.<sup>7</sup> The total revenue mobilization by Kolhapur Zilla Parishad from primary sector consists of tax revenue and non-tax revenue. Tax revenue includes local cess, and non-tax revenue includes agriculture and animal husbandry fees and charges.

Total revenue mobilization by primary sector fluctuated from Rs. 204.87 lakh in 2000-01 to Rs. 37.94 lakh in 2001-02, Rs. 114.93 lakh in 2002-03, Rs. 1106.98 lakh in 2003-04, Rs. 398.21 lakh in 2004-05 and Rs. 720.67 lakh in 2005-06.

Total revenue mobilization by primary sector can be divided into two components. A) Tax Revenue from Primary Sector and b) Non-tax Revenue from Primary Sector.

Tax revenue from primary sector was Rs. 191.26 lakh in 2000-01, it fell to Rs. 13.53 lakh in 2001-02, again it rose to Rs. 92.98 lakh in 2002-03, Rs. 378.67 lakh in 2004-05 and Rs. 679.97 lakh in 2005-06 registering a growth of about 9.92% over the study period.



Non-tax revenue from primary sector consists of agriculture and animal husbandry fees and charges. It fluctuated from Rs. 13.60 lakh in 2000-01 to Rs. 24.40 lakh in 2001-02, Rs. 19.85 lakh in 2003-04 and Rs. 22.70 lakh in 2005-06 registering a growth of about 9.99% over the study period.

Income from non-tax revenue from agriculture by Kolhapur Zilla Parishad fluctuated from Rs. 0.20 lakh in 2000-01 to Rs. 6.93 lakh in 2002-03, Rs. 1.73 lakh in 2003-04 and Rs. 3.13 lakh in 2005-06 registering a growth of about 9.95% over the study period.

Income of non-tax revenue from animal husbandry by Kolhapur Zilla Parishad fluctuated from Rs. 13.40 lakh in 2000-01 to Rs. 17.41 lakh in 2001-02, Rs. 15.02 lakh in 2002-03, Rs. 18.12 lakh in 2003-04, Rs. 15.45 lakh in 2002-03, Rs. 18.12 lakh in 2003-04, Rs. 15.45 lakh in 2004-05 and Rs. 19.56 lakh in 2005-06 registering a growth of about 9.99% over the study period.

The data in table No. 5.4 reveals that in the revenue mobilization by Kolhapur Zilla Parishad from primary sector tax revenue was a major contributor (above 90% share) compared to non-tax revenue. However, the growth of revenue for both the components was more or less the same.

The standard deviation reveals that tax revenue (SD 40935623.72) showed major deviation, but positive an contributed significantly to the revenue from primary sector than the non-tax revenue (SD 37673.17).

The correlation analysis reveals a perfect and positive (1.00) association between tax revenue and total revenue collected by Kolhapur Zilla Parishad from primary sector. However, a weak and negative (- 0.5) association between non-tax revenue and revenue from primary sector collected by Kolhapur Zilla Parishad. Regression analysis shows that tax revenue influenced by 100% in revenue mobilization by Kolhapur Zilla Parishad from primary sector. However,

non-tax revenue influenced very negligibly the revenue mobilization from primary by Kolhapur Zilla Parishad.

### **5.7 Expenditure of Kolhapur Zilla Parishad on Development of Primary Sector and Revenue Mobilization from Primary Sector**

Primary sector is an important sector for the development of rural areas as well as Kolhapur district. Its geographical area is 7685 sq. kms. In Kolhapur district forest land area is 135580 hectares. There are two types of crop areas. In Kolhapur district, total kharif crop area is 376600 hectares and total rabi crop area is 34900 hectares.<sup>7</sup>

Main crops of the Kolhapur district is rice and sugarcane and its rice crop area is 104000 hectares and sugarcane crop area is 94900 hectares. For the development of primary sector in Kolhapur district Kolhapur Zilla Parishad has been increasing expenditure, which includes the items like agriculture, forestry, fishing and mining.

For the development of primary sector, Kolhapur Zilla Parishad has been increasing its public expenditure. Due to this, it is necessary to increase revenue of Kolhapur Zilla Parishad, but primary sector has not contributed significantly in its revenue mobilization.

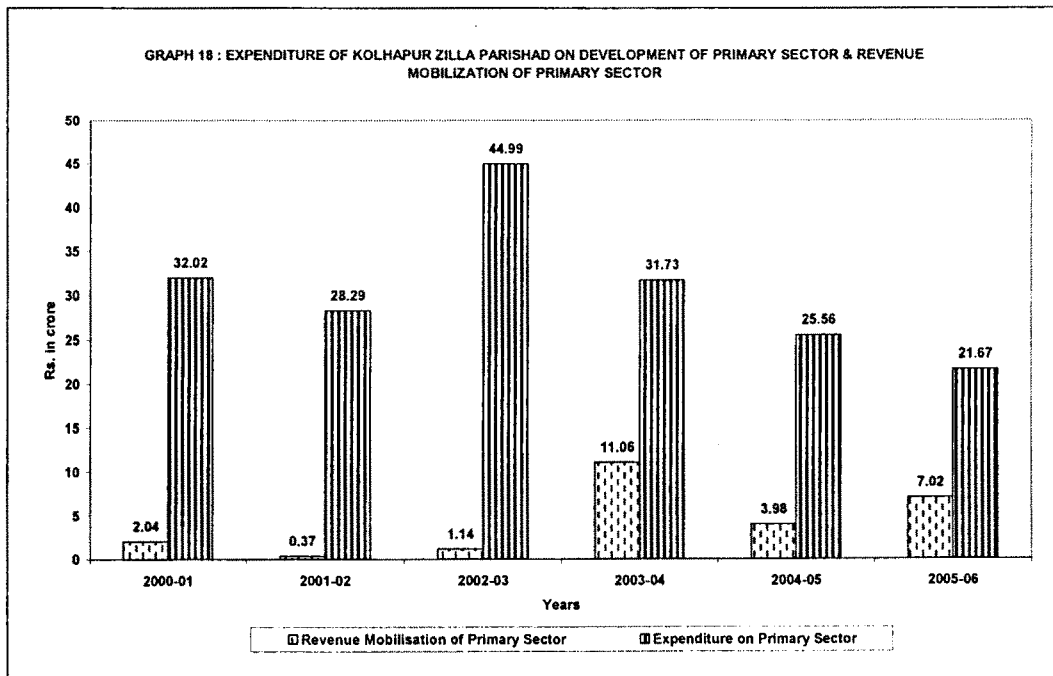
Fiscal health of the government plays a vital role in achieving the rapid and all-round economic development of the economy. It is the desirable fiscal discipline which facilitates necessary fiscal health of the government.<sup>8</sup>

**Table No. 5.5**  
**Expenditure of Kolhapur Zilla Parishad on Development**  
**of Primary Sector and Revenue Mobilization of Primary Sector**

(Rs. in crore)

Year	Revenue Mobilisation of Primary Sector	Expenditure of Kolhapur Zilla Parishad on Primary Sector	Deficit
2000-01	2.04	32.02	- 29.97
2001-02	0.37	28.29	- 27.91
2002-03	1.14	44.99	- 43.84
2003-04	11.06	31.73	- 20.66
2004-05	3.98	25.56	- 21.58
2005-06	7.02	21.67	- 14.65
CGR	9.94	10.01	

Source : as of Table No. 5.1



This table shows growth of expenditure on development of primary sector and revenue mobilization of primary sector by Kolhapur Zilla Parishad during 2000-01 to 2005-06. Expenditure of Kolhapur Zilla Parishad on primary sector showed a fluctuating trend in the study period. It was Rs. 32.02 crore in 2000-01, it fell to Rs. 28.29 crore in 2001-02 again it rose to Rs. 44.99 crore in 2002-03. Further it fell to Rs. 31.73 crore in 2003-04, Rs. 25.56 crore

in 2004-05, Rs. 21.67 crore in 2005-06 registering a growth of about 10.01% over the study period. After 2002-03 expenditure of Kolhapur Zilla Parishad on primary sector has decreased continuously and significantly.

Revenue mobilization of primary sector by Kolhapur Zilla Parishad fluctuated from Rs. 2.04 crore in 2000-01 which fell to Rs. 0.37 crore in 2001-02, Rs. 1.14 crore in 2002-03, Rs. 11.06 crore in 2003-04, Rs. 3.98 crore in 2004-05, Rs. 7.02 crore in 2005-06 registering a growth about 9.94% over the study period.

Under the study period, expenditure of Kolhapur Zilla Parishad on primary sector was higher than revenue mobilization by the primary sector. Hence, primary sectors deficit rose from Rs. 29.97 crore in 2000-01, Rs. 43.84 crore in 2002-03, Rs. 21.58 crore in 2004-05 and Rs. 14.68 crore in 2005-06.

The analysis of data in table No. 5.5 reveals that Kolhapur Zilla Parishad is spending higher on the development of primary sector of Kolhapur district than the revenue being subscribed by this sector. It is good thing that Kolhapur Zilla Parishad is attempting to achieve the development of this productive sector. However, for increasing its position in overall development of the Kolhapur district and importantly to achieve important place it can further increase its efforts extensively as well as intensively.

The technique of correlation reveals that deficit to Kolhapur Zilla Parishad on primary sector with revenue mobilized by it from primary sector showed a higher degree negative correlation (- .66). This indicates that short fall in revenue mobilization led to deficit to be suffered by the Kolhapur Zilla Parishad. On the contrary, deficit of Zilla Parishad and its expenditure on primary sector development showed a high degree positive and strong (.92) correlation. It is a clear indicator

of rapid expenditure growth led to rapid and significant growth in deficit of Kolhapur Zilla Parishad on primary sector.

The regression analysis revealed that both the expenditure on primary sector and revenue mobilization from primary sector significantly influenced deficit of Kolhapur Zilla Parishad concerning primary sector. As the influence of expenditure (78%) was higher than the influence of revenue (- 40%) mobilisation.

### **5.8 Comparative Scenario**

Kolhapur Zilla Parishad is a higher level rural local government in Kolhapur district. Hence, it is its responsibility to undertake economic activities for the development of Kolhapur district economy in general and primary sector in particular. It is a thing of concern that Kolhapur Zilla Parishad is undertaking efforts in that direction. Hence, it is spending increased amount on the economic activities promote to development of primary sector.

It is also necessary that Kolhapur Zilla Parishad should collect revenue from the various sources. As it is a rural government, rural economy in general and primary sector in particular should contribute more revenue to the revenue mobilization by Kolhapur Zilla Parishad.

The comparative position of expenditure of Kolhapur Zilla Parishad on the development of primary sector and revenue collected by the Zilla Parishad from the primary sector gives us that idea. The necessary data about that is presented in table No. 5.6.

Table No. 5.6

**Comparative Scenario of Revenue Mobilization by Primary Sector,  
Expenditure on Primary Sector, Income from Primary Sector of  
Kolhapur Zilla Parishad**

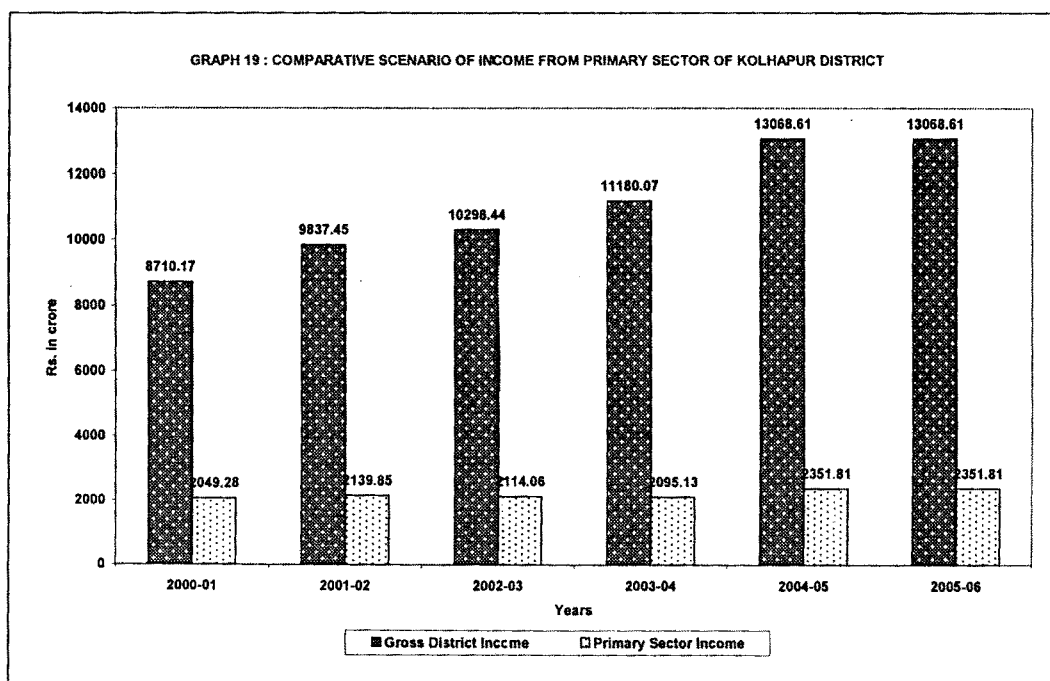
(Rs. in crore)

Year	Revenue Mobilization of Primary Sector	Expenditure of Zilla Parishad on Primary Sector	Gross District Income	Primary Sector Income
2000-01	2.04 (0.09)	32.02 (1.56)	8710.17	2049.28
2001-02	0.37 (0.01)	28.29 (1.32)	9837.45	2139.85
2002-03	1.14 (0.05)	44.99 (0.02)	10298.44	2114.06
2003-04	11.06 (0.52)	31.73 (1.51)	11180.07	2095.13
2004-05	3.98 (0.16)	25.56 (1.08)	13068.61	2351.81
2005-06	7.02 (0.29)	21.67 (0.92)	13068.61	2351.81
CGR	9.94	10.01	9.98	9.99

Source : 1) Budgetary Documents of Kolhapur Zilla Parishad

2) Socio Economic Survey of Kolhapur District

Note : Figures into brackets indicate percentage to Primary Sector Income.



The data in Table No. 5.6 reveals that Kolhapur Zilla Parishad has done considerable attempts about the development of primary sector as well as revenue mobilization by it. It is observed that Kolhapur Zilla Parishad has endeavoured to mobilize revenue from primary sector at the same rate of growth of gross district income. However, it has spent always higher than the revenue mobilization from primary sector. Hence, expenditure of Kolhapur Zilla Parishad grew at higher rate (10%) than the growth of revenue mobilization. This is clear indicator of primary sector is under exploited productive sector as far as its role in revenue mobilization of Kolhapur Zilla Parishad during the period under study is concerned. Hence, there is further scope to collect both the tax as well as non-tax revenue from primary sector of Kolhapur district.

The correlation analysis of comparative scenario of Kolhapur Zilla Parishad reveals that there was a negative and high degree correlation between gross district income of Kolhapur and expenditure of Kolhapur Zilla Parishad on development of primary sector ( - .54). However, there was a negative but weak association between gross district income of Kolhapur and revenue mobilization by Kolhapur Zilla Parishad from primary sector (- 0.25). This reveals that with the increase in gross district income of Kolhapur there was not increase in expenditure on primary sector as well as revenue mobilization from primary sector did not rise in that proportion. The rise was very much meagre. It was better for expenditure than the revenue mobilization. This is also a meagre contribution of primary sector in generating Kolhapur district income as well as its development.

The regression analysis revealed that gross district income of Kolhapur district negatively but highly influenced revenue mobilization by Kolhapur Zilla Parishad ( -.54% standardized Beta) from primary sector due to dominance of service sector and secondary sector in district income generation. Likewise, gross district income of Kolhapur district negatively but at lower degree influenced

( - .28 standardized Beta) expenditure of Kolhapur Zilla Parishad on primary sector. It is because of lower contribution of primary sector in district income as well as expenditure on it and its revenue subscription.

The correlation analysis reveals a weak but positive (.18) association between primary sector district income and revenue collected by Kolhapur Zilla Parishad. But a strong and negative ( - .66) relationship between primary sector district income and expenditure on primary sector by Kolhapur Zilla Parishad indicating expenditure from other productive sectors revenue is done. Regression analysis indicates primary sector district income influenced significantly but negatively ( - .66) the primary sector expenditure by Kolhapur Zilla Parishad. However, primary sector district income of Kolhapur influence revenue mobilization by Kolhapur Zilla Parishad from primary sector meagerly but positively (.18%).



**References**

1. Jhingan, M. L. (2002), Macro Economic Theory, Vrinda Publications, Delhi, p. 17.
2. Datta Ruddar and Sundaram K. P. M. (2005), Indian Economy, S. Chand & Company Ltd., New Delhi, p. 30.
3. Nayyar Rohini, Rajeev Meenakshi and Vyasulu Vinod (2003), Estimating District Income in India, Macmillan India Ltd., New Delhi, p. 3.
4. Ibid, p. 15.
5. Ibid, p. 101.
6. Lekhi, R. K. (2000), Public Finance, Kalyani Publishers, New Delhi, pp. 827-828.
7. <http://Kolhpur.nic.in/>
8. Kamble, P. S. (2008), 'Twelfth Finance Commission and Restructuring Indian Public Finances', in "W. T. O. and Indian Economic Reforms", A Book edited by Dr. Talwar, Sabanna, Serials Publications, New Delhi, p. 156.