



Chapter - 2

Chapter – II

REVIEW OF RESEARCH LITERATURE

2.1 Introduction

2.2 Review of Literature

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2.1 Introduction

There are various types of literature available on the research topic such as books, reports of various committees, articles, paper presented at seminars, paper published in journals and edited books, M. Phil. Dissertations, Ph. D. theses, etc. The review of literature is helpful to analyze how the present research topic is suitable from some of the research studies on the research topic are as follows.

2.2 Review of Literature

Inamdar, N. R. (1970)¹ has studied the Functions of Village Panchayat in India. In his study he has also examined finances of Village Panchayat under study. But it is not in detailed study of Village Panchayats.

Oommen and Datta (1995)² Study Finance of Village Panchayat in India, with emphasis on transfer of revenue between state government and Village Panchayat. The study also discusses the issue of restructuring of Panchayat Finance.

Behera (2007)³ in the study “Panchayat Raj Institutions : Issues and Challenges” has analysed structure of Panchayat Raj in Orissa. She has concluded that the progress of local self governmental control over local government, shortage of funds, illiteracy of people and untrained employees of local bodies should have adequate finance at

their disposal to take up manifold development activities as well as the control of government over local bodies should be minimized.

Surry, M. M. (2000)⁴ in his study, Fiscal Policy Development in India has focused on state financial relations. He has examined the functional responsibilities and sources of revenue of local bodies.

Bhayan (2007)⁵ in a research study, Panchayat Raj Institutions in Orissa and Challenges has examined the main issues and challenges responsible for the failure of PRIs, which should have adequate finance at their disposal to take up manifold development activities. They should be allowed to collect more they of taxes and make their budgets self sufficient. In case of deficit the government should be readily come forward to help with the situation.

Kamble, P. S. (2000)⁶ in his Ph. D. thesis entitled, Finances of Kolhapur Municipal Corporation, which attempts to examine all factors and dimensions of its finance over a period of 20th year between 1980 to 2000. He has also analysed the growth and composition of revenues as well as expenditure coupled with tax rate structure and the problem of deficit. He concludes that Kolhapur Municipal Corporation faces the problem of deficit because, total expenditure of corporation is greater than total revenue.

Naukudkar, B. S. (2006)⁷ in his thesis entitled, Finance of Sindhudurg Zilla Parishad has focused on revenue receipts of Zilla Parishad as well as various types of grants available to the Zilla Parishad.

He has also analysed effect of social development indicators in the district and rural household.

Dhonde, S. V. (2000)⁸ in his study for M. Phil. degree of Shivaji University, Kolhapur titled, Study of Village Panchayat Finance found the financial imbalance of the Village Panchayat Finance of Six Village Panchayats taken for research study. He also examined the tax structure and that there is inequality in the tax rates and types of taxes of Village Panchayats under the study.

Attar, A. D. (2007)⁹ in his study, Study of Finance of Some Village Panchayat from Panhala Tehsil of Kolhapur District, for his M. Phil. degree of Shivaji University, Kolhapur has examined growth and composition of Revenue and Expenditure of the Panchayats into consideration.

Kamble, P. S. (1992)¹⁰ in his "A Study of the Growth and Effect of Municipal Corporation Expenditure with Reference to Kolhapur Municipal Corporation since 1980" is of the opinion that the Kolhapur Municipal Corporation being the urban local government has been playing an important role directed towards improving conditions and standard of living of its citizen by providing various public goods or services to them. It undertakes various obligatory and discretionary functions to provide public goods and services.

Kate, N. A. (1987)¹¹ in his study Finance and Working of Municipal Transport with Reference to Kolhapur Municipal Corporation for M. Phil. Degree stated that most of the urban local bodies levied major

taxes are property tax, service tax, octroi tax, on the entry of goods in local area for the consumption or sale there in, taxes on the animals, vehicles taxes on the trade and calling. Although revenue from taxation for the tax collection is not satisfactory.

Bhandare, M. R. (2007)¹² in his M. Phil. Dissertation "Finance of Hupari Village Panchayat" has analysed the trend of total revenue and expenditure of a Village Panchayat and also studies composition of expenditure of Village Panchayat.

Krishnaswamy, K. S. (1993)¹³ in his study, For Panchayat the Down is Not Yet has given stress on comprehensive Panchayat Legislations. According to him state government will not voluntarily accept effective devolution of government devolution of governmental authority to Panchayats. They will do so only if there is strong and pressure from below there in, unfortunately no evidence of this is there in any state.

P. Geeta Rani (1998)¹⁴ in her article, State Finance Commission and Rural Local Bodies : Devolution of Resources is interested studying in devolution of resources to rural bodies under the 73rd constitutional amendment act 1992 have added a new dimension to fiscal federalism and decentralized public finance in the Indian federal system. The structure of inter-government fiscal relations and transfers necessarily will have to undergo significant changes in their provisions relating to rationalize fiscal relations at the sub state level and meet periodic fiscal corrections assume significance in this context.

Indira Rajaraman, Bohra, O. P., Ranganathan, V. S. (1946)¹⁵ in the article "Augmentation of Panchayat Resources" EPW, Vol. XXXI, No. 18 special article have given to much stress on augmentation of Panchayat resources. Even if the new tier of local governance mandated by the 73rd amendment is visualized merely as shift in the point of delivery of certain functions previously discharged by higher levels of governments so that the problem of fiscal devolution simplifies to one of ensuring fiscal transfer to match the functional transfer. There has to be some additional revenue to cover incremental establishment costs, this is particularly for the rural sector.

Mahipal (2003)¹⁶ in the article "Capacity Building of Panchayat Tasks Ahead" talks about capacity building of Panchayat the task of evolving the capacity of elected representatives through taken seriously the concept of planning for economic and social development is at the core of Panchayat activities and should be well enunciated. A second important focus should be on the area of mobilizing resources.

Ghorpade, M. Y. (2002)¹⁷ in a study, Strengthening Gram Panchayat has given stress on stringency of revenue of Gram Panchayat. The Karnataka Assembly passed a Bill introducing for reaching amendments to the Karnataka Panchayat Raj Act. These amendments will enable Gram Sabha to exercise greater control over the Gram Panchayats and the development works in the area.

Gulati, I. S. (1944)¹⁸ in "Financial Devolution to Local Bodies Role of the State Finance Commission" published in Economic and Political Weekly, Vol. XXX, No. 40 deals with functional devolution, really functional decentralization will remain on paper if a corresponding financial devolution is not made and this will be generally accepted the task of the proposed State Finance Commission is to make sure that given the allocation function and responsibility by state government to local bodies matching financial power of funds put at their disposal and that to without to match many constructing conditions. However, there could arise the need to supplement the state government in order to make adequate devolution to their local bodies.

Oommen, M. A. (1986)¹⁹ in "Eleventh Finance Commission and Local Bodies" article deals with the recommendation of Eleventh Finance Commission. The 73rd and 74th Constitutional Amendment can alter significantly the nature of fiscal federalism inter governmental financial relation and public finance in the country. The Eleventh Finance Commission has a crucial task in working towards system of federal public finance taking into account the need for building the financial foundations of a third tier of governance in the country.

Ghosh and Dasgupta (2010)²⁰ in their paper "Finance of Local Self Government in West Bengal" published in IUP Journal of Public Finance, Vol. VIII has examined the existing status of Panchayat Raj Finance in West Bengal with reference to their composition and trend they found that the financial resources thus internal resources generation of

Panchayats at all level is very poor. They suggest measures to improve the financial administration of PRIs, further it focuses on some newer sources of revenue which could possibly be utilized by the PRIs with political will.

Bandopadhy D. (2003)²¹ in a study, "Panchayats in Karnataka Two Steps Back" article contains the information about Panchayats in Karnataka the report of the Working Group on decentralization appointed by the Karnataka government and the bill to the existing Panchayat law in the state which has circulated by the government against the basic objective of the 73rd amendment of ensuring maximum democracy and maximum devolution.

Singh Yatindra (1997)²² in "Experience of the Gramsabha in Scheduled Areas" the Madhya Pradesh Panchayat Raj Adhiniyam was enacted by the State Assembly deliberating the powers and functions of Panchayat Raj institutions in Schedule Areas. But Gramsabha at the grass root level in scheduled areas of Madhya Pradesh witnessed low participation of stakeholders because they tend to be dominated by Sarpanchas and small group of their associates. Chief Minister Digvijay Singh has remarked that I did not expect Panchayat Raj to become Sarpanch Raj.

D. N. (2001)²³ in "Decentralization and Local Accumulation Relevance of Chinas Experience" deals with decentralization and local accumulation of the Panchayat Raj in China during 1980 phase of rapid growth was based on agriculture and other on farm production which also

both reduced rural poverty and provided. But agriculture quickly comes up against the barriers of diminishing return due to absence of technological changes and capital is then diverted to other more profitable investment activities where this investment in industry was made in the village, it contributed to relatively stable local income.

Shikha Jha (2002)²⁴ in a study, "Strengthening Local Governments Rural Fiscal Decentralization in India" from this article we come to know that the author is interested in rural fiscal decentralization in India for the sake of strengthening local governments through the process of rural decentralization initiated with the 73rd constitutional amendment act in 1992. It measures the extent of fiscal decentralization that has taken place in order to execute how far the rural governments have effective control over expenditure decision making. The analysis is based on budget data of rural government in seven Indian states for decade of the 1990s and presents recommendations to make fiscal decentralization more effective.

Joshi Satyakam (2003)²⁵ in a study, "Panchayat Raj Leadership in Gujarat" research article talk about Panchayat Raj leadership in Gujarat during last 30 years Panchayat Raj has brought a certain degree of social transformation in Gujarat with regular elections dalit women's gained confidence and learnt the arts of parliamentary politics. They have began to assert their rights though in a small way the position of upper castes has been challenged by the middle class persons from the small and marginal farmers group have become members of the Panchayat but they

are not able to use their position to improve the condition of their class among members. This is the case with dalits too.

At present we do not have any readymade answers to counter situation. However, more autonomy to Village Panchayat would definitely help in solving this problem. The recent amendment of the scheduled area of Panchayat. Bill on the basic of the Bharia Committee Report can be extended to non schedule area Panchayat also.

The above review of some important studies reveals that no doubt there are some research studies on the topic finances of local bodies in general, and on rural local bodies in particular. It is also a fact that some of the important issues relating to rural local finance have considered in the previous research studies taken into consideration. But the important aspect of rural local finance is missing, that is Village Panchayat. Its importance which is a research gap on the above research topic. It is therefore the present research study is taken up and which is very much important.

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