

CHAPTER - I

INTRODUCTION AND RESEARCH METHODOLOGY

INTRODUCTION AND RESEARCH METHODOLOGY1.1 INTRODUCTION :

Since the inception of planned economic development, rural development, agricultural development removal of rural poverty and unemployment have been the major objectives of planning in India. In addition, being a democratic country it was also visualised that the foundation of democratic structure in India had to start from the village grass root level.

In India one new and rapid development in the field of rural local self-government after the post-independence period is reconstruction of village panchayats. Due to the great and lasting influence of the Father of the Nation Mahatma Gandhiji "ALL ROUND DEVELOPMENT OF VILLAGES" was attempted through the organisation of "Gram Panchayats" at village level.

The constitution of India, Article 40, makes the provision that the State shall take steps to organise village panchayats and endow them with such power and authority as may be necessary to enable them to function as units of self-government. Thus the "Three-tier Structure" of rural local self-government was established in India, each village one Panchayat, one Panchayat Samiti for the Block and the District Zilla Parishad at the District level.

The rural local self-government establishment was also strengthened by the implementation of various special planned schemes for rural development. The Community Development Movement, 1052 and the Integrated Rural Development Schemes of 1976, gave scope for the Panchayat Bodies to make use of the schemes to change socio-economic conditions of people in the blocks or village level. In recent years target oriented schemes like SFDA, MFAL, DPAP, etc. have been implemented through local self-government bodies and hence the role of local bodies have assumed importance. Rural local form of government is democratic in its nature and working and thus people's active participation in changing their socio-economic conditions is possible. Thus the local rural self-government helps the process of political decentralisation and develops democratic value at the village level.

In today's changing economic situation planning has to be resource oriented and improvements in science and technology has to be used to bear its good impact. On the proper utilisation of resources like animals, plant, water minerals etc. India has vast human labour resources. Local based strategies have to be devised and implemented so that every rural person gets the opportunity to engage himself in

SFDA - Small Farmers Development Agency

MFAL - Marginal Farmers and Agricultural Labourers
Development Agency

DPAP - Drought Prone Areas Programme.

a productive and socially useful occupation and earns an income that fulfils his/her basic minimum needs. In the implementation of such a scheme also local rural form of democratic government plays the vital role.

In the above context, the importance of rural local self-government structure in India is clear. Against this background the significance of the study of the 'Finances of Panchayat Samities' working at the Block level assume importance and significance. This is because political decentralisation has to be accompanied by adequate fiscal autonomy. So that proper rural development programmes do not face shortage of finance. In addition as the rural local bodies become active, their own revenue generation capacity has to be increased. Then only political decentralisation and grass root democratic organisations like Panchayats at villages or blocks or districts can function in the true spirit of political decentralisations.

1.2 RESEARCH METHODOLOGY OF THE STUDY :

The Title of the Dissertation :

The changing pattern of revenue and expenditure of Ajara Panchayat Samiti. The present study attempts at the analysis of the finances of Ajara Panchayat Samiti, Ajara only and hence being a case study its scope is limited to the study of revenue and expenditure pattern of one Panchayat Samiti in the Kolhapur District of Maharashtra. With the

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enactment of Panchayat Raj Act in Maharashtra, the Panchayat Samities were founded at level of taluka Ajara Panchayat Samiti is one such taluka Panchayat Samiti.

1.3 SCOPE OF THE STUDY :

The period of study is 1965-1995. However, year to year data is presented from 1990-91 onwards only. Data from 1965-66 to 1990-91 is presented on five yearly basis. This is because yearly data for the period 1965-66 to 1980-81 was not available year to year in the office of the Panchayat Samiti, Ajara.

1.4 OBJECTIVES OF THE STUDY :

The objectives of the present study are as follows :

- i) to examine the quantitative growth of both its aggregate revenue and expenditure.
- ii) To highlight the changing relative shares of different sources of revenue.
- iii) To highlight the major changes in its pattern of Developmental expenditures.
- iv) To bring out the changes in the relative shares of capital and revenue expenditure and,
- v) To suggest measures to correct imbalances, if found, between its expenditure and revenue inclusive of both capital and revenue accounts.

1.5 COLLECTION OF DATA AND SOURCES OF DATA :

The study - both primary and secondary sources of data have been used as the secondary data. It was collected from the annual budgets and reports since 1965-66. It was also collected from the office documents of Panchayat Samiti, Ajara. The primary data though its study is mainly dependent the secondary data on the primary data was collected by carrying out discussions and unstructured interviews with the Chief Executive Officer, Zilla Parishad, Kolhapur, Block Development Officer, Ajara, President and Vice-President Ajara Panchayat Samiti, other people like Accounts Officers of Ajara Panchayat Samiti. This was done in to understand the flow of funds through various channels to target schemes or ultimate end.

Besides primary data is collected through interviews like following officials like BDO, and Extension Officers for Agricultural, Industrial, educational, Co-operative Developments and Village level workers (Gram Sevak)

1.6 STATISTICAL TOOLS AND TECHNIQUES USED :

Growth rates of revenues and capital expenditure, other expenditures etc. are worked out. These are in terms of annual percentage changes in aggregate revenue and expenditure over the period under study.

1.7 CHAPTER SCHEME :

1. Introduction and Research Methodology.
2. Panchayat Raj Institutions and Rural Development.
 - 2.1 Role of Panchayat Raj Institutions in Rural Development.
 - 2.2 Review of the Panchayat Raj Institutions in India.
- 3.1 Theory of Local Finance and Sources of Revenue of a Panchayat Samiti in Maharashtra.
- 3.2 Expenditure Analysis of Panchayat Samiti, Ajara.
4. Major Findings and Suggestions.