



CHAPTER - VI

: SUMMARY, CONCLUSIONS AND SUGGESTIONS :

6.A : Summary.

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CHAPTER - VI: SUMMARY, CONCLUSIONS AND SUGGESTIONS :6.A) SUMMARY:

In recent years of dense urbanisation the functions of urban local bodies have increased in India as a result of which the Public Expenditure of urban local bodies has grown in volume. As discussed in the Chapter IV, the Kolhapur Municipal Corporation also is undertaking numerous expenditure programmes to perform its functions satisfactorily. The study of the composition and growth of Public Expenditure of the Corporation during the period under study reveals that :-

1) Total Expenditure of the Corporation increased from Rs.765.80 lakhs in 1980-81 to Rs.3494.48 lakhs in 1990-91 indicating a percentage increase of 456.31 percent in 1990-91 over 1980-81. Per capita total expenditure of the Corporation has increased from Rs.225 in 1980-81 to Rs.832 in 1990-91 which means per capita Total Expenditure has increased by nearly 3.70 times in 1990-91 over 1980-81.

2) Of the total expenditure of the Corporation the major share was of Revenue Expenditure and it increased from Rs.668.54 lakhs in 1980-81 to Rs.2666.35 lakhs in 1990-91 showing an increase of 3.98 times in 1990-91 over

1980-81. The proportion of percentage of Revenue Expenditure to the total Expenditure formed 87.30 percent in 1980-81 which increased to 91.04 percent in 1989-90, but declined to 76.31 percent in 1990-91. Per capita Revenue Expenditure increased from Rs.196.62 in 1980-81 to Rs.634.84 in 1990-91 with an increase of 3.22 times in 1990-91 over 1980-81.

3) Capital Expenditure of the Corporation rose from Rs.97.26 lakhs in 1980-81 to Rs.186.22 lakhs in 1989-90, but rose appreciably to Rs.828.13 lakhs in 1990-91. As a proportion of capital expenditure to the total expenditure was 12.70 percent in 1980-81, 16.32 percent in 1985-86, 8.96 percent in 1989-90, but it increased to 23.59 percent in 1990-91. Per capita capital expenditure of the Corporation increased from Rs.28.60 in 1980-81 to Rs.76.67 in 1982-83, declined to Rs.49.63 in 1988-89 but again increased to Rs.197.17 in 1990-91. It increased registering a growth of 8.51 times in 1990-91 over 1980-81.

4) Composition of the Revenue Expenditure reveals that, during the period under study Revenue Expenditure on public Health and Civic Amenities, Revenue Expenditure on Advances, Revenue Expenditure on Public Education and Revenue Expenditure on General Administration were the major components of Revenue Expenditure of the Corporation. Revenue Expenditure

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on Public Health and Civic Amenities increased from Rs.209.62 lakhs in 1980-81 to Rs.994.44 lakhs in 1990-91 by 4.74 times increase in 1990-91 over 1980-81. Per capita expenditure on the same also increased from Rs.61.65 in 1980-81 to Rs.236.77 in 1990-91 registering a growth of 384.05 percent. Revenue expenditure on Advances which consists of expenditure on Housing loans, Loans for Purchase of vehicles, Financial assistance to KMT to cover deficits, and Transfer of Revenue to capital account increased from Rs.209.78 lakhs in 1980-81 to Rs.693.36 lakhs in 1990-91 indicating an increase of 3.30 times in 1990-91 over 1980-81. Per capita Revenue Expenditure on Advances rose from Rs.61.70 in 1980-81 to Rs.165.08 in 1990-91. Revenue Expenditure on Public Education by the Corporation increased from Rs.139.61 lakhs in 1980-81 to Rs.479.19 lakhs in 1990-91 showing a growth of 3.43 times in 1990-91 over 1980-81. Per capita Revenue Expenditure on the same increased from Rs.41.06 in 1980-81 to Rs.114.09 in 1990-91 indicating a percentage increase of 277.86 percent in 1990-91 over 1980-81. Revenue Expenditure on General Administration rose from Rs.83.87 lakhs to Rs.326.51 lakhs during 1980-81 and 1990-91 registering a growth of 389.30 percent in 1990-91 over 1980-81.

5) Composition of the capital expenditure of the Corporation reveals that, capital expenditure on Public Health

and Amenities, capital expenditure on Miscellaneous items, capital expenditure on Public Protection and capital expenditure on Public Education were the major components of capital expenditure. Capital expenditure on Public Health and Amenities rose from Rs.69.82 lakhs in 1980-81 to Rs.608.11 lakhs in 1990-91 registering an increase of 870.96 percent in 1990-91 over 1980-81. Capital expenditure on Miscellaneous items increased from Rs.26.63 lakhs in 1980-81 to Rs.164.68 lakhs in 1990-91 by 7.98 times growth in 1990-91 over 1980-81. Capital expenditure on Public Protection was Rs.3.59 lakhs in 1980-81 which increased to Rs.14.26 lakhs in 1990-91 indicating an increase of 397.21 percent in 1990-91 over 1980-81. Capital expenditure on Public Education rose from Rs.3.17 lakhs to Rs.24.06 lakhs during 1980-81 to 1990-91 which shows a growth of 7.58 times.

6) Total Expenditure of the Kolhapur Municipal Transport (KMT) shows a rising trend which increased from Rs.139.58 lakhs in 1980-81 to Rs.299.16 lakhs in 1985-86 and further to Rs.488.82 lakhs in 1990-91 which registered an increase of 3.50 times in 1990-91 over 1980-81. Per capita total expenditure of KMT rose from Rs.41.05 in 1980-81 to Rs.116.38 in 1990-91 registering a growth of 283.50 percent in 1990-91 over 1980-81.

6.B) MAJOR CONCLUSIONS OF THE STUDY:

The above summary shows that increased functions of the Kolhapur Municipal Corporation have necessitated rising Public Expenditure to be undertaken by the Corporation. The effects of the growth of expenditure of the Corporation have been analysed in the Chapter V. The major conclusions arising out of the study of the effects of rising expenditure of the Kolhapur Municipal Corporation can be summarised as follows:

- ⑥ 1) Since its establishment the Corporation has been providing the facility of Public Education to the citizens. Of all the heads of Public Education the corporation spent a major share on providing primary education. Expenditure on Primary Education increased from Rs.129.20 lakhs in 1980-81 to Rs.499 lakhs in 1990-91 registering an increase of 386.22 percent in 1990-91 over 1980-81, which consumed a major slice of the expenditure on Public Education. Expenditure on Secondary and College education rose from Rs.4.51 lakhs in 1980-81 to Rs.40.12 lakhs in 1990-91 indicating a growth of 8.89 times. Expenditure on Public Libraries increased from Rs.2.22 lakhs in 1980-81 to Rs.11.19 lakhs in 1990-91 which shows an increase of 5.04 times in 1990-91 over 1980-81. But the performance of primary education seems not satisfactory because on the

One hand expenditure on it has increased rapidly with showing a considerable share in the expenditure on Public Education and also in the total expenditure of the Corporation, but on the other hand components of Primary Education facility show a declining trend. The number of Primary Schools increased only from 74 in 1980-81 to 76 in 1990-91, the number of students and teachers declined from 26,870 and 721 in 1980-81 to 25,992 and 573 in 1990-91. On the contrary, the performance of Secondary and College Education and Public Libraries run by the Corporation was comparatively satisfactory. The number of high schools remained the same during the period under study, but the number of students and teachers increased from 546 and 30 in 1980-81 to 1300 and 35 in 1990-91 respectively. At present the Corporation has only one College in which there were 1101 students, 43 teachers and 15 non-teaching staff in 1990-91. Likewise, the number of public libraries of the Corporation increased from 1 in 1980-81 to 5 in 1990-91.

- 3) 2) Public Health and Civic Amenities is the important head of the expenditure of the Corporation on which it spent a major share of the total expenditure i.e. 37 % in 1980-81 and 46 % in 1990-91. This indicates the efforts of the Corporation to provide better health and medical facilities and civic amenities to the people of Kolhapur.

Therefore, expenditure on its different heads has increased various facilities significantly. Expenditure on maintaining hospitals and dispensaries increased from Rs.31.14 lakhs in 1980-81 to Rs.205.04 lakhs in 1990-91 indicating an increase of 6.58 times. Increase in the Corporation's expenditure on maintaining hospitals and dispensaries has an impact on the availability of the number of beds in hospitals, increase in the number of doctors and nurses and increase in the availability of sophisticated medical equipments in these hospitals. The number of beds in these hospitals increased from 109 in 1980-81 to 170 in 1990-91, the number of doctors and nurses increased from 98 and 102 in 1980-81 to 108 and 115 in 1990-91 respectively. Besides this, the treatment given to the number of patients by these hospitals also rose from 7.89 lakhs in 1980-81 to 13.05 lakhs in 1990-91.

Besides this, the Corporation also undertook expenditure to control communicable diseases, to control food adulteration, for family welfare centres and child welfare centres. It spent Rs.10.84 lakhs in 1980-81 on above mentioned items which increased to Rs.38.96 lakhs in 1990-91.

The Corporation also made efforts to provide amenities like latrines, urinals and gutters to the people of Kolhapur. Expenditure on the same increased from Rs.71.68 lakhs in

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1980-81 to Rs.611.11 lakhs in 1990-91 showing a growth of 8.52 times. This increased expenditure has increased the number of latrines from 1897 in 1980-81 to 2660 in 1990-91, the number of urinals increased from 197 to 300 during 1980-81 and 1990-91 and the length of gutters increased from 137.22 Kms. to 215 Kms during the same period. Besides, the Corporation also spent Rs.49.29 lakhs in 1980-81 and Rs.256.81 lakhs in 1990-91 on Hygenic collection and disposal of community waste and Rs.1.85 lakhs and Rs.19 lakhs in 1980-81 and 1990-91 for slum clearance.

4) City transport is an important public utility service the Corporation has been providing. Increased expenditure of the Kolhapur Municipal Transport (KMT) indicates the Corporation's earnest efforts to provide transport facility to the common man in the city, suburbans and periphery villages with a system of transportation that increases their mobility at a relatively cheaper rate. Total expenditure of the KMT increased from Rs.139.58 lakhs in 1980-81 to Rs.488.82 lakhs in 1990-91 showing 3.50 times growth in 1990-91 over 1980-81. The number of passengers transported increased from 283.57 lakhs in 1980-81 to 341.19 lakhs in 1990-91. The number of buses went up from 70 to 92 during 1980-81 and 1990-91. The increased buses increased the number of main routes and sub-routes from 26 and 46 in

in 1980-81 to 27 and 55 in 1990-91 respectively. Therefore, the administrative staff increased from 70 to 90, Traffic Supervisors from 80 to 87, Workshop staff from 143 to 185, Drivers from 180 to 222 and Conductors from 182 to 233 during 1980-81 and 1990-91.

Further per day earning of the KMT increased from Rs.0.35 lakh to Rs.1.30 lakhs, Revenue increased from Rs.128.33 lakhs to Rs.477.68 lakhs along with its expenditure also increased from Rs.139.58 lakhs to Rs.488.82 lakhs during the same period. But the expenditure of KMT increased more rapidly than its revenue that is why it borne losses during the period under study. It borne losses of Rs.11.25 lakhs and Rs.11.14 lakhs in 1980-81 and 1990-91. The reasons of losses suffered by the KMT are increasing prices of buses, increasing prices of diesels, tyres and other tools and equipments, increasing wage bills of the staff and rising maintenance expenditure etc.

- 5) The Corporation performs various functions to provide public goods and other utility services and thereby it generates employment opportunities. Increased functions of the Corporation have increased its total expenditure from Rs.905.38 lakhs in 1980-81 to Rs.3983.30 lakhs in 1990-91 indicating an increase of 4 times in 1990-91 over 1980-81. This increased expenditure has provided increased

employment opportunities to the people. The number of employees to whom direct employment was provided increased from 3584 in 1980-81 to 4717 in 1990-91. Besides, this, employment opportunities provided to temporary labourers and indirect employment provided through self-employment is also of great significance. Thus, rising expenditure of the Corporation acts as a source of employment generation at local level.

2 6) Water is the necessity of life without which human beings cannot live. The Corporation in co-ordination with the State government provides drinking water to the people. Its expenditure on water supply increased from Rs.19.61 lakhs in 1980-81 to 43.30 lakhs in 1990-91 showing an increase of 2.20 times. Due to growth in population and spread of the city there is growing demand for water. That is why daily water consumption of the city was 902.29 lakhs of liters in 1980-81 which increased to 5000 lakhs of liters in 1990-91. Therefore, the number of Public water connections provided by the Corporation rose from 693 in 1980-81 to 1200 in 1990-91. Besides this, the number of borewells provided by the Corporation also increased from 125 to 357 between 1980-81 and 1990-91. This indicates the extensive efforts of the Corporation to maintain adequate water supply in the city.

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Recently, on 1st January, 1992 the Corporation took over the management of the whole water supply scheme of the city from the State government water supply board to provide adequate water supply to the city.

- 7) The Kolhapur Municipal Corporation also undertakes some public works like construction and maintenance of roads, foot-paths, town halls, residential quarters, markets etc. Among the above public works undertaking, roads take the major slice of the total expenditure. Continuously increasing traffic has persuaded the Corporation to undertake expenditure to a great extent on construction and maintenance of roads. Therefore, its expenditure on roads rose from Rs.14.69 lakhs in 1980-81 to Rs.113.53 lakhs in 1990-91 indicating a growth of 7.72 times in 1990-91 over 1980-81.
- 8) Street lighting is a necessary amenity which the corporation provides in the locality under its jurisdiction. Newly developing residential colonies and spread of area covered by the Corporation have increased demand for the facility of street lighting. Therefore, its expenditure on street lighting increased from Rs.11.16 lakhs to Rs.40.58 lakhs during 1980-81 and 1990-91 by showing a growth of 3.63 times. This increased expenditure has an impact on increase the tubes, mercury lamps, sodium vapor bulbs

from 10,425 , 504 and 268 in 1980-81 to 15,638, 577 and 973 in 1990-91 respectively.

9) Growing urbanisation and industrialization have promoted necessity and urgency of existence of fire brigade in the cities. Therefore, the Kolhapur Municipal Corporation has maintained a fire brigade equipped with modern tools and equipments. It spent Rs.8.36 lakhs on fire-fighting services in 1980-81 which increased to Rs.56.09 lakhs in 1990-91 with an increase of 6.70 times in 1990-91 over 1980-81. In 1990-91 there were 4 fire stations of the Corporation with 5 fire engines and 8 water tankers and the staff of 145 employees.

⑤ 10) Trade is an activity which enables people to purchase goods and services to satisfy wants and it also acts as a means of economic development. Therefore, to provide the facility of trade has undertaken the work of construction and maintenance of various markets. The Corporation spent Rs.8.59 lakhs in 1980-81 for the development of trade which increased to Rs.116.35 lakhs in 1990-91 registering an increase of 13.54 times in 1990-91 over 1980-81.

11) Sports and cultural activities play a vital role in the personality development of human beings. Considering their need, urgency and the role they play the corporation

undertakes works like construction of play grounds, gymnasiums, pavilions, swimming pools, cultural halls, stages etc. For this, it incurred Rs.4.64 lakhs and Rs.18.11 lakhs in 1980-81 and 1990-91. This expenditure increased with a growth of 3.90 times in 1990-91 over 1980-81.

12) Parks and Gardens are the lungs of a town or city and have an intimate bearing on public health. Great value is attached to parks and gardens. For this, it spent Rs.13.45 lakhs in 1980-81 which increased to Rs.70.60 lakhs in 1990-91 and registered an increase of 5.24 times in 1990-91 over 1980-81. This increased expenditure has an impact on increase the number of gardens. The number of gardens increased from 30 in 1980-81 to 41 in 1990-91.

13) Industrialization, crowding of cities, emergence of slums have created the problem of ecological imbalance. As to maintain ecological balance the Corporation undertakes the work of plantation of trees. Trees are also being planted as a means of beautification of the city. The Corporation spent Rs.0.35 lakh in 1980-81 for plantation of trees which rose to Rs.2.75 ^{lakhs} in 1990-91. The expenditure increased showing a growth of 7.85 times in 1990-91 over 1980-81.

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④ 14) Cemetery facility has a greater importance in the cities due to non-availability of open space to dispose of dead bodies of human beings. Therefore, the Corporation provides cemetery facility to the people, under which it provides dead body carriers, required materials and wood free of cost at the cemeteries. For this, the Corporation's expenditure increased from Rs.6.34 lakhs in 1980-81 to Rs.12.08 lakhs in 1990-91 respectively.

6.C) RECOMMENDATIONS:

Our analysis of the growth and effects of the expenditure of the Kolhapur Municipal Corporation does not give us an indication of the appropriateness of the adequacy or inadequacy of the level of public expenditure as per the needs of the citizens of Kolhapur. However, in general we can say that for any urban local body to maintain an adequate level of public expenditure which satisfies the basic needs of the people needs mobilisation of resources to a greater extent. Adequacy^a of resources both revenue and capital, have a great bearing on the public expenditure programmes of an urban local body. Based on our analysis we recommended the following policy measures which emanate from our study.

- I] There is an urgent need for increased capital expenditure to be taken up by the Kolhapur Municipal Corporation. In the composition of total expenditure, the share of Revenue Expenditure is constantly higher. With increase in capital expenditure, more new assets, more additional amenities can be created, which would satisfy the needs of the people.
- II] Increased capital expenditure would need larger capital resources for which more loans have to be generated. For this, we recommend that the Corporation should seek permission from the State Government, Centre and the Reserve Bank of India to float its own ' development loan ' or Bonds in the market. These loans would be project tied and subscription to it would essentially come from the local beneficiaries of the intended project. Once the Corporation is given permission to raise its own loans in the market then subscription to them would come from the various Co-operative societies, co-operative housing societies, other institutions and local beneficiaries also. In addition, use of the loan would be more productive as it would be the responsibility of the Corporation to repay the loan and interest.

- III] For certain developmental projects like slum clearance schemes, replacement of old drinking water pipe connections, purchase of additional buses for local transport etc., the Kolhapur Municipal Corporation can approach the 'World Bank' which provides assistance in the financing of such projects.
- IV] Recently the Corporation has taken over the additional responsibility of running the Department of Water Works, which was earlier looked after by the State Government. Just taking over the Department will not solve the problem of shortage of drinking water. The Corporation will have to prepare 'One Scheme' only to bring additional water to Kolhapur and for the rational distribution of drinking water will have to draw up plans taking into account the needs of the growing city in the next 50-100 years to come.
- v] Our study reveals that the Kolhapur Municipal Corporation spends rising expenditure on Primary Education. However, the number of teachers and students in these schools are going down. Therefore, we suggest that an expert body should be appointed to evaluate the Primary Education expenditure programme of the Corporation and suggest remedial measures.

VI] As far as the Recruitment of Employees in the Corporation is concerned, the government norms of reservation of posts for SC/ST and other backward classes will have to be followed. The city corporators should take keen interest in the employment made and they should see that reservation rules are followed.

VII] As regards the working of the Kolhapur Municipal Transport (KMT), though the KMT is running in losses, it has managed to bring down the losses in 1990-91. However, from the point of providing better service to the people of Kolhapur we recommend:

- (a) The number of Bus Terminals should be increased.
- (b) Early completion of the Ring Road should be undertaken so that Ring Road bus services can be provided.
- (c) Kolhapur Municipal Transport (KMT) while planning its routes will have to concentrate more on suburban areas, rather than on villages. When a bus route is introduced to a village a co-ordinated policy is desirable with proper understanding with the Maharashtra State Regional Transport Corporation (MSRTC);

so that duplication of services is avoided. For example: at Kagal, the MSRTC has its own separate depot and runs its S.T.buses from Kolhapur to Kagal frequently. In such a situation the KMT also introduced its buses on the same route is mere duplication of service and earnings on the route may not be very high. Hence a review of the bus service to Kagal by KMT is desirable.

- (d) For shorter distance travel within the city, the KMT in co-ordination with the Auto Rikshaw Unions and the Regional Transport Officer (RTO) can leave some routes for the autorikshaws where 'Share a Auto' system can be introduced. If such a policy is adopted, the KMT can introduce buses into newer routes to serve the growing suburbans in a better way.