

INTRODUCTION AND RESEARCH METHODOLOGY

1 INTRODUCTION:

With increasing urbanisation in developing countries the growth of metropolitan cities, cities and towns is a trend that has been witnessed. Growth of cities and urban population increases the demand for urban utility services, the provision of which is the responsibility of urban local bodies. In recent years, the urban local bodies of Municipalities have increased functions to perform for which the expenditure incurred by this layer of the government assumes importance in nature and scope. Moreover, the decisions to make the necessary expenditure are taken in a democratic manner by elected representatives of the urban people and hence, the pattern and growth of expenditure at the urban local level reflects the demand of urban society for basic necessary amenities and urban utility services which are essential for a modern urban resident. In this context the study of public expenditure of urban-local bodies assumes significance in the study and research undertaken in public finance in a developing country like India. Moreover, at the urban-local body level, as at the State government and Central government level, we witness a rapid growth in public expenditure. However, at the urban local finance level we find a situation of 'non correspondence' between

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revenue and expenditure. This situation by and large leads to expenditure constraints on the urban local governments may at times fail to provide the satisfactory and desired level of utilities and services to the common man.

The present study makes an attempt to analyse the Growth and Composition of the Public Expenditure of the Kolhapur Municipal Corporation for the period of 1980-81 to 1990-91. An attempt is also made to study the effects and impact of rising public expenditure of the Kolhapur Municipal Corporation during the same period.

2 TITLE OF THE DISSERTATION:

The title of the present dissertation is * A Study of the Growth and Effects of Municipal Expenditure with reference to Kolhapur Municipal Corporation Since 1980".

3 OBJECTIVES OF THE STUDY:

The following are the main aims and objectives of the study:

- 1) To study and analyse the growth of total expenditure of the Kolhapur Municipal Corporation during the period of 1980-81 to 1990-91.
- 2) To study the composition of the total expenditure of the Kolhapur Municipal Corporation during the period of 1980-81 to 1990-91.

- 3) To study and analyse the revenue expenditure of the Kolhapur Municipal Corporation during the period of 1980-81 to 1990-91.
- 4) To study and analyse the capital expenditure of the Kolhapur Municipal Corporation during the period of 1980-81 to 1990-91.
- 5) To study the effects of public expenditure of the Kolhapur Municipal Corporation during the same period.

4 SCOPE OF THE STUDY:

The scope of the study is limited to data interpretation of the public expenditure of the Kolhapur Municipal Corporation only. The study is limited in the sense that, we have analysed public expenditure of the Corporation for the period of 1980-81 to 1990-91. This period covers the Vith and VII th Five Year Plans period only.

5 RESEARCH METHODOLOGY:

Being a library research the present study relies heavily on secondary published data. The annual budgetary documents of the Kolhapur Municipal Corporation is the basic source of secondary data of this study. The Annual Budgets of the Kolhapur Municipal Corporation, Budgets of the Kolhapur Municipal Transport (KMT), Administrative Reports of the Corporation were consulted and the data

was derived from these sources. The data compiled was tabulated for interpretation purpose. For data analysis simple mathematical techniques like percentage method and average method was used. To study the effects of Public expenditure we adopted the following simple comparative methodology. First, three years' i.e. 1980-81, 1985-86 and 1990-91 were taken and changes in the volume of expenditure was studied during these years to see if there was any significant change. Secondly, to study the effects, the changes in the services provided, utility services provided during these three years were studied, and their growth, if any, was quantified in physical terms.

6 CHAPTER SCHEME:

Based upon the above methodology data collected was tabulated and interpreted according to the Chapter scheme as given below:

Chapter-I:

Theory of Local Finance Reviewed.

Chapter-II:

Theory of Public Expenditure Reviewed.

Chapter-III:

History of Kolhapur Municipal Corporation.

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Chapter-IV:

Growth and Composition of the Public Expenditure
of Kolhapur Municipal Corporation.

Chapter-V:

Effects of the Public Expenditure of Kolhapur
Municipal Corporation.

Chapter-VI:

Summary, Conclusions and Suggestions.