

# INTRODUCTION AND RESEARCH METHODOLOGY

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## I. INTRODUCTION

The 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act, 1992 have added new dimensions to fiscal federalism and decentralised fiscal flows in the Indian Federal setup. Development of rural infrastructural facilities social and economic are vital to raise agricultural productivity and facilitate the gains of the new economic policy to reach the rural masses in India. Decentralisation of legislature powers has enhanced the functional role of local governments in India both rural and urban. In the changed context, the financial base of the local governments has to be strengthened and it is here that the structure of inter governmental fiscal relations and transfers undergoes a significant change. The provisions relating to creation of separate State Finance Commissions to rationalise fiscal relations at sub-State level and make periodic fiscal review and corrections assumes significance in the Indian context. Most of the State governments have undertaken necessary legislative measures to constitute their respective State finance Commissions and nearly twelve State Finance Commission have submitted their first report and are in the process of finalisation of their second report. The key issue that the SFCs will have to address is to ensure that given the allocation of functions and responsibilities by the State Government to Local Bodies were to rural local bodies, matching financial

resources are put at their disposal in the absence of which decentralisation will not work effectively and provide the desired effects.

Political Decentralisation has been a major political development in the post independent period in India. This has resulted in the Zilla Parishads and Village Panchayats assuming a major developmental role in the process of rural transformation. Financial self-sufficiency and adequate fiscal autonomy hence are crucial in the process of political decentralisation. The closest form of administrative machinery for the rural people in the villages is the village Panchayat. The present study attempts to study the finances of the Village Panchayats and review their revenue and expenditure pattern.

It is against this overall context that an attempt is made in this study to review the finances of local rural bodies that is Village Panchayats in six villages of Jawali Taluka in Satara District of Maharashtra. The study attempts to analyse the Revenue Composition, Expenditure analysis and study of the Tax Structure of the Village Panchayats under study.

## **II TITLE OF THE DISSERTATION**

The present study is titled "Study of Village Panchayat Finances"

## **III SCOPE OF THE STUDY**

The dissertation attempts to study the finance of six villages in Jawali Taluka of Satara District. These villages are Kudal, Sartale, Saigaon, Songaon, Dare (Bk) and Anewadi.

#### **IV PERIOD OF STUDY**

The period of study selected is from 1990-91 to 1997-98, for which comparative data is available.

#### **V OBJECTIVES OF THE STUDY**

The main objectives of the study are :

1. Study the overall Budgetary Trends in Village Panchayat Finance.
2. Analyse the Expenditure Pattern of Village Panchayats.
3. Study the sources of finance of the Village Panchayats.
4. Examine the Tax Structure of Village Panchayats.

#### **VI RESEARCH METHODOLOGY**

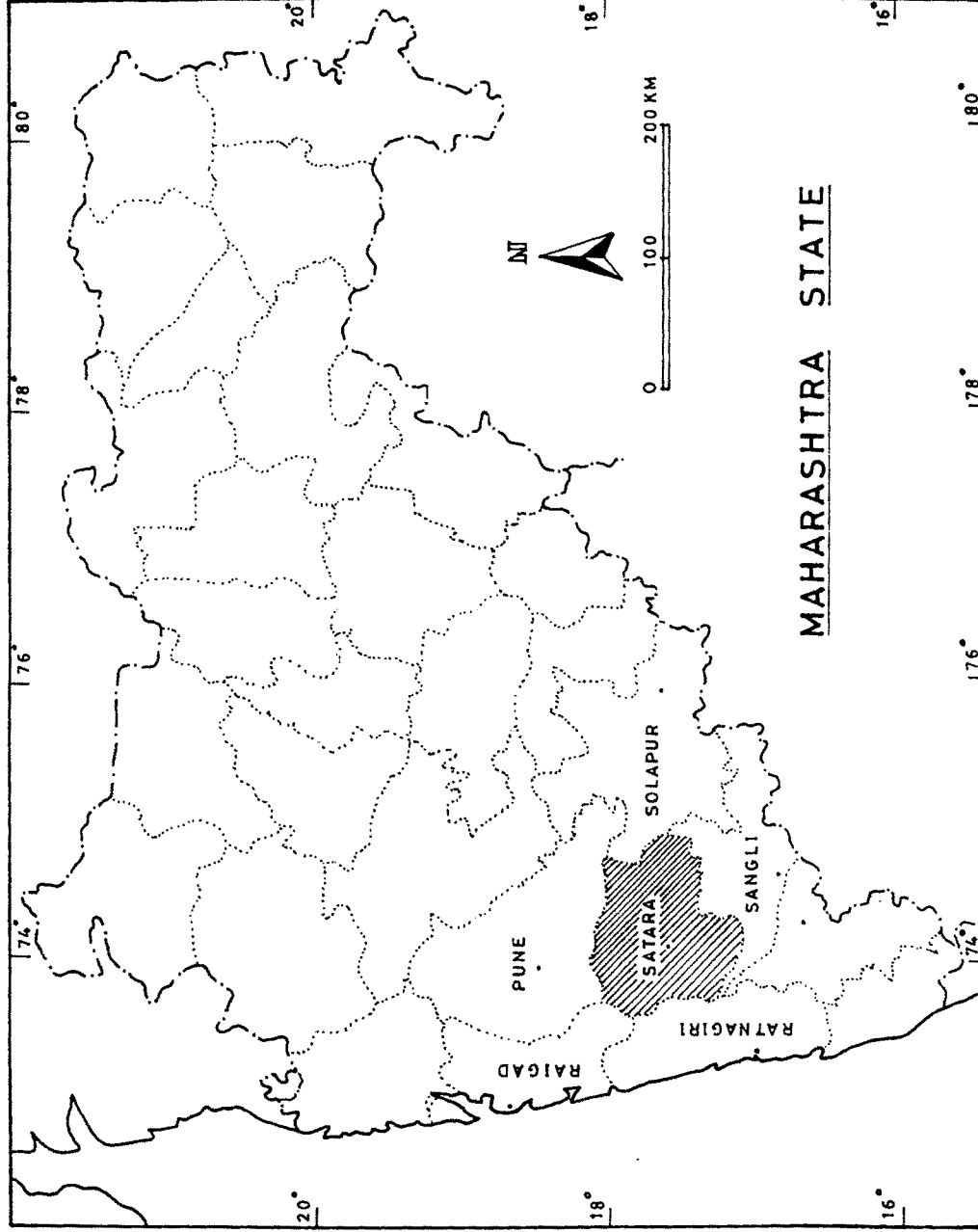
The study is mainly based on secondary data gathered from the Office Records of the Village Panchayats under study. For the study Jawali Taluka in Satara District is selected as the researcher hails from this taluka. Six Village Panchayats are selected for study. Of the six Village Panchayats two villages namely Kudal and Sartale have a population of more than 2000 as per 1991 census. Saigaon, Anewadi, Songaon and Dare (Bk) have a population of less than 2000 as per 1991 census. Necessary secondary data is collected from the official records of the Village Panchayats. Data is collected for the period 1990-91 to 1996-97. Data collected, is tabulated and interpreted with the help of necessary statistical tools.

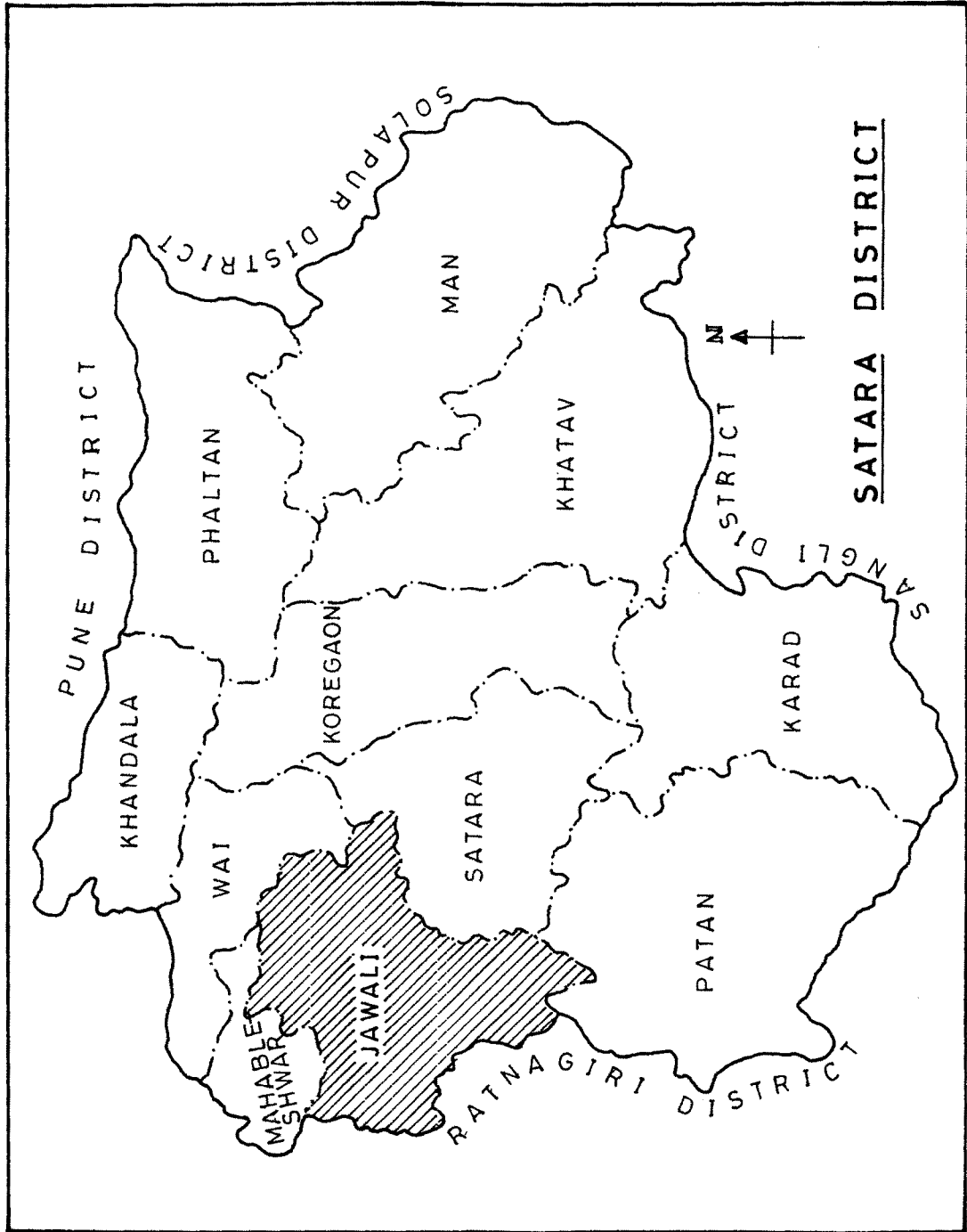
**VII CHAPTER SCHEME OF THE STUDY**

The following is the Chapter Scheme of the Study :

- Chapter I : Local Governance : Basic Issues
- Chapter II : Overall Budgetary Trends in Village Panchayat Finance
- Chapter III : Study-of the Expenditure Pattern
- Chapter IV : Sources of Finance and the Tax Structure of Village Panchayats
- Chapter V : Summary, Conclusions







# JAWALI TALUKA

