

# **S.S.e.4. SHAM BHAT, K.—A Case Study of the Finance of the Selected Panchayats in Ernakulam District**

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### **Introduction**

One of the directive principles (Art. 40) of Indian Constitution States that "the State shall take steps to organise village panchayats and endow them with such powers and authority as units of self-government".

But local government in India functions under the serious limitation of resources constraints. Consequently they fail to fulfil the objectives of economic growth. Objectives of the Study:

The objectives of this study are

- (i) to enquire into the financial aspects of the selected Panchayats in Ernakulam District.
- (ii) to analyse the income and expenditure pattern of selected and district Panchayats during 1969-70 through 1983-84.
- (iii) to suggest steps to be taken by the Panchayats for the proper utilisation of resources and for increasing the availability of resources.

### **Methodology**

Out of the 86 Panchayats that exist in Ernakulam district Five Panchayats were selected for the study on the basis of certain pre-determined criteria. The Panchayats which satisfied these criteria are Elamkunnappuzha, Narakkal, Pallipuram, Kalamassery and Eloor.

Data for the study were collected from the administrative reports of Kerala Panchayats and the administrative reports of District Panchayats. These data were supplemented by interviews and discussions with the officials and elected members of the Panchayats.

### **Scheme of the Study**

For the purpose of analysis the thesis is divided into nine chapters. The first chapter gives an introduction to the subject of the study. It also highlights the problem, objectives, hypothesis and methodology. A review of literature also forms part of this chapter.

Chapter two is on the evolution of Ernakulam district. It also examines the

socio-economic profile of the district with reference to the selected Panchayats.

Chapter three provides the theoretical framework to the study and chapter four explains the pattern and trends of total and per capita expenditure of selected and district Panchayats.

Chapter five presents a detailed analysis of various heads of expenditure and the extent of misutilisation of Panchayat funds.

Chapter six analyses the pattern and trends of total and per capita revenues and tax and non-tax revenues. It also examines the tax potentials of the selected and District Panchayats. Chapter seven explains the pattern and trends of various heads of revenue and the possibility of additional sources of revenue to the Panchayats.

Chapter eight presents the regression analysis as per capita expenditure and per capita income of the selected and District Panchayats during the period of study. Chapter nine presents the conclusions and recommendations of the study.

### **Conclusions of the Study**

The total expenditure of selected and district Panchayats increased continuously during the period of study. There was no attempt from the side of the Government to bridge the gap of inequality of regional development.

The non-development expenditure is increasing at a faster rate than the development expenditure.

All selected and district Panchayats have given top priority to public works in development expenditure.

There was no attempt from the side of any Panchayat to start any school, reading rooms or libraries of their own. But the Panchayats have given considerable attention to health care activities.

The revenue of the Panchayats have increased considerably.

### **Recommendations**

1) In order to attain the balanced regional development the transfer of resources from State Govt. to the Panchayats should be based on the deficiency of per capita resources.

2) In the interest of the development of the village economy, Panchayats should follow long-term planning in respect of allocation and spending of resources.

3) All attempts should be made to reduce the escalation of administrative expenditure.

4) Building tax should be rationalised by introducing proper classification of buildings.

5) In view of the rising cost of road maintenance, there is an urgent need to provide adequate share of motor vehicle tax by the State Government to the Panchayats. The proceeds should be shared in proportion to the mileage of the Panchayat roads and the volume of motor traffic making use of such roads.