

**A PARISHAD FINANCES:  
A CASE STUDY OF  
NASIK ZILLA PARISHAD**

**THE THESIS**

**SUBMITTED TO**

**THE UNIVERSITY OF POONA**

**FOR THE DEGREE OF**

**PHILOSOPHIAE DOCTOR**

**IN**

**ECONOMICS**

**UNDER THE FACULTY OF**

**MENTAL, MORAL & SOCIAL SCIENCES**

**BY**

**Y. G. RARAVIKAR**

**IN**

**JUARY 1986**

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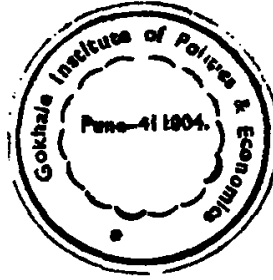
**BY**

**Y. G. RARAVIKAR**

**IN**

**JANUARY 1986**

**☆☆☆**



CERTIFICATE

CERTIFIED that the work incorporated in Thesis:

**"ZILLA PARISHAD FINANCES - A CASE STUDY OF NASIK ZILLA PARISHAD"**

Submitted by Shri/~~Smt.~~ Y.G. RARAVIKAR

was carried out by the candidate under my supervision. Such material as has been obtained from other sources has been duly acknowledged in the thesis.

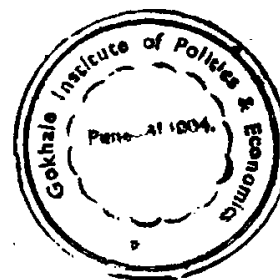
*Mutalik Desai*  
( Dr. S.S. MUTALIK-DESAI )  
Supervisor

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[Y.G. RARAVIKAR]

## INTRODUCTION

### 1] PURPOSE OF THE STUDY

It is now more than two decades that the Panchayati Raj has been functioning in our country as also in the State of Maharashtra. Since we embarked on economic planning in the early fifties the main plank of our planning policy for rapid development has been to give priority to agriculture and rural development. [The Third Five Year plan aptly laid down that "development of agriculture, based on the utilization of man-power resources of the countryside and the maximum use of local resources, holds a key to the rapid development of the country".<sup>1</sup>] In view of this the Community Development Programme was launched in October 1952 to accelerate the process of social and economic development of the countryside with a reasonable amount of technical and financial assistance from the Government. But since it was realised that the C.D. Programme failed to serve its purpose a Study Team under the Chairmanship of Balwantrai Mehta was appointed in 1957 for investigating the district administrative system so that the growth process could be put on a sound footing. The Team recommended a three-tier model of Panchayati Raj to serve as an instrument of 'development from below'. Different states adopted then the Panchayati Raj system in their own - some exactly as per the recommendations of the Mehta Committee, some with a deviation from the Mehta pattern, suited to the conditions in the States. Panchayati Raj system thus emerged about two and a half decade ago as an instrument and mechanism of rural reconstruction and development. During this period it is now well-established as a form of rural local-government.

In Maharashtra the Panchayati Raj System, with Zilla Parishad as its upper-most and strongest executive tier, came to be established in 1962. It, therefore, struck to the mind of the author of this study that it is high time that a study be undertaken into the finances of this type of rural local-government. For, the efficient functioning of the Zilla Parishads and the socio-economic development of the rural areas of the district under their jurisdiction

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1. Third Five Year Plan, Planning Commission, Government of India, 1961, P.23.

very much depend upon the availability of adequate finances, mobilization of local resources and their proper and optimum utilization through a rational expenditure pattern.. In view of this the author felt that there is a need for an in-depth analysis of the finances of Z.Ps. in Maharashtra which is, of course, a tremendous task and beyond the capacity of a single individual researcher. Hence the author opted for a case study of the finances of the Nasik Zilla Parishad within the broad perspective of the Zilla Parishad finances.

Such a study at the micro-level of one Z.P. rather than at the macro-level of the Panchayati Raj in the State covering all the Z.Ps. is more significant, as it would provide concrete guidelines for the development of District which is accepted by our Government and the Planning Commission as a unit of planning and development.

2] OBJECTIVES OF THE STUDY :

The main objectives of this study are :

(i) To attempt a diagnostic analysis of the problems of the finances of Z.Ps. in general and Nasik Z.P. in particular;

(ii) To trace and analyse the financial trends and developments in the Nasik Z.P. during the period of two decades 1962-82.

(iii) To analyse the change and growth in the pattern of revenue and expenditure of Nasik Z.P. during the period under review.

(iv) To evaluate the physical achievements of the Nasik Z.P. and its functioning in respect of agriculture, animal husbandry, irrigation, education, health and welfare, etc.

(v) To suggest measures, on the basis of the findings of the study, for removing the deficiencies in and improving the finances of this particular Z.P.

3] SCOPE OF THE STUDY :

This study is the analysis of the finances of the Nasik Z.P. This is, in fact, its subject-matter. It is limited to the finances of the Zilla Parishad only and does not consider the finances of the Panchayat Samaitis or the Village



Panchayats - which are the second and the third tiers respectively in the Panchayati Raj set-up in Maharashtra. Though the time-span of the Study, as stated earlier, is limited to the period of twenty years 1962-82, it has been updated by considering the finances of the Nasik Z.P. from 1982 to 1986.

4] **METHODOLOGY :**

The present study is conducted in the Nasik District with its Zilla Parishad situated in Nasik, the district Head quarter, 26 panchayat samitis and over 110 village panchayats.

For collecting and analysing the necessary information and data, certain research tools and techniques have been adopted. Besides the official records and reports, State Government Budgets and Nasik Z.P. Budgets, published and up-published documents of the State Government and the Z.Ps., Audit Reports, State Estimates Committee Reports and standard works on the Panchayati Raj have been intensively studied and freely drawn upon. Besides, the Annual Administration Reports of the Nasik Z.P. have been probed into. Clarifications were sought on the problems arising during the course of the study from the concerned Departments of the State Government, particularly the Rural Development Department and the concerned department/sections of the Nasik Z.P.

In order to avoid the unnecessary and superficial details in our study and analysis, attention is concentrated on the budgetary data for the quinquennial years 1962-63, 1967-68, 1972-73, 1977-78 and 1981-82. This has enabled us to highlight the progress and achievements of the Nasik Z.P. and short-falls in its finances.

The study is also updated, as stated earlier, by displaying the finances of the Z.P. right upto 1985-86.

5] **PLAN OF THE THESIS :**

The Thesis is presented in Ten chapters. The brief outline of the contents of each chapter is as follows.

**Chapter I** This chapter considers the concept and theory of regional planning. The Panchayati Raj System is adopted as an institutional mechanism

for regional planning with district as a unit of planning. It therefore plays a strategic role in regional planning or planning from below. To understand this role, the principles and practice of regional planning are studied in-depth in this chapter.

**Chapter II.** This chapter is devoted to the discussion of the principles of local finance. While applying the general principles of public finance to local finance they need to be suitably modified in view of the limited jurisdiction, both financial and functional, of local government like the Zilla Parishad. The chapter deals with these issues in local finance and resolves them by laying down certain guideline rules.

**Chapter III.** This chapter brings out the [concept and structure of the Panchayati Raj system] as it is adopted in our country on the recommendations of the Balwantrai Mehta Committee. It brings out the Panchayati Raj institutional structure, functional pattern and its financial arrangements, as recommended by the Committee and also considers the P.R. system as it is brought into practice by different States.

**Chapter IV.** This chapter explains the nature of the Panchayati Raj as it is adopted in Maharashtra State on the recommendations of the Naik Committee on Democratic Decentralisation. It points out how and why Maharashtra deviated from the Mehta pattern and how it is advantageous to make Zilla Parishad as the strong unit of the P.R. Schemes. The chapter also brings out composition, functions and financial arrangements of the three-tiers.

**Chapter V.** This chapter explains in details the [system and sources of revenue at the disposal of the Z.Ps. and also the system and items of their expenditure.] It points out the various sources of revenue at the disposal of the Z.Ps., both the tax sources and the non-tax sources, supported by a scheme of Government grants. It also analyses the system and items of expenditure of Z.Ps.

**Chapter VI** brings out the overall [budgetary position] of the Nasik Z.P. and the trends in its revenue and expenditure. It is divided in three sections :  
Sec. I explains the broad features of the Nasik District and composition of

the Nasik Z.P; Sec. II reviews the budgetary trends and examines the trends in revenue of the Nasik Z.P. Sec. III examines the trends in its expenditure.

**Chapter VII** undertakes an in-depth study of each individual source of revenue, both tax and non-tax, and assesses their role in the revenue structure of the Nasik Z.P. It is divided into two sections : Sec. I analysing threabare the tax sources and Sec. II non-tax sources.

**Chapter VIII** is devoted to the analysis of the expenditure on revenue account of the Nasik Z.P. It analyses in-depth the development expenditure as well as the non-development expenditure of the Z.P.

**Chapter IX** presents the analysis of the Z.P's Capital expenditure. It analyses the capital budgets of the NasikZ.P. Capital expenditure is analysed in terms of developmental capital expenditure and non-developmental capital expenditure. Capital revenue is also analysed with reference to its trends and sources.

**Chapter X** brings out the findings of this study in respect of the revenue structure and expenditure pattern of the Nasik Z.P. and suggestions are made for improving its finances.It points out the measures for increasing the revenue and also the optimum expenditure pattern of the Nasik Z.P.

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