ABSTRACT

The thesis is presented in six chapters. The brief outline of the contents of each chapter is as follows:

CHAPTER – 1: INTRODUCTION:

The chapter consider the significance of the Zilla Parishad. Panchayati or Panchayat Raj may be paraphrased as rural local self government in India. The word Panchayat is a Sanskrit word and it can be divided into two parts, as 'PANCH' AND "AYAT" in order to understand its exact meaning.

The word 'Panchan' in Sanskrit means number five. In Indian ideology number five is considered to be sacrosanct for one reason or the God created this word 'Panchan' out of five elements, so that five numbers of an individual can be controlled and he/she, can achieve the MOKSHA which is the highest aim of life of an individual.

1.2 Panchayats in Ancient India:

Before the emergence of the state, it was a world of kingship groups and tribes. Their pattern being as varied as the patterns of culture. The territorial extent was relatively small and local. Thus the early vedic period presents a picture of relatively simple tribal monarchy. According to Pramthanath Banerjee: "In the early vedic times, the villages themselves managed the simple affairs of the village, but the state being
small, there was hardly any distinction between the central and local government. In course of time, however, it was found necessary to have a separate organization for the management of local affairs as the states grew larger, and larger in size and the distinction between the two kinds of governmental activities became more and more marked”.

1.3 **Local Self Government during British Period:**

Rise of British Empire and the administrative policies of the British rulers had adversely affected the very existence of Panchayats in India. The British rulers in the initial stages of East India Company Rule, were mainly interested in expansion, consolidation and strengthening of then political power in India. Therefore, they brought in the system of centralized administration. They also imposed a new system of land revenue under which land revenue was collected from each farmer than the village as a whole. They did not want to bear the loss of revenue even at the time of famines. Further, the development of rapid means of transport and communication which ultimately brought about the end of political isolation and economic self sufficiency or dependence of our villages. The British administrators soon realized the importance and necessity of local institutions as they wanted to be relieved of the heavy burden of the highly centralized functions of the government. Urban local government attracted the attention of the British Rulers long before the rural local government.
1.4 **Post-Independent Period**:

The nature and functioning of local self-government institutions in India were changed after the independence. Because, India has adopted the policy to attain socialistic pattern of society and to implement the concept of welfare state. It is the local self-government which makes people and provides an opportunity to actively participate and associate themselves with the development process. In 1947, the number of District Boards was 176 covering population of 2,04,52,250. Within a small period of one and half decades after independence, the Panchayati Raj received a big momentum so to engulf 99 percent of rural population in the country.

The Mehta Committee recommended the 'Phase of Democratic Decentralization' a part of community development programme.

The report of the Mehta Committee was welcomed throughout the country since it had given broader scope for the elective bodies for the people's participation. The establishment of three-tier system of local self-government with full powers to assume responsibility for local development was the core of the Mehta Committee recommendations.

1.5 **Importance of Topic**:

These bodies are authorized to collect revenue on behalf of Government for the betterment of the society at large.
There are different departments to collect revenue and to execute development plans. It was necessary to undertake study of Zilla Parishad set-up to know the governance of Local Self-Government. This study has been taken up for Pune Zilla Parishad for analytical approach towards Financial Administration.

CHAPTER - II : RESEARCH METHODOLOGY :

This chapter is devoted to the methodology of research adopted for this research work.

While undertaking any study, it is necessary to set certain targets in the form of objectives for arriving at certain conclusions. The main objectives of this study were as follows :

1. Find out financial position of Pune Zilla Parishad.
2. Analysis of the problems of the Budget provision or Finance of Pune Zilla Parishad.
3. To test the progress of Pune Zilla Parishad.
4. To trace and analyse the financial trend and development in Pune Zilla Parishad during 1994 to 2004.
5. To know the effect of Budgetary Control on Zilla Parishad.
6. To analyse the change and growth in the pattern of revenue and expenditure of Zilla Parishad.
7. To test the awareness of the authorities regarding budgetary control.
8. To evaluate the physical environment of Pune Zilla Parishad and its functioning in respect of Agriculture, Animal husbandry, Irrigation, Education, Health & Welfare etc.

9. To instill the transparency in financial budget.

10. To suggest measures on the basis of findings of the study for removing the deficiencies and improving the finances of this particular Zilla Parishad.

2.2 **Hypothesis:**

"Financial Budgets of Zilla Parishad are transparent enough and they are projected without window dressing".

2.3 **Methodology of Study:**

Without data there is no ground for investigation. Data are the core of the science of statistics. Data was collected from two types of sources: (i) Primary and (ii) Secondary.

(i) **Primary Data:**

Primary data refers to the data collected from primary sources. Primary data is also collected as original data. Since it is collected for the first time by a person who is going to use them.

*For the purpose of this study*, sample respondents from Pune District selected at random. A total of 200 beneficiaries were chosen.
The primary data was collected from these beneficiaries by canvassing questionnaire. Total number of beneficiaries canvassed with questionnaire were 200.

(ii) **Secondary Data**:

The facts and figures that have already been collected are called secondary data. The secondary data exists before the investigation starts.

There are following sources of data collection in secondary methods – Books, Reports of surveys, Memories, Official published data and other published needs.

*For the purpose of this research* the secondary data was collected from Government reports, and other authentic literature, Z.P. reports, Z.P. Budgets of Pune District.

2.4 **Analysis and Interpretation of Data**:

According to Wolfe, "The discovery of order in the phenomena of nature notwithstanding their complexity and apparent confusion is rendered possible by the processes of analysis and synthesis which are the foundation stone of all scientific methods.

2.5 **Tabulation, analysis and presentation**:

The data collected from primary and secondary sources for this research work was tabulated and analysed
according to the objectives of the study. The whole study has been presented in a systematic chapterization scheme.

**CHAPTER – III : NATURE OF LOCAL SELF GOVERNMENT :**

Local Self-Government in the District is conducted by various statutory bodies enjoying local autonomy in different degrees. The progress of these institutions has gone on in three spheres. First, in regard to their constitution, from fully or partly nominated bodies they have now become entirely elective. Secondly, their franchise, which had gone on widening, has, with the enactment of the Bombay Local Authorities Adult Franchise and Removal of Reservation of Seats Act (XVII of 1950), reached the widest limit possible, viz., universal adult franchise. Thirdly, wider and wider powers have been gradually conferred on local bodies for the administration of the areas under their charge.

The audit of all Local Fund Accounts is provided for by the Bombay Local Fund Audit Act (XXV of 1930). The Director of Local Authorities, on receipt of the report of the Examiner of Local Funds, may disallow any item of expenditure which appears contrary to law and surcharge the same on the person making or authorizing the making of the illegal payment. Appeal against the order may be made either to the District Court or the State Government.
CHAPTER - IV : PART A : REVENUE ANALYSIS OF ZILLA PARISHAD

The local government administration at present, is becoming important not only in Maharashtra but also in India. It is accepted that only with the help of Local Self Government, it will be possible to provide the basic amenities in rural areas. Under such circumstances, local finance, in many respects is the key to successful local government and it occupies an important place.

The capacity of a local government unit to discharge civic and development activities within its area of jurisdiction is determined by the sources of revenue placed at its disposal. Therefore, if the local government units are expected to play an important role in development, it must have access to adequate finance. Therefore, finance is crucial to any local government.

PART B : EXPENDITURE ANALYSIS OF ZILLA PARISHADS

EXPENDITURE PATTERN OF ZILLA PARISHAD :

INTRODUCTION :

Our nation is emerging into a new social and economic order. There is a continuous and rapid growth in the quantum of expenditure of union, state and local governments. Russell W. Maddox and Robert F. Fuquary list the following causes for the rapid increase in their expenditure viz. changing social and economic order, changing concepts of the role of the
government and changing concepts of democracy, population growth and inflation.

Local Services play a vital role in promising a healthy growth of the nation. With the shift in the conception of the functions of the state from defence to social services, the activities of local services, the activities of local bodies have assumed a new significance especially due to the fact that most convenient activities by the local authorities. In a welfare state, therefore, the functions of the local government agencies can really bring about the reconstruction of the national life. It is now recognized that ‘emphasis on local function’, therefore, is more pronounced and local expenditure has become a matter of policy. Thus, the efficient performance of local services has become a prerequisite to national development.

CHAPTER - V : DATA ANALYSIS AND INTERPRETATION:

In this chapter the data collected from secondary sources has been analysed and the interpretations are presented on the basis of analysis.

This chapter also covers Panchayat Samitiwise analysais of Financial Administration.

The Primary Data was collected from 200 sample beneficiaries from Education, Public Works, Public Health, etc. A detailed analysis of sample profile has been carried out and conclusions drawn according to objectives of the study.

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CHAPTER VI: SUMMARY, CONCLUSIONS AND SUGGESTIONS

This chapter contains summary of the thesis along with conclusions based on analysis of the study and suggestions based on the conclusions and findings.

6.2 Conclusions:

It is observed that financial system of Pune Zilla Parishad is improving in recent years. There may be the efficiency while preparing budgets or actual budgets are prepared on the proper parameters. Looking to the overall picture of the budgetary system even though at the end of the results of receipts and payments is matching but the variances which are existed due to lack of proper budgets or even improper revised budgets. There should be proper guidelines and standard to be opted so that ultimate budgets will be more productive, even the financial position of the Z.P. is improving over the previous period. Even the variances are favourable in many cases still it proves inefficiency because system has it launche which can not even predict the positive side of variance. Further the correlation between revised budget amount and budgeted amount has high degree positive correlation but it is less as compared to earlier on. Therefore, in case revised budget it is recommended that it should be on rational basis because in the entire period of analysis it is found that the variance of revised budget is always higher (both adverse as well as favourable) as compared to budget variance.
6.3 Conclusions on Hypothesis:

Financial Budgets of Zilla Parishad are transparent enough and they are projected without window dressing.

Based on analysis of data the above hypothesis is accepted.

6.4 Suggestions:

On the basis of the findings and analysis some of the suggestions would be useful for the effective management of the revenue and expenditure which would enhance the overall impact of the Zilla Parishads performance for Pune District.

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