CHAPTER – III

METHODOLOGY

3.1. The Concept of local self-Government:

Local rural Government, created by a national or state enactment, acts as an agent of development. It provides a number of services which are of importance to the people under its jurisdiction with a strong emphasis on public initiative and participation.

With the change in the concept of Government from police state to welfare state, the functions and activities of the Government have increased. Since most of these functions are local in nature, they can be performed better by local Governments than by state or union Governments.

According to Finer, "ideal local authorities supervise, direct and control our lives, awake and asleep, at work and at play; they provide for all citizens common minimum health, education, welfare services, roads, peace and security and beauty of environments, provisions of such essential services by local Governments relieve state and union Government of their responsibilities. It is also found to be the most economical means of managing affairs at the local level. Big projects are assigned to the central and the state Governments while small projects are left to the local Governments because they can be undertaken more effectively at the lower level."
In India, panchayat is a form of rural self Government. Panchayat finance refers to the revenue and expenditure relationship of panchayats in fulfilling the collective wants of the people under its jurisdiction. For the present study of panchayat finance in India, the evolution of the pattern of fiscal structure and the powers of local bodies in general should be analysed so as to get a proper perspective of the panchayat.

Local Governments and their financial structures have been subjected to heavy strains by rapid population growth, urbanisation, industrialization and centralisation of finance. Since a local Government is constrained by limited territorial jurisdictions, by restrictions on the functions it can perform, by putting a ceiling on the amount of permitted taxes and debt, and by restrictions on source of revenue. It lacks freedom and sovereignty.

3.2. Evolution of different systems of local Government

The entire local government set-up in the world can be grouped into five systems or categories, viz., (a) Federal decentralized system, (b) Unitary-decentralized system, (c) Napoleonic-prefect systems, d) Communist system and (e) Post colonial system.

We shall briefly discuss each of the systems here.

a) Federal – decentralized system

This allows the broadest range of discretionary authority of local governments. In countries such as Australia, Canada, Germany, Switzerland and United States federal system functions with much decentralization. But the degree of autonomy varies
considerably from country to country. At the same time in all cases a considerable
degree of local independence prevails. The vitality of local government in the Federal
decentralized countries varies both within the among countries.

b) Unitary – decentralized system

Great Britain and Scandinavian countries are examples of nations with Unitary
Government which have a considerable degree of decentralization of autonomous powers
to local bodies. Though there is supervision by the central Government, local
Government in these nations do have fairly wide responsibilities and make independent
decisions about them.

c) Napoleonic – Perfect System

Under this system the central government places in sub-regions of the nation an
agent of the national government to oversee, and if necessary to counter and, suspend, or
replace local governments. This system pervades in France, Southern Europe, and in
Latin America. The system is a direct survivor of the ancient institution by which France
attempted to create a centralized nation out of the scattered system of feudal and
eulesiastical domains. The office of perfect is the replica of the office of independent
prevailed in France in early 17th Century and used as a means to extend king’s authority
into the hinterland.

d) Communist System

The local government systems of communist nations, in general are examples of
deconcentration of authority rather than decentralization. That is, the local governmental
unit is an agency of the central government, and it functions as an integral element of the hierarchical administrative system of the state. The area of local independence is narrow and extends only to minor matters, whereas control devices are extensive and are rigorously applied.

(e) Post-colonial system

Certain new nations from former colonies involve varying degrees of change in local government. In such cases the imposition of a strong single party political system subverts old patterns almost entirely, and in others local government pattern has not altered drastically. The terminology and basic structure of the colonical local government system frequently persists for reason of habituation and convenience if no other local government exists by staggering social and economic problem.

Corporate Act

British Act was passed by the Cavalier Parliament in 1661, soon after the Restoration of Charles II. Office in municipal corporations was restricted to those who took the sacrament according to the usage of the Church of England. Part of the re-assertion of Anglican supremacy represented by the Clarendon code, the Act remained on the statute book until 1828.

Corporate Tax

A tax is levied on company profits after the deduction of operation expenses. Created in the UK in 1966. Its predecessor was the profits tax. The tax rate payable has
been changed over the years, and small firms pay the tax at a lower rate. In the USA there are federal, state and local taxes on corporations.

**Municipality**

1. A city, town, village, borough, or other district having local self-government.
2. A body of officials appointed or elected to manage the affairs of such a community.

**Corporation**

1. A body of persons granted a charter legally recognizing them as a separate entity having its own rights, privileges and liabilities distinct from those of its members. Also called "body corporate"
2. Such a body created for purposes of government, especially that of a city.
3. Any group of people acting as one body.

The case study method is followed to explain the working of Tirunelveli City Municipal Corporation. There are six corporations in Tamil Nadu viz., Chennai, Madurai, Coimbatore, Tiruchirappalli, Salem and Tirunelveli. The six corporations are listed population wise and Tirunelveli City Municipal Corporation is selected randomly as a sample corporation for the case study. The various activities of the corporation are analysed threadbare with special emphasis on its financial aspects. The relation of the sample corporation is made by random sampling method. All the corporations are enlisted population wise since population is the single most factor determining the status
of a local body, deemed to be designated as corporation. The methodology pursued to select the sample corporation is explained below with the help of the table.

**TABLE NO. 3.1**

**POPULATION (2001 CENSUS)**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Corporation</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chennai</td>
<td>2,161,605</td>
<td>2,054,663</td>
<td>4,216,268</td>
</tr>
<tr>
<td>2.</td>
<td>Madurai</td>
<td>466,909</td>
<td>456,004</td>
<td>922,913</td>
</tr>
<tr>
<td>3.</td>
<td>Coimbatore</td>
<td>476,056</td>
<td>447,029</td>
<td>923,085</td>
</tr>
<tr>
<td>4.</td>
<td>Tiruchirappalli</td>
<td>373,541</td>
<td>372,521</td>
<td>746,062</td>
</tr>
<tr>
<td>5.</td>
<td>Salem</td>
<td>352,770</td>
<td>340,466</td>
<td>693,236</td>
</tr>
<tr>
<td>6.</td>
<td>Tirunelveli</td>
<td>203,173</td>
<td>208,125</td>
<td>411,298</td>
</tr>
</tbody>
</table>

Source: Tirunelveli City Municipal Corporation Records

**Details about the universe of the study:**

It is imperative to perceive and understand the whole gamut of the universe of the research study. This is very important because it provides the background materials for understanding the sample study. The universe of the study consists of six Municipal Corporations in Tamil Nadu. There were only three Municipal Corporations, Madras (Chennai) Coimbatore and Madurai at the time of 1991 census. Three new corporations were formed at Tiruchirappalli, Salem and Tirunelveli. Municipal Corporations have accentuated for a provisional population of 79.13 lakhs (40.34 lakh males and 38.79 lakh females) in the Census of India, 2001. This forms 12.74% of the total provisional population of Tamil Nadu and 29.05% of the provisional urban population of the State.
Ranking as per population

Chennai with a population of 42.16 lakhs is first, Coimbatore (9.23 lakhs) in third place. Tiruchirappalli (7.46 lakhs), Salem (6.93 lakhs) and Tirunelveli (4.11 lakhs) and occupy the fourth, fifth and sixth ranks respectively. The table 3.2 gives the population of each corporation for 1991 and 2001 and the ranking of the corporation on the basis of their population.

The table 3.1 gives the list of corporation arranged according to their population strength. After arranging the corporations, one corporation is randomly selected. The method followed for selecting sample should be scientific. Since a complete list of population from which sample is to be drawn is available, systematic sampling method is adopted. The whole list of 6 corporations arranged in descending order of their population size is ordered. Then Tippets Table of Random numbers is used to select the corporation. The six corporations arranged in descending order of magnitude of population are numbered from 1, 2..............6. Then with the help of Tippets Table of Random numbers number is identified and located in the Table. The sample selected is Tirunelveli City Municipal Corporation bearing the number. This method is simple and efficient. The method automatically is free from personal prejudice and bias. After selecting the sample corporation viz., data of Tirunelveli related to the whole universe (six corporation) are collected. The secondary data is primarily used for this study. The vital statistics related to the universe is discussed in the following analysis.
The Universe of the Study

The prime objective of this study is to know the local administration under federal structure. The federal structure is broadly classified into a) Union Government b) State Governments and Union Territories and c) Local Governments. This study attempts to explain the local governance in Tamil Nadu. Tamil Nadu has a total population of 621.08 Lakhs (2001 Census) and occupies sixth rank in size with a share of 6.1 percent in total population of the Country. The urban population in the state consists of 272.41 lakhs with a share of 43.9 percent of total population and Tamil Nadu is one of the highly urbanized states in India. During the decade 1991-2001, the growth rate of urban population has been 42.8 percent as compared top 19.5 percent during the decade 1981-91.

TABLE NO. 3.2
DISTRIBUTION OF THE UNIVERSE

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Local Administration</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Corporations</td>
<td>6</td>
</tr>
<tr>
<td>2.</td>
<td>Municipalities</td>
<td>102</td>
</tr>
<tr>
<td>3.</td>
<td>Town Panchayats</td>
<td>611</td>
</tr>
</tbody>
</table>

Source: Tirunelveli City Municipal Corporation

The local governance is carried out at various levels in Tamil Nadu. The Municipal corporation administration assumes greater significance because of the distinctive features of corporations in Tamil Nadu. Tamil Nadu is the state which is experiencing the highest urbanization rate in recent times. This has resulted in various civil problems viz., housing, education, sanitation, water and transport. Unless otherwise the city corporation is geared upto face these challenges the cities in Tamil Nadu will degenerate into urban slums. To avoid this ugly turn of events, Tamil Nadu government
has promoted big municipalities, Tiruchirappalli, Salem and Tirunelveli as Corporations. The civil administration is more challenging at the urban level than at the rural level in Tamil Nadu. That prompted the researcher to select the topic working of Municipal corporation administration in Tamil Nadu.

**Highlights of Tirunelveli City Municipal Corporation**

The growth rate of population is the corporation in the second highest in the state (21.11 percent)

- One of the positive aspects of the corporation is its best sex ratio with 1024 females for every 1000 males.

- Tirunelveli City Municipal Corporation occupies the fourth highest literate corporation in Tamil Nadu with a literacy level of 86.59 percent. The male literacy level is very impressive with 92.70 percent and the female literacy level is 80.67 percent.

- The study of functioning of Tirunelveli City Municipal Corporation assumes significance because it represents the lowest hierarchy in the federal structure. The corporation represents the democratic decentralization. It is run by elected representatives of the people. The corporation always encounters financial crunch due to ever increasing activities and highly inelastic sources of revenue. The corporation’s administrative and welfare activities are increasing rapidly but its revenue level is not increasing to match the requirements. This poses a serious problem to the administration. The study focuses the various activities of the corporation and programmes and the various sources of finance to implement them.
MAP - I

MAP SHOWING THE STUDY AREA OF INDIA
MAP - II

MAP SHOWING THE STUDY AREA OF TAMIL NADU
MAP - III

MAP SHOWING THE STUDY AREA OF

TIRUNELVELI DISTRICT - REVENUE DIVISIONS MAP
Chapter III

MAP - IV

MAP SHOWING THE STUDY AREA OF
TIRUNELVELI DISTRICT – TALUKS MAP

Thirunelveli District

Taluks

Sivargiri
Sankarankoil
Shenkottai
Veerakelamputhur
Tenkasi
Alangulam
Tirunelveli
Ambasamudram
Palayamkottai
Nanguneri
Radhapuram

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MAP - V

MAP SHOWING THE STUDY AREA OF
TIRUNELVELI DISTRICT - BLOCKS MAP
MAP - VI

MAP SHOWING THE STUDY AREA OF

TIRUNELVELI DISTRICT – ROAD MAP