Preface

The study of Sub-National Fiscal Policy is the immediate requirement in the present moment. The thesis assesses how fiscal policy and its instruments influences economic development in the State economy of Manipur. The way the State government spends in various Socio-economic activities to bring economic development is a debatable issue. The use of tax instrument, the tax GSDP ratio and taxable capacity of the State is also another side of the Fiscal Policy. The analysis of debt burden and financial administration in the state will add to the scope of Fiscal policy. In short, the taxing, spending, borrowing and financial administration as instruments of fiscal policy has played an important role for growth and development.

The thesis, “Fiscal Policy: with reference to 21st century Manipur’s economic development” is presented broadly consisting of seven chapters. The First Chapter is Introduction dealing the theoretical development of fiscal policy, the importance and relationship of fiscal policy to other socio-economic policy. The Second Chapter includes problem of study and Research framework consisting of methodology, main objectives, Fiscal instruments and Review of literature.

The Third Chapter deals with the sources of public revenue in Manipur. There are three sources of state’s revenue, namely State own tax
revenue, own non-tax revenue and central transfers. Sources of tax revenue consist of income tax, sale tax, excise duties, land revenue, registration fees, goods and services tax etc. State’s own non-tax revenue comprises the income from public enterprises and public undertakings and others own non-tax revenue receipts. The central transfers to the state are coming through three channels, (a) Finance commission’s transfers, (b) Planning commission’s transfers and (c) Departmental or discretionary transfers.

The Fourth Chapter covers the trend, volume of public expenditure. An analysis of expenditure policy in the state for economic development is the main focus in this chapter. The right direction of expenditure should be considered to find out the proper area and proper sector of the economy. As for example, in an economy there are three sectors, that is primary sector, secondary and tertiary sector. These three sectors made considerable share to the GSDP. A relative comparison between the revenue earned and expenditure to be made is required for the analysis. So, we can find out the particular sector that generates more revenue with compared to the expenditure made and vice versa.

The Fifth Chapter is the analysis of public debt and financial administration in the State. Development is the result of sound financial system and sound financial system is the result of good governance and administration. Economic development and financial development are
directly related to each other. Financial development is also depends on the agencies of financial administration. Agencies like the legislative committees, the finance department of the finance ministry and the audit play a great role in the management of finance. The detail analysis of budget content and context, the preparation, execution and enactment of budget are also related to the management of finance.

The Sixth Chapter deals with the fiscal imbalance between the receipts and expenditure. The mismatch between the receipts and expenditure can be analysed by using statistical method. Statistical method like correlation, regression, averages and diagrams etc. will be employed in this chapter.

The Seventh Chapter is the summary and conclusion of the study. It includes the main findings, suggestions and prospects of the study.

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