

INCOME AND DISBURSEMENT FACTOR ANALYSIS OF URBAN LOCAL SELF GOVERNMENT: A STUDY OF KALABURAGI MUNICIPAL CORPORATION

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ABSTRACT

Local governments have an important role to play to improve the attractiveness of an area and generate the potential for economic growth. Cities must position themselves to derive the full benefits of globalization. The purpose of the municipal government in the democratic state of Karnataka in the country of India. The local governments are provides the basic services of the cities. The study found total receipts of Kalaburagi Municipal Corporation stood at Rs. 10684.99 lakhs and they enhanced to Rs. 15637.83lakhs by 2016-17. It means that during five years of study the total receipts increased more than 1.5 times. The payments also made without deficiency of the balances, only one year i.e.2015-16 pertains to payment made but trend value shows decrease value and AGR is negative i.e.-14.85. the study concludes that the government of Karnataka should provide the sufficient funds or grants to all the municipal corporation generally and also concentrate the developed, underdeveloped area or cities based funds sanction are needed and local governments also take own action pertains to generate the regular sources of revenues for betterment of service providing purpose of the urban local self governments/municipal corporation particularly.

Key words: Local Government, Municipal Corporation, Growth, Revenues, Capital and Payments, Economic Development.

1. INTRODUCTION:

Local governments have an important role to play to improve the attractiveness of an area and generate the potential for economic growth. Cities must position themselves to derive the full benefits of globalization. The purpose of Local Economic Development (LED) is to build the economic capacity of a local area- town, city, and region- to improve its economic future and the quality of life of its people. It also aims to raise the standard of living of the poor and weaker sections.

Local Economic Development (LED) should form an integral part of the strategic planning process of a city. The LED programmes should be decided by the local government in consultation with the local

community- business associations, NGOs etc. Programmes can include skill development, assisting small medium enterprises (SMEs), investing in infrastructure etc.

It is suggested that Local Economic Assessment be carried out, initially in a few select towns and cities to identify the key factors enabling and constraining sustainable economic development. This should be followed up by an action plan to create better conditions for economic growth and employment generation.

Kalaburagi is a city in the Indian state of Karnataka. It is the administrative headquarters of District and of Kalaburagi Division. It was formerly part of Nizam's Hyderabad state. Kalaburagi is 200 km away from Hyderabad and 623 km north of Bangalore. Kalaburagi is situated between 76°.04' and 77°.42 east longitude, and 16°.12' and 17°.46' north latitude, covering an area of 16,224 square kilometers. The population of the city is 4.3lakhs. The climate of the district is generally dry and healthy with temperature ranging from 5°C in the winter to 45°C in the summer, and an annual rainfall of about 750 mm¹

In the 6th century, the Rashtrakuta gained control over the area around present-day Kalaburagi, but the Chalukyas regained their domain and reigned for over two hundred years. Around the close of the 12th century, the Yadavas of Devagiri and the Hoysalas of Halebidu took control of the district. The present Kalaburagi District and Raichur District formed part of their domain. The city of Kalaburagi was founded by the Bahmani Sultans in the 14th century as their capital. The northern Deccan, including the district of Kalaburagi, passed under control of the Muslim Sultanate of Delhi. The revolt of the Muslim officers appointed from Delhi resulted in founding of the Bahmani Sultanate in 1347 by Hassan Gangu, who chose Kalaburagi (Ahsenabad during this period) to be his capital. From 1724 to 1948 Kalaburagi was part of Hyderabad state ruled by the famous Nizams. It was integrated into India in September 1948 after the Indian army defeated the Nizam².

2. REVIEW OF LITERATURE:

Literary criticism is a key element in any research work. This is the measure that says a series of research has been organized in a sequential way to strengthen the latest output and current of particular area Research techniques. The main purpose of literary criticism is to understand the activities of research there is a particular discipline and particularly in the field of research. Review Literature generally related to urban local self governments and local self financing especially governments. Thus, reviews include international and national level studies.

No government structure, whatever is its character, can be complete without some form of local institutions, in fact, among many systems of government; local bodies assume a special role in the democratic process. Not only they are what Lord Bryce regarded them as, “best school of democracy” but,

they are the very instruments of mobilization of local efforts and resources in the common task of nation building. Not only they cultivate and sustain the spirit of liberty, but, are meant to inculcate a sense of responsibility born out of new dimensions of system of rights and obligation³". As Laski put it "Local Self-Government offers the best opportunity to the solution of their problems."⁴ **Bhardwaj RK (1970)**⁵ discusses the underlying causes of municipal corporations in their newspaper India. They express their displeasure in the following words: The way people were dealing Local bodies in India do not lend to the smooth functioning of the municipal administration. **Li Ashraf (1977)**⁶ was the largest of three of its local corporations in the city Cities, Calcutta, Kanpur and Ahmedabad. The main purpose of this study is to understand. The three cities are capable of maintaining the local government's nature and civil problems. Important attention recruitment of political questions, civic leaders and municipal employees. Local Political systems in these three cities can be seen to represent influencing values and interests. The management of civil problems in different cities, in contrast, Ashraf ends, morals garbage and Employee service conditions are the performance of each of these components in Ahmedabad Unhappy with Kanpur. **Om Pray Srivastava (1980)**⁷ describes various types of state control and suggests compensation the steps to take. The authors have suggested that the government should revive its conduct for the author Municipal corporations provide active guidance and sufficient assistance to them actively Partner in common causes of city administration.

However, it can be pointed out that whatever pattern the local government follows, is an integral part of the social system which has grown under the impact of history and culture, polity, economy, geography and demography of its country, along with the values cherished by the society. But unfortunate situation is the absence of the established liberal traditions and sometimes with authoritarian orientation the urban local government in India has yet to strike roots as self-governing institutions. Over the years, the number of institutions has gone up, as new urban localities have appeared on the map. But numerical growth has not been paralleled by any consistent and coherent efforts to recognize and vitalize urban local government as an integral part of the governmental system of the country⁸. The local institutions without democratic basis are no local governments. They may be only agents of higher level government and always existing at its mercy⁹.

In modern India, urban local government is now more than one hundred years old and has undergone various changes in terms of powers, functions and competence, but it has not yet been given a sufficiently strong base of its own in the scheme of the governance of the country¹⁰. The municipal corporations and municipalities are full-fledged urban local bodies and these two types together serve almost all the urban population covered by different categories of urban local bodies. Although 'local government' falls within the states' responsibility and many aspects of urban development also figure, by and large, in the state list of subjects in the Constitution, the Central Government continues to have important role in providing

leadership, setting standards, and acting as a clearing house for exchange of information and experience in the field of local government and urban development¹¹.

The role of urban local bodies in General can be understood from the functions they discharge. Usually, the Municipal Acts contain a long list of municipal functions, but in actual practice the large majority of municipal bodies have very few positive service functions. In general, the municipal corporations have more functions than the ordinary Municipalities, but, generally speaking, municipal functions have expanded very little over the years. Not only that, the trend has been towards divesting the municipal bodies of their traditional functions and responsibilities. Municipal inability to provide for even the basic civic amenities and lack of proper thinking at the state level about municipal development have led to the general climate of loss of faith in municipal institutions. The debilitating condition of municipal bodies has become an excuse for the establishment and perpetuation of competitive urban local institutions like Improvement Trusts, Housing Boards and Water Supply and Sewerage Boards and even taking over of local functions by the state governments. It may not be an exaggeration to say that the state level technical department consistently been thriving at the expense of municipal authorities, and they have been posing a threat to the future growth and development of municipal self-government. Thus, all these years, the role of urban local government has suffered a lot. But whatever the hurdles may be, one certainty is that the functions or duties laid down in municipal enactments to be performed by the municipal government do provides basic framework for extending wide range of civic service by them. It is a separate issue whether all the services are in fact provided satisfactorily or not. Broadly we can classify these services into the following categories:

In the end we can say that there is need for well-equipped administrative machinery at the state level which would act as a bridge between the state government and the municipal bodies. State control of local bodies needs to be interpreted from a positive angle and not in a restrictive and fault finding sprit. But the state governments in India have not yet been seen to have played stimulating role nor have they followed any policy of fostering municipal democracy, efficiency and capability. It is high time that the municipal government may be regarded as co- equal with a department of the state government as both derive their functional authority from the state legislature. The urban local government is entitled to give effect to local choice in planning and expenditure; otherwise there is no point in having a system of local government¹².

3. NEED FOR THE STUDY:

The purpose of the municipal government in the democratic state of Karnataka in the country of India. The local governments are provides the basic services of the cities. It is responsible for the general welfare of the civil society. It gives opportunities for active and intelligent participation for the every

citizens of the local city or local Government of their area of the particular district of urban local government.

4. OBJECTIVES OF THE STUDY:

The following are the three main objectives of the study.

- ❖ To study an overview of Municipal corporation system in India and Karnataka.
- ❖ To study the revenue and capital trend pattern of Kalaburagi Municipal corporations.
- ❖ To analyze the revenue and capital trend Kalaburagi Municipal corporations.

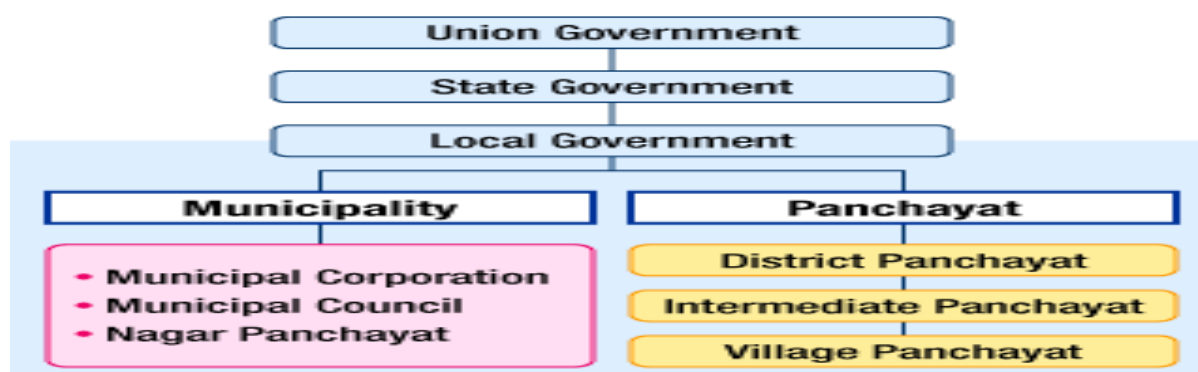
5. DATA AND METHODOLOGY:

The researcher data has been obtained from secondary sources, mainly budget summary statement of Kalaburagi Municipal Corporation, the researchers have used simple tools like percentage and graphs and charts to show the findings of the study. The study period covers 2012-13 to 2016-17. However, a detailed analysis is done for the same period i.e. five financial years from the 2012-13 to 2016-17. The study covers operation of Kalaburagi Municipal Corporation i.e. one of the local self government of Karnataka state. No other municipal corporation or local self governments is not covered in the Karnataka state and Indian municipal corporation.

6. THE STUDY:

In the following paragraphs the municipal corporation system and structure in India and Karnataka, administrative structure in India and Karnataka municipal corporation system or local government system. The tables and graphs are concerning the economic factors such as revenue and expenditure/payments made by the municipal corporation trend has been presented from 2012-13 to 2016-17 explained.

A Municipal Corporation, City Municipal Corporation, Mahanagar Palika, Mahanagar Nigam, Nagar Nigam or Nagara Sabha is a local government in India that administers urban areas with a population of more than one million. The growing population and urbanization in various cities of India were in need of a local governing body that can work for providing necessary community services like health care, educational institution, housing, transport etc. by collecting property tax and fixed grant from the State Government¹³.



The following tables are providing revenue and capital receipts and payments of the Kalaburagi municipal corporation pattern and trend of the 2012-13 to 2016-17.

Table -1**TOTAL REVENUE RECEIPTS OF KALABURAGI MUNICIPAL CORPORATION****(Rs.Lakhs)**

Year	Receipt	Annual Growth Rate
2012-13	10684.99	-
2013-14	12120.11	13.43
2014-15	11050.11	-8.83
2015-16	10779.74	-2.44
2016-17*	15637.83	45.06

Sources: Data compiled from budget summary statement of Kalaburagi Municipal Corporation from 2012-13 to 2016-17.

*AGR-Annual Growth Rate. *Budget Estimate

The data in table-1 shows that the total receipts of Kalaburagi Municipal Corporation is increasing year by year except in two financial years i.e. 2014-15 and 2015-16. Accordingly positive growth rate in total receipts of Kalaburagi Municipal Corporation is registered in three out of five years of study. The highest positive growth rate of 45.06 per cent is registered in 2016-17. In 2012-13 the total receipts of Kalaburagi Municipal Corporation stood at Rs. 10684.99 lakhs and they enhanced to Rs. 15637.83lakhs by 2016-17. It means that during 5years of study the total receipts increased more than 1.5 times.

Table -2**YEAR WISE TOTAL REVENUE RECEIPTS OF THE KALABURAGI MUNICIPAL CORPORATION****(Rs.Lakhs)**

Year	Amount received	Annual Growth rate	Share in total receipts
2012-13	8132.87	-	76.11
2013-14	9274.38	14.04	76.52
2014-15	9618.50	3.71	87.04
2015-16	8290.85	-13.80	76.91
2016-17*	13383.17	61.42	85.58

Sources: Data compiled from budget summary statement of Kalaburagi Municipal Corporation from 2012-13 to 2016-17.

*AGR-Annual Growth Rate. * Budget Estimates

It is evident from table -2 that the total revenue receipts of Kalaburagi Municipal Corporation are gradually increasing except in the year 2014-15. The revenue receipts of the Kalaburagi Municipal Corporation in 2012-13 are Rs. 8132.87 lakhs and they increased to Rs. 13383.17 lakhs by 2016-17 registering more than 1.5 times increase in 5 years of study. The share of revenue receipts is total receipts is also growing gradually except in 2015-16. In 2012-13 the share of revenue receipts more than half of total revenue receipts. But, by 2016-17 the share of revenue receipts increased to 85.58 per cent. Negative growth

rate in total revenue receipts of Kalaburagi Municipal Corporation is registered in one out of five years of study period.

Table-3

**YEAR WISE TOTAL REVENUE RECEIPTS AND REVENUE PAYMENTS OF THE
KALABURAGI MUNICIPAL CORPORATION**

(Rs.in lakhs)

Year	Revenue				
	Receipt	AGR	Payment	AGR	Cash (surplus/ deficits)
2012-13	8132.87	-	5505.19	-	2627.68
2013-14	9274.38	14.04	7774.14	41.21	1500.2
2014-15	9618.50	3.71	9287.20	19.46	331.30
2015-16	8290.85	-13.80	7907.45	-14.85	383.40
2016-17*	13383.17	61.42	8441.06	6.75	4942.11

Sources: Data compiled from budget summary statement of Kalaburagi Municipal Corporation from 2012-13 to 2016-17.

*AGR-Annual Growth Rate. *budget estimates.

The table-3 shows the information about the revenue trend i.e. receipt and payments of the Kalaburagi municipal corporation from the 2012-13 to 2016-17. Revenue collection and payment withdrawn are all increases positive trend except the financial year 2015-16 (i.e.-13.80 of AGR) i.e. 14.04, 3.71. The payments also made without deficiency of the balances, only one year i.e.2015-16 pertains to payment made but trend value shows decrease value and AGR is negative i.e.-14.85 compare to other financial years covers under the study.

CHART-1

**YEAR WISE TOTAL REVENUE RECEIPTS AND REVENUE PAYMENTS OF THE
KALABURAGI MUNICIPAL CORPORATION**

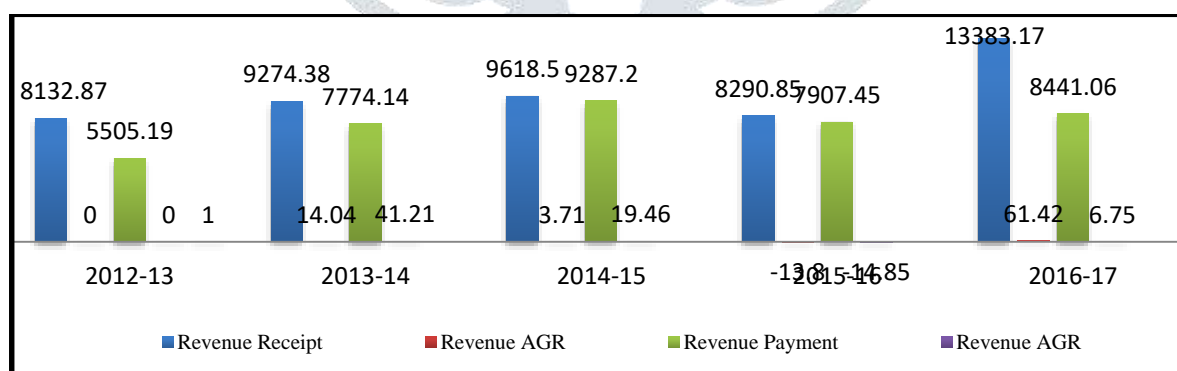


Table -4

CAPITAL PERFORMANCE OF THE KALABURAGI MUNICIPAL CORPORATION

(Rs.Lakhs)

Year	Capital				
	Receipts	AGR	Payments	AGR	Cash (surplus/ deficits)

2012-13	2552.12	-	3554.15	-	-1002.03
2013-14	2845.73	11.50	8267.08	132.60	-5421.35
2014-15	1431.61	-49.69	4097.85	-50.43	-2666.24
2015-16	2488.89	73.85	6753.48	64.80	-4264.59
2016-17*	2254.66	-9.41	20541.76	204.17	-18287.10

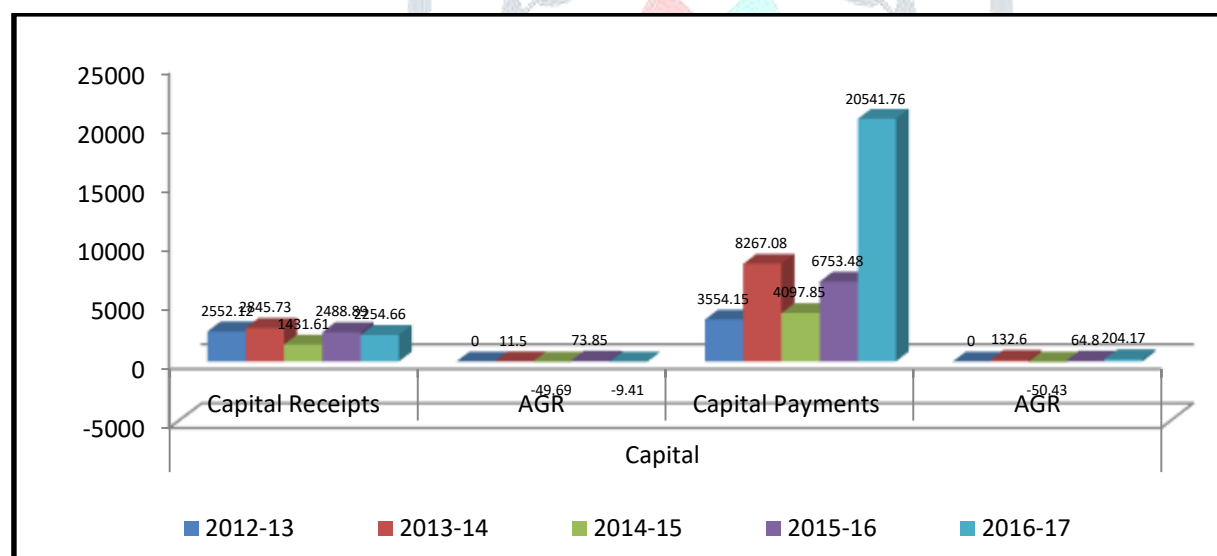
Sources: Data compiled from budget summary statement of Kalaburagi Municipal Corporation from 2012-13 to 2016-17.

*AGR-Annual Growth Rate. *budget estimates.

The table-4 makes it clear the information pertains to capital trend i.e. receipt and payments of the Kalaburagi municipal corporation from the 2012-13 to 2016-17. Capital receipts collection and capital payment withdrawn are all increases positive trend except the financial year 2014-15 and 2016-17 i.e. 11.50, 73.85 positive values (i.e.-49.69 and -9.14 of AGR is negative). The payments also made with all the deficiency of the balances and AGR values also same like revenue payments except one FY 2014-15 (i.e.-50.43 of AGR) and cash balances are all deficiency because all payments are made more the receipts avail in the corporation.

CHART-2

CAPITAL PERFORMANCE OF THE KALABURAGI MUNICIPAL CORPORATION



7. FINDINGS OF THE STUDY:

The following are the major findings of the study made by the researchers.

- In 2012-13 the total receipts of Kalaburagi Municipal Corporation stood at Rs. 10684.99 lakhs and they enhanced to Rs. 15637.83lakhs by 2016-17.
- It means that during five years of study the total receipts increased more than 1.5 times.
- The payments also made without deficiency of the balances, only one year i.e.2015-16 pertains to payment made but trend value shows decrease value and AGR is negative i.e.-14.85 compare to other financial years covers under the study.

- The payments also made with all the deficiency of the balances and AGR values also same like revenue payments except one FY 2014-15 (i.e.-50.43 of AGR) and cash balances are all deficiency because all payments are made more the receipts avail in the corporation.

8. SUMMARY AND CONCLUSION:

The government of Karnataka should provide the sufficient funds or grants to all the municipal corporation generally and also concentrate the developed, underdeveloped area or cities based funds sanction are needed and local governments also take own action pertains to generate the regular sources of revenues for betterment of service providing purpose of the urban local self governments/municipal corporation particularly. Generally Karnataka government also should ask the central grants and provide state grants for smooth functioning of the local self government.

Urbanization is perceived as a result of decisive and economic development. Over the past two decades, many Asian countries have experienced rapid economic growth. This is the reason Rapid rise in their urban population. However, despite the significant increase in national wealth and Personal income, the quality of life of the average urban resident is not satisfactory. City centers Squallar slabs, traffic congestion, and lack of water and energy are represented. National case Governments follow economic development goals, often left to local governments Manage rapidly growing urban areas, and provide basic services to residents.

Urban management and administration increases significance, Countries are uncertain about the ability to control cities to pursue its economic goals. This is mostly due a significant contribution to urban centers for national income. Economic liberalization and the government decentralization is a common feature of high growth policies Countries in the last decade. Countries have evolved policies, aimed at achieving more economic growth rates, Global integration by global integration and increasing economic efficiency Competition. At the same time, delegation, evolution and targeted decentralization policies Democratization was also followed.

This has a profound effect on the emergence of trends City management. In the general debate of macroeconomic policies, the role of urban economies is not well recognized. Macroeconomics generally have anti-urban bias and have national governments Following programs that block the growth of large cities, reduce migration to cities, and achieve "Balanced city model". The role of urban economy in the national development now exists Meaning. In the global economy, there is a growing competition in cities to attract Cross-border investments.

A city's ability to attract global investments largely determines the range of investments Country. When national governments are engaged in macro policy formulations, it is left to the locals The Government is providing the necessary infrastructure and services to attract such capital. Municipality

Authority in India is as old as the Indo-3000 BC civilization. But, as a political institution, it is entirely The British are in its origin and fame. The first (Municipal Corporation) corporation was established in Port Town in 1688 Madras. Subsequently, corporations were established in Bombay and Calcutta in 1726. The next milestone of the municipal administration was the decree of Lord Mayo of 1870. Lord Mayo realized the need for popular collaboration in civil works. They are in a broad system of decentralization and a Self-Governance Measurement at Local Level.

Around the world, cities are the center of development; they are important edges of the economy Spirit. However, which cities pass through this role by stimulating the competition the development of innovation and catalyst is critically dependent on the nature and adequacy of urban governance Finance. Require financial financing to ensure satisfactory standards of infrastructure and services; Administration systems are not only the cost sharing and technical capabilities The Services are Actually Responsible and Responsible. So good policies are effective and the financing of responsive local administration systems and public services is crucial the sustainable urban development aspects. They form the nature and quality of public services provided, as well as the creation of incentives and liabilities.

Urban infrastructure and services are adequately challenged financially. Infrastructure Lack of urban areas is big but growing. In contrast, resources available to urban locals Governments are rare. For urban infrastructure, development fees should be used more effectively and more to make public land more effective. Additionally, a considerable amount of capital expenditure needs to be financed by borrowing. The municipal bond market development is therefore the most important area to survive. Credit Rating Municipal Governments Encourage Improvements and Hard Budget Guaranteed All restrictions are important for developing a healthy bond market.

The city's administrative and financial reforms are not just to improve the quality of life People and cities living in urban areas, especially large metropolitan areas, as economic growth drivers in the country. Ensuring sufficient availability of finance and Improve administration is a must, and the rate of urbanization is urgent Improvement initiatives should be taken. If India is to expand its national economic growth substantially, intended action to improve city policies and urban initiatives will soon be required. Current efforts to study Kernel's revenue and spending pattern in this context Municipal Corporation of Karnataka. This study is primarily limited to Kalaburagi Municipal Corporation This study is related to various sources of income Cost of municipal corporation and public and others municipalities for purposes. This study examines whether municipal income sources are consistent over the years Not at all. The study examines the role of Kalaburagi Municipal Corporation in increasing infrastructure Facilities and other services are in the public domain within the local authority.

The best practices in the urban development system should be broadcast and training and other parts Capacity building programs. The awareness of good practices, the reasons for their success and failure ULBs enable implementation of these initiatives / practices Local situation.

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