

# MANAGEMENT OF RESOURCE MOBILIZATION, BUDGETING AND FINANCIAL IMPLICATIONS OF MUNICIPAL SYSTEM IN J&K.

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## ABSTRACT

With the advent of independence in India in August, 1947, the municipal government acquired new significance. The government of India took keen interest in stimulating the growth of municipal government on sound, healthy and uniform pattern in the country. Although, the subject of local self-government falls under the purview of the state government, the central government was taking keen interest in municipal problems. A conference of the state local self-government ministers was held in New Delhi on August 6, 1948 in order to discuss the problems relating to construction, scope of activities, finance and administration of municipal bodies and the machinery of control over them.

**KEYWORDS:** Resource mobilization Civic Services Municipal resources budgetary practices Health and standard of Municipal Corporations help of affairs unscientific practices. Municipal Administration, Representativeness, J&K Municipal Act 1951, Performance of Municipal Institutions, Municipal functions/powers.

## INTRODUCTION

As a result of increase in urban and sub-urban population since independence, the number of urban local bodies has witnessed a quantum jump since independence. The number of urban local bodies which were just 2114 in 1971 has grown to 3717 in 2002. In early years, the municipalities were treated as one of the Government departments of administration. They were composed solely of members nominated by the government. It was only in 1913 that the provision of an elective element into the municipalities of J& K state was introduced. This was done with the enactment of Jammu and Kashmir

Municipal Regulation Act 1913. Under the provisions of this act, both the municipalities in the state were re-organized. Before the enactment of Municipal Regulation Act 1913, as regards finances, the municipalities depended entirely on the state government. The funds at their disposal consisted of the budgeted allocations set apart for municipal purposes by the state government. The municipalities were not allowed to levy any tax. The octroi duty levied by them was collected by revenue department of the government.

## Importance of the Study

In India, 30% of the people live in towns and cities of which a majority of the people is living above the poverty line. The consumer expenditure data of the 55th Round on a 30-day recall basis yields a poverty ration for 1999-2000 of 27.09% in urban areas. The actual no. of poor in rural areas is a phenomenal narrative. Therefore, the thrust of development should be on the urban poor whose quality of life has been developable for countries. The structure of Municipal Administration is an attempt to create equality in the living standards of life of the people residing in urban areas.

## Statement of the Problem

Municipal System is a historical and revolutionary step in the field of national development attracting the attention of eminent scholars both in India and abroad, academicians, political leaders, bureaucrats and researchers since its very inception. Their contributions came to light in the form of Books, Seminars, Papers, Committee Reports, Conference Reports, Research work and Papers are of less in number and quality. However, there is paucity of empirical data and experimental or exploration research in this area of study. They were suggestive outlines, rather specific portrayal of the perception of the participants.

## Objectives of the Study

The study has been undertaken keeping in view the following set of objectives:

- ❖ To examine the management of resource mobilization to facilitate civic services.
- ❖ To critically analyze the utilization of Municipal Resources.
- ❖ To critically analyze the budgeting practices followed by the Municipal Corporations in the state.
- ❖ To draw meaningful conclusions and suggest measures for improving the health and standard of the Municipal Corporations in the state.

## Hypotheses

In pursuance with the objectives of the study, the following working hypotheses has been set-up to give a proper direction to the study through a hypothetical basis:

- ❖ Growth in resources has remained insufficient due to the failure of municipal administration to innovate new sources.
- ❖ Lack of prioritization of financial resources has further compounded the problems of Municipal Corporations in the state.
- ❖ The system of practices followed by the Municipal Corporations in the state are unscientific.

## Dimensions of the Study

The dimensions of the study were identified after a thorough review of literature. The literature survey was conducted through research articles published in various Journals, magazines, books, research reports and the specific publications of Government, individuals, institutions, etc. Besides, holding discussions with the experts and persons having intimate knowledge on the subject, the problem was discussed threadbare with the municipal authorities at the helm of affairs. After a thorough review of literature, various dimensions/aspects related to the problem under study were identified for undertaking the study. The three important dimensions identified for

undertaking the present study includes municipal resource mobilization, resource utilization and municipal financial control (Municipal Budgeting).

## Research Design

The research design for the study has been formulated keeping in view the objectives of the study. While formulating the research design, the following scheme has been followed:

1. Historical background, rationale and growth and development of local bodies in India in general and in the State of Jammu & Kashmir in particular has been highlighted.
2. The available literature on the different aspects of management of finances of municipal bodies has been critically analyzed to identify the research gaps in the area under study. At the end, the chapter brings to light the agenda for future research.
3. The research methodology adopted while conducting research has been put forth. 4. For ensuring an in-depth study of management of resource mobilization in the municipal corporation in the state of J&K with a view to know to what extent these Municipal Corporations have been able to mobilize their revenue potential, an analytical study has been made and interpreted in the light of the set objectives.
5. Numerous suggestions and recommendations based on these findings have been put forth for implementation at different levels of implementation.

## Sources of Data

In view of the nature and objectives of the study, the present study is purely based on the data collected from secondary sources. The secondary data has been collected from the published and unpublished documents, committee reports, statistical hand books and budget documents of municipal authorities. Survey and project reports, research papers published in various books and journals on different aspects of municipal finance have also served as a source of secondary data. Besides, for the purpose of augmenting authenticity and validity to the various conclusions drawn on the basis of data analysis, personal discussions and deliberations were held with the concerned authorities, councilors and the experts in the field.

## Processing and Analysis of Data

The data collected from secondary sources have been edited, coded, categorized and thereafter, summarized and arranged in a logical order. The collected data so arranged has been analyzed with the help of statistical tools to arrive at dependable results. To elicit a true state of affairs keeping in view the objectives of the study, the statistical methods of percentages, summary statistics such as averages have been used.

## CONCLUSION

The urban development in the countryside is directed from a number of focal points, which these urban centers definitely are. These urban centers can act as servicing centers for rural and agricultural implements and accessories like the electrical and diesel pumping sets, the ploughs and tractors and equipment of artisans like cobblers, the smiths, the tailors and the carpenters. To maximize the welfare of the citizens, local governments must raise, spend and administer their resources on sound principles. After giving a brief account of various aspects of Municipal Administration, we shall make an attempt in the subsequent chapters to take up these aspects in detail and to find out the extent to which these principles are followed by the Municipal Corporations in the state of Jammu and Kashmir. The examination of the structural features of the municipalities in the District exposes their merits as well as shortcomings. The three-year and one-year terms of the municipal councils and their Presidents respectively were not conducive to the long-term satisfactory tackling of the problems of urbanization. A few councilors could manage their election to the Presidential office for more than one term, but possibly at the cost of the norms of decent and efficient working of the local authorities. Municipal elections were contested mostly on the basis of merits (or drawbacks) of individual candidates rather than of local civic issues pertaining to urban development. Party labels came handy to the loose shifting factional alliances of ambitious individuals. Latterly the 1967 municipal elections gave a shock to some of the 'bassist' councilors who held a traditional sway over the city politics. But how far they would inaugurate an era of principled party politics or politics of 'Citizen Fronts' is a moot question. This should not, however, sidetrack some of the creditable achievements of the Presidents of the municipalities in the District, as in promoting piped water-supply schemes or boosting industries. The Committee

system is a weak spot of the municipal system. The Standing Committee has overshadowed the subject's committees. The Councils ought to have stood up against all the irregular decisions of the Standing Committee, but this has not happened. Exercise of appropriate authority by the Chief Officers has been hamstrung by unnecessary interference of the Standing Committees. Full-scale discussion on the basis of given rules and regulations rather than undue projection to protect vested interests and selfish acts of a few individuals ought to be the hall-mark of the working of the Committee System in the Municipalities of the District. This alone could enable them to face up to the complex problems of urbanization they are confronted with. It is observed that the functions which the municipal councils in Kupwara district perform are meager and this is attributed to the poor financial resources of the councils. The revenue of the municipal councils has increased, but not in proportion to the increase in population and the rise in price index in general. The incidence of taxation even in bigger municipal towns does not exceed Rs. 10 to 12 per head. It is thus obvious that, with the very limited means which the municipalities have at their disposal, no proper amenities can be provided to the inhabitants of the towns. In the recent past most of the municipalities had tried to augment their income by enhancing the rates of Octroi and Property Tax. But these efforts could not help them in bridging the gap between revenue and expenditure. The main difficulty in tapping various sources of taxes is that elected councilors do not favor the proposal to levy new taxes, which they believe would make them unpopular. It further appears that municipal bodies have not utilized all the recognized sources of municipal taxes to augment their revenue. It is a matter of common observation that councils derive a major portion of their income from indirect taxes. The proportion of indirect taxes constitutes an insignificant part in the municipal funds. About levying direct taxes, the councilors are of the opinion that the overall economic condition of the people being poor, their tax paying capacity is very limited. Even the people in the towns, they say, are averse to the idea of levying direct taxes.

