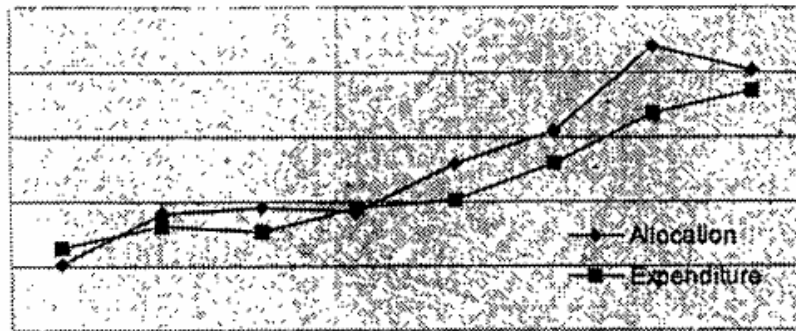


Democracy and Decentralization

A Study of Local Budgets in Two Districts of Karnataka



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A Study of Local Budgets in two districts of Karnataka

A study of Devolution of Budgetary Finances
in Dharwad and Bangalore Rural Districts, Karnataka.



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To My Colleagues

This report has taken all of three years--and a few months more--for obvious reasons. I would not call the extra time taken as an overflow of work. It is an additional assignment we took up of our own volition. It has happened at a very late stage of the study. Of course this has been a major learning experience in our work with the Panchayati Raj Institutions [PRIs]. It has been equally frustrating, joyful, maddening and exhausting at the same time to all of us in the team.

I wish to thank all the people who worked with us during the course of this long study. Rajeev left in search of greener pastures. Naveen joined us just after that, and did a lot of groundwork. He was involved in the basic secondary data collection in Dharwad. The three of them, namely, Shashi, Kiran and Naveen put up tent in Dharwad Hotel, Dharwad. They put up with a lot of discomfort, like not having fans, water, bed coffee, telephone [but not TV] to get the required data. Of course they always came back in a good mood and regaled us with stories of their field experiences as if it was something to be looked forward to. So off we went for the interviews for field investigators, had food in the Khanawali, saw a movie to get a local feel!

The field work in Bangalore [Rural] was another kettle of fish. We would early in the morning, around 5am leave to catch the representatives at their houses when they were barely out of bed, interview the whole family (including the family dog) and reach back in the night around 9pm. In most of these field-visits I was accompanied by Vijayanthi, in the initial rounds, and Anita in the later rounds.

During the course of all this, Naveen left for a better job, Vijayanthi to complete her thesis and Anita to get married. And finally the team settled down to a neat group of six.

Then the actual nightmare started. We seemed to have collected too much data in Dharwad and too little in Bangalore Rural. That is when the Advisory council actually led the way by holding our hands. They guided us throughout. We tried to make sense, and slowly the skeleton, and then the meat was put in. Jayasimha, the new person in the team, got a raw deal in all this, because he was given the responsibility of preparing the first drafts under chief's instructions from all of us. There was much of drafting, revising, and re-drafting. After all it was none of our business in the first place to interview all the members in both the Dharwad districts! We seemed to have been over enthusiastic in doing the work.

The next part of the work was the analyses of the sectors, by bringing semblance of order into the painfully compiled data-sheets. I should commend the patience and grit of both Shashi and Kiran who sat tight, corrected the data and brought into a shape that it is today. If we have a clean, useable database, then they deserve credit for it.

Then just as we thought we had completed our stuff, we brought upon ourselves the [horrendous] task of writing in Kannada. Who was our client? The elected

representative, and the common citizen--and they spoke Kannada. Our Advisory Council was clear that they should understand what we found from our interviews with them and our studies of their panchayats. And that was that.

Initially Jai and I did this work of translation. We found it took painstakingly a long time and was complex. We found that the Kannada word for reservation was misalathi, but the elected representatives did not know this. They understood "reservation". This kind of thing happened all the time. Our first draft was declared fit for Kannada scholars, not ordinary citizens. Something had to be done.

We found a convenient scape-goat in Anuradha to translate blindly the material without reading the report. But she would not sit quietly, she would pester us to make herself understood in both the English and Kannada drafts. This persistence and questioning led to understandable Kannada. This process actually delayed the entire exercise. But this made the output more valuable.

With all this, at any stage any one of us would have thrown up our hands, but for the constant prodding and the encouragement given by Vinod Vyasulu. He always had new ideas of using the reports to build contacts and today we have contacts in nearly ten districts. Sometimes we wished he would not come up with a new idea.

And last but not the least, the Chitrugupta of our team, Thyagarajan would have us jumping mad about the moneys to be spent during the field visits and the daily allowance to be paid. He not only would be stingy with the money but also monitor our work report!

I am glad to present the report in book form to a larger audience today. I once again thank my colleagues for all the support and affection shown towards me during the study period. I have written about them and I hope they don't take offence to it.

I hope all who read this benefit from it and share our excitement in this new endeavour of budget analysis.

Preface

The Ford Foundation sponsored a study of "Devolution of Budgetary Finances to Local Governments" at the TIDE Development Research Foundation in Bangalore. This study was completed over a period of three and a half years -- 1997 to 2000.

There are several outputs from the project. Apart from the many meetings and workshops that were conducted in this time, there are the following publications:

- ❖ A collection of papers on different aspects of Panchayat Raj in the 1990s, titled "Decentralisation From Above - Panchayat Raj in the 1990s", by Vinod Vyasulu. This is a collection of six papers on different aspects of Panchayat Raj written for different audiences over the past few years, during the work in the project.
- ❖ A monograph on the functioning of Grama Panchayats, titled "Democracy and Decentralisation: Grama Panchayats at Work in Karnataka" by Indira, Kiran Kumar, Shashi Kumar, Jayasimha, Anuradha and Thyagarajan. This looks at the ways Grama panchayat functions, the way the grama sabha is held and how the people in the Grama panchayat perceive decentralization.
- ❖ "Democracy and Decentralisation: Zilla, Taluk and Grama Panchayats" by Indira, Kiran Kumar, Shashi Kumar, Jayasimha, Anuradha and Thyagarajan. The report is concerned with the views of the elected representatives concerning reservations, elections and the differences brought about in the PRI under the 1983 and 1993 Acts respectively.
- ❖ "Democracy and Decentralisation: A Study of Local Budgets in two Districts of Karnataka" by Indira, Kiran Kumar, Shashi Kumar, Jayasimha, Anuradha and Thyagarajan. This volume concentrates on budget analysis, and points our work and results in detail.

Except for the first report, the others have been brought out in both English and Kannada, so that those we have worked with can read our report.

The work was undertaken by a group of which Dr A Indira was the Team Leader. Other members of the group were Vinod Vyasulu, R Thyagarajan, Shashi Kumar, Kiran Kumar, Jayasimha and Anuradha. Rajiv, Naveen, Vijayanthi and Anitha Rao worked for a while in different stages of the project. Everyone worked hard and contributed in a substantial way to our work.

To guide and monitor the work, an Advisory Committee was set up. This was chaired by Dr K.S. Krishnaswamy, and the members were Dr.V.M.Rao, Dr.Poornima Vyasulu, Dr.Shivanna and Dr. Vinod Vyasulu who acted as Convenor of this Committee. The committee held four meetings over the project period, and the following attended as invitees and contributed to the work of the research group: Dr.Abdul Aziz, Dr.Sarat Dawala, Dr.Shantha Mohan, Dr.Revathi Narayanan, Dr.V.Vijayalakshmi, Dr. Anand Inbanathan, Dr. N.C.B.Nath and Mr.Sadananda.

TIDE gave full support to the work. The Chairman Dr S Rajagopalan, and

the Secretary, Ms Svati Bhogle, took keen interest in the work. Mr. M.S Raju provided help with the GIS maps. As the project ended, it became clear that budget analysis work never ends. There is so much more to be done. Given this situation, TIDE helped in the formation of a new non-profit society that will carry on from where this project ends. Thus the Centre for Budget and Policy Studies has been set up, and the follow up of this work will be taken up from there. TIDE will retain its interest in the functioning of this new body even as it moves along its own path. Co-operation between the two in a professional way will mean that both will grow in new and hopefully better directions.

We received full co-operation from officials and elected representatives at all three levels in Dharwad and Bangalore [Rural] districts. It is this co-operation that has made it possible to bring out these reports.

The Ford Foundation --in particular, the Program Officers who worked with us -- Dr Terrence George and Dr Mark Robinson--were always supportive. They did much more than just fund a study. They took keen interest in the work, made helpful suggestions, asked difficult questions and never forced their views on us. They also put us in touch with the International Budget Project at the Centre for Budget and Policy Priorities in Washington DC, and this exposed us to a whole group of organisations working on budget issues around the world. We have benefitted from this interaction, and we hope also to have contributed positively to the larger community of budget analysts of which we became a part.

We now place our work before a larger audience, hoping for meaningful debate that will contribute to the more efficient functioning of local government bodies. In particular, we hope that those who now get elected to the ZPs, TPs and GPs in Karnataka will find a base that will be helpful to them in their work.

We have learned much over the course of this work. The team would like to thank all who have helped us, while clearly stating that what has been stated is the opinion of the research team, and does not claim to represent the views of anyone who has helped us. We alone remain responsible for what has been said. Please write to us at:

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OVERVIEW

This project started in February 1997. The interest of the research team was determined by two major studies done earlier, one in the area of Social Sector Expenditures for the State of Karnataka, taking into account eight major expenditure heads. The study was macro in nature. The second study was about Educational Finances at the district level in the Government of Karnataka. During this study, specific formats were given to the Department of Education to get the data from the various line departments. The Department was very cooperative and got us the data, which was however incomplete in many ways. This was pointed out to the officials, who expressed helplessness in this regard. Also another interesting point that came to the fore was that during an NGO meeting when the same data was presented, a few officials present from the education department with the government questioned the data. This made the researchers to sit up and think about the situation at the district level

After the 73rd and 74th Constitutional amendments, decentralization and better efficiency has become the buzzword in the working of the government in various spheres. So a study to understand the devolution of budgetary finances to understand the decentralization process within the government for fiscal issues was taken up. This would be studied in the State of Karnataka, a pioneer in setting up Panchayat Raj Institutions (PRIs).

Historically, five different regions with different political backgrounds came together to form Karnataka. It is much acknowledged that the progress of these regions even after unification has been much influenced by this background. In our study a total of four districts were to be selected region-wise to understand the situation. However after being warned about the enormity of the exercise by our Advisory Council, only two districts, Dharwad from the former Bombay Presidency and Bangalore (Rural) from the erstwhile Mysore state was taken up. Dharwad is unique in its history of a cooperative movement. Bangalore (Rural) on the other hand has its ZP headquarters situated in the heart of Bangalore (Urban) district, and is greatly affected by the growing metropolis

The study aimed to understand the devolution of finances in Karnataka. In furtherance of the 73rd Constitutional amendment and the subsequent 1993 Panchayat Raj Act, we situated our study under the premises that:

- (i) there is a greater sense of responsibility among the elected representatives for priority setting and decision-making and
- (ii) consequently, there is a greater efficiency in project implementation and other related issues.

To understand the two perspectives, the study started out to study the budgets of the Zilla Panchayat (ZP). The budget analyses can include analysis of the fiscal policies of the government, the evaluation of the expenditures and revenues allotted for the various sectors, and understanding the budget processes. A detailed reasoning is given in the Budget Processes chapter.

We considered five sectors: Education, Health, Water Supply and Sanitation, Minor Irrigation Projects and Roads and Bridges, in this study. The reason behind these five sectors was that amongst themselves they constituted nearly 60% of the resources and also these were the most essential for any local infrastructure and socio-economic development of the people.

Along the way we also realised that a purely econometric approach of studying the budgets would be inappropriate. We had to consider a much broader template taking into consideration the three different angles of public administration namely "fiscal - administrative -political" devolution of powers. Hence the report has now an equal proportion of both qualitative and quantitative analysis about the issues mentioned.

1.Budgetary issues

On the financial side, the budgets for five various sectors were compiled. All the different sources were tapped. The important ones being: (i)Link Documents -the most important, which links the action plan of the ZP to the final allocated figures from the legislature was used to get the allocation figures, and (ii)Annual Reports of the ZP, audited by Accountant General to obtain the expenditure figures. We could also collect the monthly monitoring reports, which of course was not made use of for any analysis. The figures so collected were then deflated using national income implicit deflators to get the constant prices and the growth rates. Details are given in the chapter on Database and Methodology.

There were however methodological problems. Code numbers were different in some years for the same head. The column-wise. totals printed in some documents were very different from the totals that the team arrived at after feeding into the computer for computations. The total figures between various reports also did not match always. This was done using the audited statements. Some years' data was not available under any report. Some of these problems have now been shared in different contexts with the omcials in the departments. The missing data in some cases have been filled; sometimes even the department was unsure of the lapse that had occurred. The difference in numbers in different reports, they were quite sure that this should not happen but no plausible explanation was given. They however, showed our concern about the reliability of such information.

However the mystery of different code numbers was solved. The schemes working in the districts get different code-numbers in some years because of the discretionary funds that the Chief Executive officer (CEO) has in allotting funds between schemes. So our correction of bringing all numbers under the same scheme name was considered to be the correct procedure. This has been done in many cases.

In the analysis, allocations have been drawn from the link documents and the expenditures from the annual reports. What comes out of the data is that there is definitely a gap between the allocations and expenditure statements. The gap could exist for many reasons. Important ones: (a)the allocations shown in the link

documents do not get released always. There is a revised estimate at the end of the financial year. This figure at present is not being shown in any of the documents. There is a proposal to show it in the audit statements from 1999-2000. (b) There is a lapse of funds at the end of the financial year in many cases and then the allocations remain higher than the expenditures. In a few cases, reappropriation is done. (c) In some rare cases, backlog is filled up in one count, and then expenditures outrun the allocations. Usually this is for salaries. There could be other reasons also.

About the finances itself, it comes out clearly that very little in terms of local revenue is collected from the jurisdictional areas. All are state schemes, state sponsored schemes, central schemes, and central sponsored schemes. **So it comes out very clearly that the budgets are not ZP budgets per se, but state budgets spent through the ZP.**

Among the five sectors, broadly, education sector has a fairly good record where allocations and expenditures tally. Under medical and public health sector, the allocations have always been higher. Among the other three, minor irrigation projects, roads and bridges and water supply and sanitation, the finalisation of accounts have always been delayed because of the difference in practice of accounting between ZP and engineering departments. Under the ZP accounts, amount sanctioned is the final number, however under engineering department; the amount spent in the field is final. To account for the difference there is a suspense account. Hence the final figure does not always tally with the annual report figures.

Between the two districts, Dharwad had better record maintenance compared to Bangalore (rural). But the practice also differed. Bangalore (rural) has three different items, which have to be compiled to get the final account figures. They are the salary figures from the ZP office, the development works' expenditures from the respective departments, under the two divisions of Bangalore and Ramanagaram. The Dharwad numbers are not broken up in this way, and hence accounts are much clearer. But in this case the salary components cannot be separated out.

This aspect also brought in its wake, the futility of doing an inter-comparative study of the districts as originally envisaged. Bangalore (rural) was formed in 1987 and the accounts were not set right till 1990 and hence the data set is available only from 1990-91. In case of Dharwad, the district was broken up after the study was begun and hence the data after 1996 has been unavailable for similar reasons. The chapter on Budget Analyses gives the detailed sectoral analyses for both the districts.

2. Administrative devolution of powers

Administration of PRIs has gone through three phases in a short span of ten years. Initially after the 1987 Act, there were elected representatives which was disbanded suddenly due to political upheavals and the regime of administrators

began. Subsequently during this time the 73rd amendment came into being and the 1993 Act was brought out, with amendments made to the earlier Act accordingly. Given the short tenure of each, and the weak database, it may not be proper to make quantitative comparisons across the three periods.

There has been a new phase under this Act (1993). One aspect, which runs through all the three phases, is the officer assisting these institutions. So in order to understand the devolution of administrative powers and how the bureaucracy officiating in these institutions have adapted to this, a small checklist was used to understand the perceptions of these officers. For one, the officers accept that a change has to be there but they themselves are unwilling to change. For them, it is abdicating their position in the system to a less known, lesser-educated and totally ignorant set of people.

To understand the hierarchical structure of the system, a flowchart was prepared which was shared with the officials during our workshops and presentations in the ZP offices in Dharwad and Bangalore (rural) over the study period. The flowchart is generally standard between the districts. Minor changes have been made to suit the needs of the ZP. On the issue of budgets, its planning, presentation and further implementation, it was summarily accepted that only a direct line of delegation from the State government (concerned departments) to the CEO, the concerned Deputy Secretary and the Finance Committee only exists. All other dotted lines of inter-communication between various other standing

committees and other officials are only a myth in the field. The finance committee also gets to know of the already prepared action plan and the allocated sums for approval. This because the president and the vice-president are members on the finance committee and its ramcation in this committee is essential for any further action. The views and perceptions of the elected representatives of the ZP are given in the smaller report --"Democracy and Decentralization :A study of ZP and TPs", Taluk Panchayat (TP), it seems it is the weakest link in the system. Nothing much could be garnered at this level. This has also been documented in the above report.

Coming below in rank, attached to the TP is the former Block Development Officer (BDO) now called the Executive Officer; and at the Grama Panchayat (GP) level the Secretary, who is the government functionary. The secretary of the GP, it seems acts in a very ad-hoc manner, and is very much disliked by the members of GP. He reports only to his bosses further above and rarely interacts with the GP members.

One point that came out very clearly is the diverse line and staff structure within the ZP system. Each of the posts that are seen in regular interface with the people is drawn from different services. Their attitudes are different. Their cadre control authority is different. This puts a lot of strain on working environment when two dissimilar personalities come together. The CEO is generally drawn from the Indian Administrative Service, State cadre. The Chief Accounts Officer (CAO) comes from the State Accounts Service. Then there are different other engineering divisions manned by engineers drawn from the parent department -Public Works

Department (PWD), deputed to different posts. Each brings with him/her different working styles and cultures. The coordinating authority however remains with the CEO who is in most times answerable only to the Secretary, Rural Development and Panchayat Raj in the Secretariat. Under the act, CEO himself is to work under the Adhyaksha, which most times are only cursory in nature.

Coming to the lower tiers of PRI, namely, the TP and GP, the problems arise due to confusion in ranks and structure of the different authorities. Here most people understand the bureaucracy in terms of the officiating authority in the schemes, which plays a very important role in their lives. This one can say, strongly, because at the grassroots levels very little self-help or private sector is seen working. Most are dependent on the government for basic issues. The myriad schemes bring into focus the different people working in different offices, but all under the ZP. The most common among them is the Agro-forestry scheme for which the Indian Forest Service is the officiating authority. So the locals deal with the Range Forest officer, District Forest officer, etc., whereas the funds seem to flow through the ZP. The construction of roads, under TRYSEM, JRY all come under the PWD, but beneficiaries are selected through the grama sabhas, list sent to TP and further up for more action. Then there are other schemes, all coming under the respective departments. It is a complex reality. **These various issues are put together in the smaller report: "Democracy and Decentralization : Grama Panchayats at Work in Karnataka."**

3. Political devolution of powers:

To study this aspect, a detailed questionnaire was made which was administered to the elected representatives in the ZP, TP presidents and some GP members. Issues like political affiliations, family background, reservation, budgetary powers, relations with the officials, etc. were dealt with. A veritable record of more than 250 hours of interviews has been taped. A complete census of ZP members in both the districts was made. Almost all the representatives were cooperative except for a few who could not spare time due to personal reasons or otherwise: which could vary between being in jail to being hospitalised. Quite a few women at the ZP level were dummies. Husbands spoke up for them. However this issue of having surrogate in their husbands was never fully accepted by the women themselves. Some however owned up to the fact that they did not know when they were asked to sign the election nomination papers as to what they were upto. It has however been observed that in many meetings husbands waited outside the hall and collected the sitting fees on behalf of their wives.

Members in majority of the cases wanted a more fixed and permanent term of 3 to 5 years as tenure for the president. This they felt was necessary as it took them atleast an year to pick up the threads, and could not do much in the 20 allotted months. Also in many cases, if they were first-timers, were doubtful of being re-elected. The practice of de-reserving of constituencies at every election through by rotation caused greater tensions

Training they felt was very essential and wanted it to be conducted at

regular intervals. It would be an on-going process. They wanted to understand more about procedures, rules and other financial issues of the ZP. It came out clearly during our workshops that most had not seen any of the budget figures, which were presented. They were not part of any discussion about the Action Plan. They felt that officials acted cooperative but in actuality no paper would move easily.

In many instances being a ZP member was for them a matter of honour, where they interacted with the government officials, and if need be had taken some to task. This made them heroes in their own community. Achieving end result in the matter of a petition received was not the issue at all.

Most felt that the earlier two-tier system was better where they had more powers. They clearly felt that the new act was retrogressive in nature. They felt intimidated by the presence of the MLAs in the ZP general body meetings. The importance of being an MLA in most cases, was such that they took credit for most of the works, which these ZP members would have wanted done in their own constituencies by themselves.

Discussing about works getting done, the points that came out clearly were the lack of funds for most things. They had no idea about lapse in allocations or funds not being fully utilised. This also brought up the issue of corruption. Irrespective of gender, some were quite open that they had spent nearly 1-1/2 lakh rupees as election expenditure and would want it to be met during their term. Hence they knew the tricks of the trade. They would collect their "commission". They had no doubts or ethics about this. The issue of corruption has to be seen in this light.

Some other new issues that have come to the fore is the whole issue of literacy or illiteracy per se. Most would want their children to study in English medium. The whole dimension of reservation for women has raised a lot of heckles between the two genders. Men resent the reservation of women for posts of Adhyakshas, Sarpanch, etc.

Case studies of GP brought to light that there are two different kinds of budgets – the physical and the financial budgeting. These are given as Part I and Part 2 of Form 4 – the budget document of the GP. Part 1 is the physical budget, including schemes such as what is spent in the JRY funds. Part 2 includes funds flowing in accordance of 10th Finance Commission norms. It also has the Rs.1.25 lakhs grant given to GP per year. This is the financial budgeting. Books are kept as voucher payments made and not specific to any scheme. More could be said about what is going on in the schemes from the CAG reports. A detailed chapter on budget process follows for a better understanding of how the system works.

Salient points that emerge from the study:

- Issues of budgets are complex – for even a researcher and hence more so for a lay person.
- The members of the ZP have the capability of priority setting and decision-

making, given a chance. There are educated people- mainly lawyers, who are knowledgeable but have not made a dent in the ZP politics.

< Most think of ZP as a stepping stone to becoming a minister in the state in the future.

< There are problems in implementation of projects -multiplicity of stakeholders.

<There are vested interests working at tandem.

<Reservation and surrogacy has played a role.

<Illiteracy still remains the bane of the system.

<There are overlapping of political interests.

<Revenue sources not resolved.

<Need to clarify functional responsibilities among the various line departments.

<Decentralization is here to stay -some brasstacks need to be cleared.

<Data is abysmal, Official Secrets Act helps in withholding information, poor Management of Information Systems. Rapport breaks the ice, but still cannot help much because there is no proper compilation and retrieval systems.

<Circulars hard to get at the lower tiers

<Dissemination of information is lacking.

<Need for training. All the flowcharts showing hierarchies, maps highly appreciated.

<All research material should be in the local language --Kannada.

<Separate notes on budget process and how reservations made have been documented and shared. This information was quite difficult in coming. This is where the team has made a breakthrough.

In what follows, we present in detail different aspects of the issues discussed above. We repeat that this is a first step. More has to be done, and we welcome debate in these matters.

The various chapters in the report were written up and shared at different venues like seminars, conferences and workshops with officials of various departments, officials at the all the three levels and the non-officials in both the districts. The authorship is also different for the different chapters, however we present the report as a whole and take joint responsibility.

All the views shared are the group's alone. The authors take full responsibility for any errors. Many times the interviewees shared information, which were off the record. We have consciously not put them in. So it may seem like a gap. We also take this opportunity to thank our advisory council members, and especially a word of thanks to Dr.K.S.Krishnaswamy who has been very patient with us and helped us on many occasions. We also thank Mr. M.S Raju, the GIS expert from TIDE who helped us with the map data. We also thank Dr.Vani for all her help. We thank Ford Foundation for the interest and confidence shown in us.

PART I
(PROFILE OF DISTRICTS)

Chapter 1

INTRODUCTION

System of governance that a country adopts is largely dependent on its people, and what they think is necessary. India soon after independence adopted the Westminster model. A federal system co-existed. Considering the number of states and their levels of development, this system has worked fairly successfully. But even with the best of efforts, today we still see a society largely divided between extreme worlds of poverty and affluence in all fields. This has forced some introspection about the futility of centralization and a more de-concentrated field-play in all the states for faster growth.

'Going back to the roots', or the villages as Gandhiji propounded has become an idea that is being forcefully thought of. It must be given to our Constitution framers that they were far-sighted to include this in Art.40. This has helped in the rejuvenation process. Ideally it would seem that the change come from the effected people itself, but this process can be long and maybe sometimes lost out due to conflicting interests. Hence invariably the 'political decisions' prevail. Today almost all states are trying to implement the idea of decentralization in their planning processes.

But when one speaks of decentralization, one needs to understand that there are different words that are being used synonymously. Much literature is being written about the various nuances of this.¹

The words that are frequently used are:

(a) Decentralization: the Chambers Twentieth Century dictionary meaning is "the process of transferring the functions from the Central government to the local units". However this cannot capture the entire gamut of work that can be taken up within its definition. The other words could be

(b) Devolution: implying a situation in which lower ranking units acquire greater autonomy in respect of certain defined functions, including decision-making authority. This definition could however be in conflict to the next word,

(c) delegation: where certain functions are handed over, but not effectively, that is keeping in part 'indirect control' in the system. That would merit an understanding of

See, S.S.Meenakshisundaram, 'The 73rd Constitution Amendment: A Case for Further Amendment' in **Journal of Rural Development -Special Issue on Panchayati Raj**, Vol. 16, No.4, Oct-Dec. 1997, NIRD, Hyderabad. Also

(1) T.R.Satish Chandran, 'Inter-Tier Allocation of Functions' (pp.24-36);

(2) L.C.Jain, 'Panchayats: Re-orientation and Restructuring of the Planning Process and State-Level Departments and Agencies Consequent on Establishment of Panchayats in Accordance with the 73rd Constitution Amendment' (pp.131-143);

(3) Sudhir Krishna, 'Restructuring the Institutional Arrangements to Strengthen the Panchayati Raj' (pp.189-199); in **Decentralisation-Panchayatin the Nineties**, ed. Amitava Mukherjee, Vikas Publishing House Pvt. Ltd., New Delhi, 1994.

- (d) Privatisation, per se, where government transfers functions to a third party interested in it, which would in effect, in social sectors mean abdicating its role.

The typology as put forth by James Manor² is explicit and can be used here for further inferences made in the study,

- De-concentration or administrative decentralization
- Fiscal decentralization,
- Devolution or democratic decentralization.

The different kinds of decentralization as spelt here .can co-exist. The first, administrative decentralization happens with the transfer of officials from higher levels of government to the lower arenas of administration. In this case, most times the officials keep a certain amount of autonomy to decide minor issues at their levels. However they are still accountable to the higher echelons of power structure at the State or central level.

The second kind of fiscal decentralization also typically signifies downward transfers of funds. It would also mean that the senior officers cede control over some of the financial decisions. This would mean a higher level of autonomy to the (de-concentration of officialdom) local officials to take decisions. It would also mean that at the lower levels, people other than officials could take part in the decision- making process. The system is open to some ideas from the outside world.

And finally, devolution which would comprise transfer of both resources and power to lower level authorities which are independent of higher levels of government, and are also democratic to a large degree.

The present study "devolution of budgetary finances", tried to find the extent of the three kinds of decentralization in the State of Karnataka for two districts. Just as two districts cannot be thought of as generalizations, the researchers feel the study can help in realizing how much the system has become sensitive to the people. Also it brings into focus the vision with which the entire experiment of decentralization started in this state. It would in this instance be good to briefly to take a peep into the history of Panchayat Raj in India.

IA brief history of Panchayat Raj institutions

The existence of panchayat having communal functions and ownership were the most common form of village organisations in the olden days. The remolding of local self-government began under the British rule and these efforts were supplemented in a major way only after India's independence.

After independence the States Re-organisation Commission under the Chairmanship of Fazal Ali was appointed to study and recommend the re-organisation of the Indian Union on a linguistic basis. As per the recommendations of this Commission, Karnataka (the then Mysore State) was established on 1st November, 1956. It was reconstituted by including areas of Kannada speaking

² Manor James, 1999, "**The Political Economy of Democratic Decentralization**, World Bank, Washington.D.C, see pp.5

people of erstwhile Bombay State, Hyderabad-Karnataka, Mysore, Madras and Coorg. Thus the present State of Karnataka is the result of integration of five territorial units which were formerly under different politico-administrative dispensation.

The reorganised Karnataka State inherited four distinct patterns of local self- government in operation in different parts of the state at that time. The Bombay District Local Boards Act of 1923 and Bombay Village Panchayats Act of 1933 covered the Bombay-Karnataka region. The Madras Presidency in the Karnataka region had the Madras Boards Act of 1920 and the Madras Village Panchayats of 1950. The Hyderabad-Karnataka region was under the Hyderabad District Boards Act of 1956 and the Hyderabad Village Panchayats Act of 1951. And lastly Coorg was under the Coorg Panchayati Raj Act of 1956. The immediate necessity was to consolidate these different legislations and provide a uniform pattern for the whole State.

At the same time the Government of India was thinking in terms of new people's institutions at the grass roots level. In 1952, the Community Development Program was launched in the field of rural development with the inception of 55 community projects. Later it was extended to cover the whole of India. The focus of community development was on agriculture, animal husbandry, minor irrigation, education, social education, health and rural industry.

The Community Development and National Extension service created a new administrative set-up and ethos in the field of rural development administration. For the first time the block administration was initiated under the stewardship of Block Development Officer. (There were 5265 blocks in India). This block administration was assisted with a team of Extension Officers specialized in agriculture, animal husbandry, co-operatives, industries and panchayats. The village level worker was made a development functionary in the village.

There were positive achievements as well as shortcomings in the implementation of community Development Programme. This programme created awareness in rural development among the rural people. It also resulted in village development in its basic sectors like agriculture, animal husbandry, education health, sanitation and so on. In spite of its positive achievements, the programme exhibited certain inherent weaknesses. Its prime weakness was that it failed to enlist the support of the people in the implementation dimension. There was severe criticism that it was mainly a governmental programme rather than a people's programme. The Community Development Programme failed to achieve its objectives mainly because of lack of public participation

In view of these criticisms the Government of India appointed a Study Team under the Chairmanship of Balwant Rai Mehta to study the functioning of the Community Development Projects and National Extension Service with reference to the problems of Village panchayats in a democratic administrative set up.

The Mehta Committee in 1957 recommended the setting up of Panchayat Raj institutions with genuine power for bringing rural development. The resultant panchayat system was made an instrument of village government for realising the Gandhian ideals. State were asked to implement recommendations of the Mehta

team as per their local settings, resulting in States enacting panchayat legislations for the creation of Panchayat Raj institutions.

It recommended a three-tier structure of local self-governing bodies from the village to the district, the bodies being organically linked up. There should be genuine transfer of power and responsibility to them; adequate resources should be transferred to the new bodies to enable them to discharge these responsibilities. Developmental programmers of these levels should be channeled through these bodies and the system evolved should be such as will facilitate further devolution and dispersal of power and responsibilities in the future.

In Karnataka, the Mysore Village Panchayats and Local Boards Act of 1959 was enacted and came into force on 21st December 1960. The 1959 Act provided for a three-tier panchayat raj system for Karnataka. At the village level the village panchayat occupied the prime place. The Taluk Development Board for the taluk became the middle rung of the three-tier Panchayat Raj institutional structure. At the apex level the District Development Council was a body with wide powers at its command. The village panchayats and Taluk Boards were popularly constituted keeping in view the requirements of the democratic process. They had both obligatory and discretionary powers in civic and developmental spheres respectively. They were given powers to mobilise their resources through various kinds of taxes. They were also provided grant-in-aid facilities for various kinds of activities. The District Development Council was mainly a nominated body with the Deputy Commissioner as the Chairman. Bureaucratic functionaries dominated it since it was not a popularly constituted democratic body. It was in essence a supervisory and guiding body of civil servants.

In 1962 the Government of Karnataka under the Chairmanship of Kondaji Basappa appointed the Committee on Panchayat Raj. This committee recommended for the replacement of the District Development Council with a directly elected powerful Zilla Parishad, establishment of Nyaya Panchayats and strengthening of Grama Sabha, Village Panchayats and Taluk Boards⁴. Based on the recommendations of Kondaji Basappa Committee a Bill entitled "The Mysore Panchayat Raj Bill, 1964" was introduced in the State Legislature. After the selection at the committee stage this Bill was allowed to lapse by the government because of serious disagreement over it within the Congress Legislative party which was in power at that time. These institutions then languished.

In 1983, the non-Congress Government under the Chief Ministership of Ramakrishna Hegde came to power. The main driving force was the late Shri. Abdul **Nazi**. Saab. The Janata Government took keen interest in reorganizing local self-government in a comprehensive manner. In this direction it first drafted the Bill entitled "The Karnataka Zilla Parishads, Taluk Panchayat Samithis, Mandal Panchayats and Nyaya Panchayat Samithi Bill 1983", and submitted the same to

3 The Karnataka Village Panchayats and Local Boards Act of 1959 (Received the assent

of the President on the Sixteenth day of July 1959). First published in the Karnataka Gazette on the Twenty-third day of July 1959. Karnataka Act No. 10 of 1959, Bangalore, Department of Law and Parliamentary Affairs, Government of Karnataka.

⁴ See Report of the Committee on Panchayati Raj, Government of Karnataka, Development and Co-operation Department, 1963.

the Assembly and the public for public scrutiny and opinion. The same was passed in the 10th day of July 1985 with the assent of the President of India. The new Panchayat Raj Institutions were constituted through elections to these bodies in January 1987. The basic framework provided for in this Act was mainly derived from the Ashok Mehta Committee recommendations given in 1978.

The Act provided for popularly elected Zilla Parishads at district level with wide ranging development functions and generous funding. For each taluk, a Taluk Panchayat Samithi is provided under this Act for co-ordinating and supervising the Mandal Panchayats within the taluk. The Mandal Panchayats were made up of cluster of villages and was another important body in this Panchayat Raj model. This was also a popularly elected body made up of the entire rural social strata. It gave representation to various sections of the rural polity. Further it had provision to invite women in the functioning of rural institutions. It is for this reason 25 % of the seats was reserved for women. The weaker sections were provided adequate representation. The Scheduled Castes, Scheduled Tribes had 18% reservation, and nominated members of the Backward Classes on the basis of two members for each Mandal Panchayat. The Mandal Panchayat had also been vested with wide-ranging developmental functions along with civic functions. The Grama Sabha comprising all adult villagers was formed as a base for this whole edifice. Elections were held and a full term was completed between 1987-1992.

There was a change of government in 1993, when Congress party was re- elected. They wanted to improve on the earlier Act of 1983 and hence tabled an Amendment Bill. At the same time, the Central Government also tabled the bill for a Constitutional Amendment on a similar template called the 73rd Amendment. To keep in tune with the Central Government, the Karnataka Government enacted a new legislation called the 'Karnataka Panchayat Raj Act, 1993'. This Act is more in conflation with the constitutional amendment. The important features being: the three-tier system was set up. It also made provisions for the grama Saba. Reservation for women was increased to 33.33%. The schedule detailing 'nyaya panchayats', in the earlier act which was not however notified was fully deleted.

The way the Acts (of 1983 and 1993) deal with the finances of these institutions needs to be discussed⁶. Under the 1983 Act, Zilla Parishads was not invested with any powers of taxation. The government thought it fit to transfer resources to discharge duties entrusted to them. Funds were amounts that were transferred by the state government from the consolidated fund. A statutory Finance Commission was appointed to recommend the pattern of devolution of finances. This was an innovation introduced in Karnataka later adopted throughout the country. Apart from this, the government could also make grants, assignments, and other contributions to them in addition to loans. Zilla parishads were given a per capita grant of Rs.2.50 per year whereas for mandal panchayats it was Rs.7.50. The latter were empowered to levy, collect and appropriate certain fees.

⁵ B.K. Chandrashekar, "Panchayati Raj Law In Karnataka", Janata Initiative in Decentralisation", **Economic and Political Weekly**, Vol. XIX, No. 16, April 21, 1984, P. 683

⁶. The various interviews with higher authorities has always brought into focus two distinct issues--one, there has been no change in the State's thinking between the two acts. Two, many are not aware of any action plan for decentralised growth as envisioned in the early periods.

and taxes. Keeping in mind the largeness of the work involved, the PRIs were given an impressive range of functions including a transfer of functionaries, nearly 50% of the entire government staff.

The same pattern of functions and functionaries with more elaborate schedules detailing the functions of the three tiers was maintained in the 1993 Act. The revenues for the three tiers can be summarised as follows⁷:

1. The sources of revenue for GP are:

- taxes on buildings, markets, water, entertainment, etc.
- share of cess on land revenue levied by the government
- annual statutory grant of Rs.2.00 lakh to every GP to be utilised for specified purposes such as meeting electricity charges, water supply schemes, sanitation and other welfare activities
- allocation under Jawahar Rozgar Yojana, the amount varying between Rs. 1.5 and 2.5 lakhs.
- Grants from the Government of India (GOI) under the award of the Tenth Finance Commission

The total amount earmarked for GPs in 1998-99 works out to about Rs. 179.95 cr. Including the statutory grants, JRY, Tenth Finance commission grants etc. this ensures an average devolution of Rs.3.17 lakhs to each GP.

2. The sources of revenue for TP are:

- TPs have no power of taxation
 - Grants from the State government to cover establishment expenses
 - Discretionary grants, also from the state government
 - Surcharge on stamp duty which is apportioned among TPs
- During 1998-99, the amount earmarked under plan for TP schemes works out to be Rs.660.12cr., including the devolution out of the Tenth Finance Commission grants, additional stamp duty, JRY grants, etc. This works out to an average devolution of Rs.3.77 cr. per TP.

3. The sources of revenue for ZP are:

ZPs have no power of taxation
establishment Grant from the State government.
grants for plan and non-plan schemes from the state government
grants for EAS, JRY, IRDP and other schemes from the centre and the state governments
allocation under award of the Tenth Finance Commission.

The present Act has also seen a full term of five years 1995-2000. In between the two elected terms, there was a short period of two years, 1992-1994 when the PRIs were controlled by the officials, which has come to be called in popular parlance, as the Administrators phases.

⁷ See, "**Power to the People -Panchayat Raj Institutions in Karnataka**", Department of Rural Development and Panchayat **Raj**, Government of Karnataka, 1999

⁸ see, Anand Inbanathan, "**Karnataka Panchayats Under Administrators**", 1994, published by Institute of Social Sciences, New Delhi.

In our study we tried to make a distinction between the three phases of administration. With respect to the finances, the numbers per se, did not show any bias. This could be because the years were too short for any serious study of the trend. However the perceptions of the elected representatives about the changes in the last decade was discussed and noted. The report focuses in equal measure on both the qualitative and quantitative aspects of financial devolution. The interview schedules have been used to authenticate the system's weaknesses as perceived by the members. This had to be done, because the numbers of the budget are dry and in most cases do not make any sense without going into detail many of the decisions taken by the administration while making the expenses.

The first part of this book focuses on the economy of the districts of Dharwad and Bangalore (rural). Part 2 deals with the budget data, how it was collected, the methodology used for analyses and the analyses of five important sectors in the two districts from budget data. The third part goes into the budget processes in the Zilla Panchayats. We have an end chapter on conclusions.

Chapter 2

THE ECONOMY OF DHARWAD⁹

In this chapter we present some data for Dharwad district of Karnataka to enable us to understand the underlying economic changes that are taking place. This district has had a long tryst with the freedom movement. The only session of the Congress that was presided over by Mahatma Gandhi himself in South India was the one in this region: the Belgaum session. In the world of classical music, Dharwad has produced the most illustrious names.

This chapter was written much before there were proposals to divide the district¹⁰. It was not possible to get the required material for Dharwad as it would be after the division: that database will have to be built up¹¹. So the discussion is about the undivided district.

The chapter is organised into nine sections. In the next section, some basic information on Dharwad is presented. This is followed by a discussion of the agricultural economy -the primary sector -in Dharwad. The fourth section discusses large and medium industry -the essence of the secondary sector. Section five looks into the small industry sector in the district: it is here that growth is expected in the current policy framework. Following the Kumets hypothesis, it will be expected that agriculture will increase its contribution to the district economy in absolute terms, while employing a smaller percentage of the population. It is industry that will be expected to spur further growth. Once, the economy has "taken off", it may be expected that the relative importance of the tertiary sector -services -will grow. Stemming from all this, we would expect a certain pattern of employment to emerge. This expectation is examined with census data in section six. Section seven is devoted to the Human Development Index for Dharwad.

II : About Dharwad

To understand the economy of Dharwad, it will be essential to get some basic insights into its population, and into the main commodity production activities that these people are engaged in. Thus, we begin with natural resources¹².

⁹ This was a lecture given in Dharwad by Dr.Vinod Vyasulu to introduce ourselves in the district. It was presented at the Institute of Engineers. It was well attended by ZP officials, non-officials and academicians. The chapter reproduced here is an adaptation of the same. For a fuller edition one may like to look at the Monograph brought out under the auspices of IDPMS. April 1997

¹⁰ See Anil Mudbidri, The Role of Dharwad in the Social Reconstruction of North Karnataka" **"CMDR Working Paper** Dharwad, June 1996.

¹¹ The Mysore Gazetteer, edited by Hayavadana Rao, organised by themes, is fascinating.

¹² The NRDMS- Natural Resources Data Management System- at the Kousali Institute of Management, co-ordinated by Professor M.S Subhash, has put together a wealth of information for the district. The NRDMS is meant to provide support to the office of the Chief Executive Officer of the Zilla Panchayat in the process of plan formulation and implementation.

NEW DHARWAD DISTRICT



OLD DHARWAD DISTRICT



Dharwad is a dry district. Over the last seventy years, the average annual rainfall was just over 700 millimeters per year. The district covers 13,738.00 sq. km in area; of this only 1130.18 sq. km are forested. This condition has historically shaped its economy. From the crops grown to the food eaten, the difference from the water rich areas of the country, like the Gangetic plains, could not be more different. The net sown area is 9477.99 sq. km: the net irrigated area is only 847.34 sq. km. The average size of operational holdings is 3.14 hectares. Compare this with 2.41 for Karnataka, and 1.69 for India. But the Dharwad land is arid. Gross irrigated area as a percentage of gross cropped area is only 9.37%, compared to 18.05% for Karnataka and 30.72% for India¹³. This economy cannot be expected to be based on agricultural wealth. And since wealth in traditional societies is based on this sector, we cannot expect Dharwad to be rich.

And this turns out to be the case. In 1993-94, the district income, at current prices, was Rs. 2 19052 lakhs, or Rs. 6003 per capita -the 14th rank among the 20 districts of Karnataka. The average for Karnataka was Rs. 7155 per capita. In constant prices, this turns out to be Rs. 72398 lakhs, or Rs. 1984 per capita. The state figure was Rs. 2423 per capita¹⁴. On this generally accepted criterion, Dharwad is well behind the state.

Next we turn to population. When resources are scarce, people have to depend on their skills. With skills built up by education and training, resources can be imported, and then processed, leading to value addition in the market. With high skills, it is possible to support high wage employment. Advanced economies have high wages for this reason. Thus, the quality of the population is important in discussing development prospects

What is the population of Dharwad? How skilled is it? How much of it is rural? How much of it is engaged in agriculture? How much non-f& activities of different kinds? Is there a difference between what men and women do? And so on. The data available in the Census is used and shared in Section VI.

The population growth per annum in 1981-91 was 1.74% --less than the Karnataka rate of 1.90% and the India rate of 2.14%. Workers as a percentage of total population are 42.14%; the figure for Karnataka is 41.99% and for India 37.46%. Of the main workers, 70.45% are in agriculture and allied activities. The percentage for Karnataka is 67.26% and for India 66.13%. 6.59% work in non-household manufacturing and 2.32% in household industry. The Karnataka figures are 8.84% and 1.86%; for India 7.65% and 2.38%. With such a high proportion still employed in agriculture, one would be surprised if the district economy was prosperous!

The literacy rate in Dharwad in 1993-94 was 58.68%; above the state figure of 55.05%. The difference between the male literacy rate [71.37%] and the female literacy rate [45.2%], was higher than that in the state [67.26% to 44.34%]. The figures for India are 64.13% and 39.29%. This high disparity by gender in literacy rates will be a constraint on the potential for development.

⁸

Taken from Centre for Monitoring Indian Economy: Profiles of Districts, Bombay, and November 1993.

¹⁴ See Government of Karnataka, Directorate of Economics and Statistics, Report on District Incomes, Bangalore 1996.

In 1991, the sex ratio -the number of women per thousand men -was 944. This is very low, if we accept the proposition that it should be around a thousand. But in Ron taluk, it is 117815, but we have not been able to get the figure for earlier years. The Karnataka situation, as reflected by the sex ratio, is somewhat better: in 1981 it was 963; it declined to 960 in 1991. But when we note that it was 983 in 1901, we cannot help but conclude that the status of women has been bad over a long period. It has also been getting worse over the years. More work is needed in this area to validate this.

The infant mortality rate at 73 is high. The mean age at marriage for girls is 19.25 --quite high. Corresponding figure for the state is lower by about a year. While some indicators, like the IMR are causes for worry, the higher mean age at marriage for girls gives an optimistic picture. This optimism is immediately corrected by the low female literacy.

The CMIE in Bombay has worked out what they call an Index of Levels of Development at the district level. Like any index, this is a composite of several variables¹⁶. The average for India has been set at 100. In 1993, Dharwad was 99, while Karnataka was 117. Around 1980, Dharwad was among the top 123 districts of India, with an index of 106, and a rank of 107. Karnataka had an index of 126 and a rank of 6 among the states in 1985. Both the state and the district, if we are allowed to compare these indices, seem to have slipped.

We now turn to agriculture in Dharwad.

III: Agriculture

We know that large parts of Karnataka are *dry*, with farmers depending on rainfall. What then are the major crops in Dharwad? What are the food crops? What are the cash crops? How have they been faring in recent years? What does the available data tell us? In this we use the data collected from the Directorate of Agriculture of Karnataka.

Agriculture contributes about 30% of the district income¹⁷ in Dharwad. The main food crops of this district are rice, jowar and pulses. The important commercial crops are Groundnut and Cotton. Data from the Department of Agriculture were collected over a long time span (i.e., from 1955¹⁵ to 1993¹⁹) and analysed¹⁸. It is commonly believed that there was agricultural stagnation in Karnataka in the 1980s.

The following table illustrates importance of these crops in terms of area and production in State total.

¹⁵These figures are from the **District Statistical Handbook** for 1995.

¹⁶Details are given in CMIE's 1985 and 1993 publications-**District Level Indicators** (1985) and **Profiles of Districts** [1993].

¹⁷Taken from the Directorate of Economics and Statistics Report cited above.

¹⁸ B.P. Vani and Vinod Vyasulu "Agricultural Development in Karnataka: Area, Production, and Yield at the District Level", **Economic and Political Weekly, Review of Agriculture**, June, 1996.

Table 111.1

Percentage Contribution of different crops in Dharwad to State Total

		1970-71	1980-81	1990-91
Rice	Area	8.26	7.07	6.51
	Production	5.78	5.10	3.00
Jowar	Area	11.10	12.11	10.94
	Production	13.49	16.39	12.55
Pulses	Area	7.82	7.71	9.72
	Production	6.57	6.81	9.49
Groundnut	Area	14.96	14.26	12.11
	Production	13.47	12.12	8.85
Cotton	Area	22.20	23.29	31.55
	Production	19.42	26.80	23.21

Analysis of the past performance of the growth in these crops over 39 years i.e., from 1955-56 to 1993-94, indicates that Dharwad is performing better than the State in terms of production and yield. All the crops performed quite well during the green revolution period. There was a drastic decline in the jowar performance during post green revolution period. There is a possibility that could have been due to changes in the demand pattern. In the case of pulses, groundnut and cotton the performance during green and post green revolution period was similar.

In conclusion, agriculture in Dharwad is doing relatively well. There is scope for further improvements in productivity stemming from better technology, especially in water management. That there has been no increase in variability and instability after the green revolution is indeed interesting. But there are clear limits to what one can expect of agriculture in Dharwad. The push for growth cannot be expected from this sector. It is enough that it does not seem to act as a brake.

IV:Large Industry

Economic analysis suggests that, as an economy grows, agriculture becomes relatively less important and industry relatively more important. One may expect this in Dharwad, which has poor rainfall. Thus we look at the industrial development in Dharwad from the Annual Survey of Industry data.

On the industrial front, the analysis has been restricted to the large scale and the small-scale industries. The analysis of the large-scale sector is based on the summary results of AS1 data published by the Central Statistical Organisation. The analysis for the small-scale sector has been based on the second all India Census Survey of Small Scale Units, for 1987-88, published in the year 1992. Khadi and Village industries are not included in the analysis as district level data are not available.

Industrial growth depends to some extent on available infrastructure. In an earlier study¹⁹ an attempt was made to develop an Infrastructure Index for each district in Karnataka. That for Dharwad is as follows:

¹⁹ **"Industrial Potential for Karnataka"** Report prepared for the Karnataka State Industrial Investment Development Corporation, Bangalore, in 1993, by a team co-ordinated by M

Table IV.1

Dharwad District rank in infrastructure development

Year	1976	1991
Rank	4	5

In this matter, the district does not appear to be too badly off, in relative terms. It must be remembered, however, that the gap between the first rank -Bangalore -and the next is very large indeed. From our knowledge of the state economy, it is possible to argue that improvements in infrastructure, especially railways and power, are an essential prerequisite for sustained industrial growth²⁰. Attention must be paid to improving infrastructure in such districts as Dharwad, even if the objective is to improve Bangalore²¹. It is a pity, therefore, that the Divisional Office of South West Railway has not been located in Hubli. One wonders if it is too late to reverse this unfortunate decision for Bangalore.

The compound growth rates of major industrial indicators are given in the table IV.2²². Karnataka recorded an average compound growth rate of 5.33 percent in terms of the number of factories over the period 1960 to 1985-86. Dharwad district showed a growth rate of 2.13 percent. This is far below the state average. On the other hand, the compound growth rates of fixed capital invested, employment and value added indicate that the district has recorded higher levels of growth than the state. This would suggest that existing factories are growing, rather than new ones coming up. This is a matter that needs further investigation.

Table. IV2.

Compound Growth Rates of Industrial Development Indicators in Dharwad and Karnataka:

Name	No. of Factories	Fixed Capital	Employment	Value Added
Dharwad	2.13	11.74	7.84	13.75
Karnataka	5.33	7.8 1	5.72	6.54

Table. IV2

Rank of Dharwad in growth rates of Industrial Development Indicators of Karnataka

District	No. of Factories	Fixed Capital	Employment	Value Added
Dharwad	16	4	7	3

Prahaladachar and Vinod Vyasulu at ISEC, Bangalore. The details of the district level infrastructure index have been discussed in this report.

20 The index we have used gives weight to broad gauge railway lines over meter gauge ones.

In recent months, Dharwad, and major cities like Hubli, have been connected by broad gauge railway lines with Bangalore, Mumbai etc. Thus, it is likely that this index, if calculated for 1996, when data are available, will show some improvement.

21 This point was made in the "Introduction" in Vinod Vyasulu and Amulya Kumar N Reddy,

[convenors]: **Essays on Bangalore**, Vols. 1-4, and Karnataka State Council for Science and

Technology, Bangalore, 1984.

22 Taken from C Upendranadh, M Vijaybaskar and Vinod Vyasulu (1994): "Industrial Growth And Structure: Analysis of manufacturing Sector in Karnataka, **Economic and Political Weekly**, November 26.

Table IV.3 shows the rank of Dharwad district on some key indicators. In terms of the growth rate of the number of factories, the district is in the 16th position. Growth rates of fixed capital and value added show that the district is at a higher rank of 4 and 3 respectively. On employment growth, Dharwad stands in the seventh position. These figures would lead one to ask if productivity is increasing in the district. This will require careful micro studies.

We now turn to the crucial inputs, labour and capital. The elasticities with respect to labour and capital are shown in Table IV.4. The share of capital in Dharwad is slightly higher than that of the state in the period under consideration. Employment elasticity with respect to output is much higher than that of the state. This suggests greater labour intensity in Dharwad.

Table IV.4.

Elasticities for Labour and Capital 1960 -1980.

	Fixed Capital	Employment
Dharwad	0.432	1.38
Karnataka	0.412	0.564

Source: Computed from AS1 census sector data for the years 1960-80.

The share of value added by large industry in Dharwad to the total value added by large industry in Karnataka is given in the table IV.5.

Table IV.5

Movement of the share in Value added 1960 -1980

Year	Dharwad
1960	12.25
1966	11.42
1970	10.37
1975	7.80
1982-83	11.70
1987-88	10.80

Source: Computed from AS1 census sector data for the years 1960-80.

The district share in value added has come down during the 1960s and 1970s. It has picked up again in the early 1980s. After that it has just about maintained its share upto the year 1987-88. These movements have to be checked for correctness. If correct, they have to be explained. Studies of Dharwad may add useful insights to the debates on industrial productivity in the country²³.

V: Small Industry

In this section²⁴ we look at the modern small-scale sector. The analysis is based on the census of small-scale units. For the large industry a time series was

²³ The debate is a long one. See Isher Ahluwalia: Industrial Stagnation in India, OUP, 1988 and a series of articles in recent years in **Economic and Political Weekly**, by scholars like P. Balakrishnan, K Puspangadan, D.U Shastri, and J. Mohan Rao, among others, ²⁴ I have drawn on A.V. Arums Kumar, "The Small Industry Sector in Karnataka: Growth And Structure" **Economic and political Weekly**, May 25, 1996.

available, but for the small sector only cross-sectional data available. The reference date is 1987-88. Dharwad has 11.87 percent of the small-scale units in Karnataka. Of these, 49.88 percent are located in the rural areas. This is against the state proportion of 38.34 per cent. Dharwad has proportionately more rural small-scale units than the state. Does this mean there is potential for promoting small industry in the rural areas of Dharwad? Or does it mean they operate with tiny margins and survive in local markets? This can only be assessed after more detailed study.

Table. V. 1

Dispersal of Small Industry in Dharwad and Karnataka.

Total No Units located in					
	Total	Rural	Percentage	Urban	Percentage
Dharwad	4814	2401	49.88	2413	50.12
Karnataka	4814	15538	38.34	24987	61.65

Source: Second Census of Small Scale Industries, Development Commissioner for Small Scale Industry, Ministry of Industry, GOI, New Delhi, 1992. August.

The district accounted for 9.05 per cent of modern small-scale sector employment in the year 1987-88. The per unit employment in the district is lower than the state average of 6 employees. The fixed capital investment, investment in plant and machinery, and working capital, all per unit, are also found to be lower than the state figures. [Table V.2.1 This is also the case with other variables like productive capital, capacity, production, capacity utilisation, value of inputs and value added.

Table V.2

Dharwad's share in Employment, Investment in Plant and Machinery, Fixed Investment, and Working Capital (in percentages)

	Total Units	Employment % Nos		Fixed Capital Invested % Nos		Work Capital Capital %Nos	
		Total	Per Unit	Total	Per Unit	Total	Per unit
Dharwad	11.88	9.05	5	6.39	88000	6.69	43000
Karnataka	100	100	6	100	163000	100	77000

Source: Second Census of Small Scale Industries, Development Commissioner for Small Scale Industry, Ministry of Industry. GOI, New Delhi,-1992, August

Table V.3

Details of Productive Capital, Capacity Utilization, Production, Input and Value added (in Percentages): Dharwad and Karnataka

	Productive Capital		Capacity		Production		Capacity Utilisation	Input		Gross Value Added		Net Added	
	%	Rs	%	Rs	%	Rs		%	Rs	%	Rs	%	Rs
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Total	Per Unit	Total	Per Unit	Total	Per Unit
Dharwad	6.48	131000	8.00	798000	7.16	376000	47.09	11.37	363000	0.61	13000	0.28	5000
Karnataka	100	24000	100	1185000	100	624000		100	379000	100	245000	100	235000

Source: Second Census of Small Scale Industries, Development Commissioner for Small Scale Industry, Ministry of Industry. GOI, New Delhi,-1992, August.

The district has lagged behind the state in terms of crucial indicators like capacity utilisation and net value added. Whether this was a bad year, or this is a snapshot of a more general picture, is something that requires further analysis.

Capacity utilisation in industry is low - only 47.09%. There is no information on whether this is calculated with reference to a single shift or to multiple shifts. We assume this is on the basis of the operation of a single shift. This would imply that there is locked up capital and idle machinery²⁵ in the district. Putting this to work productively would appear to be the priority for policy makers.

These tables give an idea only about the major indicators of industrial performance. We must look into the industrial structure at the two-digit level for a deeper understanding. This has been provided in the table V.4

Table. V.4
Unit wise details across two digit industrial categories

Industrial Categories	Employment (in Nos)		Number of Units	
	(% to total in brackets)		(Empl/Unit in brackets)	
	Dharwad	Karnataka	Dharwad	Karnataka
Food Products	6479 (29.2)	47363 (19.4)	1971 (3)	10221 (5)
Beverages, tobacco & tobacco products	195 (0.9)	6812 (2.8)	32 (6)	550 (12)
Cotton Textiles	211 (1.0)	659 (0.3)	17 (12)	52 (13)
Wool, silk and synthetic fibre and textiles	0 (0.0)	197 (0.1)	0 (0)	28 (7)
Jute, Hemp & Mesta textiles	19 (0.1)	47 (0.0)	4 (5)	9 (5)
Other textiles (including wearing apparel other than foot wear)	633 (2.9)	10203 (4.2)	171 (4)	1750 (6)
Wood & wood products, Furniture & fixtures	2021 (9.1)	17354 (7.1)	465 (4)	3779 (5)
Paper & paper products & printing, publishing and allied industries	1438 (6.5)	14541 (6.0)	243 (6)	2623 (6)
Leather, leather & fur products (except repairs)	948 (4.3)	4926 (2.0)	365 (3)	1381 (4)
Rubber, plastic, petroleum and coal products	465 (2.1)	11576 (4.7)	86 (5)	1570 (7)
Chemicals & chemical products except products of petroleum and coal	816 (3.7)	17086 (7.0)	104 (8)	1587 (11)
Non-metallic mineral products	1614 (7.3)	20280 (8.3)	172 (9)	1422 (14)
Basic metal and alloy industries	1210 (5.5)	8961 (3.7)	34 (36)	546 (16)
Metal products and parts except machinery and transport equipment	2169 (9.8)	24920 (10.2)	378 (6)	4173 (6)
Machinery, machine tools and parts except electrical machinery	1591 (7.2)	21114 (8.7)	241 (7)	2915 (7)

²⁵ This has serious implications. See N. Georgescu-Roegen, **Analytical Economics**, Harvard University Press, 1967, especially the Introduction.

Electrical machinery apparatus and appliances, etc.	354	9408	27	699
	(1.6)	(3.9)	(13)	(13)
Transport equipment and parts	459	5988	47	608
Other manufacturing industries	(2.1)	(2.5)	(10)	(7)
	231	3222	25	394
Code 99	(1.0)	(1.3)	(9)	(8)
Others	1101	15392	362	5041
	(5.0)	(6.3)	(3)	(3)
	21	375	3	87
	(0.1)	(0.2)	(7)	(4)
Total	209	3615	67	890
	(0.9)	(1.5)	(3)	(4)
	22184	244039	4814	40525
	(100.0)	(100.0)	(5)	(4)

Scale Industry, Ministry of Industry, New Delhi, 1992. Source: Second Census of Small Scale Units. Karnataka State. Development Commissioner for Small

The largest industrial group in terms of employment and units is the food and food processing industry. It provides 29.2 per cent of the employment in Dharwad district and 19.1 percent of the employment at the state level. The second industrial group in terms of employment is metal products (category 34). This is found to be the case for the state also. The employment per unit is found to be the highest in the industrial category 33 (Basic metal industries). The second highest is cotton textiles (category 23).

70.4 percent of the workers can be categorized as direct employees. The rest are casual/contract employees. The proportion at the state level is 71.6 percent. Out of the total employees, 9.1 percent of the employees are in Dharwad district. In Dharwad 25 percent are self-employed. The proportion for the state is 21.6percent.

Table.V.5

Classification of Employees

		Dhaewad	Karnataka
Direct	Nos	15611	174621
	%	(70.4)	(71.6)
Casual/Contract	Nos	6573	69418
	%	(29.6)	(28.4)
Total Employees	Nos	2218	244039
	%	(9.1)	(100)
Self Employed	Nos	5554	52659
	%	(25.0)	(21.6)

We have conducted a primary survey of about a hundred units in the rural areas of this district. The survey considered a wide range including issues of wages and productivity, technological skills, and finance. The industries we looked at were metal tools industry and wood furniture works. Most units are directly managed by owners, there are very few hired managers. The owner has moderate education, possessing a technical skill. However survival is the name.

Units in metal industry are very inefficient and able to achieve only 47% of their potential output with given inputs. This groups also however showed a perfect correlation between wages and efficiency. Highly paid enterprises are more efficient than the low paying units. In none of the industries is there. a design and

development centre. The wood enterprises are into both trading activity as well as actual manufacturing. The loans that these units take are for short term. There is more of cash flow to buy raw materials. In case of metals, loans are for fixed capital and in higher numbers than for working capital.

With this we now move to the occupational structure of the Dharwad economy. . How is this structure changing? What insights can we derive from this?

VI : Occupational Structure

Economists are agreed that, as modern economic growth takes place, the employment structure of the economy changes in a certain way²⁶. Although output keeps increasing in absolute terms, the number of people depending on agriculture generally declines. The number depending on industry increases, and absorbs most of the increase in the labour force. This increase includes those displaced from agriculture, as well as the natural addition due to growth of population. The services sector also increases its share in both output and employment, but usually after industrialisation has taken root. These are long term changes. We can examine this hypothesis from census data.

An indication of the trends can be discerned from the shifts in the employment pattern that is taking place. These can be examined from the censuses for 1981 and 1991, in which the definitions are compatible²⁷. In ten years, we may be able to speak of a shift, if not of a trend.

The census gives us a nine-fold categorization of occupational structure. These data are available for 1981 and 1991. The state wise figures are also provided to see the occupational structure of Dharwad district in the over all context of the Karnataka economy. The occupational structure is further broken up into rural, urban and total workers by gender. We start with the occupational structure of rural workers in Dharwad. This will be followed by an examination of urban workers, and then the total population of workers.

1.Shifts Among Rural Workers.

In 1981, 84.73 percent of the male workers in rural areas depended on agriculture. Within this, 47.66% depended on cultivation and 34.84 percent were agricultural labourers. By 1991, the proportion of workers depending on the agricultural sector has declined [slightly] to 82.99 percent. Given that the share of agricultural income in national income has declined quite sharply in recent years, this comes as a surprise. We would have expected a sharper decline in the numbers depending on agriculture for a livelihood.

²⁶ Simon Kuznets, **six Lectures in Economic Growth**, Glencoe the Free Press, Illinois, 1966. His series in **Economic Development and Cultural Change**, from around 1955 for the next fifteen years, are the classic that all refer to.

²⁷ The 1971 census used different definitions for categorising workers; hence a comparison ten years backwards is not possible.

TABLE VI.1.1.**Shifts in the Male Workforce**

Males	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	83.57	84.73	81.66	82.99	-2.29	-2.05
CUL	55.32	47.66	50.62	45.19	-8.50	-5.18
AGL LAB	23.62	34.84	26.44	35.93	11.94	3.13
LIV F	4.64	2.23	4.60	1.87	-0.86	-16.14
NON AGL	16.43	15.27	18.34	17.01	11.63	11.39
M & Q	0.42	0.21	0.71	0.27	69.05	28.57
MAN	6.35	6.15	5.15	5.21	-18.90	-15.28
HH MAN	2.84	3.78	1.69	2.16	-40.49	-42.86
NH MAN	3.52	2.37	3.46	3.05	-1.70	28.69
CONST	1.34	0.90	1.52	1.12	13.43	24.44
T & C	3.22	3.36	4.27	4.46	32.61	32.74
TRAN&CO	1.13	0.96	1.37	1.32	21.24	37.50
SERV	3.95	3.68	5.32	4.63	34.68	25.82
TOT TERT	8.30	8.00	10.96	10.41	32.05	30.13

Source: For all the Tables in this Section, Census documents.

The decline that has taken place was mainly in the male cultivator category: the proportion of rural males has come down from 47.66 percent in 1981 to 45.19 percent. On the other hand, the proportion of rural male workers depending on agricultural labour has increased. A similar change took place in rural Karnataka.

Table VI.1.2.**Shifts in the Rural Female Workforce**

Females	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	87.39	93.55	88.56	93.69	1.34	0.15
CUL	28.36	19.35	29.62	22.45	4.44	16.02
AGL LAB	55.04	73.84	55.62	70.92	1.05	-3.95
LIV F	3.99	0.36	3.32	0.32	-16.79	-11.11
NON AGL	12.61	6.45	11.44	6.31	-9.28	-2.17
M & Q	0.39	0.24	0.44	0.10	12.82	-58.33
MAN	8.12	3.74	6.48	2.61	-20.20	-30.21
HH MAN	5.32	2.85	1.46	1.43	-72.56	-49.82
NH MAN	2.81	0.88	5.02	1.17	78.65	32.95
CONST	0.57	0.17	0.26	0.06	-54.39	-64.71
T & C	1.46	1.12	1.47	1.15	0.68	2.68
TRAN&CO	0.18	0.02	0.06	0.03	-66.67	50.00
SERV	1.89	1.16	2.72	2.36	43.92	103.45
TOT TERT	3.53	2.30	4.25	3.54	20.40	53.91

The number of women depending on agriculture has increased marginally - a far cry from the expected decline. The number in manufacturing has declined.

But within manufacturing, the number employed in non-household manufacturing has increased by over 32%. These are trends that require careful scrutiny.

Table VI.I.3.

Shifts in the Total Rural Workforce

Total	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	84.64	87.37	83.90	86.57	-0.87	-0.92
CUL	47.81	39.20	43.79	37.57	-8.41	-4.16
AGL LAB	32.37	46.49	35.94	47.65	11.03	2.50
LIV F	4.46	1.67	4.18	1.35	-6.28	-19.16
NON AGL	15.36	12.63	16.10	13.43	4.82	6.33
M & Q	0.41	0.22	0.62	0.21	51.22	-4.55
MAN	6.85	5.43	5.58	4.34	-18.54	-20.07
HH MAN	3.53	3.51	1.62	1.92	-54.11	-45.30
NH MAN	3.32	1.93	3.97	2.42	19.58	25.39
CONST	1.13	0.69	1.11	0.77	-1.77	11.59
T & C	2.73	2.69	3.36	3.35	23.08	24.54
TRAN&CO	0.87	0.68	0.95	0.89	9.20	30.88
SERV	3.38	2.93	4.47	3.87	32.25	32.08
TOT TERT	6.98	6.30	8.78	8.11	25.79	28.73

The proportion of rural non-agricultural workers increased from 15.27% in 1981 to 17.01 percent in 1991. Within rural non-agricultural activities, the proportion of the manufacturing workers, declined. The proportion of rural workers depending on service activities increased. The decline in the number occupied in manufacturing comes as a surprise.

Within rural manufacturing, the proportion of rural male workers depending on household manufacturing activity declined from 3.78% to 2.16%. The proportion of non-household manufacturing workers increased from 2.37 to 3.05 percent. This picture is different from the situation at the rural Karnataka, where all segments of the manufacturing workforce showed a decline. The service sector recorded the same kind of shifts in the occupational structure both at the district and at the state level!

2. Shifts Among Urban Workers

In the urban areas, the proportion of workers depending on urban agricultural activities declined in Dharwad (from 30.79% to 28.50%). For urban non-agricultural activities, which occupy a significant proportion of the urban workforce, the proportion increased from 69.21 percent to 71.50 percent. within the urban manufacturing workforce, the picture is similar to that of the rural areas. There has been a substantial decline in the proportion of the manufacturing workforce. The proportion of the workforce depending on urban manufacturing declined from 21.78% to 21.07% in the case of males and 23.89% to 19.70% for females, a decline of 17.54%. In the services sector, the proportion of the total male workers in the urban areas increased from 48.21% to 49.06%. The proportion of the male workers in transport and communication declined from 11.47 percent to 9.63 percent.

Table VI.2.1.

Shifts in the Urban Male Workforce

Males	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	15.35	26.02	13.77	23.75	-10.29	-8.72
CUL	7.54	11.96	6.07	10.50	-19.50	-12.21
AGL LAB	6.02	12.42	5.84	11.64	-2.99	-6.28
LIV F	1.79	1.63	1.86	1.61	3.91	-1.23
NON AGL	84.65	73.98	86.23	76.25	1.87	3.07
M & Q	0.97	0.30	0.86	0.15	-11.34	-50.00
MAN	28.73	21.78	25.24	21.07	-12.15	-3.26
HH MAN	4.55	5.24	1.96	2.52	-56.92	-51.91
NH MAN	24.18	16.54	23.28	18.54	-3.72	12.09
CONST	5.22	3.69	7.20	5.97	37.93	61.79
T & C	21.07	21.02	24.09	24.35	14.33	15.84
TRAN&CO	9.62	11.47	8.90	9.63	-7.48	-16.04
SERV	19.05	15.72	19.94	15.08	4.67	-4.07
TOT TERT	49.74	48.21	52.93	49.06	6.41	1.76

Manufacturing has again shown a decline. Within this decline, the drop in household manufacturing is over 50%. Non household manufacturing has shown an increase.

Table VI.2.2.

Shifts in the Urban Female Workforce

Females	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	27.94	51.36	25.03	48.72	-10.42	-5.14
CUL	5.43	7.12	5.23	9.51	-3.68	33.57
AGL LAB	21.25	43.40	18.54	38.68	-12.75	-10.88
LIV F	1.26	0.85	1.27	0.53	0.79	-37.65
NON AGL	72.06	48.64	74.97	51.28	4.04	5.43
M & Q	0.60	0.54	0.65	0.17	8.33	-68.52
MAN	32.69	23.89	28.50	19.70	-12.82	-17.54
HH MAN	12.91	10.42	5.42	7.00	-58.02	-32.82
NH MAN	19.78	13.47	23.08	12.70	16.68	-5.72
CONST	3.08	1.19	3.44	1.43	11.69	20.17
T & C	8.58	6.98	10.66	8.31	24.24	19.05
TRAN&CO	2.08	1.53	1.85	1.40	-11.06	-8.50
SERV	25.02	14.50	29.87	20.27	19.38	39.79
TOT TERT	35.68	23.01	42.38	29.98	18.78	30.29

The pattern here too is the same as the one above, although the percentages are somewhat different. In the case of female workers, the proportion among some of the sub-activities has increased. In transport it has declined.

Table VI.2.3.

Shifts in the Total Urban Workforce

Total	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	17.48	30.79	15.83	28.50	-9.44	-7.44
CUL	7.18	11.05	5.91	10.32	-17.69	-6.61
AGL LAB	8.60	18.26	8.17	16.78	-5.00	-8.11
LIV F	1.70	1.49	1.75	1.40	2.94	-6.04
NON AGL	82.52	69.21	84.17	71.50	2.00	3.31
M & Q	0.91	0.35	0.82	0.15	-9.89	-57.14
MAN	29.40	22.18	25.84	20.81	-12.11	-6.18
HH MAN	5.97	6.21	2.59	3.37	-56.62	-45.73
NH MAN	23.43	15.97	23.25	17.43	-0.77	9.14
CONST	4.86	3.22	6.51	5.11	33.95	58.70
T & C	18.96	18.37	21.63	21.30	14.08	15.95
TRAN&CO	8.34	9.60	7.61	8.06	-8.75	-16.04
SERV	20.06	15.49	21.76	16.07	8.47	3.74
TOT TERT	47.36	43.46	51.00	45.43	7.69	4.53

We turn now to look at the total population of workers- the male and female workers taken together. It is this figure that is often used in our research studies. The gender differentiation is recent. **Table VI.3.1** Shifts in the Total Male Workforce

Table VI . 3 . 1

Shifts in the Total Female Workforce

Males	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	65.73	66.05	61.92	64.11	-5.80	-2.94
CUL	42.83	36.30	37.67	34.13	-12.05	-5.98
AGL LAB	19.01	27.71	20.45	28.19	7.57	1.73
LIV F	3.89	2.04	3.80	1.79	-2.31	-12.25
NON AGL	34.27	33.95	38.08	35.89	11.12	5.71
M & Q	0.56	0.24	0.75	0.23	33.93	-4.17
MAN	12.20	11.13	10.99	10.27	-9.92	-7.73
HH MAN	3.28	4.25	1.77	2.27	-46.04	-46.59
NH MAN	8.92	6.88	9.22	7.99	3.36	16.13
CONST	2.36	1.79	3.17	2.67	34.32	49.16
T & C	7.89	8.98	10.03	10.80	27.12	20.27
TRAN&CO	3.35	4.30	3.56	3.97	6.27	-7.67
SERV	7.90	7.51	9.57	7.96	21.14	5.99
TOT TERT	19.14	20.79	23.16	22.73	21.00	9.33

Females	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	78.03	84.99	78.39	85.64	0.46	0.76
CUL	24.75	16.87	25.72	20.13	3.92	19.32
AGL LAB	49.72	67.66	49.69	65.15	-0.06	-3.71
LIV F	3.56	0.46	2.99	0.36	-16.01	-21.74
NON AGL	21.97	15.01	21.61	14.36	-1.64	-4.33
M & Q	0.43	0.30	0.47	0.11	9.30	-63.33
MAN	11.99	7.82	10.01	5.67	-16.51	-27.49
HH MAN	6.51	4.39	2.09	2.43	-67.90	-44.65
NH MAN	5.48	3.44	7.91	3.24	44.34	-5.81
CONST	0.96	0.38	0.77	0.31	-19.79	-18.42
T & C	2.58	2.31	2.94	2.43	13.95	5.19
TRAN&CO	0.48	0.32	0.35	0.28	-27.08	-12.50
SERV	5.53	3.86	7.07	5.57	27.85	44.30
TOT TERT	8.59	6.49	10.36	8.28	20.61	27.58

Table VI . 3 . 3

Shifts in the Total Workforce

Total	1981		1991		% change	
	Karnataka	Dharwad	Karnataka	Dharwad	Karnataka	Dharwad
AGL	68.84	71.11	66.69	70.45	-3.12	-0.93
CUL	38.26	31.11	34.21	30.00	-10.59	-3.57
AGL LAB	26.78	38.38	28.91	39.08	7.95	1.82
LIV F	3.81	1.62	3.57	1.37	-6.30	-15.43
NON AGL	31.16	28.89	33.31	29.55	6.90	2.28
M & Q	0.53	0.26	0.67	0.20	26.42	-23.08
MAN	12.15	10.24	10.71	8.91	-11.85	-12.99
HH MAN	4.10	4.28	1.86	2.32	-54.63	-45.79
NH MAN	8.05	5.96	8.84	6.59	9.81	10.57
CONST	2.00	1.41	2.47	1.97	23.50	39.72
T & C	6.55	7.20	7.98	8.34	21.83	15.83
TRAN&CO	2.63	3.24	2.63	2.88	0.00	-11.11
SERV	7.30	6.54	8.84	7.25	21.10	10.86
TOT TERT	16.48	16.98	19.45	18.47	18.02	8.78

ANNEXURE TO THE TABLES

Codes for Activities - As per the census.

AGL - Agriculture

CUL - Cultivators

AGL LAB - Agricultural Labourers

LIV F - Livestock, Forest and Fisheries.

NON AGL - Non Agriculture

M&Q - Mining and Quarrying.

MAN	-Manufacturing
HH MAN	-Household Industries
NH MAN	-Non household Industries
'CONS	-Construction
T&C	-Trade and Commerce
TRAN&CO	-Transport, Storage and Communications
SERV	-Other Services.
TOT TERT	-Total Tertiary Sector.

There are clear gender differences in the shifts that have taken place in the occupational structure between 1981 and 1991s. Unfortunately, due to differences in definitions, we cannot compare this data with that in the 1971 census. The shifts revealed by the census need to be explained by studying the processes underlying them.

The resulting picture is not very encouraging. The changes in the occupational structure suggest that agriculture is under pressure to provide livelihood well beyond its capacity. Agriculture provides an occupation to around 70% of the workforce in the district, but its contribution to income is barely 30%. This imbalance suggests the immiserisation of the people in the primary sector. Manufacturing, where high levels of value addition, and hence high levels of wages may be expected, is actually declining in terms of the numbers employed. The problem appears to be a lack of growth in the industrial sector. It points to the fact that industry is a laggard.

In sum, within the context of a decline in the commodity producing sector of industry, there has been an increase in the share of non-household manufacturing. Some structural changes are indeed taking place. But they are different from the changes we expected.

VII: The HDI

One way of looking at the overall development experience of a region²⁹ is through the use of the Human Development Index (HDI). This is a development of recent years that has been pioneered by the UNDP³⁰. In India, the state of Madhya Pradesh has carried the exercise further³¹. The work involved in the preparation of the HDI is valuable in itself as it forces us to define clearly what equality means to us; it forces us to come to terms with deprivation in an essential sense. Following from this, it forces us to look at data; and the effort leads to an improvement in the data collection system. It forces one to bring one's values explicitly to the front. In this, the HDI is essentially a tool for bringing issues into the political limelight, and into the

²⁸ in an effort to identify the factors that determine non-farm employment at the all India level, we undertook an exercise with NSS data, and found there is a gender difference. See N.Balasubramanian, B.P.Vani and Vinod Vyasulu, "Determinants of Non-Farm Employment in Rural India, **ILO-SMT Working Paper**, New Delhi, forthcoming.

²⁹ There are other ways, such as the export base of the region concept of Homer Hoyt. This was brought to my attention by Professor S Prasanna, but I do not follow up on it here.

³⁰ In particular, see the first report of 1991.

³¹ See the Annual Human Development Reports of the UNDP. Also, Government of Madhya Pradesh: Human Development in Madhya Pradesh, Bhopal, 1996.

immediate agenda for advocacy³². The process of calculation, then, is perhaps more important than the actual index. Since development is far from being a value neutral process, this is important indeed³³.

The HDI is a combination of income, literacy and life expectancy figures. What does this number mean? How is it different from the more familiar growth rate used by economists?

Recognizing the inadequacy of the "income" measure of human welfare, the HDI tries to capture other important dimensions of development. This can be done from two sides. One is the income side, reflected in the average purchasing power of the population, in per capita terms. To get over the objection of the distortion caused by exchange rate fluctuations, a measure called purchasing power parity, which tries to capture what a standard dollar can buy in any economy, has been developed. The HDI used the per capita income in purchasing power parity terms 'to capture this aspect of development. Such data are published annually by the World Bank in its World Development Reports.

The other dimension of welfare is the capability aspect. How capable are the people of taking advantage of opportunities? Clearly, education is an important aspect of such capability. In India, the literacy rate may be considered as a relevant variable to capture this aspect³⁴. It is this that the UNDP uses in its international comparisons.

One must also be capable of enjoying what is available. For this good health is essential. But it is not easy to measure health, which is not just the absence of disease, but a positive state of well being. However, in poor societies, the overall conditions of sanitation, access to drinking water etc., are all so poor that we need a variable to reflect these factors. In such a situation survival is in itself a big thing. So life expectancy has been chosen as a variable to reflect this aspect of welfare. The UNDP looks at the range, between the lowest in the world, which is around 25 years, and the highest, which is around 85 years, and places a country in this range. This then becomes an input into the HDI. Another possible index is the Infant Mortality Rate. It depends on what is appropriate in any given situation.

Thus the HDI is an unweighted average of three indicators: per capita income in purchasing power parity terms, the level of capabilities reflected in the literacy rate, and the average life expectancy. Together, countries are ranked, and this ranking in itself suggests interesting possibilities for the policy maker. Thus, the HDI in isolation

32 In fact, in a recent meeting in Bhopal to discuss the state HDI, the Special Advisor to the UNDP on the HDI, Richard Jolly, said as much. He pointed out that the UNDP itself was constantly refining the index, and gave the Capability Poverty Measure and the Gender Empowerment Measure as examples. He invited the participants to take the exercise further.

33 It goes back to an old tradition in economics. See David Collard, "Pigou and Future Generations" **Cambridge Journal of Economics**, Vol. 20, No 5, September 1996. This tradition does not figure much in current day teaching of economics. 34 once everyone has become literate, one could use, as the UNDP does, mean years of schooling to distinguish further between literate societies. For our purpose, this is not immediately relevant.

is not really a meaningful number. It is as a position indicator in a series that it tends to be most useful.

We have HDI for India and for the states. This helps us to appreciate the enormous variation within this large country. Madhya Pradesh has worked out an HDI for each district. That reveals the variation within that large state. We have constructed an HDI for Dharwad³⁵.

The Department of Economics and Statistics has provided us with a series of District Net Domestic Income figures -the equivalent at the district level of national income estimates. Given the difficulty of this task, the Department must be congratulated for its efforts, as it has also given us this figure in per capita terms. Since we are only going to use this figure with other Indian HDIs, we can use the constant rupee figures given, without worrying about the complications of purchasing power parity. We can use this for two points in time: 1981 and 1991 .

The literacy figures too are available for both of these years from the Census. We can build different sets of indices using:

- * The per capita district income as given by the Department of Economics and Statistics, Government of Karnataka. This is taken in constant prices. Since Dharwad falls in the lower end of the scale, we find there is no need to calculate the adjusted income, after adjusting for the declining importance of income at higher levels of earnings. This is specific for Dharwad only.

- * Each of the different literacy figures- the male literacy rate, the female literacy rate, the overall average, the female tribal literacy rate and so on. For each one, in combination with the other two variables, we get a specific HDI:

- * Each type of life expectancy figure -male life expectancy, female life expectancy, and tribal life expectancy. Here too, each combination gives us a different HDI.

Based on interest, values and data availability, any number of such indices can be constructed. It will be important not to get lost in the mechanical details.

At the end of this exercise, we have six measures of **HDI**, as follows:

- * HDI-1: income, life expectancy, total literacy
- * HDI-2: income, IMR and total literacy
- * HDI-3: income, life expectancy, male literacy
- * HDI-4: income, life expectancy, female literacy
- * HDI-5: income, IMR and male literacy
- * HDI-6: income, IMR and female literacy

Other HDIs can be calculated, based on requirements and data availability.

Given below are the results of this exercise. Each reflects a different set of priorities and values. We have two scenarios. A is when the ranking is done among the districts of Karnataka only. B is when the maximum is a desired end -100%

³⁵ B.P. Vani and Vinod Vyasulu "Development and Deprivation at the District Level: A Preliminary Exercise for Karnataka", **Economic and Political Weekly**, November 1997

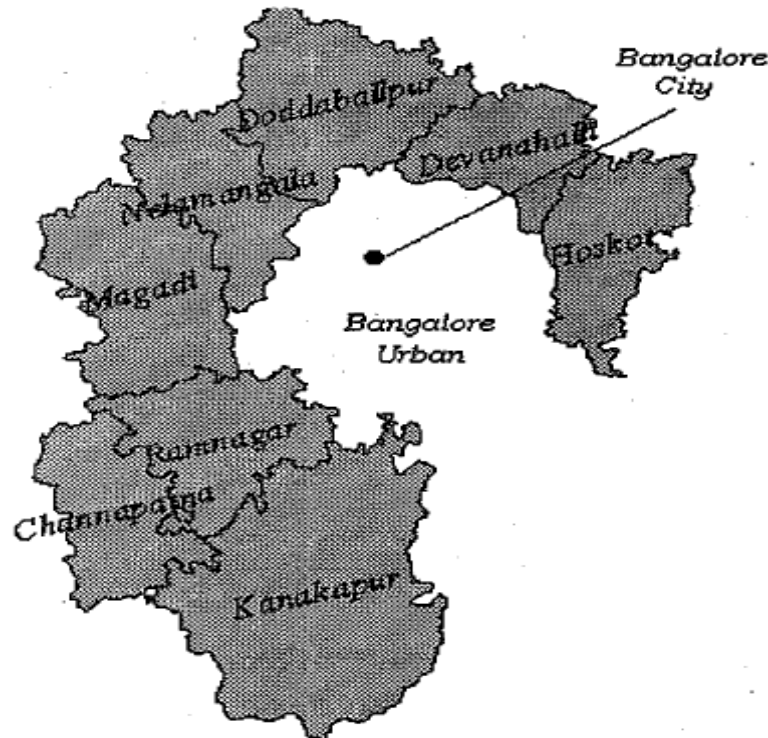
Chapter 3

THE ECONOMY OF 'BEMDEGALURU'³⁷

When we started to write about the economy of Bangalore Rural district a point that time and again came up for special attention was the fact that data for this district is still not fully bifurcated. Therefore in many cases there existed little data for a separate analysis of the district. This is a problem "new" districts face. This chapter has tried to bring together different issues from various points of time. We have used available data from the various issues of 'The District at a Glance', a Government of Karnataka publication about the Bangalore Rural district for **all** analysis and where other sources are used it has been mentioned.

At about the same time that this analysis was thought of, the State government had begun work on the HDI. This prompted us to calculate the HDI figures for the Bangalore rural district that we were studying in the face of inadequate data. So let's begin this paper with the HDI. The rest of the story of the economy of Bangalore rural seems to fall in place after that.

ANGALORE (RUFUL) DISTRICT



³⁷ This is a revised version of a lecturepp given by Dr.A.Indira to the Bangalore Rural Zilla Panchayat on June 16, 1998. It was a full house, with all the members participating. We are indebted to the elected members of the ZP, and to the many officials we interacted with, especially the then CEO Ms. Vandhana Gurnani, for their support in data collection.

literacy, with life expectancy being the best in India³⁶. What we intend to do must then emerge from commonly shared priorities and democratic processes. Hence the importance of all this for local governments.

Table VII.1

Human Development Indices for Dharwad
Dharwad rank

	HDI-A	HDI-B	A	B
HDI-1	0.4566	0.3553	13	13
HDI-2	0.4775	0.3813	12	13
HDI-3	0.4333	0.3358	12	13
HDI-4	0.4368	0.3493	12	12
HDI-5	0.4577	0.3752	12	12
HDI-6	0.4136	0.3297	12	12

Although we have chosen six different indices, Dharwad remains stubbornly in the bottom half of the state. It stands at 12 or 13 out of 19 districts. This stability in ranking itself is cause for worry. It implies that the district is doing badly across a range of important indicators. This is with reference to achievements, not in some rich country, but in other areas of this country.

Where do we go from here? This is where we now have to take up the issue of self-governance in more earnest. Panchayat Raj, trying to emulate this in Karnataka has had its ups and downs. **More of what the members are doing and how far they have been successful we shall capture in the report on "Democracy and Decentralization - the study of Zilla Panchayat, Taluk Panchayat and Gram Panchayats.**

³⁶ The details, such as the deprivation indices, are in the Vani-Vyasulu paper op cit.

I HDI Story:

Survey of the various sectors show that Bangalore rural district has a great potential in terms of agriculture and industry. But nothing much can be achieved without taking into consideration the level of human development. So, continuing from an earlier exercise of calculating indices to understand the levels of development in the districts³⁸, an HDI was built for Bangalore (rural) district also. Here we used data from the Department of Economics and Statistics, Government of Karnataka (GOK) giving the series of District Net domestic income figures --the equivalent at the district level of National income estimates.

Human Development Index is a combination of income, literacy and life expectancy figures and on the income side, reflected in the average purchasing power of the population, in per capita terms.

In the earlier chapter on Dharwad economy where we shared similar data on HDI³⁹, Bangalore (total) stood second. Much of this can be explained to concentration in Bangalore City. But once we understand this phenomenon it becomes imperative that we attempt to segregate data of Bangalore rural from the urban and build a separate HDI. It was then seen that there was a problem of getting minimal data for Infant Mortality Rate (IMR), Life Expectancy at Birth (LEB) and Per Capita Income (PCY) for the rural district separately. So by assuming some things the problem was solved. This we maintain as a good proxy after the field visits done during the course of the study.

The assumptions are as follows: for Bangalore Urban an average of Dakshin Kannada, Kodagu and Bangalore total was taken as they stood in the first three places in aggregate data analysis. Secondly, for Bangalore rural, an average of Kolar, Mandya, and Tumkur (the adjoining districts to the rural district) was taken. Due to lack of data for male and female literacy, only total literacy is considered. For Per Capita Income(PCY) figures of Bangalore total, an average of rural and urban Bangalore districts is taken for the year 1994-95. With these assumptions, two options were taken, one, total literacy, IMR and PCY, and two, total literacy, LEB and PCY were calculated.

The data used is as shown below:

Districts	IMR	LEB	PCY 94-95	Total litt
Bangalore urban	49	63.77	4431	71.28
Bangalore rural	69	57.87	2262	51.03
Bangalore total	51	64.72	3348	69.64

Source: Calculated by author using the formula on the same lines as paper mentioned.

³⁸ B.P.Vani and Vinod Visual, 'Development and deprivation at the district level', **Economic and Political Weekly**, November 1997.

³⁹ ibid

The results that followed are:

Districts	Hdi1	Hdi2
Bangalore urban	1	1
Bangalore rural	17	13
Bangalore total	3	2

It is clear that Bangalore Rural when taken separately ranks among the 20 districts (prior to further divisions of districts in 1997) stands as low as 17 and 13 respectively. Bangalore Urban clearly shows the skew with its first rank. This clearly shows that the rural district is lagging very much behind in many sectors. This does not come as a great surprise because Bangalore City has always been favoured. Ofcourse when we spoke to the many ZP elected representatives who live in the city felt the city has in turn been providing the rural areas of both the rural and urban districts of Bangalore with the market for commercial activities. It then puts one in a quandary whether a district should have a separate 'existence of its own or the nearest town or city should engulf it.

Still it becomes imperative for a district to have a separate existence for two reasons -one revenue and other political. Revenue because, having an ability to create an income-generating activity for the local citizens is a prime concern so that they are able to retain their local lands and standard of living by having their own ways of life. This would halt the flow of migration to the nearest town or city for minimum needs. Political because the separate existence would then give the district under the present order of local self-governance a greater say in their local matters for bargaining for a better life and environment all-around.

The local politicians and the people can dream this way of life for this district by putting in a small effort by understanding the potential for agriculture and industrial practices. So let us proceed.

I1 History of the Bangalore(R) district⁴⁰ -area and population:

'Bendegaluru' traces its beginning to Kempegowda, a Palegara of Yelahanka (a present day sub-urb to Bangalore city), who when passing by in the night and having no place to stay, came upon a small hut where an old lady served him some boiled beans. He out of gratitude named the surroundings of the small hut, Bendegaluru, which grew in time to a big city. On the outskirts of the city four small arches were laid as boundary points. The city in time has grown far beyond in length and breadth. The name Bendegaluru over time got corrupted to Bangalore, giving the district in which it is situated also this name. In modern times, Bangalore has come to represent itself as an incarnation of Indian modernity, standing as a gateway for the new international avatar⁴¹.

⁴⁰ The details have been drawn from the Gazetteer, Government of Karnataka Publication, 1989.

⁴¹ The idea of "NRI capital" that has been set forth in 'The Idea of India' by Sunil Khilnani, Hamish Hamilton Ltd, 1997.

The history of the district shows that the adjoining units of places have been encompassed into the district as rural and urban at various times⁴². Here a study has been made of the rural district of Bangalore, which could more appropriately still be called Bendegaluru, as surprisingly, it was found in our field level studies that there are still many cases where the name Bangalore tagged to the rural counterpart stands out as a misnomer.

In 1948, Bangalore was divided into Bangalore (Urban) and Bangalore (Rural) districts. The Bangalore(R) district comprised the taluks of Doddaballapur, Nelamangala, Hoskote, Devanahalli, Anekal, Kankanhalli, Clospet (Ramanagaram) and Magadi, while the Bangalore(U) district was left with the then civil and military station and the taluks of Bangalore North and Bangalore South (including Bangalore City). When the Bangalore City Corporation was formed, the urban district was considered unnecessary and in 1950, it was re-amalgamated with the Bangalore(R) district. Seven villages surrounding Marsur which were enclaves in Anekal taluk but were part of Madras Presidency came to be merged with Anekal taluk in about 1950. After the states reorganisation and consequent to rapid expansion of the city in 1958, a proposal was mooted to bifurcate the district once again. In 1962 the district was divided into Bangalore(U) district consisting of Bangalore North and Bangalore South taluks and Bangalore(R) district with the remaining nine taluks. After four years in 1966, the Bangalore (U) district was again merged with the Rural district. The main reason behind this amalgamation was the appointment of another senior officer as a full time Chairman of the City Improvement Trust Board. Nearly two decades after the second merger of Bangalore Urban and Rural districts, the district was bifurcated again in August 1986.

The new Bangalore (Rural) district came into existence on August 15th of 1986. It ranks 16th in area among the districts of Karnataka; only Bidar, Mandya, Kodagu and Bangalore(U) districts are smaller in area than it. It is located in the southeastern corner of Karnataka State. Spanning a geographical area of 5,814 sq. km, the district lies stretched between the latitudinal parallels of 12 deg 15' N and 13 deg 35' N on the one hand and the longitudinal meridians of 77 deg 05' E and 78 deg E on the other. The Bangalore rural district derives its name from its headquarters town, Bangalore. Most of the district consists of rural areas. The district physically almost surrounds the Bangalore (U) district except having an opening in the southeast, the Anekal Taluk, the connecting area between Kanakapura and Hoskote taluks, being a part of the Bangalore (U) district. The headquarters of the district is in the heart of Bangalore city -the busy commercial area called as Majestic area.

Area and Population

The district is composed of eight taluks, 35 hoblies (the separate hoblies coming under each taluk is given in Table I), 1,707 inhabited and 177 uninhabited villages, nine towns having 226 grama panchayats in 8 taluks. Kanakapura taluk is the largest taluk with an area of 1,590 sq. km while Devanahalli is the smallest taluk in the district with an area of 451 sq. km. Channapatna is the most densely

⁴² For one account of its history, see Narendra Pani, Tara Anand, and Vinod Vyasulu, in 'Essays on Bangalore', vols. 1-4, KSCST, Bangalore 1984

populated of all the taluks, while Kanakapura is the least populated per sq. km.(table 2). The total population in the rural district is 16732 lakhs with an average density of population 288 per sq. km. The rural population is around 13699 lakhs and the urban population 3033lakhs. The growth of population in the district is around 14.7%in 1996 (table3) .

Table 1:No. of Hoblies in each Taluk:

Taluks	Hoblies at the end of 31/3/96
Channapatna	3
Devanahalli	4
Doddaballapur	5
Hoskote	5
Kanakapura	6
Magadi	5
Nelamangala	3
Ramanagara	4
Total	35

Source: 'District at a Glance -1996, GoK.

(A hobli comprises of a set of villages -inhabited and uninhabited, towns and other areas as demarcated for administrative convenience. It was the traditional administration unit below taluk and above new village)

Table 2: Details of area and population

Taluks	Area sq.kms	Males (lakhs)	Females (lakhs)	Total population (lakhs)	Density of population /sq. kms
Channapatna	535	1222	1170	2392	439
Devanahalli	432	825	782	1607	356
Doddaballapur	779	1154	1092	2246	284
Hoskote	545	972	913	1885	344
Kanakapura	1603	1647	1518	3165	199
Magadi	797	984	956	1940	242
Nelamangala	507	733	704	1437	281
Ramanagara	626	1065	995	2060	326
Total	5824	8602	8130	16732	288

Source: compiled data from 'District at a Glance-1995-96, GoK

Table 3: Population and sex ratios:

Taluks	Growth of population	Sex ratios	Rural popn (00)	Urban popn (00)
Channapatna	9.2	957	1840	552
Devanahalli	18.4	948	1183	424
Doddaballapur	17.0	946	1700	546
Hoskote	20.0	938	1630	255
Kanakapura	15.4	921	2786	379
Magadi	6.9	970	1744	196
Nelamangala	13.9	961	1261	176
Ramanagara	19.1	934	1555	505
Total	14.7	945	13699	3033

Source: 'District at a Glance - 1995-96, GoK. (as per 1991 census)

Among the taluks, Hoskote shows the fastest growth of population and Magadi the slowest. Magadi shows the highest sex ratio (but still less than one), while Kanakapura has the lowest. In all the taluks the rural population is higher than the urban population. But this ratio is slowly coming down because a steady migration of population from the taluks towards the Bangalore city is seen. The reasons are not hard to gauge. Even so the movement from the rural to the urban areas of the taluks is also seen -- that is to the taluk headquarters.

So an increasing demand for the formation of municipal corporations of the taluk headquarters is also heard. This increases the power that the Corporation has towards developmental activities. Also the city limits of Bangalore are slowly spreading its tentacles towards these adjoining taluks by taking over agricultural lands falling under panchayat or grama than as for housing or other purposes like country clubs, farmhouses, etc.

The district is still an agricultural district with ample scope for industrialisation, dairy development and sericulture. It is next only to Tumkur in raising ragi and quite progressive in animal husbandry. It ranks second after Dakshin Kannada in poultry farming and is making steady progress in inland fisheries. Proximity to Bangalore city has helped it to take fast strides in horticulture, especially in raising vegetables and flowers. However all the eight talukas are dry areas. The taluks received approximately only 45 to 60 days of rainfall in a year. There are 33 working weather forecasting centres. The average rainfall last recorded⁴³ for the various taluks varies between 750mm, the lowest for Hoskote, to 931 mm, the highest in Nelamangala.

III Social Sectors:

For any district's well being basic social infrastructure is required, which are mainly in the form of education, health, water supply and sanitation. These issues are dependent on the physical infrastructure in the form of minor irrigation and roads and bridges, which incidentally come under economic sector expenditures. Taking all the five one can see that they are closely interconnected to the primary state of affairs and for the overall district's well being.

Taking education, we see that the total literacy rates for the taluks range between 40.35% for Kanakapura to 58.33% in Nelamangala. All the other taluks fall in between. For the entire district, male literacy at 61.51% stands greater than for female literacy at 38.15% (table 4). Coming to the primary schools in each taluk we see that highest number of schools are seen in the three taluks of Doddaballapur, Magadi and Kanakapura, while the lowest (in the range of 0-251) is in Devanahalli. In the field trips we observed that atleast with respect to primary schools in all the taluks the primary criterion of having a school in the radius of one to three kilometers for a village is satisfied. Number of colleges for general education, polytechnic and engineering colleges are however very few in number.

The situation is improving with the District Primary Education Program(DPEP) project where Bangalore (rural) district has also been selected under the second phase for qualitative improvements to primary education. In a study made

⁴³ 'District at a Glance - 1996'

for the Government of Karnataka⁴⁴, it was seen that there was a backlog of 454 teachers in the district, out of which 430 were in the rural areas of the district (table 5). The problem was compounded because of lack of housing facilities in the areas for teachers. Taking the districtwise pupil-teacher ratio this district fared better than others, viz., Bellary, Bidar, Bijapur, Gulbarga and Mysore (table 6). However exclusive schools for boys and girls were very few in the district. It comes out clearly that education remains very much a state-oriented subject. Almost all schools are run by State only. For the secondary and higher education there still exists a need to travel far.

Travelling per se though not a major criterion it becomes an important factor considering that none of the taluks can really take pride in having good public or private transport. Standard of transport is further aggravated by the fact that roads do not exist and where they exist quality is dismal (table 7). The total number of kilometers laid in each taluk is very little. Not all taluks can boast of having national or state highways. Most roads are kuccha or irrigation roads. Also public transport in the form of buses plying to and from the various points are few and far in between. Most taluks naturally resort to going to the adjoining taluks of Tumkur and Mandya districts for higher education.

Table 4:

Taluks	Literacy rate			Primary Education		Secondary Education		General Education		Polytechnic & Engineering	
	M	F	Total	Schools	Students	Schools	Students	Colleges	Students	Colleges	Students
D'pura	69.48	43.98	57.12	346	40113	29	8336	2	1074	0	0
D'halli	64.3	30.53	52.25	193	39726	26	6702	1	340	0	0
N'gala	71.03	45.12	58.33	272	26025	30	6818	1	537	0	0
Hoskote	65.82	42.38	54.54	253	36261	23	7489	1	450	0	0
Magadi	62.09	36.32	49.36	364	32523	40	8733	2	493	0	0
R'nagara	59.29	38.41	49.21	256	33399	30	7625	2	396	1	1016
C'patna	59.19	37.17	43.42	345	38702	31	9830	2	1510	1	419
K'pura	50.56	29.22	40.35	406	64141	32	10479	1	1000	0	0
Total	61.51	38.15	50.17	2335	311390	241	66012	12	5800	2	1435

Source: District at a Glance - 1995-96, Government of Karnataka.

Table 5: Area-wise teaching posts sanctioned and teachers in position Bangalore (Rural)

Area	Primary schools	
	Sanctioned posts	Teachers in position
Rural	2453	2023
Urban	227	203
Total	2680	2226

Source: Data compiled from the study done for GoK, 'Education Finances - DPEP', June 1997.

⁴⁴ A.Indira and Vinod Vyasulu, 'Education Finances - A study for District Primary Education Program in Karnataka', study made for Government of Karnataka, June 1997.

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Table 6 : Pupil-teacher ratio in different categories of schools

Area	Primary	Upper primary	Secondary	Higher secondary
Rural	36.94	64.6	34.31	44.39
Urban	42.51	48.84	38.74	44.01
Total	37.45	60.02	35.61	44.18

Source: data compiled from the study done for GoK, 'Education Finances – DPEP', June 1997.

Table 7 : Roads in taluks (in kms.)

Taluks	National highway	State highway	Main roads	Other dist. roads	Village roads	TDB roads	Irri. Dept. roads	Municipality roads
D'pura	0	100	128	14	186	298	8	52
D'halli	30	33	69	21	210	33		82
N'gala	43	41	54	9	133	373		
Hoskote	25	42	64	6	242	219	8	48
Magadi	26	53	188	0	135	235	3	19
R'nagara	0	66	107	10	201	91	63	92
C'patna	0	16	149	0	155	102	13	93
K'pura	0	125	310	0	146	122	45	114
Total	124	476	1069	60	1408	1473	140	500

Source: 'District at a Glance – 1995-96, GoK.

Health

This is a sector, which requires serious thought. It is seen that unlike education where an attempt at trying to achieve certain minimum levels is being made the same cannot be said of the health sector. As can be seen from table 8, all the taluks can boast of only one single government hospital with minimum bed infrastructure. The highest bed capacity of hundred is seen in Channapatna. Most taluks have no private facilities at all. And the primary health centres dealing primarily with immunization and vaccination are spread out into the rural areas of the taluks are also few in numbers. Private practice dealing with minimum healthcare is however found to be doing well. Thus it can be seen that the taluks are invariably dependent on the Bangalore city for all major health facilities. Field visits showed that doctors do not always stay on site and hence the rural population is forced to travel to the city for all major checkups.

Table 8:

Taluks	Government		Private		Nursing homes		Primary health centres	
	No.	Beds	No.	Beds	No.	beds	No.	beds
Channapatna	1	100	2	50	4	65	9	54
Devanahalli	1	30	0	0	3	17	6	36
Doddaballapur	1	30	0	0	1	35	8	48
Hoskote	1	30	0	0	5	124	8	48
Kanakapura	1	50	0	0	3	35	11	66
Magadi	1	30	2	68	3	10	11	66
Nelamangala	1	100	0	0	3	34	4	24
Ramanagara	1	50	1	50	4	55	8	48
Total	1	420	5	168	26	375	65	690

Source: 'District at a Glance – 1996, GoK.

Water supply and sanitation:

As already mentioned the district is a dry area. In earlier times, tanks and ponds used to be major way of storing water for irrigation and drinking purposes. But these have been neglected and the vagaries of monsoons have shown that water is a precious and scarce commodity in the district. Borewells have been dug in a huge way to provide for safe and potable drinking water. This has also sought to be promoted for piped water supply in all taluks. But this has not been fully implemented.

Table 9:

Taluks	Pumpset	Borewells	
		Handpumps	Total
Channapatna	8909	74	1287
Devanahalli	14117	85	726
Doddaballapur	7892	112	1197
Hoskote	14743	125	925
Kanakapura	12155	119	1883
Magadi	6530	98	1486
Nelamangala	6274	134	1186
Ramanagara	7445	98	1157
Total	78065	845	9847

Source: -District at a glance, 1995-96'

With respect to sanitation projects, open drainage and open latrines is still a common feature in the rural areas. In some cases pit systems are being encouraged under the Nirmal Karnataka Yojana by disbursing funds also for the purpose. But this venture taken up by the government has not fully disseminated successfully due to various reasons, one being that the funds of Rs. 1600/- given is considered too little for the construction. Also old practices have been very difficult to change.

IV

Now let us take a look at agricultural practices followed in the district.

Agriculture & Irrigation

The district is predominantly agricultural 'in nature. The main crops grown are rice and ragi. The district is also a dry area as seen in the earlier section. Improvements have tried to been made by taking up borewells and use of pumpsets for irrigation purposes. However in five of the eight taluks the district is either in critical or semi-critical area, that is level of ground water development (map) in these taluks is dwindling and is in a precarious position. Devanahalli, Hoskote and Chennapatna are in the critical area where only another 15% (i.e., 85% has been lost) of the resources is available for consumption. In the taluks of Doddaballapur and Ramanagaram already 65-85% if the resources have been consumed. Only in Nelamangala, Magadi and Kanakapura criticalness of resources is less than 65%.

This has consequently affected the lifestyles of all the local people. There is a change in the agricultural practices, there is migration to the city for tertiary jobs, etc. In most cases the taluks are *dry* and hence only one crop is being grown. There is diversification among the richer farmers towards sericulture, horticulture, etc where heavy investments can be made.

Table 10 :Main crops grown (in hecs)

Taluks	Paddy	Ragi	Corn	Others
Channapatna	834	9645	6	5
Devanahalli	340	10998	406	85
Doddaballapura	1294	17289	3589	48
Hoskote	1762	14226	542	80
Kanakapura	3842	28756	44	45
Magadi	1957	27326	99	65
Nelamangala	872	18026	729	413
Ramanagaram	980	15952	186	55
Total	11881	142218	5601	796

Source: 'District at a Glance, 1996

It can be clearly seen that ragi is the main crop grown more than other crops in all the taluks. Paddy comes second, followed by corn and others. We however have some analysis for the crops - rice, ragi, pulses and sugarcane for Bangalore district⁴⁵ as a whole, inclusive of the two urban and rural districts. The data holds good primarily because these crops are mainly grown in the rural district and the rural areas of the urban district. This combined figure shows that on the whole all the crops show a steady decline in production and the area cultivated between the periods of 1960-61 to 1990-91.

Table 11: % contribution of different crops in Bangalore to state total 1960-61			1970-71	1980-81	1990-91
Rice	Area	3.65	3.72	2.57	1.82
	Production	3.99	3.18	1.81	1.62
Ragi	Area	22.64	21.73	19.92	19.34
	Production	20.71	19.68	18.89	20.76
Pulses	Area	3.92	3.43	3.83	3.27
	Production	3.28	3.5	3.15	2.89
Sugarcane	Area	3.59	3.79	2.16	0.67
	Reduction	3.96	4.00	2.38	0.81

Source: EPW article of B.P.Vani and Vinod Vyasulu, op. Cit. Coming to the kind of areas that are used for various activities, we see that there is a considerable area falling under dry land. The permanent gomals are slowing decreasing in number.

⁴⁵ B.P.Vani and Vinod Vyasulu, 'Agricultural Development in Karnataka: Area, Production, and Yield at the District Level', **Economic and Political weekly**, Review of Agriculture, June, 1996.

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Table 12:

Taluks	Geographi cal area (hectors)	Forest area (hec)	Dry land	Lands used for other purposes	Total	Available lands	Permanent gomals
Channapatna	53587	6131	1482	6492	7974	185	2760
Devanahalli	44935	2275	1477	4530	6007	1608	1026
Doddaballapur	78760	3895	5063	7944	13007	1115	1792
Hoskote	54857	3444	1049	9008	10057	750	660
Kanakapura	159426	45263	14422	7010	21432	190	20118
Magadi	79969	6598	5345	4898	10243	610	9548
Nelamangala	50967	1708	3535	8888	12423	1098	321
Ramanagara	62930	11954	5915	4610	10525	659	2690
Total	585431	81268	38288	53380	91668	6215	38915

Source: 'District at a Glance -1996, GoK.

Of all the lands that are available for cultivation, it can be seen with respect to land holdings that there is predominantly a greater cluster of very small owners having area less than one hectare in almost all taluks. So this complicates the matter for irrigation purposes where the individual farmers cannot make heavy investments and they are dependent on the state for improving agricultural methods.

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Table 13 : Land Holdings

Taluk	(v.small)	Area	(small)	Area	(half-medium)	Area	(medium)	Area	(large)	Area	Total	
	No	< 1 Hec	No	1-2 Hec	No	2-4 Hec	No	4-10 Hec	No	>10 hec	No	Area
Channarayana	22028	9577	6220	8814	2926	7891	819	4541	56	716	32049	31539
Devanahalli	13336	6532	5299	7532	2761	7522	1170	6676	186	2831	22752	31093
Doddaballapur	19066	9330	9132	12984	4746	12820	2043	11492	230	3199	35217	49825
Hoskote	18387	8591	6608	9410	3612	9718	1299	324	139	1978	30045	37021
Kanakapura	28976	14037	11669	16690	6709	18193	2674	15148	409	6282	50437	70350
Magadi	20254	9903	9183	13037	521	14406	2054	11617	177	2623	36939	51586
Nelamangala	12997	6175	6174	805	3761	10330	1686	9630	218	3033	24836	37973
Ramanagara	12249	6126	590	8617	3699	9959	1506	8693	209	3143	23571	36538
Total	147293	70271	60193	85889	33485	90839	13251	75121	1624	23805	255846	345925

Source: 'District at a Glance - 1996, GoK.

Table 14 :Area irrigated under the following (hecs)

Taluks	Canal	Ponds	Wells	Borewells
Channapatna	860	380	305	5235
Devanahalli		949	271	7023
Hoskote		1632	82	5440
Doddaballapur		602	104	6059
Kanakapura	770	3525	4850	1005
Magadi		796		1366
Nelamangala		1002	205	2383
Ramanagara	1588	1080	1322	3362
Total	3218	9966	7139	31873

Source : 'District at a Glance -1996,GoK.

Coming to irrigation it can be seen from the above table that Devanahalli, Doddaballapura, Hoskote, Magadi and Nelamangala have no canal systems at all for irrigation purposes. Magadi has no wells also. They are predominantly dependent on ponds, which are fewer in number compared to wells and borewells put together. Ofcourse borewells have been a recent phenomenon. Field visits have shown that there have been problems with digging of borewells in some taluks where contracts have been handed out to private parties. Cases where only half the length of borewells was laid were seen. These have come to the notice of the elected representatives and taken up in ZP meetings. But how far this has been effective is another matter. \

V Industry and Occupational structure:

Karnataka came to be known as the scientific capital in the 1960s with the growth of many research institutes and laboratories. The Third Five-Year plan saw the setting up of Industrial Investment and Development Corporation in 1964, and Steel Industrial Cooperative Bank in 1963. From the Fourth plan onwards emphasis was laid on the growth and development of small industries. Towards this there was a liberalization in many of the policies, and concessions/incentives given. The state saw a surplus power position in the 1960s. Through the 1970s saw a major break- through of Public Enterprises in Karnataka. Nearly 50% of the enterprises were started during this decade.

In recent times, major emphasis has been given to rural development and manufacturing. Promotional institutions such as KSTDC, TESCOK, etc. came up. 1980s saw the burgeoning of the state in the industries which were high-tech namely information technology, floriculture, horticulture, etc. In 1990s an increase in investment with respect to biotech industries Like floriculture was seen -encouraging entrepreneurs to export widely. Cold-storage facilities are being improved and quick lifting of goods through air has been provided. Many SSIs specializing in software came into picture. Also MNCs started making their presence felt. But this has been concentrated in Bangalore city.

An infrastructure development index taking physical characteristics to understand how the district of Bangalore (total) stands with respect to others was

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done. The Index comprised of economic indicators such as irrigation, roads, post offices, banking, along with some social indicators such as health, and education in the same lines as constructed by the CMIE for the years 1966-67 to 1989-90⁴⁶. The index shows that Bangalore (total) stands third in rank after Kodagu and Dakshin Kannada. But this picture is not the correct one for Bangalore (rural). The Index is skewed for Bangalore (urban), because of Bangalore city outweighing the rest.

Our experience on the field shows that with respect to roads, posts and telecommunications, Bangalore (rural) is far behind Bangalore (urban). It is poorly linked in terms of railways. There are no railway stations at all in the taluks of Magadi and Kanakapura. Totally there are 22 stations in the district, with only 2-4 stations spread in other taluks. Regarding postoffices, totally the district showed 229 numbers, 81 telegraph offices and 56 telephone exchanges. Upto 31/3/96 there were **9826** number of phones in the district. The largest number of 1805 numbers was in Nelamangala and the lowest in Magadi having 656.

Table 15 : (Upto 31/03/96)

Taluks	Railway stations.	Post offices	Telegraph	Tel. exchanges	No. of phones
D'pura	2	28	11	6	973
D'halli	5	17	7	8	1654
Nelamangala	6	32	8	9	1805
Hoskote	2	22	7	6	1121
Magadi	0	36	14	2	656
Ramanagaram	4	21	9	7	1258
C'patna	3	29	11	7	1385
K'pura	0	44	14	11	974
Total	22	229	81	56	9826

Source: 'District at a Glance-1996, GoK.

The study confirms that the general growth in the Bangalore district as a total has taken place in clusters. The major growth centre is Bangalore City. Little or no trickle effect is seen to the adjoining areas. Bangalore city has of course seen a growth in the sunrise industries, like software, garments and other high-tech industries.

Analysis of manufacturing sector using ASI data for the period 1960-80 and building of industrial development indicators showed that Bangalore(total) stood seventh in the total number of factories, 10th for both fixed capital and employment, and 8th rank for value-added⁴⁷. This data can be said to be skewed fully in favour of Bangalore(urban) or even more specifically the Bangalore city area, since our field visits have shown little or negligible industrialisation in the rural district. The kind of industries seen in the taluks is textiles, chemicals, and engineering. The total numbers are few as shown in the table below.

⁴⁶ 'Industrial Potential for Karnataka', report prepared for the Karnataka State Industrial Investment Development Corporation, Bangalore, in 1993, by a team coordinated by M.Prahaladachar and Vinod Vyasulu at ISEC, Bangalore. The detail of the district level infrastructure index has been discussed in this report.

⁴⁷ 'Industrial growth and structure: Analysis of Manufacturing sector in Karnataka' by C.Upendranath, M.Vijayabhaskar and Vinod Vyasulu in **Economic and Political Weekly**, Vo1.29, No.48, Nov.26, 1994.

Table 16: Number of industries at the end of 31.3.96

Taluks	Textiles	Chemicals	Engg	Others	Total
Channapatna	1	0	0	7	8
Devanahalli	1	1	0	3	5
Doddaballapur	13	4	15	24	69
Hoskote	0	5	12	31	48
Kanakapura	6	1	2	1	10
Magadi	0	0	0	2	2
Nelamangala	2	5	17	8	32
Ramanagaram	2	0	4	11	17
Total	25	16	50	87	191

Source: 'District at a Glance -1996, GoK.

Realizing that Bangalore was getting concentrated at the cost of other districts, the governments have consciously tried to have policies, which encourage an even growth model among all the districts. A district level analysis of Modern Small industry in Karnataka⁴⁸, showed that modern small sector fared well in Karnataka. However these industries were concentrated in the urban areas. Infact the analysis showed data for Bangalore(urban) only at the cost of Bangalore(rural). In terms of all major indicators such as productive capital, capacity, production, capacity utilization, input, gross VA and Net value added, Bangalore(urban) stood first among all districts.

Table 17: Major indicators for modern small scale industry -1992

Bangalore(urban) district	Total	Per unit
Productive capital	45.61	733
Capacity	46.32	3674
Production	47.06	1965
Capacity utilisation	53.48	
Input	32.39	823
Gross value-added	69.84	1145
Net value-added	71.10	1119

Source: compiled from 'Modern small industry in Karnataka-growth and structure', by A.V.Arun Kumar, EPW, Vol.31,No.21, May 25,1996

From the above analysis one could see the need for SSIs to be encouraged in a large way in the rural areas. SSIs have now sought to be encouraged to be set up in the rural areas. At the end of 1995-96the district had 7184 SSI units giving an employment to 37458.

⁴⁸ 'Modern small industry in Karnataka -growth and structure', by A.V.Arun Kumar, **Economic and Political Weekly**, Vol.31, No.21, May 25, 1996.

Table 18 :Statement showing the number of SSI. units registered, investment and persons employed

SL.N O	District	Achievement During 1995-96			Cumulative achievement upto 95-96		
		Units	Investment	Employment	Units	Investment	Employment
			(Rs. in lakh)			(Rs. In lakhs)	
1	Bangalore (R)	695	1271.79	3754	7184	6936.61	37458
2	Bangalore (U)	2100	10067.79	25148	34638	64560.74	313754
	Total	11856	33160.01	70903	175380	226776.79	1147415

A few big projects under the private sector have been set up in the rural district. But these have not really started production in a big way. The only major unit, which has helped in some ancillarisation, is the Wheel and Axle plant in Yelahanka in the Devanahalli taluk, which was set up in the pre-independence days.

Table 19 :Projects cleared under large and medium industries as on 31.3.96

Sl.No	District	Number of units	Investment (Rs.cr)	Employment nos.
1	Bangalore(U)	9	2296.51	22285
2	Bangalore(R)	6	1157.28	5126
	Total (State)	60	47643.42	78019

Let's now have a quick look at the occupational structure that exists in the Bangalore(rural) district. These figures are from the census, as it was in 1981 and 1991.

Table 20 : Shifts in male, female and total workforce

	1981		1991		% difference	
	Kar	B (r)	Kar	B (r)	Kar	B (r)
Males						
AGL	83.57	79.67	81.66	55.98	-1.91	-23.69
NON-AGL	16.43	20.33	18.34	44.02	1.91	23.69
M&Q	0.42	0.16	0.71	3.17	0.29	3.01
MAN	6.35	9.33	5.15	18.37	-1.2	9.04
CONST	1.34	1.42	1.52	3.73	0.18	2.31
T&C	3.22	2.9	4.27	5.68	1.05	2.78
TRAN&CO	1.13	1.53	1.37	4.19	0.24	2.66
SERV	3.95	5	5.32	8.88	1.37	3.88
Females						
AGL	87.39	84.07	88.56	71	1.17	-13.07
NON-AGL	12.61	15.93	11.44	29	-1.17	13.07
M&Q	0.39	0.28	0.44	4.14	0.05	3.86
MAN	8.12	7.35	6.48	13.61	-1.64	6.26
CONST	0.57	1.7	0.26	1.78	-0.31	0.08
T&C	1.46	2.52	1.47	3.7	0.01	1.18
TRAN&CO	0.18	0.52	0.06	0.19	-0.12	-0.33
SERV	1.89	3.56	2.72	5.58	0.83	2.02

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Total	Kar	B (r)	Kar	B (r)	Kar	B (r)
AGL	84.64	80.52	83.9	59.63	-0.74	-20.89
NON-AGL	15.36	19.48	16.1	40.37	0.74	20.89
M&Q	0.41	0.18	0.62	3.41	0.21	3.23
MAN	6.85	8.95	5.58	17.21	-1.27	8.26
CONST	1.13	1.47	1.11	3.25	-0.02	1.78
T&C	2.73	2.82	3.36	5.2	0.63	2.38
TRAN&CO	0.87	1.33	0.95	3.22	0.08	1.89
SERV	3.38	4.72	4.47	8.08	1.09	3.36

Source: Compiled from Census data of 1981 and 1991

Notes:

AGL : agriculture;

NON-AGL : non-agriculture;

M&Q : mining and quarrying

MAN : manufacturing

CONST : construction

T&C : trade and commerce

TRAN&CO : transport and communication

SERV : other services

From the above table it becomes clear that there is a shift in the workforce away from agriculture to non-agriculture. But still this shift has not really seen a rapid growth in other sectors, though the major sectors which benefit from this is services and trade and commerce. This is keeping in with the rest of the economy.

But how should the further growth of this district be charted? The answers to this comes from the elected representatives themselves, who are still focusing on the basic issues - education, health and sanitation for all. So lets proceed to understand how the moneys are being kept for these purposes.

PART II
(BUDGETANALYSIS)

Chapter 4

BUDGETS - DATABASE AND METHODOLOGY

There is a power structure in the framework of decentralization. Power relations are dependent in part on the finances of the units concerned. So financial devolution⁴⁹ and the powers to mobilise local resources are very critical aspects of decentralization.

What we are looking at in our present study is the aspect of devolution. Devolution implies a situation in which lower ranking units acquire greater autonomy in respect of certain defined functions, including decision-making authority. Devolution of functions, powers and responsibilities is normally effected through legislation. The authority thus handed over to the local development committees can be taken back only after making amendments to the law. In the process of devolution people's participation can be maximised and their say in the decision-making powers is quite important. Given that the panchayat raj system has just been introduced, and is yet to take root, it is important to keep in mind that the local system is at present in transition. The situation on the ground has abundantly revealed this. There are concrete problems faced. From this suggestion, improvements will hopefully emerge.

One of the ways of understanding devolution is to see whether finances are flowing to the said sectors of the local government, the Zilla Panchayat, or ZPso. And if so, the next step is how they are being used. The instrument to understand finances is the budget of the ZPs. We look at the budget of Dhanwad zilla panchayat and Bangalore (rural) zilla panchayat.⁵⁰

The budget of the local self-governments is identical in concept to the larger State and Central governments. The formats used are also similar in nature. The budgets of the Zilla Panchayats, the units that are being studied in this paper, are internally audited by the State Accounts Departments, after which they are sent to the Accountant General in the State for approval. After this the documents are tabled in the legislature.

We have tried to understand the trends and components of the Dharwad and Bangalore rural districts', Zilla Panchayat Budget. The words 'district' and 'zilla' are synonyms, but are used differently in the administrative circles. Geographically both district and zilla pertain to the same area. However the 'district' includes all

⁴⁹ Vinod Vyasulu, **Decentralisation from Above: Panchayat Raj in 1990s**, Centre for Budget and Policy Studies, Bangalore, March 2000.

⁵⁰ This paper focuses on both the districts -Dharwad and Bangalore (rural) zilla panchayats in Karnataka. The similarities and differences in the financial administration or otherwise are mentioned in the relevant sections as we move along.

⁵¹ We have not considered the Old Dharwad in our analyses of the expenditures. Also the towns and municipalities and the Hubli-Dharwad Corporation are distinct entities. The ZP covers the rest of the district, namely the rural areas. The new Dharwad is a smaller district with 5 taluks. Similarly for Bangalore (rural) it consists of rural areas with the headquarters situated in the Bangalore City. This ZP has under its purview 8 taluks.

the urban local bodies which have elected representatives. There is a Deputy Commissioner, who is the head of the district, governing administrative issues. Different departments such as police come under this authority.

The 'zilla' is meant to mean only the rural areas of the district. All development issues of the zilla come under the Chief Executive Officers² of the zilla panchayat. The CEO aids in the activities of the Zilla Panchayat, which has an elected body. The district level officials dealing with development matters report locally to the CEO--on policy matters they report to the head of the line department in the State Capital.

In this chapter we first discuss the why of budget analysis, how it is to be done, and what are the components in a budget. We next discuss the database and methodology adopted for analysis.

Why budget analysis?

Budget in the traditional meaning as was used in Great Britain has the meaning -a small leather bag. This was the bag in which the English Finance Minister brought all the details for the financial year to the House of Commons. It used to be jokingly remarked that all the moneys of the State could be held & the bag. Today however the meaning of budget is larger and much more varied. The word budget analysis conveys different meaning to different audiences. The businessmen look to it to for all the tax details to plan for the coming financial year. The common man looks in it for tax details, mainly the direct taxes and the slab rates in which his income falls. And ofcourse the now growing number of people interested in the civil society, look to find out that how much of the budget's decisions are going to affect the poor and the marginalised people.

The budget is the most important economic policy instrument for governments. The budget reflects a government's social and economic policy priorities more than any other document; it translates policies, political commitments, and priorities into decisions on where funds should be spent and how these funds should be collected.

Commonly it is understood that the budgets are made by a small group of people in the bureaucracy. This entails a lot of secrecy in its making and its subsequent putting in practice. However the understanding of the various components of budgets, the process of making a budget ensures greater freedom of expression and discussion about the important policy decisions to be taken by the governments. Also the veil of secrecy will descend for a greater debate and the strengthening of the parliamentary and democratic processes in the country.

The number of countries who have gone into budget analysis from the common man's point of view are growing by the day. The two important ones are South Africa and United States of America. The former was a country under

⁵² In the earlier regime of Panchayat Raj in Karnataka, the CEO was truly under the ZP Resident, who had the rank of Minister of State. Today however this role of the elected head of the district has been much diluted in the 1993 law. Many elected representatives told us they felt the older system was better. That is another matter altogether.

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Apartheid regime, gaining independence recently. It has formulated its new Constitution. In this country the work on budgets is mainly to strengthen the democratic process. The latter has had a long history of a democracy; the budget analysis is geared to understand the neglected peoples -the coloureds, the poor and the marginalised.

In our own country we at this moment are placed in a unique position. We have the longest written constitution, a fairly well run democracy for the number of illiterates we have. We have a well-established budget system at national and state levels that are debated among experts. However the problems faced do not seem to diminish. With growing liberalisation, the government is slowly distancing itself from even the essential sectors -education and health. In such a situation, a wider discussion of where the moneys are flowing is essential. This will help in easier understanding of how moneys are going to be generated and how they can be optimally used for the betterment of all the peoples. This brings us to the issue of how the budgets are to be analysed.

There are different ways to do this. Two are:

1. A typology of budget work which can include economic and fiscal analysis, budget process and practice analysis; tax and revenue.
2. Analysis: sectoral analysis: particular budget areas such as health or education; distributional or group analysis such as the effects on different income groups, and third sub-national and intergovernmental analysis.

Each of these ways can itself be a means to an end in itself. We however in our study have tried to bring together some of the issues. First we are working at the first sub-national level, namely at the state. However we are concentrating at a sub-level below that of the state, namely the 'cutting edge of administration', the district. In the whole system the funds flow from the central and state governments to the district. **At this juncture we realise that there is no own funds generated by the zilla, either tax or otherwise for its functioning in the State of Karnataka.** This is an area where little work has been done. We have no models to guide us.

The next point, we have tried to make a beginning on some minimum economic analysis. This includes understanding the growth rates of the allocations and expenditures; the percentage shares of plan and non-plan in the centrally sponsored schemes and the state sponsored schemes. Lastly we understand that all this analysis has to be based on some sectors for a clearer understanding of the moneys flowing, hence we have concentrated on five sectors. These sectors are health which includes family planning and women and child welfare; education; water supply and sanitation; minor irrigation projects; and roads and bridges. Together with this we have tried to understand the budget processes which is presented later.

The budget being the primary fiscal policy instrument of government, it is an important way to assess its fiscal and economic effects. These include the effects on the government's annual deficit and the public debt. It also includes effect on main

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economic indicators such as size of the economy and employment. This macro study could not be attempted because we are looking at local self-governments. Hence we have concentrated on sectoral analysis. This is one of the most common types of analysis. It can be said that the sector can be defined as an important area of the economy or the government to which the budget allocated substantial resources. This gained more weightage when we realised that none of the sectors are unidirectional. This we say because each of the sectors' has multiple departments. For eg. Education sector in Karnataka Government⁵³ has eleven departments, three of which are vocational education, mass education and adult education. So to sift and get information on primary education one has to go through all of these 11 departments.

This also brought into focus the necessity to understand the budget processes. The process in itself has four basic stages:

- (1) budget formulation, when the budget plan is put together by the executive branch of the government;
- (2) enactment, when the executive's budget plan is debated, altered and approved by the legislative branch;
- (3) implementation, when the features of budget are carried out by the government, and
- (4) auditing and assessment: when the actual expenditures on the budget are accounted for and assessed for their effectiveness and a report given to the legislature.

This process is continuous from year to year. However most people do not know the processes and the whole subject is looked at in awe. Analysing and assessing the budget process is important for independent researchers and ordinary people. This because one of the main goals would be to make the budget systems more transparent and accountable⁵⁴ to the public, and thus, more responsive to the needs of the society. A key element to this is credible research. The subject must be demystified. In this aspect it would be good to share our own experiences.

The first experience was in getting a copy of the budget document. This took some time because we did not know where to look. First, we inquired at the Finance department of the State government. They gave us a sample copy and refused to part with the others. They directed us to the Accounts department in the ZP office. Here too, the same experiences, asking us to get permission letter from the Secretary, RDPR for further information. Finally after repeated rounds, the

⁵³ see, A.Indira and Vinod Vyasulu, -Education **Finances -A study for District Primary Education Program in Karnataka'**, study made for Government of Karnataka, June 1997.

⁵⁴ see Vinod Vyasulu and et al, "**Accountability and transparency in administration --what do citizens know?**" Paper hprepared for a seminar organised by the Karnataka Government Employees Training Institute, Bangalore, June 24-25, 1999. (**This paper on "Accountability and Transparency" is reproduced in this book as an appendix.**)

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books were collected from the Finance Department only. Meeting the concerned officials requires lots of patience, lots of time and lots of luck.

In Dharwad, all the books were made available in the ZP office. We later found that the easiest way to get a copy of the proposed budget or the link document would be from the elected representatives themselves when it is tabled in the Annual General Body meeting in the ZP office. However this would have been difficult in hindsight, because few representatives collect them, for reasons ranging from illiteracy in budgets to disinterest. These copies seem to go waste.

The following lessons were learnt to be effective at budget work:

1. **writing about technical budget issues for a broad audience :we realised that we need to stress the point of budget making and the processes behind it,**
2. **dissemination issues: training and helping the representatives understand the Nuances of this technical subject, which covers accounting, economics and politics,**
3. **working with policy makers: building a rapport with the government officials on a long-term basis.**

Hence the future stand for us researchers was set:

1. **the need to be accurate and not go beyond our area of expertise,**
2. **try to make the processes transparent,**
3. **identify relevant research opportunities at the right point in time,**
4. **effective budget outputs need not be long, and detailed but need to be comprehensive,**
5. **educating all about the intricacies: this is intimidating even to us quantitative economics trained researchers,**
6. **no partisan/political role --we stay away from all such matters.**

Database and Methodology

We now broadly give the way budget is documented.

The government expenditure can be classified⁵⁵ in accordance with:

- (i) the economic character of the expenditure like current expenditures, capital formation, loans, etc., and
- (ii) the purposes it is likely to serve such as health, education, defence, etc.

The former is known as economic classification and the latter is termed as the purpose classification. The classification by purpose, say, health is divided between economic categories and it also shows how expenditure in a particular economic category, say capital formation, is allotted to Merent purposes or types of public services provided. Economic-cum-purpose classification, therefore, serves as a very good guide to the policy makers for planning expenditures in the best: possible manner to attain social and economic objectives of development.

⁵⁵ National Accounts Statistics, 1989, CSO, Government of India.

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The purpose classification relates only to the expenditure of Administrative departments comprising of:

- (i) all departments, offices, establishments and other bodies of the Central government,
- (ii) all departments, offices, establishments and other bodies of the State governments and Union Territories,
- (iii) district boards, municipal corporations, municipalities, towns/notified area committees, village panchayats and other local authorities,
- (iv) the legislature, judiciary, union and state public service commissions and all such bodies covered in the ordinary and extraordinary budgets or extra budgetary funds of the central, state, Union Territory governments, and the local authorities.

A list of the Purpose Categories is as follows:

- 1. General Public Services
- 2. Defence
- 3. Education
 - 3.1 Administration, regulation and research,
 - 3.2 Schools, universities and institutions including subsidiary services
- 4. Health
 - 4.1 Administration, regulation and research,
 - 4.2 Hospitals, clinics and individual health services
- 5. Social security and welfare services
- 6. Housing and other community amenities
- 7. Cultural, recreational and religious services
- 8. Economic services
- 9. Other purposes
 - 9.1 Relief on calamities
 - 9.2 expenditures, etc.

The limitations in the data stem from the methods adopted in getting the data from the various offices. They can in fact be classified⁵⁶ into the following three:

- 1. Administrative departments and departmental enterprises:

Although uniform structure has been prescribed for accounting of items in the central and state budget documents there are variations in the presentation of details under various heads from state to state. Expenditures shown in the detailed demand do not always tally with that shown in the Annual Financial statement. In such cases the financial statement data are accepted and necessary adjustments are made accordingly. In a number of cases inter account transfers do not agree and render the reconciliation of entries difficult. Sometimes itemwise details of expenditure under 'plan schemes' are not available and the economic classification of total expenditure is worked out on the basis of information available from other sources.

⁵⁶ National Accounts Statistics -Sources and Methods, 1989, GOI.

2. Local Authorities:

The estimates in respect of local authorities for which the current data are not available are prepared on the basis of data on grants to local authorities under different account heads in the state budgets. Thus, information available for local authorities is not adequate for economic classification of various items.

3. Non-departmental enterprises:

One of the major limitations of estimates is the non-response in case of some enterprises. Time-lag in finalization of the annual accounts by some of the enterprises is another constraint.

For any study of the sectors, two important modifications are required to be made in the cross-sections⁵⁷, time-series⁵⁸ data on government expenditures for differences in scale and changes in prices. To take care of the fact that a growing population may in itself cause some growth in public expenditure, the data was also analyzed in per capita terms. For this purpose, adjustments were made for mid-year population estimates to correspond to financial years by making pro-rata adjustments. We used standard estimates prepared by demographers. To account for the price changes, the government expenditures in current prices were deflated with the implicit deflator in the National Income accounts⁵⁹. This is controversial --our effort is only a first step. More work is needed here.

The budget document clearly gives figures for plan and non-plan expenditures under the various heads. Non-plan expenditures are largely related to administrative overheads and expenditures on central establishments. The plan expenditures are the new outlays on the various programmers in each plan.

At the end of the a Plan period, the ongoing expenditure of a plan are transferred to non-plan. Three accounts, namely, the capital account, loan and revenue accounts are considered here. The capital account is directly or indirectly concerned with installation of additional capacities for future production. The revenue account gives the actual outlays that occur as a flow. And the loan account gives the various kinds of loans taken for the purpose.

Many of the services and benefits falling under the broad category of social sectors are of a continuing nature and they are transferred to non-plan at the end

⁵⁷ covering a range of sectors at one point in time.

⁵⁸ covering one sector over a span of time.

⁵⁹ Wholesale Price Index (WPI). This is suitable for businesses, as it looks at costs of raw materials, and reflects prices at the factory gate. It does not include transportation costs, marketing costs etc.

Consumer Price Index There are different kinds of CPI--for rural labour, for urban workers etc. Each is defined to suit the group, and the CPI is often used in deciding the dearness allowance. It is good for wages calculation issues. National Income Implicit (NII) Deflator. This is taken from the national accounts, by dividing the current years NI with that of the base year. It takes all goods and services into account, and is most suited for the budget comparisons we are doing.

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of each five year plan. Thus the total expenditure incurred by the state on the social sectors is much more than that under the plans. Under economic infrastructure, where heavy investments are required to create the assets, only maintenance expenditure is transferred to non-plan. But under social sector the cost of the maintenance of services is almost equal to plan expenditure incurred to create them, except in some cases where the cost of buildings and other assets is significant. We basically study the changes in allocations. and expenditures.

The data on budgets at the ZP levels can be obtained from four different sources. These are explained as we go along. These are: (i) the link documents ---these documents are, as the name suggests, documents which link during the planning phase the budget allocated by the state government to the ZPs. So in other words, these are figures that are pronounced after the action plan for the financial year is made. This is decided at the state government level. Another thing about the link document is that it links each of the schemes under one sector of one district to one common major head code at the state level. For example 2210 is given for medical. This code may have a number of schemes that fall under this. The sum total of all various sub-codes under 2210 must be equal to the total of 22 10 in the concerned department at the state level.

(ii)the annual reports of the ZPs: these are the final audited figures at the ZP level signed by the CAO and sent to the Accountant General in the State for his audit. (iii) the Comptroller and Auditor General of India--CAG reports. These are the final audited figures that are tabled in the legislature. The problem here would be that there is a lag between the financial year studied and the present year in the data set.

(iv)Actual MMR (Monthly Monitoring Reports) of the ZP from the lower level offices. This document is prepared every month and is circulated among members of the ZP and is also used in the meetings that take place at the ZP. Here we get the exact amount that has been allocated to the sector of the ZP, but in the case of the expenditures these are not the final figures. These figures are generated by using the voucher entries. This may differ from the financial year statement given in March. This is because this MMR has to be prepared by the 11th of every month and has to be submitted to the state government. The problem is that some GPs may not send in the vouchers of the amount being spent in time. In some cases there may be misclassification of amount among sectors. To get the exact expenditures of the ZP one has to take the Annual accounts prepared by the ZP where we get the ' exact amount spent on each and every scheme.

Of the above four, one sees that only the CAG report is a public document. However this has no figures of the sub-heads. Only broad sector-wise data is available. Also since selective auditing of departments and schemes are made in any year, one would not be able to put together all the data together as a time-series. All the other reports are internal documents and not easily available for analysis from the state government. The last of course is totally an internal record, which is not available to outside review except to the elected representatives.

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In this scenario, we have used data that we collected through the link documents (allocation) and the Annual accounts (expenditures) audited reports. The allocations and the expenditure figures were culled out for the five sectors that we considered essential to any ZP. This in general budget terms generally make up more than 50% of the total. The broad heads are: (I) education, (ii) health, (iii) water supply and sanitation, (iv) roads and bridges and (v) minor irrigation projects. For each of these, a ten-year span, from 1987-88, we tried to collect a full time series. For each sector, we constructed a table, separately for plan and non-plan expenditure⁶⁰, which we refer to as a data sheet⁶¹.

The functional heads are as follows:

1. primary and secondary education
2. family welfare
3. women and child welfare
4. medical and public health services
5. water supply and sanitation
6. roads and bridges
7. Minor irrigation.

As mentioned above we made an attempt to compile data for 10 years for each of the districts. The data sources in Dharwad district are better than in Bangalore (rural). We received excellent co-operation from all concerned in our work. The link documents in this district are clearly field and are easily accessible. The problem of data in Dharwad arose after 1997 when it was divided into three districts. The data that we have used in all our analyses is for the Old Dharwad district covering a larger area of 17 taluks. These 17 taluks are now divided between Dharwad, Gadag and Haver districts. The data for Dharwad district relate to a period of eight years namely 1987-88 to 1994-95.

In case of Bangalore (rural) district a similar attempt was made but unsuccessfully. Unlike in Dharwad where the data is one comprehensive whole, in Bangalore (rural) there are divisions between the ZP office component catering to salaries and two engineering divisions of the district having four taluks in each division. These divisions, namely, the Bangalore and Ramanagaram divisions take care of only the developmental works in the ground. We could gather information about salaries of Education, Medical and Public Health departments only from ZP office for a period of 9 years, i.e., 1989-90 to 1997-98. And a six-year data for the developmental works taken up under the economic sectors, Roads and Bridges, Minor Irrigation Projects, and Water Supply and Sanitation for the years 1992-93 to 1997-98.

⁶⁰ The distinction between 'plan' and 'non-plan' is built into the Indian budget system: Plan refers to new projects undertaken in a specific five-year plan. At the end of the plan period, they are handed over to the government, and come under non-plan.

⁶¹ These are very large in size. Those who would like to get them are requested to contact us directly. We have culled out the information from public sources, so others should also be able to construct these tables--but we can spare them unnecessary effort.

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Data available:(Both Allocations and Expenditures are shown) of BANGALORE (Rural)

Sl No	Sectors (1)	Treasury Accounts from ZP Office of both division (*) (2)				Development works in Bangalore Division (**) (3)				Development works in Ramanagaram Division (4)				No of Years the data that is available with us (Both Plan and Non-plan) (5)	
		All		Exp.		All		Exp.		All		Exp.		All	Exp.
		P	NP	P	NP	P	NP	P	NP	P	NP	P	NP		
1.	<u>Edu</u>	X	X		✓	X	X	X	X	X	X	X	X	9 years	9 years
2	<u>Health</u>	X	X		✓	X	X	X	X	X	X	X	X	9 years	9 years
	<u>F W</u>	X	X		✓	X	X	X	X	X	X	X	X	8 years	8 years
	<u>WO & C</u>	X	X		✓	X	X	X	X	X	X	X	X	8 years	8 years
3	<u>WS & S</u>	X	X	X	X	✓	✓	✓	✓	X	X	X	X	6 years	6 years
4	<u>MI</u>	X	X	X	X	✓	✓	✓	✓	X	X	X	X	6 years	6 years
	<u>R & B</u>	X	X	X	X	✓	✓	✓	✓	X	X	X	X	6 years	6 years

Note: Edu – Education, Health – Medical and Public health, F W – Family welfare, WO & C – Women and Child, WS & S – Water supply and Sanitation, MI – Minor Irrigation, R & B – Roads and Bridges.

P-Plan, NP- Non plan.

X-Data not available, ✓ -Data available.

• - Data collected from the ZP office, Bangalore, which includes the Salary portion, D.A ,T.A and Office Expenses.

** -Data collected from the Executive Engineers office, Bangalore.

Taluks coming under Bangalore Division :

1. Devanahalli.
2. Doddabdlapura
3. Hoskote &
4. Nelamangala.

Taluks Coming under Ramanagara Division :

1. Chennapatana
2. Rarnanagara
3. Kanakapura &
4. Magadi.

**Data available. (Both Allocations and Expenditures are shown) of
DHARWAD**

Sl No	Sectors	<u>Treasury and Development works together</u>				No of Years the data that is available with us (Both Plan and Non-plan)	
	(1)	All		Exp.		All	Exp.
		P	NP	P	NP	P	NP
1	<u>Edu</u>	✓	✓	✓	✓	8 years	8 years
2	<u>Health</u>	✓	✓	✓	✓	8 years	8 years
	<u>F W</u>	✓	✓	✓	✓	8 years	8 years
	<u>WO & C</u>	✓	✓	✓	✓	8 years	8 years
3	<u>WS & S</u>	✓	✓	✓	✓	8 years	8 years
4	<u>MI</u>	✓	✓	✓	✓	8 years	8 years
5	<u>R & B</u>	✓	✓	✓	✓	8 years	8 years

Note: Edu – Education, Health – Medical and Public health, F W – Family welfare, WO & C – Women and Child, WS & S – Water supply and Sanitation, MI – Minor Irrigation, R & B – Roads and Bridges.

P -Plan, NP -Non-plan.

X -Data Not available, ✓ -Data available.

- The Expenditures for WS&S Plan for the year 94-95 is from MMR.
- The Expenditures for MI Plan for the year 93-94 and 94-95 is from MMR.
- The Allocations here under Dharwad district refer to the allocations in the Link document. We assume that what is allocated reaches the zilla. If this is not correct, then further work is needed.
- The Allocations and Expenditures of Bangalore (rural)refer to the divisions.

The data even after the best of efforts sometimes show gaps. Hence, we have tried to take a continuous span of at least seven to eight years for both plan and non-plan heads. This data, available at current prices for the various heads, was then deflated using a national level implicit deflator to get the allocation and expenditure figures at constant prices. In some cases however this was not possible due to missing data in some years. The Growth rate was also calculated over the period to see the fluctuations in the various budget allocations and expenditures. We have attempted to get results for such major heads for which we have regular time-series data.

Most of the moneys allocated to the ZP fall under one af the four categories --state and central schemes; or state sponsored and centrally sponsored schemes, having their own ratios in which they are spent. The data that we have in the link documents are not inclusive of such amounts that the ZP may generate on Jts own ahd through its various resources. At present these amounts are very sm4l. But this could change as the system settles down.

The Allocations and the Expenditures were entered to a spreadsheet in Excel column wise for each year. The schemes were entered in rows, for all the sectors taken in our study. Then each scheme data of all the years were entered in a table column wise. However due to many exigencies this could not be fully achieved⁶². The reasons range from inadequate data, missing data, wrong codes, partition of districts etc. The issue of wrong codes needs to be explained a little further. The code numbers given to major and minor heads are not always uniform and hence create confusion when two similar heads are to be matched for different years.

In our analysis, the various sub-heads under each of the sectors are taken individually and not added up. This addition of amounts has not been done deliberately, though this would have helped a lot, because of various reasons. One, the total sum of the various figures under sub-heads and minor heads do not always equal the total as printed in the documents. This difference in figures is not fully explained. Clearly, there is a lot more work waiting to be done.

Two, some times the code numbers between years do not match. For example under Education (Plan) Appointment of School mothers we have two different codes **2202-0 1- 104-71** and the other **2202-0 1- 106-71**. Addition of these two sub-heads of one year may not be strictly comparable with the other year. There are also instances where the sch@ne names have been changed over the years but the codes remain the same, so to get a trend for a span of eight years this data has been taken under one scheme for our convenience.

Again under Medical & Public health (Non-Plan) the code **2210-03-110-0-71** has two different names one Medicines and chemicals for Hospitals & Health sub- centres and the other as Drugs and Chemicals. In all our analyses we have used the names given under the 1987-88 link document. Three, one also needs to appreciate that headings under plan and non-plan heads are not always the same.

A point that came out clearly was that at the district level the distinction between plan and non-plan actually fades. A larger debate about the need to continue this form of accounting has to be taken up by the Indian Finance Ministry in the 1991-2000 budget special.

Using these figures, the research team presented the data to the ZP officials and non-officials. The sharing of information has been truly beneficial to us. Some details about the budget figures have been clarified. We hope our findings in this paper will lead to an improvement in the data collection system.

In our study the budget data that has been used are the allocation data from the **link** document and the expenditures from the annual accounts. This was done with an understanding that the amount shown in the link document would be allotted on the whole to the ZP. But this is not always the case. There is invariably a reduction in the allocations while releasing funds to the ZP. This may happen for any number of reasons. The revised sums allotted are generally made known to the

⁶² These have been discussed in another paper. See Vinod Vyasulu, Thyagarajan .R, Shashi Kumar, K Jaisimha and Kiran Kumar, '**Accountability and transparency in administration--What do citizens know?**' Paper prepared for a seminar organised by the Karnataka Government Employees Training Institute, Bangalore, June 24-25, 1999.

ZP itself in the month of February and hence necessary action cannot be taken in time always.

Another reason for us to take this was because the Accountant General's report also publishes only the original allocation. There are now attempts to print the revised allocations made together with the revised expenditures. However we understand that these revised estimates have no legal status. Also there is a thumb-rule that the difference between the revised estimates and the budget estimates should not be more than 10% of the total.

The expenditures taken from the annual accounts of the ZP is correct because it is audited. For exact figures however one can study the allocations from the MMR but this cumbersome and not really needed. But audit figures become available with a time lag--sometimes two years.

An important point is that the state government cannot change codes above the minor heads. However it can transfer moneys from one department to another. The moneys allotted to the various schemes are released in equal installments over the year. That is 1/12th every month. This comes in regularly till the month of January. However if there is a revision or a change this is made up in the month of February and March. Hence sometimes, there is a rush of money that needs to be spent in haste so that there is no lapse of the money. Or in other cases, there is a downward cut in the allocation, which cannot be bridged which accounts for unfinished tasks in many schemes.

Now this lapse of money when there is an extra inflow, is also taken care of by the CEO, who has some discretionary powers. One, an intelligent officer, transfers these funds to a suspense account showing it to be spent and then uses the funds leisurely in the next financial year. However this cannot be done in all cases. The problem in some cases would then be that for those schemes where the budgets are drawn depending on the amounts spent in the last financial year, the department is the loser. This happens because, generally the amounts are allocated in an ad-hoc manner. The general thumb-rule is giving an increase of 10% over the last year's budget. This in most cases only takes care of inflation. But still if there is a lapse in the earlier year, an equal amount is cut from the current year's allocation and the allotments released.

Again one has to understand that the accounting practices between the engineering divisions (departments) and the other departments are different. This is a nuance that has to be understood carefully. One has to understand that the building construction and maintenance for the various other departments is in the hands of the engineering department. Eg. The PHC construction is done by the PWD engineering division. The sanctioning authority of the money is with the CEO upto a limit. The amount is released from the Health department towards the building costs. Now, the amount that is released from the head of account for construction under health department is the end or the amount released and the cash-book can be closed and the ledger entry made at the health department.

However the same amount that is received at the Engineering department shows it as an unspent amount and the accounting is not complete. Here the account can be completed only after spending it at site. Hence till the materials are bought, the amounts are put in suspense account. This difference shows up under the health schemes as large gaps in one year either as deficit or surplus in another year when the project is completed.

Similarly the case of misclassification of codes. This happens apart from genuine errors, because of the discretionary powers held by the CEO with respect to some expenses. He can transfer funds from one department head to another through voucher payments. Technically the accountant should put them under the correct heads, but there is always some slip, which shows up as wrong codes. In the macro picture these details are lost out **and** not seen in the final budget document.

A researcher in such cases would have to dig out the vouchers to get the right entries, which would be an enormous task. The only problem in this scheme of things is that in most cases, the filing is also so intricate that many of the CEO who succeed into the chairs would fail in explaining things because the predecessors would have used their own discretion.

Now this brings us to the natural curiosity as to how the moneys are generally allotted in the beginning of the financial year to the **ZPS?** And second, what is the calendar that they maintain to churn out these figures every year so methodically? **The calendar for any financial decision is fixed and in general the bureaucracy keeps to the schedule, because otherwise questions maybe raised in the House. Ofcourse there are always internal date adjustments for paper work.**

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We reproduce the calendar as we collected from the Planning Department.

CALENDAR FOR PLANNING

15th July	adopting the tentative size for the state's annual plan of the next year
25th July	Government in the planning department to indicate to ZPs and TPs the financial ceiling within which their annual plan should be formulated for the next year.
15th August	TPs to send their plan proposals to ZPs
20th September	ZPs to build the TP proposals into the district plan and send the draft district plan to the Government in the planning department and concerned state head of the department
28th September to 25th October	discussion with the ZPs on their draft district plan by the planning department for achieving consistency and integration of district sector with state sector schemes/plans
10th November	government/ state heads of departments to consolidate these proposals and build them into the state's draft plan and send the same to the planning commission
15th January	approval of the planning commission to the state's plan
25th February	finalising the state's plan budget in the light of planning commission's approval to the state plan and finalising the district plans of ZP
1st Week of March	presentation of the state's budget to the legislature along with the link document giving scheme-wise, sector-wise and zilla panchayat wise outlays

As for the allocations made, the **ZP** allocations are made based on the Gadgil's formula used by the Central government to give funds to the State government.

INDICATORS AND WEIGHTAGES FOR DISTRIBUTION OF PLANOUTLAY

Indicators	Weights (%)
1. population	50
2. backwardness in agriculture as measured by the value of agricultural output per hectare	5
3. backwardness in irrigation as measured by the proportion of irrigated area to net area sown	7
4. backwardness as measured by the value of industrial output	5
5. backwardness in communications as measured by road and railway Mileage per 100 sq.m and per lakh of population	
6. backwardness in financial infrastructure as measured by size of population served by each commercial and cooperative bank	2
7. backwardness in medical and health facilities as measured by the number of hospitals per 1000 population/bed population ratio	5
8. backwardness in power supply as measured by the proportion of villages electrified	5
9. problems of the weaker sections	
a. as measured by the proportion of SCs/STs in the population	2
b. as measured by the proportion of landless agricultural labourers	2
10. special problems of Malnad area and drought prone areas:	
a. as measured by the area under forest	2
b. as measured by the rural population of drought prone areas	2
11. literacy percentage	5
12. performance in family planning programme	3
TOTAL	100

The ZP at its level again uses a similar criterion for disbursing funds to the lower tier of Taluk Panchayat. The GP has its own budgeting format, which is discussed in the report on GP experiences. Case studies at grana panchayat brought to light that there are two different kinds of budgets -the physical and the financial budgeting. These are given as Part I and Part 2 of Form 4 -the budget document of the GP. Part 1 is the physical budgeting which includes schemes such as what is spent in the JRY funds. Part 2 includes funds flowing in accordance of 10th finance commission norms. It also has the Rs. 1.25 lakhs grant given to GP per year. This is the financial budgeting. Books are kept as voucher payments made and not specific to any scheme.

In the next chapter we take up the analysis of the budgets of the two districts. To keep the analysis and discussion of manageable size, we have chosen a multi-part format for this study. For each major sector tackled, we have prepared separate papers. These papers are individual monographs that can be read independently. The paper or sections in this book are as follows: Sector 1 is Education, Sector 2 is Health, Sector 3 is Water Supply and Sanitation, Sector 4 is Roads and Bridges; Sector 5 is Minor Irrigation Projects. For each of these sectors,

the database, methodology used is common. The format of analysis is also common however the discussion section in each paper is distinct. We hope this format will help in discussing these issues in depth at the ZP and their levels.

Glossary:

- 1 **Accrual accounting systems:** this recognises transactions or events at the time economic value is created, transformed, exchanged, transferred or extinguished and all economic flows (not just cash) are recorded
- 2 **Cash accounting systems:** recognize transactions and events when cash is received or paid. Unlike accrual accounting, they do not recognise non-cash events.
- 3 **Appropriation:** refers to an authority granted to the executive by the legislature to spend public funds for a specified purpose. This is done through laws.
- 4 **Authorization:** this is to denote a general law to set up a program and permit the adoption of appropriation for spending on the program.
- 5 **Balanced budget:** where total revenues equal total outlays for a given fiscal year
- 6 **Budget:** a financial and/or quantitative statement, prepared prior to a defined period of time to be taken up in the following period for a specific purpose or objective
- 7 **Budget deficit:** total government expenditures exceed its total receipts for the given fiscal year
- 8 **Budget surplus:** total government revenues exceed its total expenditures for the given fiscal year
- 9 **Discretionary spending:** a category of spending subject to the annual re- appropriation process, it many include things as funding for transportation, training, education programs, etc.
- 10 **Fiscal year:** government's accounting period and is often named after the year in which it ends. For us it is April-March.
- 11 **Mandatory spending:** spending which is governed by formulas or criteria set forth
- 12 **Revenues:** are collections from the public arising from the government's power to tax. They include individual and corporate income taxes, excise taxes, etc.

Chapter 5

DEVELOPMENT EXPENDITURES IN ZILLA PANCHAYATS

General Introduction

India early in its Planning phase adopted five year Plans for ushering in quicker growth and development. These Plans encompassed primary, secondary and service sectors.

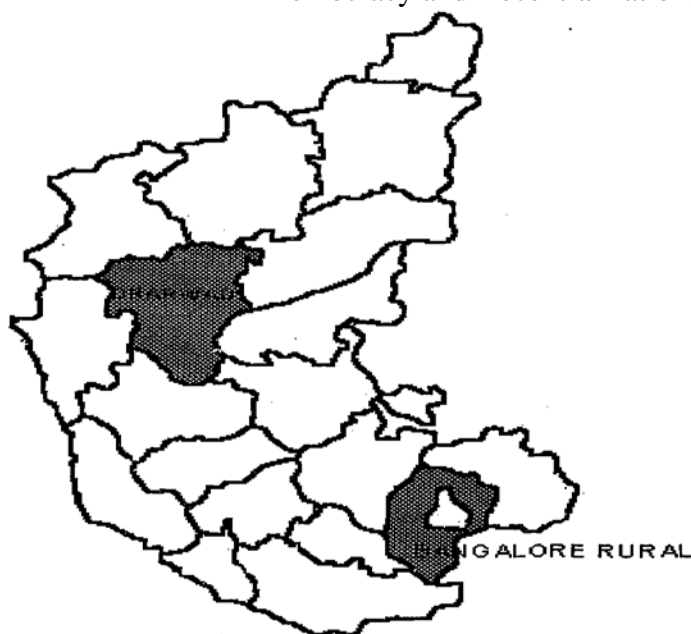
The Plans so set forth for the national agenda is brought into action by the allocations made through the budgets prepared annually. The revenues collected from the different sources, both direct and indirect help in deciding the amounts to be spent. We in our study have tried to understand the budget figures in the major social sectors at the district level. The study focussed on social sectors in two districts of Karnataka. It must be remembered that a study of the financial allocations is not sufficient to come to final conclusions on the performance of the social sector in the state: but it is an important aspect.

In times of crisis, just as in the current budget presented in the aftermath of the Kargil episode, social sectors are put on the back-burner. In other times social services have had to take a back-seat so that the investments can be made to regulate economic development. In stabilizing the economy and in making structural adjustments, the compression of unproductive public expenditures and cost-effective provision of public services plays a critical role. This does not necessarily mean a reduction in spending on Social services. It rather remains a fixed spending with no increases which can act as a great brake in a country like India, with an ever growing population.

Social services in the budget document includes general education, technical education, sports and youth services, art and culture, health and family welfare, water supply and sanitation, housing and urban development, information and broadcasting, welfare of SC/ST and other backward classes, labour welfare and social security and welfare. The last head 'Social Security and Welfare' has under it schemes for Women and Children. The code for this head is 2235. In some cases it is used interchangeably.

In this study we concentrate on the following heads: education -primary, secondary and adult, family welfare, medical and public health, welfare of women and children (put in our study for the head Social Security and Welfare), water supply and sanitation.

The other two heads, minor irrigation projects and roads and bridges come ' under the economic services. We considered these five sectors as a group for the reason that, at the district level they play a crucial role in building up the socio-economic infrastructure of the people. Also the share of the five sectors to the total expenditures in a district is nearly 60%.



Study of Sectors

In the macro study of budgets, one has to consider the expenditures on revenue account, capital and loan accounts. But most times the loan accounts are not complete with respect to time periods and the various heads. Capital expenditures in any analysis give the correct picture of the asset formation under any sub-head. The loan account considers only foreign loans -which maybe in the form of long or short term loans either from agencies like WHO, World Bank, etc. or from foreign Governments like Netherlands, Denmark, etc which have ongoing programmes in the areas of poverty alleviation, dairying, water supply and sanitation etc. But such projects are generally more in the areas of development activities rather than social expenditures as such.

With the coming of the New Economic Policy, many writings exist about the various effects like stabilization, structural adjustments on social sectors⁶³. In this context discussion of the NEP have focused on the central government's budgetary expenditures on the 'social sectors'. Much has been written about the vulnerability of the poor and the labour force. India's spending on social concerns priority is reportedly only 2.5% of GNP as compared to 6.3% in Malaysia. The financial crunch the government is facing may lead to further reduction in social sector

⁶³For one collection, see Shobha Raghuram, Heiko Sievers, and Vinod Vyasulu [editors]: Structural Adjustment: Economy, Environment, Social Concerns, Macmillan, New Delhi, 1995. For a popular account, see Vinod Vyasulu -Crisis and Response, Madhyam Books, Delhi 1995.

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spending. This will bound to have an adverse impact on the levels of attainment in the social sectors.

There have been several studies⁶⁴ in the recent past on government financing of social sectors. However the studies are diverse in their kind of analysis, while some analyze taking into account the per capita expenditures for the relevant sectors, some others study with respect to the selected periods. With very little attempt at assessment of each sector in detail. Studies with respect to the states is always not possible because data is always not accessible in a timely and sufficiently disaggregated form; also there are wide variations among the states making it difficult to arrive at conclusions of general interest⁶⁵.

The present research group in an earlier study⁶⁶, analysed the social sector expenditures in Karnataka taking the budget figures for 1961-93 from the publications on Karnataka State Expenditures. It was seen that the Non-Plan expenditure is greater than Plan expenditure for the sectors under General Services and Social Services. However in the case of Economic Services the Plan expenditures are less than Non-Plan. In this case it can be understood that new programmes are being taken up sometimes at the cost of existing projects which need to be maintained. It can also be observed that the Plan expenditures fluctuate more than that of Non-Plan. Considering the share of different services to the total, one can see that the share of social sectors increased from 19.7% in 1960-61 to **33.5%** in 1990-91 in Karnataka.

These figures showed that the expected cut in social sector expenditures that was expected with fiscal stringency, did not seem to take place in Karnataka. This must however be interpreted with caution, since the work did not have enough data for the period after the economic reforms of 1991 to say this with confidence. However, an RBI study⁶⁷ has shown that in India social sector expenditures began to decline from the fourth Plan onwards. This has clearly not happened in Karnataka.

The fluctuations in Plan expenditure may be explained by the fiscal crisis of the state, as these are often the easiest to cut in political terms. However, unless the projects are carefully planned and executed, this fluctuation in Plan

⁶⁴ Ravishankar, 1988, "**India: Government Expenditures on Social Services: 1976-77-1986-87**", World Bank New Delhi, Resident Mission, Mimeo.

Tulasidhar, V.B, 1992, "**States' Financing of Health Care in India: Some Recent Trends**", NIPFP, New Delhi, Mimeo.

K. Seetha Prabhu and Somnath Chatterjee, 1993, "**Social Sector Expenditure and Human Development**" DRG study no. 6, RBI Bombay.

⁶⁵ S. Guhan, 1995, 'Social expenditures in the Union Budget', **Economic and Political Weekly**, Vol.30, Nos. 18&19, May 6-13.

⁶⁶ A. Indira and Vinod Vyasulu, 1995, "**Social Sector expenditures in Karnataka - a preliminary analysis**", mimeograph, unpublished, TIDE-DRF.

⁶⁷ K. Seetha Prabhu and Somnath Chatterji, op.cit.

expenditures suggests that there may be some inefficiency in the building of needed infrastructure. This needs to be carefully probed.

The last point that came out strongly was that we should stress the importance of maintaining a proper database of such information. In this exercise, missing data for several years has been a problem we have had to deal with frequently. While the efforts of the Karnataka government in putting together comprehensive data are deeply appreciated, this effort has to be institutionalised and strengthened.

With the Panchayat Raj system now once again being promoted, the need for such data is being increasingly felt. Taking on from this, the researchers took up the study of budgets rigorously. We collected the data available from the districts at various levels as explained in the earlier chapter.

In each of the selected section, we present a large number of Tables, dealing with different aspects of that sector. For many, this may be too much detail. People have specific interests, and only those with such an interest may find it worth while to go through each of the sector budget analysis, others may wish to skip those details.

We present this information here because it is not otherwise easily accessible. It can be used by NGOs and others in their work, and in training. We will be happy to collaborate with others who wish to use this data -or who look for more details.

(a) Now let us study the macro picture of the State (social sectors), and the district picture for the selected sectors. We first present the overall Karnataka situation.

In the years, 1990-91 to 1997-98; the trend in Plan, Non-Plan expenditure for Social services on the Revenue accounts and Capital outlay are given below in constant prices. The figures were deflated using national implicit deflators. The growth rates for the various heads for the eight-year period has also been computed. The revenue figures show the actual flow that has taken place while capital figures give the investment for capacity building.

Table A: Social sector expenditures at Constant Prices

Figures in Crores

Year	Revenue Accounts			Capital Outlay		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1990-91	79.60	254.30	333.89	3.80	0.02	3.82
1991-92	95.38	315.84	411.22	7.03	0.02	7.05
1992-93	110.95	319.72	430.66	8.00	0.01	8.01
1993-94	136.14	327.50	463.65	10.14	0.01	10.15
1994-95	168.45	329.78	498.23	12.41	0.00	12.41
1995-96	207.41	340.51	547.92	13.88	0.00	13.88
1996-97	233.23	341.10	574.34	8.78	0.04	8.82
1997-98	222.33	390.64	612.97	24.45	0.00	24.45
Growth Rate	13.70	5.51	7.89	26.20		26.12

Source: Finance Department, GOK.

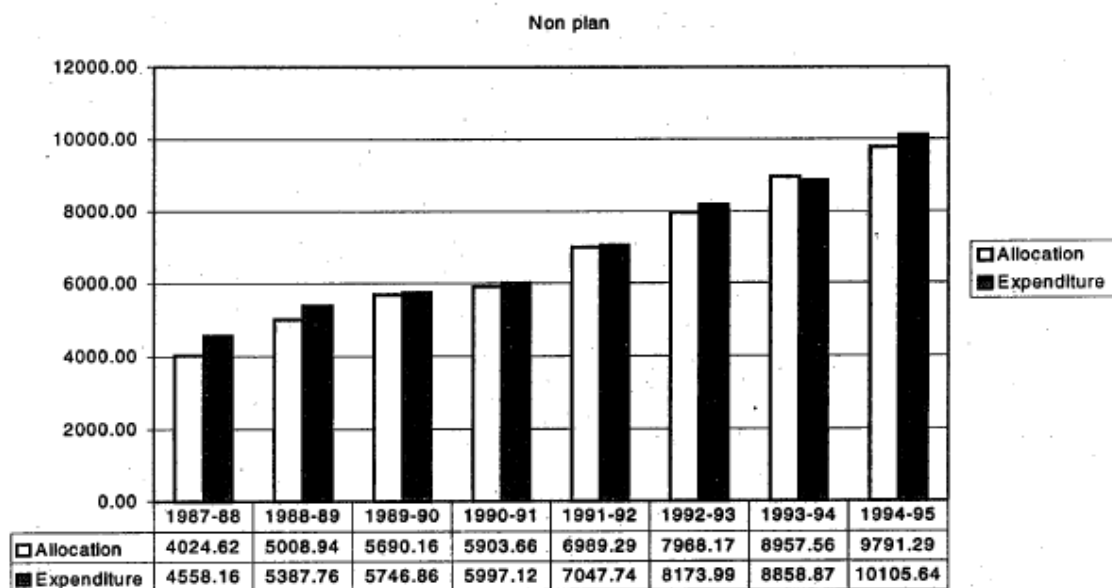
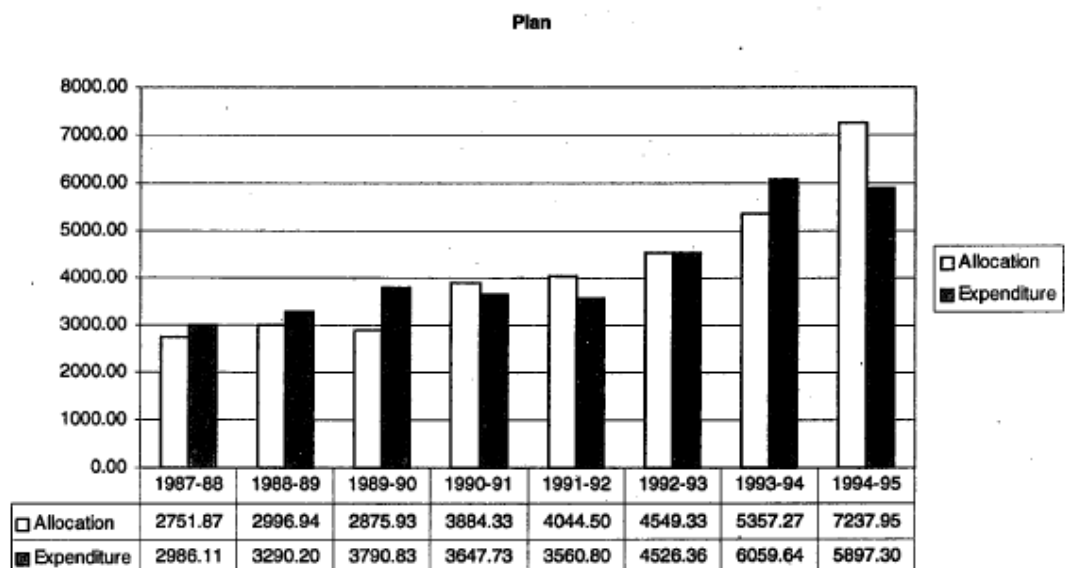
From the above table, it is seen that the expenditure under revenue account has been larger than in capital account. The growth of Plan expenditures in the eight years (1990-91 to 1997-98) is higher in the capital account as against the revenue account. However the low capital outlay shows that not much new investment for capital formation has taken place. Non-Plan expenditures have grown slower, and are negative in the capital account. It is clear that the capital investment in social sectors is quite low. Whatever has happened is through Plan heads, which again is fluctuating.

The allocation and expenditure for the both the 'old' Dharwad district and Bangalore (Rural) as a whole for all the sectors is shown in the following bar charts. The source is figures from Accountant Generals Annual reports of Zilla Panchayat (Compiled).

The bar charts of Bangalore (Rural) is given in the beginning of the Bangalore (Rural) section.

(b) Dharwad

Total Allocations and Total Expenditures for all the sectors



From the above bar chart giving total expenditures and allocations for all the sectors in the whole of "Old" Dharwad, we can see that; the expenditures of the overall district made under Non-Plan are rising constantly over the years. They are also higher than the allocations.

However under the Plan heads both are fluctuating.

Table 1. Share of Plan to Non-Plan allocation for each sector

(Figures in Percentages)

	General Education		Medical & Public health		Family welfare		Minor Irrigation	
Years	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
1987-88	95.58	4.42	85.75	14.25	0.00	100.00	85.03	14.97
1988-89	96.78	3.22	77.23	22.77	0.00	100.00	76.43	23.57
1989-90	94.46	5.54	85.48	14.52	0.00	100.00	84.09	15.91
1990-91	93.95	6.05	82.15	17.85	0.00	100.00	61.96	38.04
1991-92	93.68	6.32	83.95	16.05	0.00	100.00	94.72	5.28
1992-93	91.31	8.69	73.88	26.12	0.00	100.00	41.85	58.15
1993-94	89.40	10.60	69.73	30.27	0.00	100.00	30.78	69.22
1994-95	91.53	8.47	71.32	28.68	0.00	100.00	43.36	56.64
1995-96	88.40	11.60	74.38	25.62	0.00	100.00	83.60	16.40

	Roads and Bridges		WS&S		WCW	
Years	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
1987-88	86.46	13.54	3.32	96.68	1.63	2.93
1988-89	64.54	35.46	1.23	98.77	1.22	3.71
1989-90	85.24	14.76	1.37	98.63	1.22	3.86
1990-91	60.02	39.98	1.81	98.19	1.22	3.51
1991-92	80.07	19.93	1.53	98.47	1.13	3.75
1992-93	48.53	51.47	1.34	98.66	1.02	3.67
1993-94	47.25	52.75	1.28	98.72	0.99	3.33
1994-95	55.42	44.58	1.48	98.52	0.97	4.49
1995-96	64.62	35.38	1.02	98.98	0.89	4.07

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Dharwad). The figures for each sector are a sum of capital and revenue accounts only.

The women and children welfare schemes come under the head social security and welfare. For easier identification we have put the numbers under the head --women and children welfare here.

This table shows the ratio of Plan to Non-Plan under each of the social sector heads considered here in the study for the Dharwad district. These figures have been put together from the macro table got from the Accountant General's audit reports for all sectors. Here the sectors are mentioned only macro headwise. Accordingly, the seven macro heads considered by us are given above.

Most schemes have a Plan and Non-Plan component. As a matter of principle, most Plan heads are transferred to the Non-Plan head after five years. The general philosophy being that by this period the programme taken up in Plan can stand on its own. Let us now see how these sectors fare:

Education: The overall picture shows that the Non-Plan allocations grab the major share. However, it is visible from the above table that the share of Plan allocation has increased from 4% in 1987 to 8% in the year 1994 with an exception of 11% in 1993. Reverse has taken place with respect to Non-Plan allocations which are in a decreasing trend from 95% in 1987 to 92% in 1994.

Medical and Public Health: here again most of it is under Non-Plan, but this is fluctuating and showing a rather random fall from 85% in 1987-88 to 74% in 1995-96. The Plan heads on the other hand is steadily increasing from 14% in 1987-88 to 28% in 1995-96.

Under family welfare, which is considered under Medical in our study, one can see that it has been a Plan component from many years --100%. and continues to be so for reasons well known.

Looking at the women and children welfare (WCW) or social security and welfare as it is here in this district, one sees that in both Plan and Non-Plan the shares are small, infact negligible for some years like 1993-94 onwards where the Non-Plan allocations have fallen below 1%. But for the corresponding Plan allocations it has steadily risen, showing 4% growth in 1995-96.

Water supply and sanitation (WS&S): here under this &ad almost all allocations are seen under Plan head only. The Non-Plan allocations have actually fallen from 3% in 1987-88 to 1% in 1995-96. Correspondingly Plan has risen to 99% in 1995-96.

Minor irrigation: the allocation under both Plan and Non-Plan are fluctuating. The fluctuations are more varied and changing under Plan heads.

Roads and bridges: here also under both Plan and Non-Plan heads the figures are fluctuating. However one can see that more is being allocated towards Plan head after 1989-90, though the changes can be said to be gradual.

Table 2. Share of Plan to Non-Plan expenditure for each sector

(Figures in Percentages)

Years	General Education		Medical & Public health		Family welfare		Minor Irrigation	
	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
1987-88	96.08	3.92	91.09	8.91	0.15	99.85	63.35	36.65
1988-89	97.29	2.71	78.69	21.31	0.00	100.00	37.72	62.28
1989-90	94.47	5.53	84.41	15.59	0.00	100.00	66.37	33.63
1990-91	94.89	5.11	81.15	18.85	0.00	100.00	48.49	51.51
1991-92	94.21	5.79	84.64	15.36	0.00	100.00	68.82	31.18
1992-93	93.91	6.09	71.07	28.93	0.00	100.00	57.66	42.34
1993-94	88.54	11.46	81.33	18.67	0.00	100.00	40.57	59.43
1994-95	92.11	7.89	74.96	25.04	0.00	100.00	51.01	48.99
1995-96	89.50	10.50	74.80	25.20	0.00	100.00	80.93	19.07

	Roads and Bridges		WS&S		WCW	
Years	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
1987-88	60.27	39.73	0.29	99.71	53.18	46.82
1988-89	87.30	12.70	11.54	88.46	36.06	63.94
1989-90	67.52	32.48	23.63	76.37	37.26	62.74
1990-91	64.10	35.90	2.08	97.92	36.76	63.24
1991-92	56.81	43.19	1.58	98.42	33.89	66.11
1992-93	49.15	50.85	-0.75	100.75	29.23	70.77
1993-94	48.87	51.13	0.16	99.84	24.99	75.01
1994-95	52.23	47.77	5.93	94.07	23.71	76.29
1995-96	64.01	35.99	-0.22	100.22	18.32	81.68

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Dharwad). The figures for each sector are a sum of capital and revenue accounts only.

In case of general education, the Non-Plan expenditure has been a major expenditure constituting 96% in 1987. But this share is in a declining trend with marginal decline till 1992 to 94% and then after a decline of 5% to the tune of 89% in 1995. In case of Plan expenditure there has been share of 4% in 1987, 5% in 1989 and further increase of 11% in 1993 and 1995. This may indicate an increase in Plan schemes i.e. introduction of new schemes in education sector. But this rise is not gradual

So far as medical and public health is concerned the Non-Plan expenditure has declined from 91% in 1987 to 78% in 1988, has again risen and fallen to settle at 75% in the last two years of 1994-95 and 1995-96. The Plan expenditure has increased proportionately on the other hand. There is a now a 75:25 ratio, between Non-Plan and Plan. Family welfare has been Plan expenditure throughout.

Water Supply and sanitation has been primarily under Plan expenditure. Non Plan are negative. One wonders how maintenance is being done.

Under Minor Irrigation both Plan and Non-Plan, the numbers are fluctuating. There are sudden dips and rises in between each of the years in the study period.

Under Roads and Bridges also one sees that Non-Plan has been steadily increasing. There is a gradual fall in the man head.

In the sector Women and Children welfare Plan expenditures have risen over the study period from 46% in 1987-88 to whopping 81% in 1995-96. Correspondingly Non-Plan has dropped drastically to 18% in 1995-96 from a share of 53% in 1987-88.

3. Share of selected sectors under Plan allocation to the total. Plan allocation towards the district

(Figures in Percentages)

	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
Years	Plan	Plan	Plan	Plan	Plan	Plan	Plan
1987-88	4.48	1.79	6.50	0.34	0.99	13.66	2.93
1988-89	3.82	3.23	7.13	0.59	2.67	14.70	3.71
1989-90	7.43	3.12	9.44	0.40	0.87	14.47	3.86
1990-91	6.51	2.82	6.41	1.04	2.56	8.04	3.51
1991-92	7.67	2.69	7.03	0.10	1.42	9.62	3.75
1992-93	10.95	5.33	6.80	2.18	4.91	10.31	3.67
1993-94	13.39	6.20	4.93	1.85	4.68	9.64	3.33
1994-95	8.49	4.31	5.12	0.86	2.57	6.43	4.49
1995-96	11.69	3.46	4.43	0.11	1.30	8.16	4.07

WS&S: Water supply and Sanitation. WCW: Women and Children welfare

Source: Annual accounts and audit reports (Dharwad). The figures for each sector are a sum of capital and revenue accounts only.

The sums under Plan head for all sectors are not uniform in the period between 1987-88 to 1995-96. They fluctuate.

4. Share of selected sectors under Plan expenditure to the total Plan expenditure towards the district.

(Figures in Percentages)

	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
Years	Plan	Plan	Plan	Plan	Plan	Plan	Plan
1987-88	4.03	1.12	5.77	0.46	2.97	10.35	2.42
1988-89	3.10	2.74	5.33	2.47	0.77	13.30	2.91
1989-90	5.70	2.28	5.13	0.76	2.15	15.21	2.71
1990-91	5.94	2.77	5.33	1.79	2.43	10.68	2.99
1991-92	7.85	2.75	6.56	0.96	3.89	10.18	3.48
1992-93	7.64	5.33	5.23	1.30	5.45	12.01	3.85
1993-94	12.82	2.66	4.57	0.83	3.36	8.94	3.62
1994-95	9.77	4.24	5.24	0.77	3.56	11.85	4.73
1995-96	13.65	4.31	5.19	0.16	1.99	14.12	5.17

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Dharwad). The figures for each sector are a sum of capital and revenue accounts only.

Among the selected sectors the share of general education in Plan schemes has increased from 4% in 1987 to 8% in 1992 and further increased to 13% in 1993 and stabilized at that level. This indicates that the schemes for education under Plans are increasing gradually.

The share of medical has increased gradually from 1% in 1987 to 4% in 1995. The share of Family welfare has been steady over the period at around 5%. The share under Women and Children welfare has however risen gradually over the period from 2% in 1987-88 to 5% in 1995-96.

The Water Supply and sanitation been hovering around dips in 1993-94 at 9 % and a high of 14 % in 1995-96. The share of Plan expenditure in this sector has 10%.

In case of minor irrigation the Plan expenditure has always kept to less than 1% from the beginning of panchayati Raj till 1995-96. Under Roads and bridges the Plan expenditure shows a lot of fluctuations, between 3 to 5% over the period.

5. Share of selected sectors under Non-Plan allocation to the total allocation towards the district .

(Figures in Percentages)

	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
Years	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan
1987-88	66.22	7.37	0.00	1.30	4.32	0.32	1.63
1988-89	68.70	6.55	0.00	1.14	2.91	0.11	1.22
1989-90	64.00	9.27	0.00	1.07	2.54	0.10	1.22
1990-91	66.46	8.54	0.00	1.11	2.53	0.10	1.22
1991-92	65.73	8.16	0.00	1.03	3.30	0.09	1.13
1992-93	65.75	8.60	0.00	0.89	2.64	0.08	1.02
1993-94	67.50	8.54	0.00	0.49	2.51	0.07	0.99
1994-95	67.86	7.91	0.00	0.49	2.37	0.07	0.97
1995-96	69.39	7.82	0.00	0.45	1.85	0.07	0.89

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Dharwad). The figures for each sector are a sum of capital and revenue accounts only.

This table shows numbers under Non-Plan for each sector with respect to the total allocation made for the total district.

It is seen that most is seen in education, which is in the range of 64% in 1989-90 to 69% in 1995-96. There is no allocation under family welfare at all. Under water supply and sanitation, women and children welfare and minor irrigation, the allocation can be said to be negligible. For roads and bridges, it is falling from 4% in 1987-88 to 1.85% in 1995-96. It is fluctuating for medical and public health between 7% in 1987-88 and then a rise is seen in the years between 1990-91 to 1993-94 when it was on an average around 8.5%. It again showed a fall in 1994-95 and 1995-96.

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6. Share of selected sectors under Non-Plan expenditure to the total expenditure towards the district.

(Figures in Percentages)

	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
Years	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan
1987-88	64.58	7.47	0.01	0.52	2.96	0.02	1.80
1988-89	67.90	6.18	0.00	0.91	3.25	1.06	1.00
1989-90	64.27	8.14	0.00	0.99	2.94	3.10	1.06
1990-91	67.11	7.25	0.00	1.03	2.64	0.14	1.06
1991-92	64.52	7.65	0.00	1.07	2.58	0.08	0.90
1992-93	65.24	7.25	0.00	0.98	2.92	-0.05	0.88
1993-94	67.75	7.93	0.00	0.39	2.20	0.01	0.83
1994-95	66.58	7.40	0.00	0.47	2.27	0.44	0.86
1995-96	67.81	7.46	0.00	0.39	2.06	-0.02	0.67

WS&S: Water supply and Sanitation, WCW: Women and Children welfare Source: Annual accounts and audit reports (Dharwad). The figures for each sector are a sum of capital and revenue accounts only.

Off the total Non-Plan expenditure in Dharwad district nearly 65% is spent on general education. The share of medical and Public health in the total Non-Plan is around 7% to 8% during the period of analysis. Next is roads and bridges which gains around 2 to 3 %. Minor irrigation gains hardly a 5 % of the total Non-Plan expenditure. Women and Children welfare shows a declining trend falling below 1 % and Water Supply and Sanitation is negative in some years.

7. Share of both Total (Plan + Non-Plan) to the total Allocation towards the district for individual sector.

(Figures in Percentages)

Years	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
1987-88	41.15	5.11	2.64	0.91	2.97	5.74	2.16
1988-89	44.41	5.31	2.67	0.94	2.82	5.57	2.15
1989-90	45.00	7.20	3.17	0.85	1.98	4.93	2.11
1990-91	42.67	6.27	2.54	1.08	2.54	3.25	2.13
1991-92	44.44	6.15	2.58	0.69	2.61	3.58	2.09
1992-93	45.83	7.41	2.47	1.36	3.46	3.80	1.99
1993-94	47.25	7.67	1.84	1.00	3.32	3.65	1.86
1994-95	42.62	6.38	2.18	0.64	2.46	2.78	2.46
1995-96	44.13	5.91	1.94	0.31	1.61	3.61	2.28

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Dharwad). The figure for each sector is a sum of capital and revenue accounts only.

The total allocation numbers shows that except under education, which has a steady figure of 40 to 45% share in the total, all the other sectors show very negligible allocations. It is around 1% for minor irrigation, about 2% for roads and bridges, 2% for women and children welfare, falls from 6% in 1987-88 to 4% in 1995-96 for water supply and sanitation; about 2% in family welfare and 6% in medical and public health.

8. Share of both Total (Plan + Non-Plan) to the total expenditure towards the district for individual sector.

(Figures in Percentages)

Years	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
1987-88	40.61	4.96	2.29	0.50	2.96	4.11	2.05
1988-89	43.33	4.88	2.02	1.50	2.31	5.70	1.72
1989-90	40.99	5.81	2.04	0.90	2.63	7.91	1.72
1990-91	43.97	5.55	2.02	1.32	2.56	4.12	1.79
1991-92	45.50	6.00	2.20	1.03	3.02	3.47	1.77
1992-93	44.71	6.56	1.86	1.09	3.82	4.25	1.94
1993-94	45.44	5.79	1.86	0.56	2.67	3.64	1.96
1994-95	45.65	6.24	1.93	0.58	2.75	4.64	2.28
1995-96	47.87	6.30	1.91	0.30	2.03	5.19	2.33

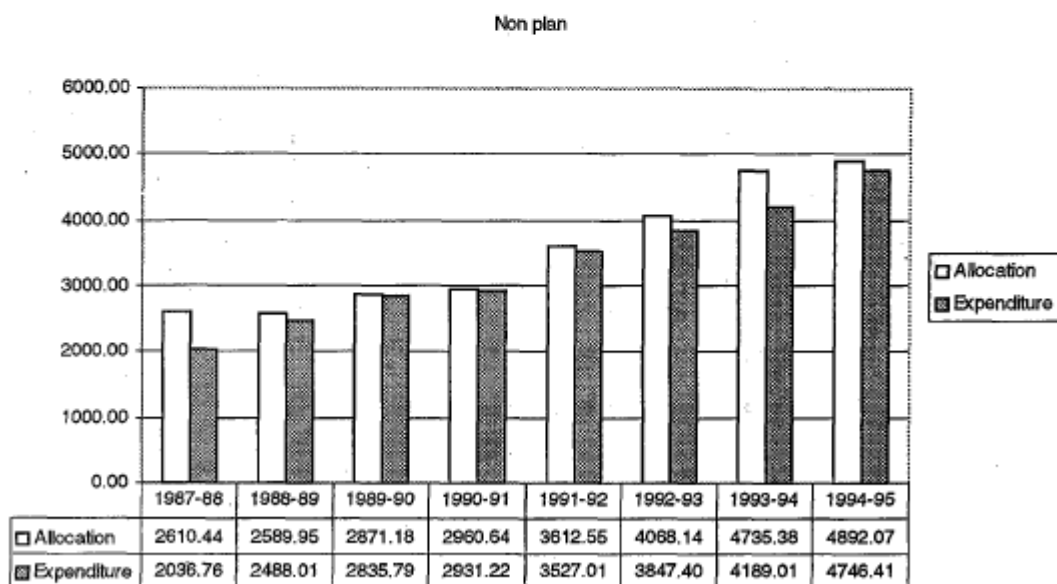
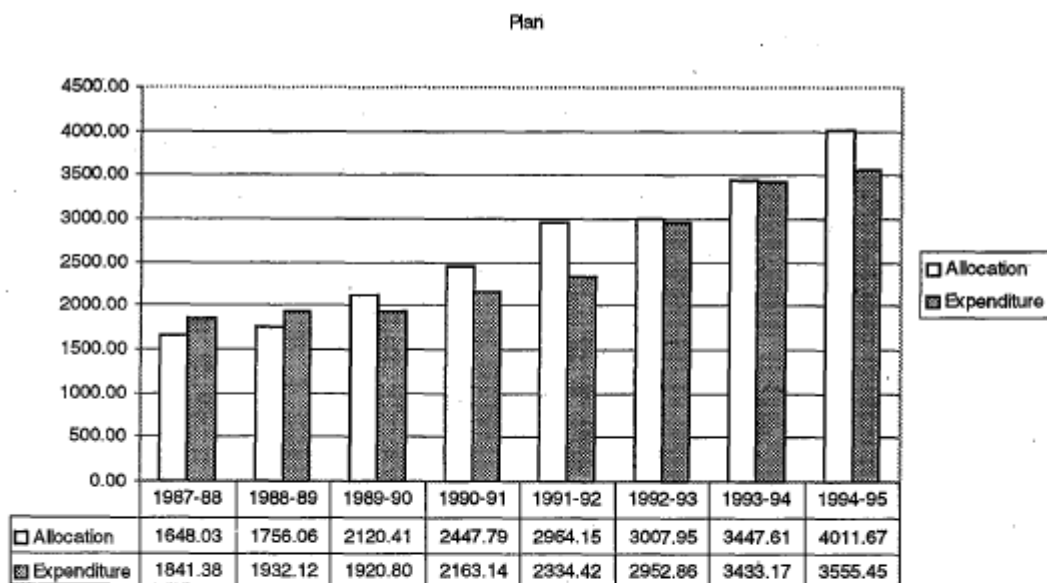
WSLS: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Dharwad). The figures for each sector are a sum of capital and revenue accounts only.

When we compare the total expenditures with the total allocations (table 7 & 81, we see that in case of education, almost all that is allocated has been spent and, more. For medical and public health, though allocations are fluctuating, expenditures has risen from a 4.96% in 1987-88 to 6.3% in 1995-96. The same can be said about women and children welfare. Under family welfare allocations and expenditures are nearly matching. For water supply and sanitation, allocations have fallen in the study period, while the expenditures are rising over the period. Minor irrigation expenditures are higher compared to the allocations made in this sector. Under roads and bridges, however expenditures are falling, and allocations are fluctuating.

(c) Bangalore (Rural)

Total Allocations and Total Expenditures for all the sectors



In both Plan and Non-Plan, expenditures are lesser than allocations.

Table 9. Share of Plan to Non-Plan allocation for each sector.

(Figures in Percentages)								
	General Education		Medical & Public health		Family welfare		Minor Irrigation	
Years	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
1987-88	94.87	5.13	81.14	18.86	6.13	93.87	36.57	63.43
1988-89	96.55	3.45	67.82	32.18	7.05	92.95	24.21	75.79
1989-90	90.38	9.62	70.52	29.48	7.44	92.56	29.01	70.99
1990-91	88.46	11.54	73.02	26.98	6.17	93.83	47.03	52.97
1991-92	84.85	15.15	68.48	31.52	5.12	94.88	38.33	61.67
1992-93	86.67	13.33	69.35	30.65	0.00	100.00	40.54	59.46
1993-94	84.76	15.24	65.17	34.83	6.24	93.76	38.09	61.91
1994-95	83.66	16.34	69.08	30.92	5.48	94.52	40.79	59.21
	Roads and Bridges		WS&S		WCW			
Years	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan		
1987-88	66.01	33.99	6.81	93.19	62.81	37.19		
1988-89	55.26	44.74	4.56	95.44	59.44	40.56		
1989-90	36.67	63.33	3.02	96.98	55.17	44.83		
1990-91	46.79	53.21	2.89	97.11	44.53	55.47		
1991-92	47.55	52.45	2.68	97.32	34.39	65.61		
1992-93	28.88	71.12	1.81	98.19	36.08	63.92		
1993-94	34.83	65.17	1.97	98.03	31.16	68.84		
1994-95	35.06	64.94	1.86	98.14	22.84	77.16		

WSQS: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual account8 and audit reports (Bangalore Rural). The figures for each sector are a sum of capital and revenue accounts only.

In this district also education, medical and public health, women and children welfare have a greater Non-Plan share compared to Plan heads. The allocations are however falling over the years. Family welfare also has a relative share under Non-Plan of about 5 to 7%. Water supply and sanitation has a larger Plan share, which has risen to 98% in 1994-95 from 93% in 1987-88. Minor irrigation shows a ratio nearing 40:60 for Non-Plan and Plan over the years. The shares under Plan are falling randomly. In case of roads and bridges, Non-Plan has fallen from 66% in 1987-88 to 35% in 1994-95. Correspondingly Plan share has increased.

Table 10. Share of Plan to Non-Plan expenditures for each sector.

(Figures in Percentages)								
	General Education		Medical & Public health		Family welfare		Minor Irrigation	
Years	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
1987-88	95.08	4.92	66.04	33.96	6.95	93.05	37.97	62.03
1988-89	94.84	5.16	67.00	33.00	4.70	95.30	45.03	54.97
1989-90	93.99	6.01	73.59	26.41	5.02	94.98	32.31	67.69
1990-91	92.30	7.70	67.21	32.79	5.38	94.62	49.82	50.18
1991-92	93.57	6.43	73.06	26.94	4.94	95.06	53.18	46.82
1992-93	87.32	12.68	70.02	29.98	4.36	95.64	44.79	55.21
1993-94	84.39	15.61	66.49	33.51	4.80	95.20	37.69	62.31
1994-95	86.20	13.80	67.28	32.72	5.54	94.46	36.64	63.36

Years	Roads and Bridges		WS&S		WCW	
	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
1987-88	63.93	36.07	11.04	88.96	51.16	48.84
1988-89	61.24	38.76	1.90	98.10	48.68	51.32
1989-90	69.49	30.51	14.98	85.02	50.43	49.57
1990-91	50.80	49.2	12.1	87.90	57.18	42.82
1991-92	43.89	56.11	0.23	99.77	30.92	69.08
1992-93	29.08	70.92	21.68	78.32	23.65	76.35
1993-94	30.33	69.67	1.79	98.21	22.77	77.23
1994-95	41.58	58.42	1.61	98.39	18.52	81.48

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Bangalore Rural). The figures for each sector are a sum of capital and revenue accounts only.

Education: mostly Non-Plan, a sudden fall in 1992-93 showing a 6% increase in Plan expenditures correspondingly. Non-Plan expenditures have gradually slipped after 1989-90 from 93% to 82% in 1994-95.

Medical and public health shows a steady share in Non-Plan expenditures of 66% in the study period. Family welfare has some Non-Plan components, which is between 4 and 5% over the years. Women and children welfare (WCW) also shows an increasing trend of Plan expenditures and a sure fall in Non-Plan figures. The same is true for minor irrigation and roads and bridges.

Water supply and sanitation (WS&S) is mostly Plan, though fluctuations are seen in both Plan and Non-Plan. There has actually been a drastic rise in Plan expenditures in the last two years namely 1993-94 and 1994-95.

11. Share of selected sectors under Plan allocation to the total Plan allocation towards the district .

(Figures in Percentages)

Years	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
	Plan	Plan	Plan	Plan	Plan	Plan	Plan
1987-88	5.43	3.11	7.31	3.46	3.38	6.71	1.80
1988-89	3.32	5.12	7.25	7.17	3.56	7.40	2.17
1989-90	8.91	4.46	5.57	4.82	2.91	9.85	1.77
1990-91	9.88	3.79	5.38	2.12	3.56	8.95	2.27
1991-92	13.65	4.39	5.88	2.37	4.41	8.38	2.85
1992-93	12.83	5.14	6.58	2.40	7.81	12.93	2.98
1993-94	15.74	6.40	5.35	1.54	5.53	10.89	3.21
1994-95	14.79	5.03	5.99	1.27	4.86	10.40	4.59

WS&S: Water supply and Sanitation. WCW: Women and Children welfare Source: Annual accounts and audit reports (Bangalore Rural). The figures for each sector are a sum of capital and revenue accounts only.

Plan allocations show a general increasing trend under the heads --education, water supply and sanitation, and women and children welfare. It is fluctuating for minor irrigation, roads and bridges, health and family welfare. It has

fallen in the case of minor irrigation, and family welfare in the later years. For health and roads and bridges it has been random.

12. Share of selected sectors under Plan expenditure to the total Plan expenditure towards the district.

(Figures in Percentages)

	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
Years	Plan	Plan	Plan	Plan	Plan	Plan	Plan
1987-88	3.74	3.45	4.91	2.27	2.56	4.30	1.99
1988-89	4.39	4.20	5.57	2.67	3.57	12.45	1.86
1989-90	5.6	4.00	6.35	3.65	3.14	13.22	1.83
1990-91	6.96	4.42	5.04	2.24	4.90	14.02	2.11
1991-92	6.05	4.37	6.39	1.87	7.66	11.53	2.68
1992-93	11.05	4.41	5.95	1.64	9.86	10.27	4.10
1993-94	13.59	4.93	5.39	1.56	7.50	12.64	3.59
1994-95	12.86	5.24	5.56	1.69	5.22	14.42	4.29

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Bangalore Rural). The figures for each sector are a sum of capital and revenue accounts only.

The share of Plan expenditures to the total for education, medical, women & children welfare, shows a rise in the study period at around 5%, Education has risen the highest from 3.74% in 1987-88 to 12.86% in 1994-95. In case of family welfare the expenditures are steady. Water supply and sanitation is steady at 12 % also Minor Irrigation show a lot of random changes with increases in between, Roads and Bridges has steadily fallen.

13. Share of selected sectors under Non-Plan allocation to the total allocation towards the district.

(Figures in Percentages)

	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
Years	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan
1987-88	63.33	8.44	0.30	1.26	4.15	0.31	1.92
1988-89	62.96	7.32	0.37	1.55	2.98	0.24	2.16
1989-90	61.82	7.88	0.33	1.45	1.25	0.23	1.61
1990-91	62.62	8.47	0.29	1.56	2.59	0.22	1.51
1991-92	62.72	7.83	0.26	1.21	3.28	0.19	1.23
1992-93	61.67	8.59	0.00	1.21	2.34	0.18	1.24
1993-94	63.75	8.71	0.26	0.69	2.15	0.16	1.06
1994-95	62.09	9.21	0.28	0.72	2.15	0.16	1.11

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Bangalore Rural). The figures for each sector are a sum of capital and revenue accounts only.

Except for education and medical all the sectors show a very low Non-Plan share between 0.2% to 3%. Education shows a near constant 62% share and health has 8% share in the total.

14. Share of selected sectors under Non-Plan expenditure to the total expenditure towards the district .

(Figures in Percentages)

	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
Years	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan
1987-88	65.31	6.06	0.33	1.26	4.10	0.48	1.89
1988-89	62.59	6.62	0.21	1.70	4.38	0.19	1.37
1989-90	59.39	7.55	0.23	1.18	4.84	1.58	1.26
1990-91	61.63	6.68	0.21	1.64	3.73	1.42	2.08
1991-92	58.21	7.85	0.22	1.41	3.96	0.02	0.79
1992-93	58.42	7.91	0.21	1.02	3.10	2.18	0.98
1993-94	60.19	8.03	0.22	0.77	2.68	0.19	0.87
1994-95	60.18	8.07	0.24	0.73	2.79	0.18	0.73

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Bangalore Rural). The figures for each sector are a sum of capital and revenue accounts only.

Education shows on an average a constant figure of around 60% Non-Plan expenditure to the total expenditure made in the district. Health shows a steady increase. Family welfare remains steady at 0.2% share throughout. There is a fall in the rest, namely Minor Irrigation, Water supply and sanitation and Women and Children welfare.

15. Share of both Total (Plan + Non-Plan) to the total Allocation towards the district for individual sector.

(Figures in Percentages)

Years	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
1987-88	40.92	6.37	3.01	2.11	3.85	2.79	1.88
1988-89	38.87	6.43	3.15	3.83	3.22	3.13	2.16
1989-90	39.35	6.43	2.56	2.88	1.96	4.31	1.68
1990-91	38.75	6.35	2.60	1.81	3.03	4.17	1.85
1991-92	40.62	6.28	2.79	1.73	3.79	3.88	1.96
1992-93	40.91	7.12	2.80	1.71	4.67	5.60	1.98
1993-94	43.53	7.74	2.41	1.05	3.57	4.68	1.97
1994-95	40.78	7.33	2.86	0.96	3.37	4.78	2.68

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit-reports (Bangalore Rural). The figures for each sector are a sum of capital and revenue accounts only.

Education has kept a constant of 40% over the years. It has been increasing from 6 to 7% for health. There is an average steady decrease in the case of family welfare, but a corresponding increase in water supply and sanitation, women and children welfare over the years. In case of minor irrigation it has fallen from 2% to less than 1% in 1994-95.

16. Share of both Total (Plan + Non-Plan) to the total expenditure towards the district for individual sector.

(Figures in Percentages)

Years	General Education	Medical & Public health	Family welfare	Minor Irrigation	Roads & Bridges	WS&S	WCW
1987-88	36.07	4.82	2.51	1.74	3.37	2.30	1.94
1988-89	37.15	5.56	2.56	2.13	4.02	5.55	1.59
1989-90	37.67	6.12	2.70	2.18	4.15	6.28	1.49
1990-91	38.42	5.72	2.26	1.90	4.23	6.77	2.09
1991-92	37.43	6.47	2.68	1.59	5.43	4.60	1.54
1992-93	37.85	6.39	2.70	1.29	6.04	5.69	2.33
1993-94	39.20	6.63	2.55	1.12	4.85	5.80	2.09
1994-95	39.91	6.86	2.52	1.14	3.83	6.28	2.26

WS&S: Water supply and Sanitation, WCW: Women and Children welfare

Source: Annual accounts and audit reports (Bangalore Rural). The figures for each sector are a sum of capital and revenue accounts only.

When we compare total allocation and expenditures (table 15 & 16) Education shows a large gap. Expenditures are far less than the allocations. Medical and public health for expenditures have been constant at 6% even when allocations have slightly grown up. Family welfare is steady at 2%. In WCW expenditures are more than allocations.

Under WS&S the expenditures are slightly above the allocations made. Roads and Bridges shows random fluctuations, while Minor Irrigation there is definite fall over the period.

MODE OF ANALYSES

In this chapter, we share our analyses of the budget data for the five sectors in the two districts of Bangalore Rural and Dharwad. The exact data position is as already put forth in the previous chapter on Database and methodology. The present chapter has two divisions; first Dharwad and second Bangalore Rural.

In each division, there are five sections, one -education, two -health (inclusive of family welfare, women and children, and medical and public health), three -water supply and sanitation, four -roads and bridges, and five -. minor irrigation.

Each section is further divided into three parts. In Part 1 the Audited statements of Accountant General (AG) for the various sectors is taken and studied. The revenue and capital accounts figures are taken together to look at the macro situation in the two districts. Using the same sectors, individual sectors are also taken in a consolidated manner for all the heads and studied. Here the allocation figures are the figures as given in the link documents. The AG's figures do not consider the released amounts for allocations. The expenditures are however actual figures.

In Part 2, we take the broad components such as salaries, maintenance and others for the schemes and sum it. This helps us in giving an over-all picture as to how much is spent on salaries and other development works. Here on these heads we run some trends for per capita figures only for Dharwad district on Constant prices. The population figures of Old Dharwad as a whole from the 1981 and 1991 census is taken to get mid year figures for the period between 1987-88 to 1994-95. For Bangalore(R) however per capita figures have not been calculated as the data is incomplete. The per capita figures are given in an extra column. We have also calculated the growth rates over the period in which the study was made in both the districts.

Moving further to Part 3, we share with the readers a few selected tables showing minor heads that fall under each sector. The code numbers are given in the tables under this Part. This helps us in understanding how the budgeting heads are maintained, also the multiplicity of numbers involved. Here also the growth rates have been calculated wherever data was complete.

A copy of the final formatted data sheet of Minor Irrigation for Dharwad is given in the appendix. This shows allocations (from link documents) and expenditures (audited statements) for Plan and Non-Plan separately. This shows the various major, minor and sub heads. The tables are illustrative of how the figures are put together. These tables are the smallest and hence reproduced here. For other detailed sheets, copies can be made available to interested readers.

Findings:

- ◆ Even though it seemed that Dharwad had a better practice of keeping disaggregated data, at the macro level one can see that the sectors fare very comparably between the two districts, i.e, when Dharwad and Bangalore (rural) are seen together.

- ♦ The sums allotted and spent on the various Central Sponsored Schemes and State Sponsored Schemes show a similar pattern, though not exact always.
- ♦ The differences however at the local level shows up in the way the schemes are implemented at the minor head or subhead stages. Here the numbers spent may show greater or lesser efficacy. But this is hard to determine as the data cannot be compared for reasons given explicitly.

Chapter 5

DEVELOPMENT EXPENDITURES IN ZILLA PANCHAYATS

1. Education

General education under Plan categorisation comprises primary and secondary education, mass education, collegiate education, Sanskrit education, university education and vocational education.

This head takes into account primary education upto 14 years of age. Over the last few years new pattern and strategies have been elaborated for achieving the goals of universalisation of elementary education. They are:

- i) Universal access
- ii) Universal participation, and
- iii) Universal achievement.

During 1993-94, the cash incentive scheme called AKSHAYA changed as MODIFIED AKSHAYA. Under this scheme following are the different programmes: Vastradhara, Pustaka Vitharana, Ahara, Improvement of play fields, Construction of class-rooms, Repairs to school buildings, Yathra and Manoranjan. Operation Black Board is being implemented since 1987-88 in Karnataka.

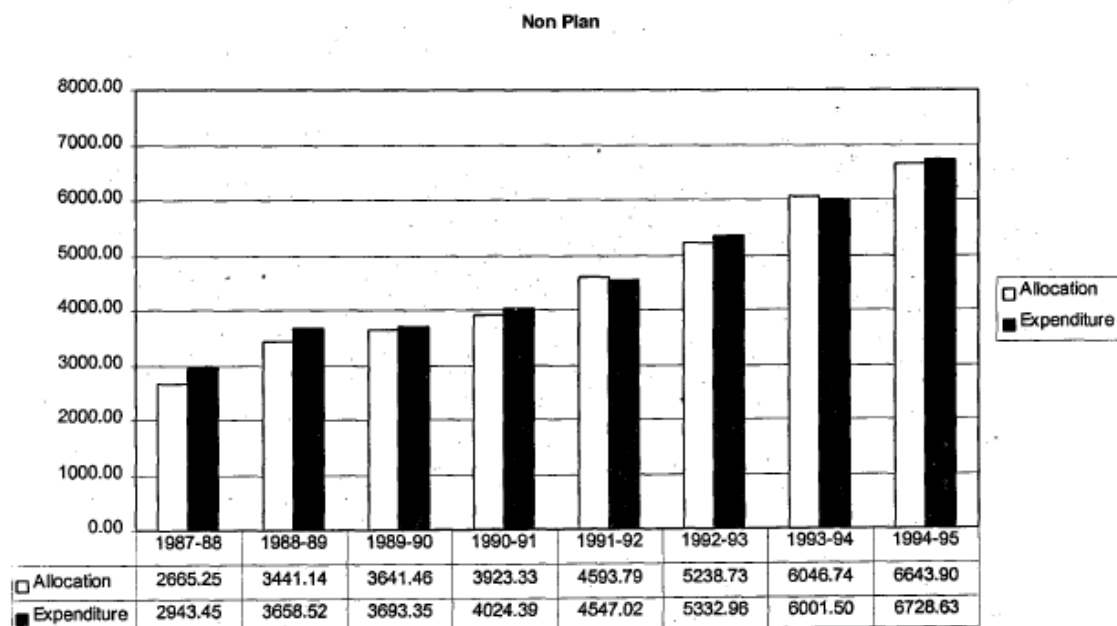
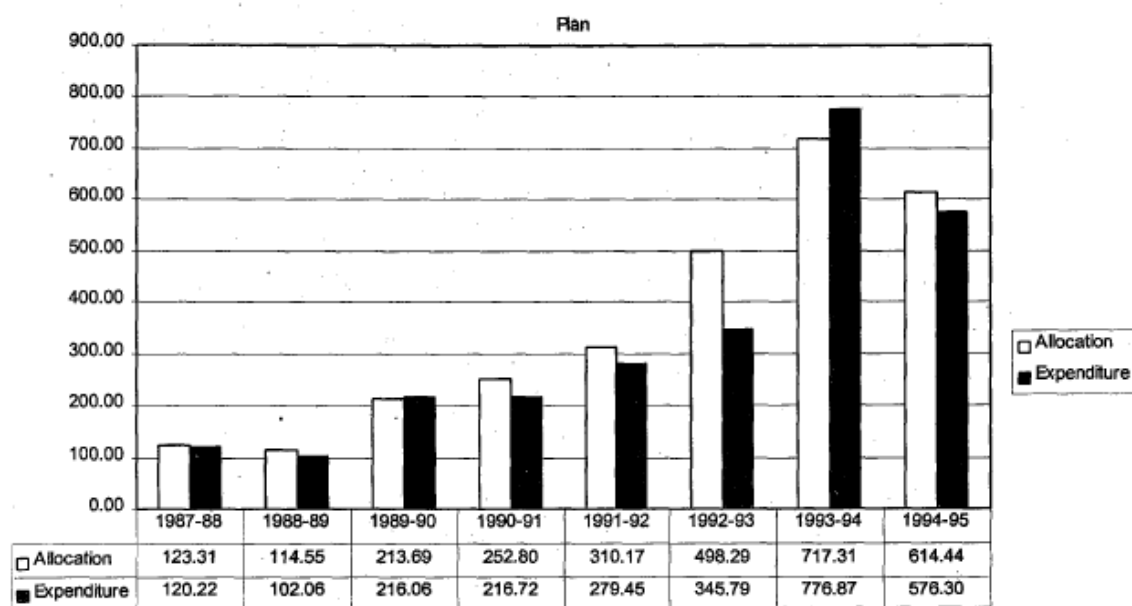
Secondary education: the demand for this has increased over time. There are over 5987 secondary schools in which 13.95 lakhs children are studying. Under World Bank Assisted Social Safety Net programme, District Primary Education Projects pertaining to Kolar, Mandya, Belgaum and Raichur districts have been considered.

In this section, attention is focused on the Education sector. Education expenditure is one of the large components of our state budget. In our state budget, Education sector is broadly divided into three heads namely Primary Education, Secondary Education and Adult Education.

A histogram showing total allocation and total expenditure figures for the two districts is also given for the study period. Source of data is from the Accountant General's Annual Reports for ZP.

(I) Dharwad

Total Allocations and Total Expenditures for Education sector



In the above bar-charts, we see that the expenditures in both the Plan and Non-Plan heads are below the allocations. However the non-plan moneys are rising steadily over the years.

Part 1:

Major head-wise

Table 1 :Share of allocations towards State Sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) under Plan.

(Figures In Percentages)

Years	SSS	CSS
1987-88	91.92	8.08
1988-89	91.03	8.97
1989-90	69.51	30.49
1990-91	80.30	19.70
1991-92	79.12	20.88
1992-93	77.67	22.33
1993-94	82.81	17.19
1994-95	85.66	14.34

Source: compiled from our data sheet

It is clear from above table that in the last 8 years that the share of state sponsored schemes have been the major schemes under Plan head. The allocations are to the tune of 85% in 1995. But one can also notice that the share of CSS has been increasing substantially from 8% in 1987 to 14% in 1995.

Table 2: Share of expenditures towards State Sponsored Schemes and Central Sponsored Schemes (CSS) under Plan.

(Figures In Percentages)

Years	State	CSS
1987-88	91.82	8.18
1988-89	90.76	9.24
1989-90	66.67	33.33
1990-91	78.93	21.07
1991-92	84.80	15.20
1992-93	55.39	44.61
1993-94	83.48	16.52
1994-95	84.50	15.50

Source: compiled from our data sheet

As observed in the allocations made, the share of state sponsored schemes have been playing a major role in the expenditure. The role of CSS seem to be increasing under the Plan account if one compares at two point periods -i.e. 1987 and 1995 indicating the increasing role of Central Government in Education sector. But for the trends within the period, table shows that the share of state schemes has dropped from 92% in 1987 to 68% in 1989 and to 55% in 1992. The last two years of our analysis show that the state's share has increased between 83% to 84%. And in case of CSS similar fluctuations can be observed, where during 1989-90 to 1992-93 we see the share of CSS has gone up.

Table 3: Share of allocation towards major heads of Plan.

(Figures In Percentages)

Years	Primary Education	Secondary Education	Adult Education
1987-88	70.25	17.92	11.83
1988-89	39.32	43.76	16.92
1989-90	44.30	45.01	10.69
1990-91	40.83	50.38	8.79
1991-92	43.74	46.88	9.38
1992-93	47.22	51.72	1.06
1993-94	61.87	37.21	0.92
1994-95	63.88	34.93	1.19

Source: compiled from our data sheet

Above table shows the three major heads under which education is made available by the government at the ZP level. The three important ones are primary, secondary and adult education.

The share of Primary education has been as high as 64% in 1995, which is followed by Secondary education to the tune of 35%. There are two important factors to be noticed here, that is adult education has been under the Plan allocation throughout and also the share of adult education has come down, from 12% in 1987 to 1.19% in 1995, Also the share of Primary education is on a declining trend as against secondary education, which has increased from 18 % in 1987 to almost 35 % in 1995.

Table 4: Share of expenditure towards major heads of Plan.

(Figures In Percentages)

Years	Primary Education	Secondary Education	Adult Education
1987-88	69.75	17.99	12.26
1988-89	30.06	53.29	16.64
1989-90	40.55	52.05	7.41
1990-91	41.30	52.32	6.38
1991-92	47.39	48.00	4.61
1992-93	51.76	46.71	1.53
1993-94	79.24	15.59	5.17
1994-95	69.90	29.07	1.03

Source: compiled from our data sheet

Figures clearly show the fluctuations in the study period. Primary education has always garnered a higher share as compared to secondary education. However in the years 1988-89 to 1991-92, secondary has been higher than primary. Adult education has however lost to the other two. It has fallen rapidly to a low of 1% in 1994-95. When we compare the allocations and expenditure figures we find that there are differences in **all** the three.

Table 5: Share of allocation towards two major heads of Non-Plan.

(Figures In Percentages)		
Years	Primary Education	Secondary Education
1987-88	67.18	32.82
1988-89	72.54	27.46
1989-90	69.88	30.12
1990-91	68.64	31.36
1991-92	67.23	32.77
1992-93	66.26	33.74
1993-94	67.57	32.43
1994-95	66.52	33.48

Source: compiled from our data sheet

The entire Non-Plan allocation in the district flows under state sponsored ZP schemes. The percentage share of primary and secondary education has remained more or less same during the analysis period. As far as primary education is concerned it has been above 66% throughout. And in case of Secondary education the share has increased from 27% in 1988 to 33% in 1995.

Table 6: Share of expenditure towards two major heads of Non-Plan.

(Figures In Percentages)		
Years	Primary Education	Secondary Education
1987-88	68.91	31.09
1988-89	65.52	34.48
1989-90	64.66	35.34
1990-91	66.50	33.50
1991-92	65.33	34.67
1992-93	63.16	36.84
1993-94	65.23	34.77
1994-95	64.24	35.76

Source: compiled from our data sheet

The total Non-Plan expenditure in the district is spent on primary and secondary education. It is generally seen that the Non-Plan is spent towards maintenance of Plan schemes of the previous Plan period. The percentage share of primary education has come down from almost 69% in 1987 to 66% in the next year. With a marginal increase in the subsequent years it has come down to 64% in 1995. Secondary education has increased from 31% in 1987 to 34% in 1988 and with the marginal changes it has increased to almost 36% in 1995.

Table 7: Share of major heads under Total Allocation (Plan + Non-Plan) together.

(Figures In Percentages)			
Years	Primary Education	Secondary Education	Adult Education
1987-88	67.31	32.17	0.52
1988-89	71.47	27.99	0.55
1989-90	68.39	30.98	0.62
1990-91	66.96	32.51	0.53
1991-92	65.25	33.96	0.79
1992-93	64.45	35.45	0.10
1993-94	66.96	32.94	0.10
1994-95	66.30	33.60	0.10

Source: compiled from our data sheet

Table 8: Share of major heads under Total Expenditure (Plan, Non-Plan) together.

(Figures In Percentages)

Years	Primary Education	Secondary Education	Adult Education
1987-88	69.07	30.64	0.48
1988-89	64.91	35.17	0.45
1989-90	63.39	36.33	0.42
1990-91	65.45	34.66	0.34
1991-92	64.34	35.48	0.27
1992-93	62.41	37.49	0.10
1993-94	66.72	32.83	0.53
1994-95	64.75	35.26	0.08

Source: compiled from our data sheet

So far as education sector is concerned, the expenditure on Plan programmes which are meant for new activities in the education sector have not registered a significant increase except for the year 1993-94. In the share of various sets of schemes within education, primary education seems to be the top priority with the highest share in 1987-88 of 69%. But this has been declining over a period of time. The expenditure on secondary education has been increased from 30% in 1987 to 35% in 1988 and has remained more or less same throughout. This increase is due to increased share of secondary education in Plan expenditure. However, adult education, which has been a Plan scheme, has gained less than 1% share in 1987 and reached the level of 0.08% by 1995 thus showing a decline in programmes for adult education. This is definitely not because of an improved literacy levels.

Part II

Combining schemes

Here we have made an exercise to understand the major trends for committed heads such as salaries, scholarships, and building maintenance. For each of these heads we had to club the schemes to arrive at the figures given below. This is inclusive of primary and secondary education schemes.

The per capita figures are also shown alongside in the same table. However the reflections on 'per capita' scenario is given at the end of part 11.

Table 9: Towards Salaries (Plan)

(Figures in lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	33.20	46.63	370.3	8.97	12.59	0.27	0.38
1988-89	61.91	65.48	409.7	15.11	15.98	0.45	0.47
1989-90	128.34	112.59	438.3	29.28	25.69	0.85	0.75
1990-91	147.93	138.46	460.9	32.10	30.04	0.92	0.86
1991-92	168.08	126.10	460.3	36.52	27.40	1.02	0.77
1992-93	226.21	114.58	483.5	46.79	23.70	1.29	0.65
1993-94	274.91	78.83	513.0	53.59	15.37	1.45	0.41
1994-95	285.50	167.62	552.7	51.66	30.33	1.37	0.80
Growth Rate	30.86	17.34		24.46	11.62		

Primary Schools + Residential High Schools + Private High Schools completing 5 years of existence GIA
+ Appointment of Hindi teachers in non-Hindi speaking states (CSS. P&SE) + High schools
Source: Data sheet compiled minor head-wise, where figures available.

One can see that the expenditure are lesser than the allocations. The allocations made towards salaries have increased over the years. The expenditures however are not constant in the study period. This may be, when even after the Plan allocations were committed all the teachers were not put in place and hence the sums spent was far less than expected.

The growth expenditures have grown by 12% over the study period, while the allocations have been double this, at 24%.

Table 10: Towards Salaries (Non-Plan).

(Figures in lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	1845.02	2062.32	370.3	498.25	556.93	14.98	16.75
1988-89	2522.62	2452.30	409.7	615.72	598.56	18.20	17.69
1989-90	2616.51	2420.91	438.3	596.97	552.34	17.34	16.04
1990-91	2779.96	2749.28	460.9	603.16	596.50	17.22	17.03
1991-92	3210.86	3076.27	460.3	697.56	668.32	19.54	18.73
1992-93	3630.38	3483.28	483.5	750.85	720.43	20.65	19.81
1993-94	4249.38	4001.45	513.0	828.34	780.01	22.36	21.06
1994-95	4585.55	4411.48	552.7	829.66	798.17	21.98	21.15
Growth Rate	12.05	9.97		6.58	4.6		

Primary schools + Appointment of school Mothers + Pre-primary schools GIA + Local body secondary schools taken over by Government + High schools + Appointment of physical Education Teachers + Residential High Schools + Appointment of Hindi Teachers in Non-Hindi speaking States
Source: Data sheet compiled minor head-wise, where figures available.

However under Non-Plan we see that salaries for existing schemes have taken up a large chunk of the money. When we compare the figures spent on the buildings and other incentives, we see that the major share goes towards salaries.

The expenditures nearly match the allocations made. They are rising over the years.

Non-Plan expenditures are definitely higher than Plan expenditures. This is a continuing expenditure compared to Plan expenditures, which may not be made in some years. Here a certain sum has to be kept aside because this becomes a foreseen expenditure. Infact it is transferred to Non-Plan at such time when one is sure of its running on a regular basis. That is, a certain minimum has been achieved.

Here too, allocation has grown more than expenditures. The growth is around 4% over the years in terms of actual expenditure at constant prices. This is not a very large sum of money.

Table 11: Towards Scholarships and Incentives (Plan).

(Figures In lakhs)

Year	Current prices			Constant Prices		Per Capita	
	Allocation	Expenditure	Deflators	Allocation	Expenditure	Allocation	Expenditure
1987-88	51.60	49.60	370.3	13.93	13.39	0.42	0.40
1988-89	4.20	3.33	409.7	1.03	0.81	0.03	0.02
1989-90	49.68	50.84	438.3	11.33	11.60	0.33	0.34
1990-91	40.31	50.24	460.9	8.75	10.90	0.25	0.31
1991-92	48.42	58.30	460.3	10.52	12.67	0.29	0.35
1992-93	119.11	116.20	483.5	24.63	24.03	0.68	0.66
1993-94	128.81	150.07	513.0	25.11	29.25	0.68	0.79
1994-95	109.50	87.24	552.7	19.81	15.78	0.52	0.42
Growth Rate	9.86	7.31		4.5	2.07		

Vidya vikas scheme (p) +Supply of materials to secondary schools + supplies of materials (CSS, PE & SE)

Source: Data sheet compiled minor head-wise, where figures available.

Table 12: Towards Scholarships and Incentives (Non-Plan)

(Figures In lakhs)

Year	Current prices			Constant Prices		Per Capita	
	Allocation	Expenditure	Deflators	Allocation	Expenditure	Allocation	Expenditure
1987-88	2.40	1.83	370.3	0.65	0.49	0.02	0.01
1988-89	4.00	5.73	409.7	0.98	1.40	0.03	0.04
1989-90	6.40	5.02	438.3	1.46	1.14	0.04	0.03
1990-91	6.45	4.54	460.9	1.40	0.99	0.04	0.03
1991-92	6.45	3.17	460.3	1.40	0.69	0.04	0.02
1992-93	5.00	3.13	483.5	1.03	0.65	0.03	0.02
1993-94	5.40	4.07	513.0	1.05	0.79	0.03	0.02
1994-95	5.91	3.26	552.7	1.07	0.59	0.03	0.02
Growth Rate	11.92	7.48		6.43	2.35		

Education-Concession to Dependents of Service Personnel + National rural scholarship (CSS)

Source: Data sheet compiled minor head-wise, where figures available.

The figures under Plan for scholarships and incentives is higher compare to those under Non-Plan. In fact they are falling under Non-Plan from the years

1992-93 onwards. The expenditures have also not been fully met. (Table 12)
Correspondingly however the Plan numbers are rising.

The growth under scholarships for Non-Plan has been higher than Plan for allocations. However interestingly it has remained at 2% for expenditures under both Plan and Non-Plan.

Table 13 :Towards Buildings (Plan)

(Figures in lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	10.28	4.14	370.3	2.78	1.12	0.08	0.03
1988-89	14.05	9.78	409.7	3.43	2.39	0.10	0.07
1989-90	13.50	15.82	438.3	3.08	3.61	0.09	0.10
1990-91	22.89	23.85	460.9	4.97	5.17	0.14	0.15
1991-92	126.91	79.59	460.3	27.57	17.29	0.77	0.48
1992-93	126.00	28.79	483.5	26.06	5.95	0.72	0.16
1993-94	150.00	28.34	513.0	29.24	5.52	0.79	0.15
1994-95	60.00	86.19	552.7	10.86	15.59	0.29	0.41
Growth Rate	24.67	46.15		18.57	38.98		

This table is inclusive of sums set aside for new construction as well as maintenance of existing buildings.

Construction of class rooms (GIA) (P) + Primary schools buildings + Secondary Schools buildings

Source: Data sheet compiled minor head-wise, where figures available.

Table 14 :Towards Buildings (Non-Plan)

(Figures in lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	657.63	712.66	370.3	177.59	192.46	5.34	5.79
1988-89	738.85	1005.74	409.7	180.34	245.48	5.33	7.25
1989-90	828.06	1041.74	438.3	188.93	237.68	5.49	6.90
1990-91	927.43	1061.22	460.9	201.22	230.25	5.74	6.57
1991-92	1144.86	1212.26	460.3	248.72	263.36	6.97	7.38
1992-93	1338.88	1551.22	483.5	276.91	320.83	7.62	8.82
1993-94	1471.28	1649.16	513.0	286.80	321.47	7.74	8.68
1994-95	1691.57	1933.67	552.7	306.06	349.86	8.11	9.27
Growth Rate	12.54	13.29		7.04	7.76		

Assistance given for maintenance -GIA for Non government secondary schools + Local bodies secondary schools

Source: Data sheet compiled minor head-wise, where figures available.

Figures spent and kept towards buildings show an interesting point (Table 13). The Plan numbers are far less than what is available under Non-Plan. This would mean that there is money available for maintenance. The expenditures have also been more (Table 14). But still the problem of falling buildings, cracked walls, insufficient rooms persist.

Here the growth of allocations and expenditures has been higher under Plan than under Non-Plan. Under Non-Plan, both show a 7% rise over the period. The Plan expenditures have growth more than allocations made.

Table 15 :Towards Literacy programs (Plan)

(Figures in lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	11.09	11.37	370.3	2.99	3.07	0.09	0.09
1988-89	11.88	10.82	409.7	2.90	2.64	0.09	0.08
1989-90	19.74	12.72	438.3	4.50	2.90	0.13	0.08
1990-91	20.46	11.96	460.9	4.44	2.59	0.13	0.07
1991-92	39.60	12.93	460.3	8.60	2.81	0.24	0.08
1992-93	5.84	5.76	483.5	1.21	1.19	0.03	0.03
1993-94	6.59	5.87	513.0	1.28	1.14	0.03	0.03
1994-95	7.31	5.95	552.7	1.32	1.08	0.03	0.03
Growth Rate	-5.08	-7.78		-9.72	-12.24		

This is a combined sum for what is spent on adult education programmes, which includes manpower, materials and buildings. Adult literacy program + rural literacy program (AE, CSS) + Jana sikshana nilaya (AE, CSS)
Source: Data sheet compiled minor head-wise, where figures available.

Table 15 gives the Plan figures towards literacy programs. The share of adult education in the total is small as seen already. Within that when we see the allocations made, it is falling over the years. The expenditures are also far below what has been allotted. This balance of money could either be re-appropriated and used in a different scheme, could have lapsed or the expended amount could be what is released. The exact nature one can learn after meeting the concerned department officials at the Zilla Panchayat.

The fall in allocations and expenditures are quite evident, where expenditures have fallen steeply (-12%) over the years.

Per Capita:

To understand the education sector, the main components to be considered are salaries, scholarships and incentives and buildings --new construction and maintenance, including repairs. The per capita has been calculated for all these three --Plan, Non-Plan at constant prices.

What we see is that salaries component is the highest, next comes buildings and the lowest and least is the scholarships and incentives.

Salaries --the per capita expenditure and allocations nearly match under Non- Plan. For Plan, expenditures are far below the allocations.

Scholarships and incentives --the figures are negligible under Plan and Non-Plan.

Buildings --the figures under Non-Plan are higher than under Plan..

The combined per capita figure (inclusive of all the three) in 1994-95 comes to Rs.32.30 allocated as against Rs.32.07 spent. Of this salaries takes up 72% share, i.e., Rs.23.35 goes towards payments made to teachers, about Rs.0.55 towards scholarships and incentives, i.e., supply of materials and Rs.8.40 on buildings.

Part III

Individual Schemes

her a macro-view, we now present some individual schemes that make up a minor head. These are illustrative on how moneys flow downwards.

We also show flow-charts of Education in the appendix for easier understanding at the end of this sector. This format is the same through out the district. Schemes exist below minor heads. The oval shaped schemes in the flowchart give us an idea of the complete data available with us for Dharwad district in the study period. It is also indicative that there exist many schemes where there is incomplete data.

The Education sector consists of two types of schemes flowing down -they are State Plan Schemes and Central Plan Schemes. The Centre has taken full responsibility for each of the schemes like, Black Board Schemes -increase in Teachers Salaries, Supply of Materials, Appointment of Hindi Teachers in Non-Hindi speaking states (Central 100%) under the Plan. However certain schemes are shared by both Centre and the State government like the Literacy Programme (State 42% and Center 58%). For most of the Schemes under Non-Plan the funds to the Zilla panchayats are provided by the State government. The National Rural Scholarship is the only scheme, which is given to the Zilla panchayats sponsored by the Central government under the Non-Plan.

Under the Plan head though we have numerous items, only seven heads show the data to run a trend. From which two are from Primary Education, three from Secondary Education and another two from Central sponsored schemes. We consider a few of them here. The scheme codes are shown with the figures.

For each of the above heads, one can see that in almost all the years the allocations and expenditures do not match. In some years the allotted amount has not been spent. A common complaint is lack of money for the school buildings or for the development of schools. When we see the numbers one is forced to take a view that the problem is elsewhere.

State Sponsored Schemes

Primary and secondary education

Table 16 Primary Education -Formal Education -Primary Schools

(2202-01-101-0-71) (Plan) (Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	21.00	31.29	370.3	5.67	8.45
1988-89	25.00	20.18	409.7	6.10	4.93
1989-90	37.50	29.25	438.3	8.56	6.67
1990-91	40.56	30.82	460.9	8.80	6.69
1991-92	52.70	30.18	460.3	11.45	6.56
1992-93	52.70	37.58	483.5	10.90	7.77
1993-94	120.00	19.47	513.0	23.39	3.80
1994-95	130.00	56.16	552.7	23.52	10.16
Growth Rate	25.59	7.59		19.46	2.33

Source: Data sheet compiled scheme wise

Looking at Primary Schools (Table 16) under SSS we can see that in the year 1987-88, the expenditure was more than the allotted amount (against Rs 21 Lakhs, Rs 31.29 is spent). But in the later years as the allocations grow the expenditures have not matched them. In the year 1993-94 there is a sudden increase of allocation from Rs 52.70 Lakhs to Rs 120.00 Lakhs. But when we see the expenditures in the same years it has come down drastically from Rs 37.58 Lakhs to an all time low of Rs 19.40 Lakhs. But once again in the year 1994-95 the allocations as well as the expenditures have increased, but the expenses are far less than allotted amount.

At constant prices ,expenditures show only 2% growth over the period

Table 17 Government Secondary Schools -Supply of materials to Secondary Schools

(2202-02-109-0-75) (Plan). (Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	4.20	2.51	370.3	1.13	0.68
1988-89	4.20	3.33	409.7	1.03	0.81
1989-90	4.20	0.60	438.3	0.96	0.14
1990-91	4.00	4.00	460.9	0.87	0.87
1991-92	10.00	9.74	460.3	2.17	2.12
1992-93	11.00	24.41	483.5	2.28	5.05
1993-94	15.00	38.81	513.0	2.92	7.57
1994-95	10.00	9.99	552.7	1.81	1.81
Growth Rate	11.45	18.85		6.07	13.02

Source: Data sheet compiled scheme wise

Table 18 Assistance to Non-Government Secondary Schools -Private high schools completing 5 years of existence -GLA (2202-02-1 10-3-71) (Plan)

(Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	9.10	11.60	370.3	2.46	3.13
1988-89	33.50	42.55	409.7	8.18	10.39
1989-90	70.00	57.58	438.3	15.97	13.14
1990-91	80.00	100.17	460.9	17.36	21.73
1991-92	90.00	95.30	460.3	19.55	20.70
1992-93	134.00		483.5	27.71	
1993-94	70.00	16.15	513.0	13.65	3.15
1994-95	70.00	10.63	552.7	12.67	1.92
Growth Rate	29.05	-1.09		22.74	-5.93

Source: Data sheet compiled scheme wise

Looking at the Supply of materials to Secondary schools (Table -1a), we can find that the allocations has kept to Rs 4.00 Lakhs every year till 1990-91 after which it has suddenly grown to 10 Lakhs. In the year 1992-93 and 1993-94 we can see against Rs 11.00 Lakhs and Rs 15.00 Lakhs an amount of Rs 24.41 and Rs 38.81 Lakhs has been spent. The overall growth in allocation is lower at 6 %, compared to over 13 % for expenditures.

Looking at the assistance given by the government to the Private schools, Which have completed 5 years of existence (Table -18), we see that there is always an increase in the allocations of the amount. It has increased from Rs 33.50 Lakhs in 1988-89 to Rs 70.00 Lakhs in 1989-90 and from then a continuous raise of Rs 10 Lakhs every year. In the year 1992-93 it has suddenly increased to Rs 134.00 Lakhs where no expenditure has been made (we have not been able to gather the reason for this) . Looking at the expenditures side, we see that in the initial years (Table -18) except in 1989-90 that the amount spent is more than the allotted figure. However, in the year 1990-91 the expenditure has crossed over Rs 100.00 Lakhs against the allotted amount of Rs 80.00 Lakhs. Expenditures have fallen down sharply in the later years (i.e., between 1993-94 and 1994-95). In both the years, against the allocation of Rs 70.00 Lakhs I amount of Rs 18.59 and Rs 10.62 Lakhs have been spent.

The growth rates show that there has been an increase in allocation over the period to the tune of 22 %. while correspondingly expenditures have not been incurred in some cases. Overall it has infact shown a negative growth.

Central Sponsored Schemes:

Table 19 : Black Board Schemes -increase in teachers' salaries, supply of materials
(2202-01-109-0-72) (Plan)
(Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88			370.3		
1988-89			409.7		
1989-90	34.63	39.53	438.3	7.90	9.02
1990-91	22.51	41.33	460.9	4.88	8.97
1991-92	31.92	31.11	460.3	6.93	6.76
1992-93	99.81	90.01	483.5	20.64	18.62
1993-94	99.81	78.31	513.0	19.46	15.27
1994-95	83.50	77.25	552.7	15.11	13.98
Growth Rate	15.80	11.81		11.41	7.58

Source: Data sheet compiled scheme wise

This is CSS towards scholarships and incentives.

Under the Black board Scheme -Increase in teachers salaries, supply of materials (Table 19), we can see that in the years 1989-90 and 1990-91 that the expenditures are more than the allocated mount, specially in the year 1990-91 almost an extra amount of Rs 20 Lakhs has been spent. We can see in the table that in the year 1992-93 there is a sudden rise in the allocation from Rs 31.92 Lakhs to Rs 99.81 Lakhs. In the same year, even the expenditure has grown from Rs 31.11 to Rs 90.01 Lakhs. In the next two years, the allocations have maintained its trend; the expenditures have come down.

Here to the allocations have grown at 11 % as compared to 7 % for expenditures.

Under the Non-Plan head, though there are numerous items, we have 16 items to run a trend: Under the Non-Plan, we can see from the data that there is a greater flow of funds to each of the head. There are five items under the Primary Education and ten items under the Secondary Education, and only scheme from the Centre. Of the 16 a few schemes are given below, They are:

State Sponsored Schemes

Table 20 Primary Education - Materials - Inspection (2202-01-104-0-00)(Non-Plan)
(Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	54.89	57.06	370.3	14.82	15.41
1988-89	60.09	57.88	409.7	14.67	14.13
1989-90	59.34	67.71	438.3	13.54	15.45
1990-91	65.29	62.02	460.9	14.17	13.46
1991-92	71.51	72.81	460.3	15.54	15.82
1992-93	42.96	87.77	483.5	8.89	18.15
1993-94	98.66	99.48	513.0	19.23	19.39
1994-95	109.36	103.8	552.7	19.79	18.77
Growth Rate	9.00	7.77		3.68	2.50

Source: Data sheet compiled scheme wise

Table 21 Formal Education - Primary Schools (2202-01 - 101-0-71) (Non-Plan)

(Figures In lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	1648.06	1883.90	370.3	445.06	508.75
1988-89	2334.23	2212.85	409.7	569.74	540.11
1989-90	2370.52	2182.26	438.3	540.84	497.89
1990-91	2500.28	2482.85	460.9	542.48	538.70
1991-92	2873.60	2744.48	460.3	624.29	596.24
1992-93	3229.97	3083.94	483.5	668.04	637.84
1993-94	3789.36	3590.02	513.0	738.67	699.81
1994-95	4080.78	3962.24	552.7	738.34	716.89
Growth Rate	12.00	9.74		6.53	4.38

Source: Data sheet compiled scheme wise

In the above Table 20,21 one can see that allocation in most of the years are equal to the amount spent in that year. Further, there is a considerable increase in allocation of the money as well as full utilisation of the resources .From Table -20, it is clear that in the year 1992-93 the amount spent was more than that of the allotted budget and also in that particular year the allotted amount is very less compared to the other previous years. But in the Table -2 1, it is clear that in the beginning years most of the money has been spent, but in the later years we can see that around 100 Lakhs of rupees not being spent.

From table 20.2 1we also see that allocation has higher growth rate as compared to expenditures over the study period.

Table 22 Assistance to Non-Government Elementary Schools -Pre-Primary Schools

GIA. (2202-01-102-0-02) (Non-Plan)					
(Figures In lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.75	1.05	370.3	0.20	0.28
1988-89	0.84	1.14	409.7	0.21	0.28
1989-90	1.00	0.91	438.3	0.23	0.21
1990-91	1.12	1.26	460.9	0.24	0.27
1991-92	1.27	1.45	460.3	0.28	0.32
1992-93	1.12	4.75	483.5	0.23	0.98
1993-94	1.20	2.46	513.0	0.23	0.48
1994-95	1.38	2.70	552.7	0.25	0.49
Growth Rate	7.92	12.53		2.83	7.25

Source: Data sheet compiled scheme wise

In the above Table 22, the expenditures in most of the years is higher than the allocations. The Government it seems is promoting schools in private sectors at all levels for easier access of primary education. The growth in expenditures at 7 % is high compared to allocation which has grown at 3 % over the period.

Under Secondary Education

Under Secondary Education we can see more heads than Primary education. More is being granted every year. We can also h d an increase in amounts compared to Primary Education heads.

Democracy and Decentralization: Study of Budgets

Table 23 Government Secondary Schools -Local body Secondary Schools -High Schools
(2202-02-109-0-51) (Non-Plan)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	29.40	24.43	370.3	7.94	6.60
1988-89	36.16	36.51	409.7	8.83	8.91
1989-90	39.46	34.27	438.3	9.00	7.82
1990-91	43.93	41.97	460.9	9.53	9.11
1991-92	51.34	50.54	460.3	11.15	10.98
1992-93	60.74	58.36	483.5	12.56	12.07
1993-94	67.36	60.14	513.0	13.13	11.72
1994-95	73.05	66.69	552.7	13.22	12.07
Growth Rate	12.05	13.37		6.58	7.84

Source: Data sheet compiled scheme wise

Table 24 Government Secondary Schools -Residential High Schools.

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	1.87	2.35	370.3	0.51	0.63
1988-89	2.08	2.47	409.7	0.51	0.60
1989-90	3.07	2.95	438.3	0.70	0.67
1990-91	3.30	3.07	460.9	0.72	0.67
1991-92	3.14	5.95	460.3	0.68	1.29
1992-93	8.18	13.48	483.5	1.69	2.79
1993-94	8.20	7.02	513.0	1.60	1.37
1994-95	8.73	8.60	552.7	1.58	1.56
Growth Rate	21.24	17.61		15.18	12.00

Source: Data sheet compiled scheme wise

From the above tables one can see that there is a greater amount of funds released towards the High Schools as compared to that of residential schools. The funds supporting the Government Secondary Schools have actually grown in the year 1992-93 and from which there has been a substantial increase under every sub-head. Though we can see from Table 23 that the amount being allotted is not fully utilized. Growth rates suggest that allocation and expenditures are matching. Expenditures have infact grown at a marginally higher rate at 7.84 %.

Under Residential Schools (Table 24) one can note a sudden increase in the expenditure in the year 1992-93 (has increased from Rs 5.95 Lakhs to 13.48 Lakhs) after which again there is a reduction in the expenditure. The reason could not be found out. But under this head there is more amount spent than the allotted amount (after 1991-92) until which it was steadily progressing. Growth rate of expenditures is around 12 % compared to that of 15.2 % for allocations.

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Table 25 Assistance to Non-Government Secondary Schools -Maintenance and
GIA. (2202-02-110-3-51) (Non-Plan) (Figures in lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	605.63	670.15	370.3	163.55	180.97
1988-89	680.42	946.50	409.7	166.08	231.02
1989-90	762.07	986.80	438.3	173.87	225.14
1990-91	853.52	1001.55	460.9	185.19	217.30
1991-92	1062.39	1145.12	460.3	230.80	248.78
1992-93	1265.34	1475.92	483.5	261.70	305.26
1993-94	1391.87	1569.85	513.0	271.32	306.01
1994-95	1600.65	1849.82	552.7	289.61	334.69
Growth Rate	12.92	13.53		7.40	7.99

Source: Data sheet compiled scheme wise

We can see that there is always an increase in the amount spent than the allotted amount. From the year 1988-89 onwards there is an increase of Rupees 200 Lakhs spent every year against the allotted amount. It would be interesting to know from where these amounts are being spent. This is because for any re- appropriation of amount of more that 10% from one scheme to other the concerned Zilla Panchayat has to take the permission from the State Government. Though we see huge amounts spent every year (in the range of Rs 1001.55, Rs 1145.12, Rs 1569.85 & Rs 1849.82 Lakhs), yet when we talk to the officials or the public they still feel that very less is being spent on maintenance.

Table 26 Assistance to Non-Government Secondary Schools -Gandhi Grameena
Gurukula, Hosaritti. (2202-02-110-3-56) (Non-Plan) (Figures in lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	8.41	8.41	370.3	2.27	2.27
1988-89	9.49	9.50	409.7	2.32	2.32
1989-90	9.77	7.82	438.3	2.23	1.78
1990-91	10.94	10.94	460.9	2.37	2.37
1991-92	12.20	20.15	460.3	2.65	4.38
1992-93	13.00	3.84	483.5	2.69	0.79
1993-94	13.00	12.96	513.0	2.53	2.53
1994-95	14.88	14.53	552.7	2.69	2.63
Growth Rate	7.39	7.07		2.14	1.86

Source: Data sheet compiled scheme wise

Under the "Gandhi Grameena Gurukula" head we can find that the amount being allotted and amount being spent are almost equal in the beginning years. But in the later years from 1991-92 the expenditure is fluctuating. In the year 1991-92 we can see a sudden rise in expenditure (an amount of 8 Lakhs rupees spent more than the allotted amount). In the next year (i.e. 1992-93) the expenditure is falling to a real time low of Rs 3.84 Lakhs (an amount of Rupees 10 Lakhs is spent less than the allotted amount). Again in the next two years the allocation and the expenditures were on increase. The allocations had reached Rs 13 Lakhs and Rs 14.88 Lakhs and the expenditures from Rs 12.96 Lakhs to Rs 14.53 Lakhs. One can see that the growth rate is quite low.

Table 27 Assistance to Local Bodies for Secondary Education -Maintenance and

GIA. (2202-02-191-2-01) (Non-Plan)			(Figures In lakhs)		
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	52.00	42.52	370.3	14.04	11.48
1988-89	58.42	59.24	409.7	14.26	14.46
1989-90	65.99	54.94	438.3	15.06	12.53
1990-91	73.91	59.64	460.9	16.04	12.94
1991-92	82.47	67.14	460.3	17.92	14.59
1992-93	73.54	75.29	483.5	15.21	15.57
1993-94	79.41	79.31	513.0	15.48	15.46
1994-95	90.92	83.84	552.7	16.45	15.17
Growth Rate	7.23	8.86		2.00	3.55

Source: Data sheet compiled scheme wise

From the above head -Maintenance and GIA (table -27), it is clear that the allotted amount has not been fully utilized in the recent years. But, in the year 1987-88 around Rs 10 Lakhs was unspent (against 52 Lakhs only 42.52 Lakhs has been spent).

Centrally sponsored

Table 28 National Rural Scholarship -National Rural Scholarship -Central Scheme

(2202-02-107-4-00) (Non-Plan)			(Figures In lakhs)		
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.5	0.57	370.3	0.14	0.15
1988-89	1.00	2.16	409.7	0.24	0.53
1989-90	2.65	2.02	438.3	0.60	0.46
1990-91	2.65	1.85	460.9	0.57	0.40
1991-92	2.65	0.88	460.3	0.58	0.19
1992-93	2.50	1.36	483.5	0.52	0.28
1993-94	2.65	1.74	513.0	0.52	0.34
1994-95	2.91	1.49	552.7	0.53	0.27
Growth Rate	24.63	12.76		18.11	7.62

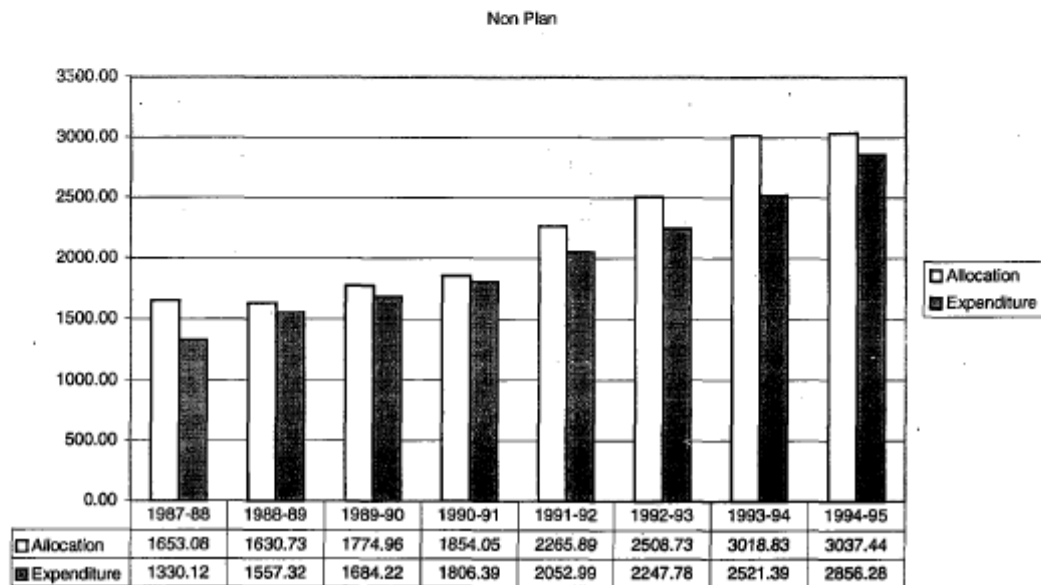
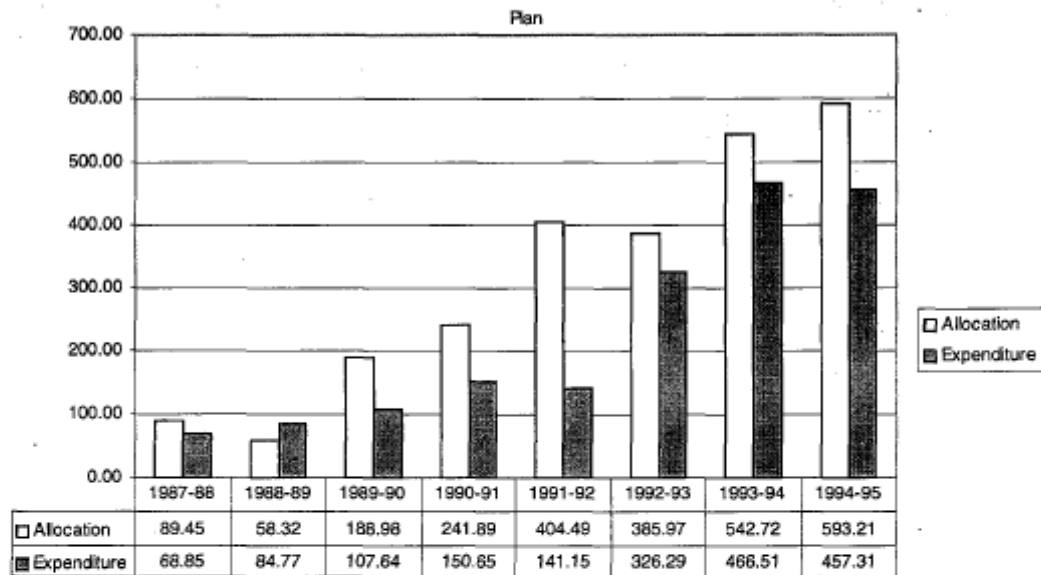
Source: Data sheet compiled scheme wise

For the above head the data shows that after 1989-90 the allocations has been higher than the expenditures. The entire allotted amount has not been spent. Given the belief that there is not enough money for many things at the local level- this is a surprising finding. Well, the reason for this is to be known. Though in the earlier years 1988-89 the expenditures have crossed over Rs 2 Lakhs it has fallen down to Rs 88,000 in the year 1991-92.

The large gap is also evident in the growth rates, which shows expenditures growing at 7 % while allocations have grown at 18 %.

(II) Bangalore (rural)

Total Allocations and Total Expenditures for Education sector



From the above bar-chart it can be observed that in this district the allocations have steadily increased in the study period under both plan and non-plan head. The expenditures however have not been made under both plan and non-plan heads to the maximum available. The differences between the allocations and expenditures are more under plan head. Whether there was a difference between the released amount and the allocations is something which we have to probe further.

Part I:

Major head-wise

In this district this sector has only the salary component for both the divisions as explained under Database and Methodology. Data on development works is not available. The data on development works should mainly include figures on buildings, constructions, materials, etc.

Table 29: Share of allocations towards State Sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) under Plan.

(Figures In Percentages)

Years	SSS	CSS
89-90	38.56	61.44
90-91	39.48	60.52
91-92	58.16	41.84
92-93	72.28	27.72
93-94	76.38	23.62
94-95	81.25	18.75
95-96	78.58	21.42
96-97	67.90	32.10
97-98	59.42	40.58

Source: compiled from our data sheet

It is clear from the above table that in the 6 years standing from 1991-92 SSS is higher than the CSS under the Plan head. However these numbers are also fluctuating and do not show any constancy. After a brief fall in Plan allocations under CSS in the years 1992-93 onwards till 1994-95, there has again been an increase, rising to 40% in 1997-98.

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Table 30: Share of expenditures towards State Sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) under Plan.

(Figures In Percentages)

Years	SSS	CSS
89-90	81.80	18.20
90-91	76.91	23.09
91-92	71.40	28.60
92-93	57.57	42.43
93-94	83.91	16.09
94-95	72.82	27.18
95-96	75.86	24.14
96-97	76.74	23.26
97-98	99.45	0.55

Source: compiled from our data sheet

When we compare the allocations and expenditures towards the different schemes, we can see that under the SSS, the expenditures have been more than the allocations, while the reverse is true for CSS. We will have to understand how this has happened, and whether there is a provision for re-appropriation of amounts between the two schemes.

Table 3 1: Share of allocation towards major heads of Plan.

(Figures In Percentages)

Years	PE	SE	AE
89-90	68.65	18.64	12.71
90-91	71.38	18.29	10.33
91-92	70.67	19.45	9.88
92-93	81.19	17.29	1.52
93-94	73.58	24.87	1.55
94-95	69.05	29.50	1.45
95-96	75.60	23.12	1.28
96-97	78.06	20.77	1.16
97-98	83.25	15.91	0.84

Source: compiled from our data sheet

PE- Primary Education, SE- Secondary Education, AE- Adult Education.

Again we also tried to club the figures under major heads classified among the heads of primary, secondary and adult education. Just as in the other district, Dharwad, here too we see that Adult education is losing its share over the years. The drop is quite drastic, from 13% in 1989-90 to less than 1% in 1997-98. However the numbers under the primary education shows a gradual increase in the same period. The secondary education shows some fluctuations, with a maximum high of 30% in 1994-95, and a drop again to 16% in 1997-98.

Table 32: Share of expenditure towards major heads of Plan.

(Figures In Percentages)

Years	PE	SE	AE
89-90	45.41	37.84	16.75
90-91	48.65	29.96	21.40
91-92	53.94	20.35	25.71
92-93	91.36	5.69	2.95
93-94	93.63	4.15	2.22
94-95	83.40	14.84	1.76
95-96	75.33	23.02	1.64
96-97	78.03	20.93	1.05
97-98	83.35	16.65	0.00

Source: compiled from our data sheet

PE- Primary Education, SE- Secondary Education, AE-Adult Education.

Similarly under the Plan expenditures for the three heads, primary education gains in contrast to secondary and adult education. Infact it can be seen that under adult education no money has been spent at all in 1997-98, where the allocation is shown. The same is true for all the other years also. The expenses are far below the allocations made against it. For secondary education however the two match. In primary education the expenses are a little higher than the allocations in some years, eg. 1992-93 and 1993-94.

Table 33: Share of allocation towards two major heads of Non-Plan.

(Figures In Percentages)

Years	PE	SE
89-90	72.62	27.38
90-91	70.69	29.31
91-92	68.61	31.39
92-93	71.21	28.79
93-94	72.26	27.74
94-95	72.75	27.25
95-96	72.05	27.95
96-97	71.38	28.62
97-98	70.03	29.97

Source: compiled from our data sheet

PB- Primary Education, SE- Secondary Education.

We take only primary and secondary allocations under Non-Plan. Here we see that the primary is higher than the secondary education. This seems quite possible that in this district ,just as in the rest of the state, the access to primary education is too a large extent has been met. However secondary education demand has still not been considered adequately.

Table 34: Share of expenditure towards two major heads of Non-Plan.
(Figures In Percentages)

Years	PE	SE
89-90	70.57	29.43
90-91	70.65	29.35
91-92	68.67	31.33
92-93	68.45	31.55
93-94	71.99	28.01
94-95	69.63	30.37
95-96	71.08	28.92
96-97	67.99	32.01
97-98	68.94	31.06

Source: compiled from our data sheet

PE- Primary Education, SE- Secondary Education.

Interestingly, the expenditures for primary education is a little lower when compared to the secondary education figures where expenses have exceeded the allocations for the same years.

Table 35: Share of allocations towards State Sponsored Schemes (SSS) and Central Sponsored Schemes (CSS)
both (Plan + Non-Plan) together.

(Figures In Percentages)

Years	SSS	CSS
89-90	94.07	5.93
90-91	92.99	7.01
91-92	93.66	6.34
92-93	95.53	4.47
93-94	96.37	3.63
94-95	96.91	3.09
95-96	96.32	3.68
96-97	94.28	5.72
97-98	95.82	4.18

Source: compiled from our data sheet

When we see the total allocation for the two schemes, SSS scores over the CSS. SSS has maintained near 96% share over the years.

Table 36: Share of expenditures towards State Sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) both (Plan + Non-Plan) together.

(Figures In Percentages)

Years	SSS	CSS
89-90	99.27	0.73
90-91	99.15	0.85
91-92	98.88	1.12
92-93	95.95	4.05
93-94	98.46	1.54
94-95	96.89	3.11
95-96	97.08	2.92
96-97	96.44	3.56
97-98	99.94	0.06

Source: compiled from data sheet

Expenditures made in SSS is higher than the allocations made towards it, while for CSS it is opposite.

Table 37: Share of major heads under Total Allocation (Plan+ Non-Plan) together.

(Figures In Percentages)

Years	PE	SE	AE
89-90	72.23	26.54	1.22
90-91	70.77	28.04	1.19
91-92	68.93	29.58	1.50
92-93	72.82	26.93	0.25
93-94	72.46	27.30	0.24
94-95	72.15	27.62	0.24
95-96	72.66	27.13	0.22
96-97	72.57	27.23	0.21
97-98	71.39	28.53	0.09

Source: compiled from data sheet

PE- Primary Education, SE- Secondary Education, AE- Adult Education.

Table 38: Share of major heads under Total expenditure (Plan + Non-Plan) together.

(Figures In Percentages)

Years	PE	SE	AE
89-90	69.55	29.77	0.68
90-91	69.84	29.37	0.78
91-92	68.09	30.90	1.01
92-93	70.63	29.09	0.28
93-94	74.05	25.74	0.21
94-95	71.20	28.59	0.20
95-96	71.59	28.21	0.20
96-97	69.53	30.31	0.16
97-98	70.65	29.35	0.00

Source: compiled from data sheet

PE- Primary Education, SE- Secondary Education, AE- Adult Education.

The above two tables show the clear preference given to primary education which takes 70% of the total share. The rest 30% share is taken up by secondary education. Adult education shares are negligible, though much has been made out of it.

Part II

Combining Schemes

The salary component for each of the committed heads of Salaries, Scholarships and Incentives and Buildings are given here. More specifically salaries of teachers is a complete picture of salaries met. However for the others, a development component exist, which in this district comes under the specified division. This data is not available with us.

The per capita figures have also not been calculated for the same reason.

Table 39 :Towards Salaries (Plan).

(Figures in lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	52.64	38.28	438.30	12.01	8.73
1990-91	65.69	32.46	460.90	14.25	7.04
1991-92	162.44	33.26	460.30	35.29	7.23
1992-93	310.45	42.69	483.50	64.21	8.83
1993-94	343.12	152.47	513.00	66.88	29.72
1994-95	398.90	215.30	552.70	72.17	38.95
1995-96	421.50	348.89	593.20	71.06	58.82
1996-97	443.50	451.01	644.33	68.83	70.00
Growth Rate	30.53	36.11		24.39	29.72

Salaries towards the schemes like P S , Appointment of school mothers , H S , Private H S completing 5 years of Existence GIA and Appointment of Hindi Teachers in non Hindi speaking states.
Source: Data sheet compiled minor head-wise, where figures available.

Table 40 : Towards Salaries (Non-Plan).

(Figures In lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	1419.15	1144.15	438.30	323.79	261.04
1990-91	1464.18	1340.67	460.90	317.68	290.88
1991-92	1796.91	1496.42	460.30	390.38	325.10
1992-93	2049.40	1554.91	483.50	423.87	321.59
1993-94	2480.50	2010.60	513.00	483.53	391.93
1994-95	2449.39	2173.65	552.70	443.17	393.28
1995-96	2721.16	2649.85	593.20	458.73	446.70
1996-97	3074.76	2524.36	644.33	477.20	391.78
Growth Rate	10.15	10.40		4.97	5.21

Note : The above table includes of the schemes like the salaries towards Primary schools , Appointment of school mothers Pre -primary schools GIA, High schools Source: Data sheet compiled minor head-wise, where figures available.

The clubbed figures are the total salary component towards education sector in this district. We see that the allocations are higher than the expenditures. We were told that in many schemes the total number of people required have not been recruited for many reasons.

The head towards salaries shows a decreasing trend over the years. How it can be so, is difficult to gauge since generally Non-Plan expenses are towards fixed committed heads. This has to be verified.

Table 41: Towards Literacy programmes (Plan).

(Figures In lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	19.58	10.99	438.30	4.47	2.51
1990-91	20.54	13.63	460.90	4.46	2.96
1991-92	21.29	10.10	460.30	4.63	2.20
1992-93	7.45	6.93	483.50	1.54	1.43
1993-94	8.40	5.75	513.00	1.64	1.12
1994-95	8.61	6.47	552.70	1.56	1.17
1995-96	8.94	7.77	593.20	1.51	1.31
1996-97	9.70	6.37	644.33	1.51	0.99
Growth Rate	-8.41	-6.59		-12.69	-10.98

Literacy programmes towards Adult Literacy Programme -office expenses , Rural literacy program (central 100%)and Jana sikshana nilaya

Source: Data sheet compiled minor head-wise, where figures available.

Table 41 gives the sum spent on literacy programs basically meant for the adult illiterate people in any district. It comes across that not much has been spent in the programs. Also the allocations made have decreased over the years. The initiative towards total literacy of the district seems to have lost its zeal over the years.

Table 42: Towards Buildings (Plan).

(Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	5.00	0.00	438.30	1.14	
1990-91	16.39	0.00	460.90	3.56	
1991-92	58.60	0.00	460.30	12.73	
1992-93	55.00	0.00	483.50	11.38	
1993-94	65.00	29.81	513.00	12.67	5.81
1994-95	55.00	8.12	552.70	9.95	1.47
1995-96	45.00	0.73	593.20	7.59	0.12
1996-97	35.00	3.25	644.33	5.43	0.50
Growth Rate	27.54			21.54	

Amount spent towards Secondary school Buildings + Primary school Buildings

Source: Data sheet compiled minor head-wise, where figures available.

This table is an example of the missing data for the construction of buildings. The lack of data in the district is seen here. The data was supposed to be collected from 3 different sources, the salary component from ZP office, the development works taken up by the two divisions --Ramanagara, and Bangalore. The actual figures spent on constructions through development schemes is not reflected here. We were unable to get information. Only the salary component for the ZP staff involved in a scheme can be seen here.

Table 43: Towards Buildings (Non-Plan).

(Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	256.36	247.73	438.30	58.49	56.52
1990-91	286.80	281.11	460.90	62.23	60.99
1991-92	357.04	364.01	460.30	77.57	79.08
1992-93	388.40	404.45	483.50	80.33	83.65
1993-94	391.97	285.31	513.00	76.41	55.62
1994-95	450.73	523.46	552.70	81.55	94.71
1995-96	518.33	601.44	593.20	87.38	101.39
1996-97	597.00	644.14	644.33	92.65	99.97
Growth Rate	11.15	12.69		5.92	7.39

Note: Maintenance and GIA towards Non government secondary schools and Local bodies secondary schools. Source: Data sheet compiled minor head-wise, where figures available.

Non-Plan amounts towards salaries and buildings are only consolidated here.

In the head towards buildings the changes are quite random under both expenditure and allocation, there is a sudden increase in expenses in the last 3

years from 1994-95 to 1996-97. Growth in expenditure is higher as compared to allocations.

Table 44 :Towards Scholarships and Incentives (Plan).

(Figures in lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	97.48	4.82	438.30	22.24	1.10
1990-91	126.88	4.67	460.90	27.53	1.01
1991-92	137.98	26.89	460.30	29.98	5.84
1992-93	111.73	94.12	483.50	23.11	19.47
1993-94	103.50	39.28	513.00	20.18	7.66
1994-95	107.00	105.97	552.70	19.36	19.17
1995-96	133.00	105.72	593.20	22.42	17.82
1996-97	251.20	133.63	644.33	38.99	20.74
Growth Rate	12.56	51.48		7.27	44.35

S & I given through the schemes like Supply of Free Text Books and Uniforms, Transportation and Stitching Charges -Vidya Vikasa Scheme, Supply of materials to secondary schools & Black Board Schemes-increase in Teachers Salaries, Supply of Materials (Central 100%). Source: Data sheet compiled minor head-wise, where figures available.

This table also shows only the salaries component, towards scholarships and incentives. There is difference between the allocations and expenditures. Even if we take it that the released amount has been finally very low as compared to the allocation, even the expenditure figures are not at all encouraging. The salary amounts shown are very low. It only means that the sums have not reached the target group. Why it is so, we have to learn infact in some years.

Part III

Individual schemes

The data that we present here is what exists as individual schemes in the Link Document. However the data for this sector is of only salary components gathered from the ZP office. The data for development works from the two divisions of Bangalore and Ramanagara is not available. Due to insufficient data more cannot be commented.

Under the Plan head though we have numerous items only eight items show the data to run a trend. Out of which three are from the Primary Education, three from the Secondary Education and another two from Central sponsored schemes, only few have given below

State sponsored schemes.

Table 45 Primary Education -Formal Education -Primary Schools

(2202-01-101-0-71) (Plan).			(Figures In lakhs)		
	Current prices			Constant Prices	
Year	Allocation	Expenditure	Deflators	Allocation	Expenditure
1989-90	18.80	11.45	438.30	4.29	2.61
1990-91	21.00	10.88	460.90	4.56	2.36
1991-92	80.00	22.81	460.30	17.38	4.96
1992-93	213.00	26.83	483.50	44.05	5.55
1993-94	203.00	138.92	513.00	39.57	27.08
1994-95	232.50	162.66	552.70	42.07	29.43
1995-96	257.50	227.13	593.20	43.41	38.29
1996-97	267.50	308.55	644.33	41.52	47.89
1997-98	180.97	311.68	675.11	26.81	46.17
Growth Rate	28.61	44.36		22.58	37.61

Source: Data sheet compiled scheme wise

In the above table one can see that in most of the years (table 45) the allocations are more than the expenditures. By looking at the table 45 it is clear that the entire allotted amount has not been spent especially in the earlier years.

The allocations have not been utilised to full extent till the year 1995-96. Only in the next two years we can see that the expenses have overtaken the allocations. In the year 1991-92 we can see a sudden increase in allocations from where it has kept on increasing and by the end of 1996-97 we see that it has reached Rs 267.50 lakhs. Accordingly the expenditures have also grown only in 1991-92 and 1992-93. We see that the expenditures are very less than the allocations, it is seen that only 10% of the amounts have been spent. But in the year 1997-98 the expenditure is twice the allotted amount (Allocations are Rs 180.97lakhs and the expenditures are Rs 31 1.68 lakhs).

Table 46 Government Secondary Schools -High Schools (2202-02- 109-0-72) (Plan)

(Figures In lakhs)					
	Current prices			Constant Prices	
Year	Allocation	Expenditure	Deflators	Allocation	Expenditure
1989-90	0.82	1.81	438.30	0.19	0.41
1990-91	3.50	0.91	460.90	0.76	0.20
1991-92	34.35	1.52	460.30	7.46	0.33
1992-93	37.80	0.05	483.50	7.82	0.01
1993-94	40.00	6.11	513.00	7.80	1.19
1994-95	100.00	34.54	552.70	18.09	6.25
1995-96	110.00	89.97	593.20	18.54	15.17
1996-97	120.00	103.00	644.33	18.62	15.99
1997-98	45.00	49.82	675.11	6.67	7.38
Growth Rate	56.05	44.53		48.49	37.87

Source: Data sheet compiled scheme wise

Looking at the High schools (table 46) we can see that the expenses made in the first five years are very less. We can see from the table that though the expenses are not being met the allocations have kept on increasing, indeed in 1994-95 it has increased from Rs 40.00 Lakhs to Rs 100.00 Lakhs. In the following years the allocations have increased by 10 Lakhs every year till 1996-97, But once again in 1997-98 it has decreased to Rs 45.00 Lakhs. We can see from the table that except in the year 1997-98 allocations have always been more. Only once in 9 years the expenses have crossed Rs 100.00 Lakhs, in 1996-97 where against Rs 120.00 Lakhs an amount of Rs 103.00 Lakhs has been spent.

Central Sponsored Schemes

Table 47 Black board Scheme -Increase in teachers salaries, supply of materials (2202-01-109-0-72) (Plan). **(Figures In lakhs)**

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	90.70		438.30	20.69	
1990-91	118.48		460.90	25.71	
1991-92	126.15	19.42	460.30	27.41	4.22
1992-93	99.23	87.11	483.50	20.52	18.02
1993-94	90.00	34.96	513.00	17.54	6.81
1994-95	96.00	92.46	552.70	17.37	16.73
1995-96	130.00	103.24	593.20	21.92	17.40
1996-97	248.20	130.88	644.33	38.52	20.31
1997-98	221.56		675.11	32.82	
Growth Rate	10.43			5.26	

Source: Data sheet compiled scheme wise

In the above table data is incomplete. The allocation is more than the expenditure for the years which have data. No data on expenses are shown The reason for this is not known.

Under the Non-Plan head Ten items show the data to run the trend. out of which six are from the Primary Education and four from the Secondary Education. The rest of the heads have too many gaps to run trend. Though there is a scheme under central sponsored schemes we don't have the expenses for them to run a trend.

State Sponsored Schemes.

Table 48 Materials -Inspection (2202-0 1-104-0-00) (Non-Plan).

Year	Current prices			(Figures In lakhs) Constant Prices	
	Allocation	Expenditure	Deflators	Allocation	Expenditure
1989-90	28.24	190.67	438.30	6.44	43.50
1990-91	30.04	69.05	460.90	6.52	14.98
1991-92	33.38	91.44	460.30	7.25	19.87
1992-93	38.47	181.12	483.50	7.96	37.46
1993-94	46.23	44.49	513.00	9.01	8.67
1994-95	46.62	47.07	552.70	8.43	8.52
1995-96	49.14	60.13	593.20	8.28	10.14
1996-97	71.12	73.34	644.33	11.04	11.38
1997-98	93.09	53.24	675.11	13.79	7.89
Growth Rate	14.17	-13.22		8.83	-17.28

Source: Data sheet compiled scheme wise

Under Inspection (table 48) we can see that the expenses in some years has been higher than the allocation. Indeed in 1989-90 and 1992-93 the expenses are at a ratio of 1:5 (against Rs 28.24 Lakhs an amount of Rs 190.67 Lams has been spent in 1989-90 and in 1992-93 against an amount of Rs 38.47 Rs 18 1.12 Lakhs has been spent). Overall the growth shows a negative trend.

Table 49 :Assistance to Non-Government elementary Schools -Elementary Schools GIA (2202-01-102-0-01). (Non-Plan)

Year	Current prices			(Figures In lakhs) Constant Prices	
	Allocation	Expenditure	Deflators	Allocation	Expenditure
1989-90	43.28	37.69	438.30	9.87	8.60
1990-91	46.56	34.28	460.90	10.10	7.44
1991-92			460.30		
1992-93	45.58	45.85	483.50	9.43	9.48
1993-94	49.41	42.03	513.00	9.63	8.19
1994-95	56.82	61.12	552.70	10.28	11.06
1995-96	65.34	81.85	593.20	11.01	13.80
1996-97	75.14	85.76	644.33	11.66	13.31
1997-98	87.82	73.84	675.11	13.01	10.94
Growth Rate	8.18	7.76		3.12	2.71

Source: Data sheet compiled scheme wise

Looking at Elementary schools GIA (table 49) we can se that the allotted amount has been spent in most of the years. We can see from the table that there is a steady growth in the allocations. In the year 1991-92 there is no expenses nor there is allocations. From the year 1994-95 to 1996-97 the expenses are greater than that of the allocations.

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Table 50: Assistance to Non-Government Elementary Schools - Pre-Primary Schools GIA (2202-01-102-0-02) (Non-Plan) (Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	2.56	1.80	438.30	0.58	0.41
1990-91	2.86	5.42	460.90	0.62	1.18
1991-92	3.26	6.60	460.30	0.71	1.43
1992-93	6.73	3.89	483.50	1.39	0.80
1993-94	7.26	3.52	513.00	1.42	0.69
1994-95	8.35	10.32	552.70	1.51	1.87
1995-96	4.89	4.83	593.20	0.82	0.81
1996-97	5.62	9.99	644.33	0.87	1.55
1997-98	6.18	4.31	675.11	0.92	0.64
Growth Rate	10.29	10.19		5.26	5.07

Source: Data sheet compiled scheme wise

Under pre-primary Schools GIA (table 50) compared to that of Elementary Schools GIA the allocations as well as the Expenses are less. Though there was a steady increase in the allocations till 1994-95 it has decreased in the later years. Even under the expenses there is fluctuation. In 1994-95 and 1996-97 against Rs 8.35 and Rs 5.62 an amount of Rs 10.32 and Rs 9.99 Lakhs has been spent. But in 1997-98 it has once again decreased to Rs 4.31 Lakhs. It only shows that there are very few **GIA** schools for Pre-primary.

Table 51 Assistance to Local bodies secondary schools - Maintenance-GIA (2202-02-191-2-01) (Non-Plan) (Figures In lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	5.96	1.24	438.30	1.36	0.28
1990-91	6.35	2.86	460.90	1.38	0.62
1991-92	7.19		460.30	1.56	
1992-93	8.12	7.66	483.50	1.68	1.58
1993-94	7.72	2.46	513.00	1.50	0.48
1994-95	8.84	0.96	552.70	1.60	0.17
1995-96	10.16	5.30	593.20	1.71	0.89
1996-97	12.60	2.23	644.33	1.96	0.35
1997-98	13.86	1.47	675.11	2.05	0.22
Growth Rate	9.83	1.91		4.67	-2.64

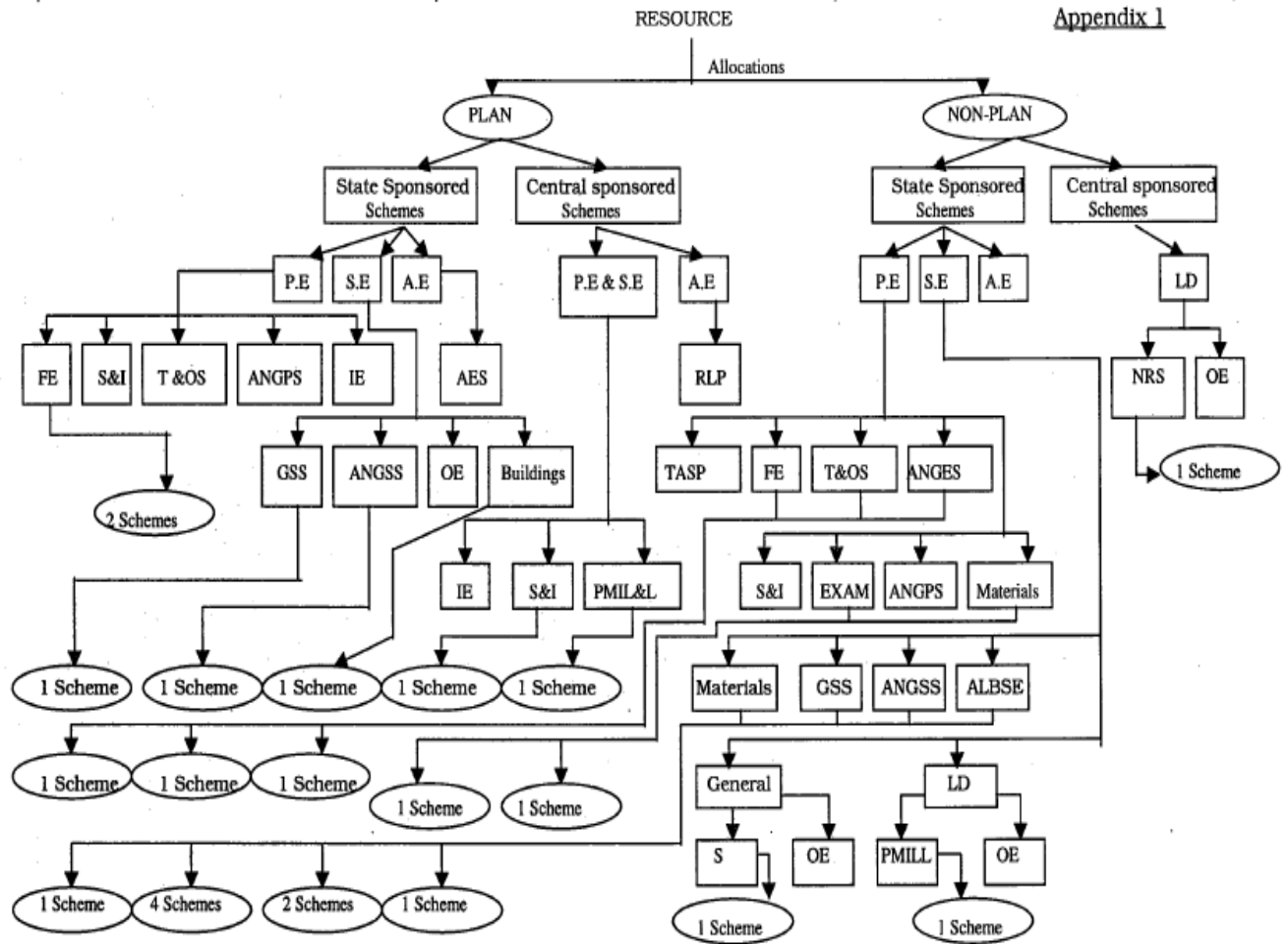
Source: Data sheet compiled scheme wise

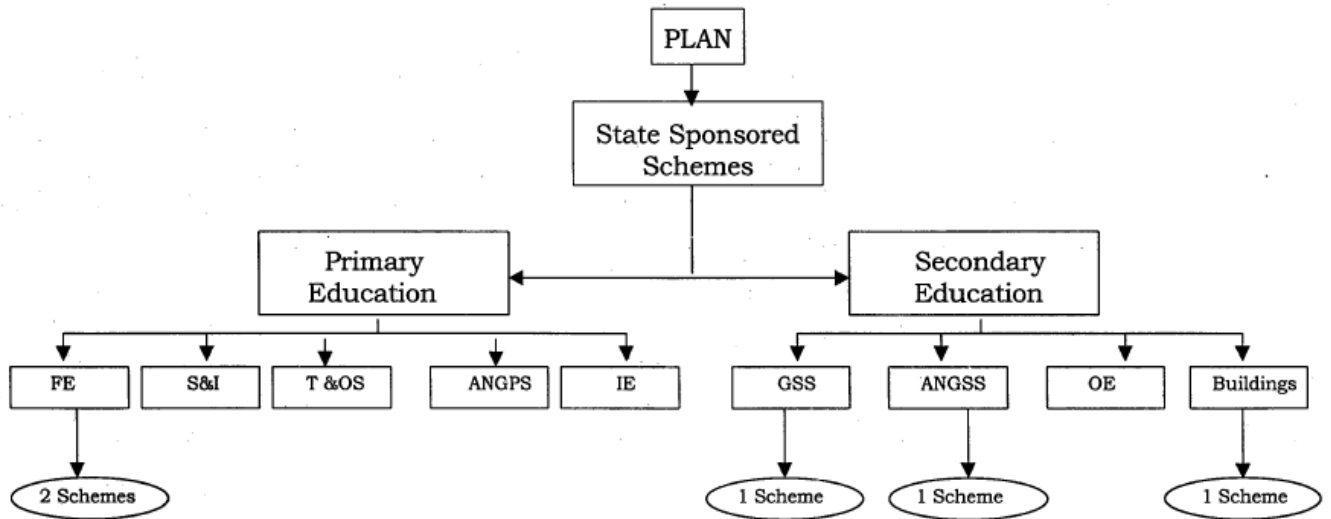
Looking at the final table Maintenance - GIA (table 5 1) under the Assistance given to Local Bodies secondary Schools we see very less expenditure. But allocations have also been quite small though rising marginally over study period.

Findings :

- **Primary education gets 70% share, as against. Secondary and Adult education in the total.**
- **Share of Adult education is very low, less than 5% in the total.**
- **SSS are more than CSS. They take 95% of the total share in all schemes running in the ZP.**

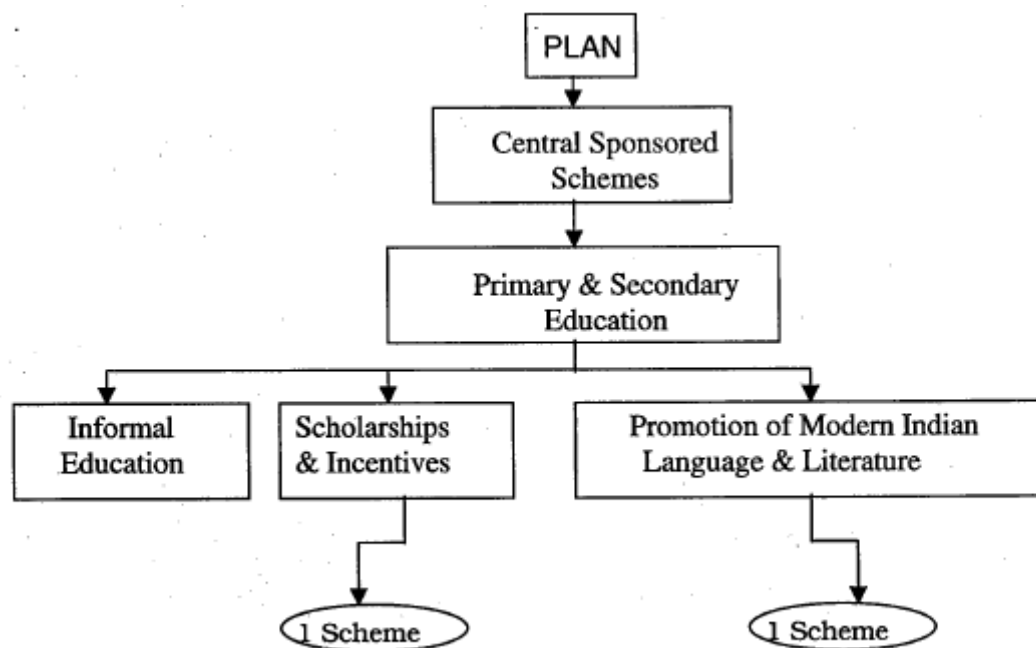
Appendix 1



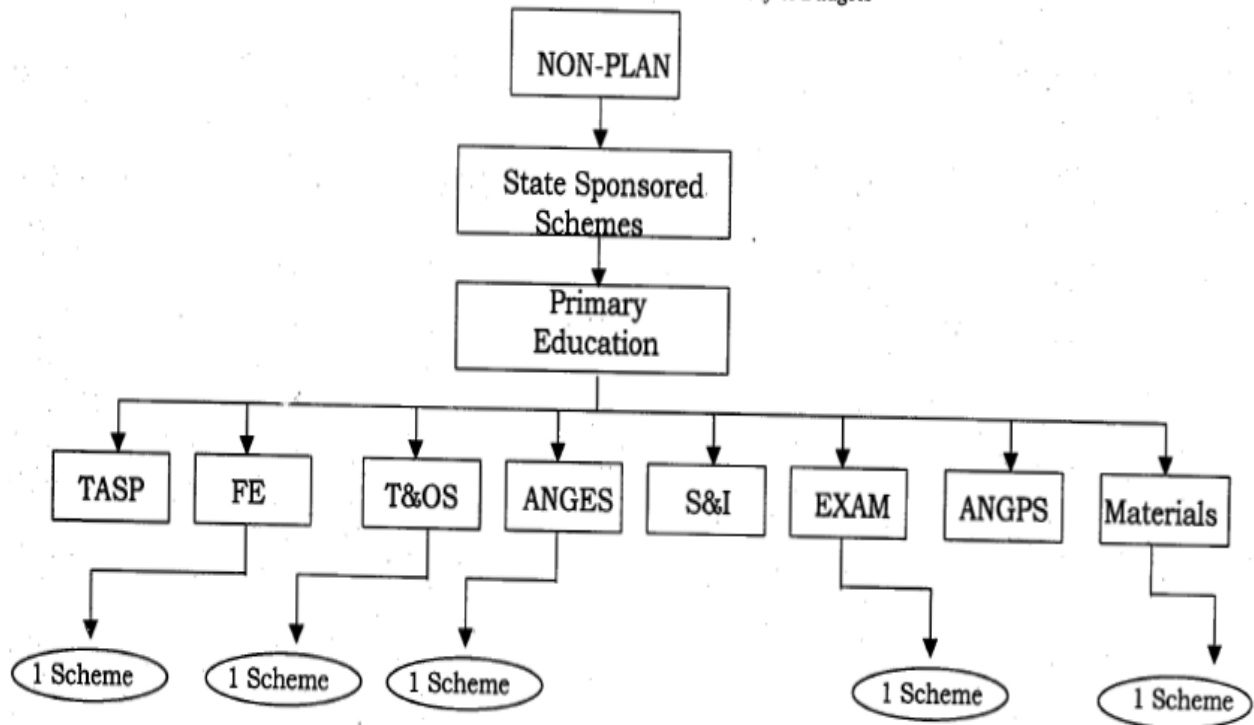


Description

S&I	Scholarships and Incentives
T&OS	Teachers and Other Services
ANGPS	Assistance to Non-Government
IE	Informal Education.
GSS	Government Secondary Schools
ANGSS	Assistance to Non-Government
OE	Secondary Schools
	Other Expenditure

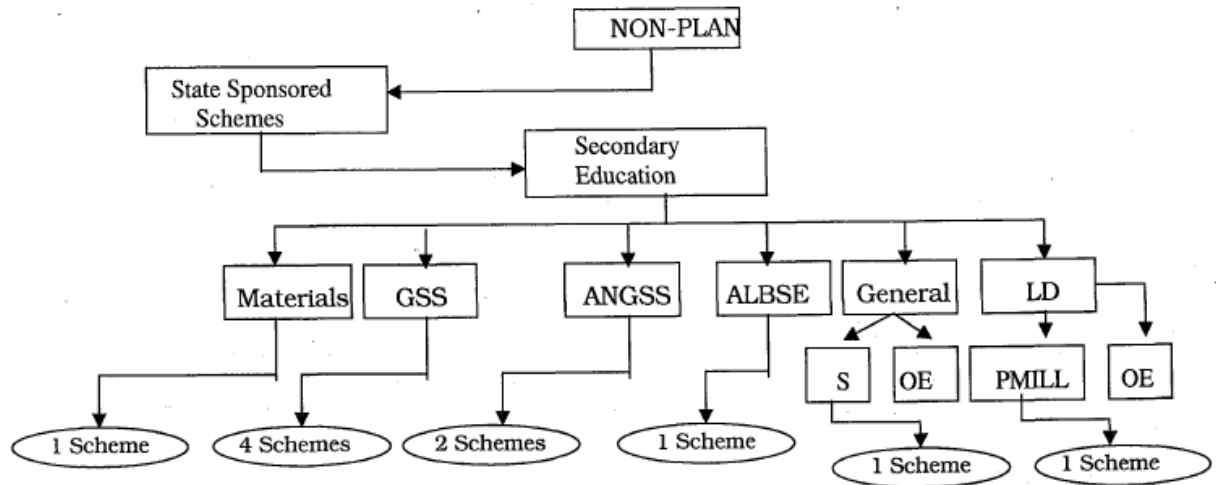


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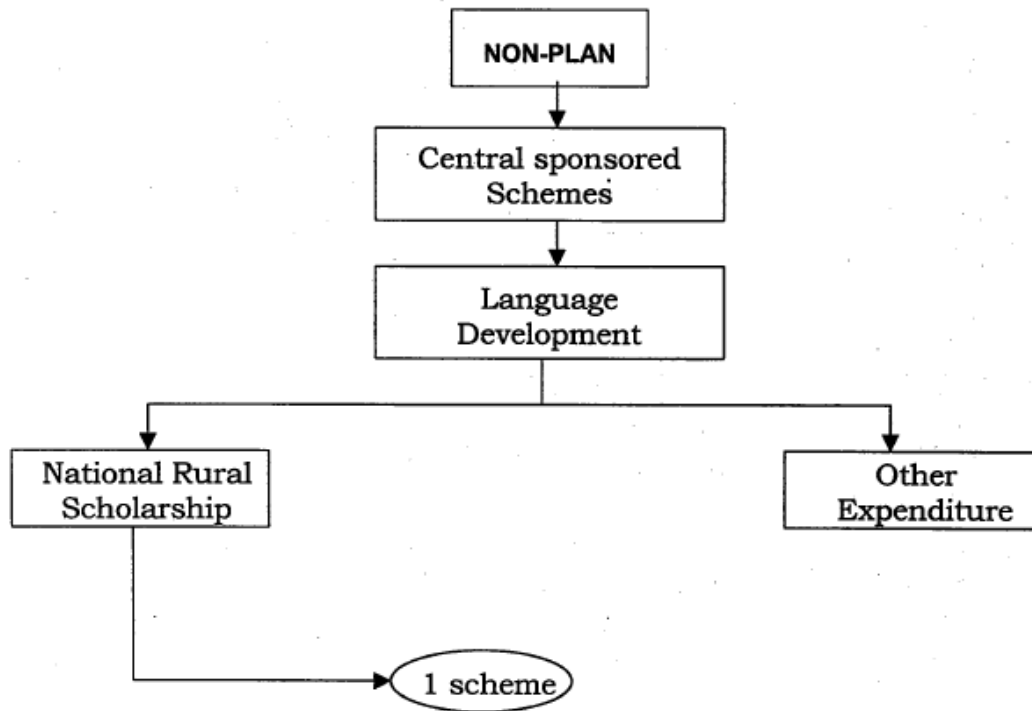
Description

TASP	Tribal area sub-Plan
FE	Formal Education
T&OS	Teachers and Other Services
ANGES	Assistance to Non-Government Elementary schools
S&I	Scholarships and Incentives
EXAM	Examination
ANGPS	Assistance to Non-Government Primary Schools.



Description

GSS	Government Secondary Schools
ANGSS	Assistance to Non-Government Secondary Schools
ALBSE	Assistance to Local Bodies for Secondary Education
S	Scholarships
OE	Other Expenditure
PMILL	Promotion of Modern Indian Languages and Literature.



Under Language Development (**LD**) – National rural Scholarships (**NRS**) -

Chapter 5

DEVELOPMENT EXPENDITURES IN ZILLA PANCHAYATS

2. Health

Karnataka has under this head implemented programmes on priority areas such as provision of health services to ensure primary health care, implementation of programmes for control of leprosy, malaria, blindness, filaria, introduction of specialized services. It has also provided extra inputs like staff equipment to teaching hospitals, supply of stand-by generators, grant-in-aid to autonomous institutions, providing specialized treatment to diseases like cancer, mental health, cardiology, trauma care centre, construction of buildings for health institutions. Providing additional incentives for the implementation of family welfare programmes, maternal care and child health, implementation of a specialized area programme. Development of other systems of medicine like - Ayurveda, Siddha, Naturopathy, Yoga through establishment of health institutions and development of medical education in these areas, formulation and implementation programmes relating to enforcement of various central drugs and cosmetics acts. Analysis of drugs, training of pharmacists and conducting post-graduated courses in pharmacy and establishment and maintenance of hospitals and dispensaries to

cater to the medical needs of the insured persons under the employees state Insurance scheme are the major areas where the Plan programmes. are formulated and implemented in this sector.

In this chapter our attention is focused on the health sector. Health expenditure is a large component of the state budget. To understand health in its entirety one should consider family welfare, women and child welfare together with medical and public health services. Here all the three sectors are given separately, for the two districts in which we worked -Dharwad and Bangalore (Rural).

A histogram giving total allocations and total expenditures for Health, Family Welfare and Women and Child welfare in the districts is given. We begin with Dharwad.

Abbreviations for some of the important words given in this chapter.

UHS -Urban Health Services.

RHS -Rural Health Services.

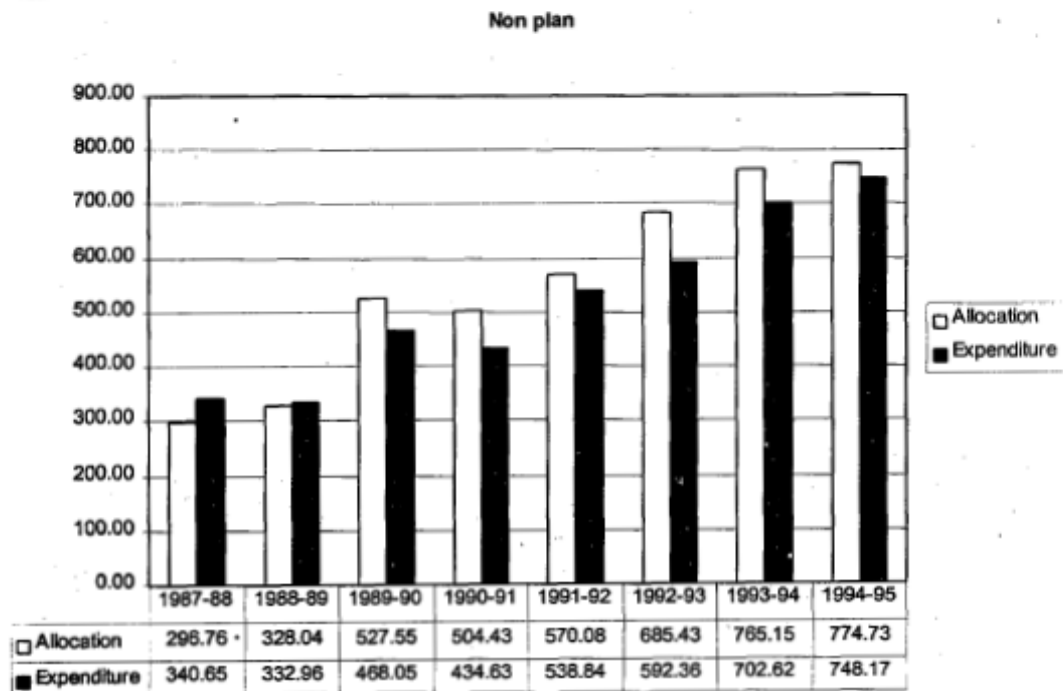
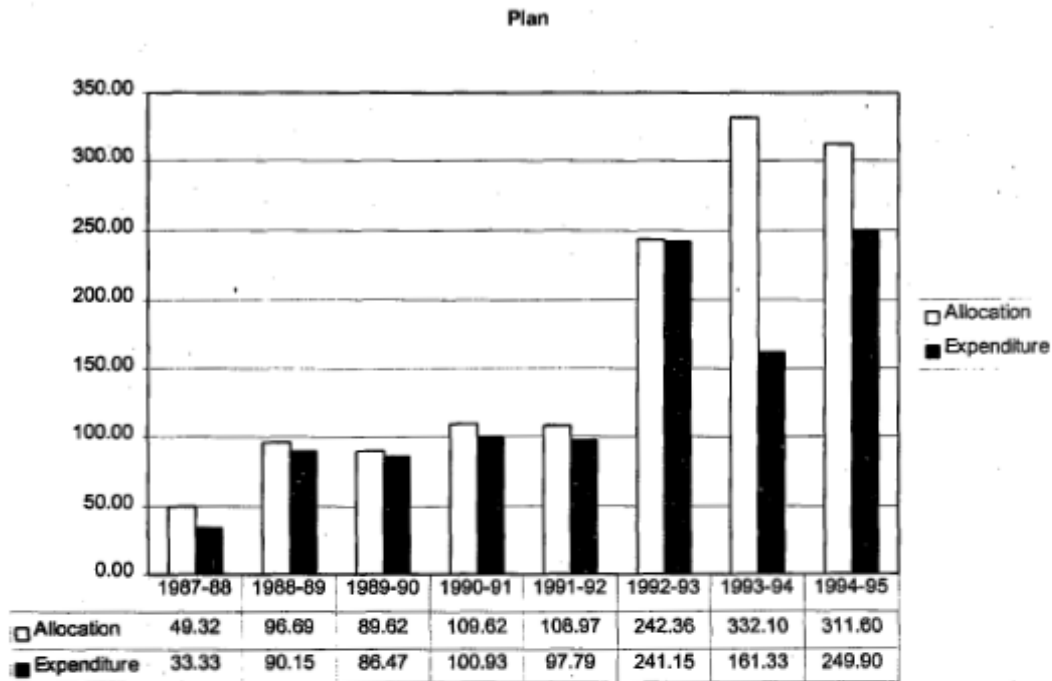
H& D -Hospitals and Dispensaries.

PHC -Primary Health Centres.

H S-C -Health Sub Centres.

(I) Dharwad

Total Allocation and Total Expenditure on Health sector



It is clear from the bar charts that growth of allocations and expenditures under plan head is more erratic than under non-plan. Also expenditures have always lagged behind the allocations made.

Medical and Public Health.

The heads under medical and public health can be broadly divided between medical services taking into account various systems of medicines namely, Allopathy, Homeopathy, Ayurveda and Unani.

It is interesting to note that most expenses and allocations are seen under the Allopathy head. The other heads concerning other systems of medicines and nature cure are not really well protected in the budget. Not much money is allocated towards these heads. This comes out quite clearly even in our field survey, where when we asked the most widely practiced system, majority said that it was Allopathy. This should be probed in depth.

Part I

Major Headwise

We have clubbed the different health systems to get an aggregate picture. Majority of the money is spent under Allopathy and hence the different heads under services provided has a large component of allopathy only. In other words one can take it that Allopathy is more prevalent than other systems. Both Plan and non-Plan are clubbed together to get an aggregate picture of the major heads.

The Urban health services also come under the Zilla panchayat budgets. Public health services include such services as awareness creating among public on issues like TB, cancer etc.

Table 1 Share of Allocations towards the major heads (Plan and Non-Plan together).
(Figures in Percentages)

Years	Urban Health	Rural Health	Public Health
1987-88	21.25	59.87	18.88
1988-89	20.29	60.16	19.55
1989-90	32.63	52.78	14.58
1990-91	26.35	56.30	17.34
1991-92	24.27	61.40	14.33
1992-93	24.38	61.79	13.83
1993-94	21.55	65.15	13.30
1994-95	21.78	64.12	14.10

Source: compiled from our data sheet

The allocation table shows that the ranking of priority health schemes follow the rural health, urban health, and public health schemes. In case of urban health during 1987 to 1989 and 1993 to 1994 the share has remained around 20 percent. The set of schemes that include the urban health allocation are- the establishment and maintenance of health institutions at urban areas i.e. hospitals and hospitals attached to teaching institutions.

In case of rural health services the share has been above 55% throughout except in 1989-90 which was around 52%. And one can also notice a yearly increase of 4 to 5% over a period of time. This may indicate an expansion of medical institutions in the rural district.

However it is crucial to note that the schemes relating to public health are gaining increasingly less attention during our period of study. Infact there is a sharp decline from almost 20% in 1987 to 14% in 1995. There could be a hidden message that curative services are gaining more importance than preventive, and community health care. This matter requires a probe by experts in this field.

Table 2 Share of Expenditures towards the major heads (Plan and Non-Plan together).
(Figures in Percentages)

Years	Urban Health	Rural Health	Public Health
1987-88	21.25	59.87	18.88
1988-89	20.29	60.16	19.55
1989-90	32.63	52.78	14.58
1990-91	26.35	56.30	17.34
1991-92	24.27	61.40	14.33
1992-93	24.38	61.79	13.83
1993-94	21.55	65.15	13.30
1994-95	21.78	64.12	14.10

Source: compiled from our data sheet

So far as expenditures are concerned the expenditure on schemes relating to rural health services have increased from 53% in 1987 to 65% in 1995 which is almost 10% in 8 years period. And the expenditures on Public health have come down by almost same proportion. This may also indicate that there may have been an internal shift of priorities in the health sector, which is seen in allocating the money towards these heads (table 1).

Table 3 Share of Plan Non-Plan to total Expenditures.
(Figures in Percentages)

Years	Plan	Non-Plan
1987-88	19.74	80.26
1988-89	21.02	78.98
1989-90	15.62	84.38
1990-91	18.76	81.24
1991-92	15.33	84.67
1992-93	28.88	71.12
1993-94	17.11	82.89
1994-95	25.01	74.99

Source: compiled from our data sheet

The share of Plan expenditure shows fluctuations over a period of 8 years. There is an all time increase of 29% in 1992-93. As a typical scenario the share of non-Plan continues to be more in health sector also. There is a clean divide of 75:25 in favour of Non-Plan.

Part II

Combining Schemes

Here we have clubbed numbers under each head to understand how the various services fared under Plan and Non-Plan in Dharwad district. The per capita figures were also calculated.

Table 4 PHCs - RHS - Buildings (Plan)

(Figures in Lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	50.83	47.11	370.3	13.73	12.72	0.41	0.38
1988-89	45.65	49.48	409.7	11.14	12.08	0.33	0.36
1989-90	38.60	53.03	438.3	8.81	12.10	0.26	0.35
1990-91	65.68	64.88	460.9	14.25	14.08	0.41	0.40
1991-92	116.85	73.46	460.3	25.39	15.96	0.71	0.45
1992-93	119.00	115.50	483.5	24.61	23.89	0.68	0.66
1993-94	163.00	88.61	513.0	31.77	17.27	0.86	0.47
1994-95	136.77	121.41	552.7	24.75	21.97	0.66	0.58
Growth Rate	13.17	12.56		7.64	7.07		

PHCs MNP + Maternity homes + (COMPH) PHC buildings + Upgradation of PHC (CHC) + District health office buildings

Source: Data sheet compiled Minor Headwise, where data is available.

Buildings for PHCs under RHS have been allotted sums, which have not been fully utilised. But even in constant prices, both allocation and expenditure have increased.

Table 5 Towards Rural Health Services (Non-Plan)

(Figures in Lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	163.69	166.46	370.3	44.20	44.95	1.33	1.35
1988-89	187.13	182.48	409.7	45.67	44.54	1.35	1.32
1989-90	265.61	273.36	438.3	60.60	62.37	1.76	1.81
1990-91	269.50	248.14	460.9	58.47	53.84	1.67	1.54
1991-92	303.39	301.45	460.3	65.91	65.49	1.85	1.83
1992-93	366.17	324.94	483.5	75.73	67.21	2.08	1.85
1993-94	420.78	410.32	513.0	82.02	79.99	2.21	2.16
1994-95	419.99	423.88	552.7	75.99	76.69	2.01	2.03
Growth Rate	12.5	12.39		7.01	6.91		

Source: Data sheet compiled Minor Headwise, where data is available.

Expenditures have grown and tried to keep pace with allocations, but still there are unspent amounts at the end of each year. Per capita allocation and expenditure are however around Rs 2/- in 1994-95 under Rural health services -

Table 6 Control of diseases (Plan)

-Public Health Services

(Figures in Lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	8.81	18.96	370.3	2.38	5.12	0.07	0.15
1988-89	17.16	14.19	409.7	4.19	3.46	0.12	0.10
1989-90	18.80	13.34	438.3	4.29	3.04	0.12	0.09
1990-91	24.08	14.80	460.9	5.22	3.21	0.15	0.09
1991-92	17.05	12.45	460.3	3.70	2.71	0.10	0.08
1992-93	18.85	12.82	483.5	3.90	2.65	0.11	0.07
1993-94	19.10	11.69	513.0	3.72	2.28	0.10	0.06
1994-95	21.95	17.65	552.7	3.97	3.19	0.11	0.08
Growth Rate	12.09	-0.89		6.6	-5.74		

Leprosy + Guinea worm eradication program + blindness

Source: Data sheet compiled Minor Headwise, where data is available.

Table 7 Towards Urban Health Services (Non-Plan)

(Figures in Lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	71.01	86.19	370.3	19.18	23.28	0.58	0.70
1988-89	75.86	100.16	409.7	18.52	24.45	0.55	0.72
1989-90	190.53	121.98	438.3	43.47	27.83	1.26	0.81
1990-91	152.51	119.44	460.9	33.09	25.91	0.94	0.74
1991-92	166.59	142.99	460.3	36.19	31.07	1.01	0.87
1992-93	198.18	159.71	483.5	40.99	33.03	1.13	0.91
1993-94	205.47	162.23	513.0	40.05	31.62	1.08	0.85
1994-95	207.58	185.84	552.7	37.56	33.62	1.00	0.89
Growth Rate	14.35	10.08		8.76	4.7		

Source: Data sheet compiled Minor Headwise, where data is available.

The expenditures have grown over the years. But still the differences between the allocations and expenditures are quite high. The reasons need to be explored. Allocations have shown a drop in the last few years from 1992-93 onwards, when the current prices are deflated and seen. However allocations have grown at 8%, while expenditures have shown only 4% growth.

When we consider the moneys spent on Rural health services (Plan, Non- Plan, table 4,5) we see that the per capita figures in the latest year of 1994-95 shows an allocated sum of Rs 2.67 and Rs 2.6 1 of expenditure.

Similarly for Urban health services (Non-Plan, table 7) allocation is Rs 1 or less than that per year, ofcourse the expended amount is even lesser.

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Table 8 Towards Training (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	13.49	5.40	370.3	3.64	1.46	0.11	0.04
1988-89	7.37	5.64	409.7	1.80	1.38	0.05	0.04
1989-90	9.27	7.35	438.3	2.11	1.68	0.06	0.05
1990-91	9.69	7.49	460.9	2.10	1.63	0.06	0.05
1991-92	9.42	7.87	460.3	2.05	1.71	0.06	0.05
1992-93	11.94	8.24	483.5	2.47	1.70	0.07	0.05
1993-94	12.01	8.91	513.0	2.34	1.74	0.06	0.05
1994-95	13.06	10.10	552.7	2.36	1.83	0.06	0.05
Growth Rate	-0.4	8.14		-5.27	2.86		

Rural health training centres & sub - centres + Training of health inspectors

Source: Data sheet compiled Minor Headwise, where data is available.

Training head appears only under Non-Plan. We can see the dismal picture. On an average less than five paise per capita is being spent in the study period. Also even in nominal term, allocations have barely been sustained; in real terms they have fallen, and expenditures are even less.

Table 9 Towards Control of diseases (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	15.29	40.04	370.3	4.13	10.81	0.12	0.33
1988-89	37.83	32.75	409.7	9.23	7.99	0.27	0.24
1989-90	41.39	44.95	438.3	9.44	10.25	0.27	0.30
1990-91	47.60	43.45	460.9	10.33	9.43	0.29	0.27
1991-92	51.38	50.39	460.3	11.16	10.95	0.31	0.31
1992-93	60.96	57.29	483.5	12.61	11.85	0.35	0.33
1993-94	70.62	64.30	513.0	13.77	12.53	0.37	0.34
1994-95	73.52	70.52	552.7	13.30	12.76	0.35	0.34
Growth Rate	21.69	7.33		15.74	2.09		

Malaria maintenance phase + Cholera control program + Leprosy control centres + Survey, Education and treatment centres + Leprosy control scheme (CSS).

Source: Data sheet compiled Minor Headwise, where data is available.

(Figures in Lakhs) Current prices Constant Prices Per Capita Year Allocation
Expenditure Deflators Allocation Expenditure Allocation EKpenditure

When we look at control of diseases, Plan amounts are very much less compared to Non-Plan sums. Under Non-Plan there is some matching between allocations and expenditures, while under Plan, allocations have not seen fully spent.

In 1994-95, per person Rs 2.12 was allotted which was spent fully. But these tables show that there are no Plan schemes taken up newly. All are mainly under Non-Plan, which probably means salary and maintenance only. This may be checked.

Part III

Individual Schemes

Here we reproduce a few interesting tables to gain some insights. Flowcharts showing how the budgets are clarified on major and minor heads are drawn and given in the Appendix I.

Under the Pln head though there are numerous items, only ten heads have data for which we can run a trend. Out of which eight are from urban health services and 2 are from rural health services.

Table 10 I.C.D.S Programme (2210-01-110-800-53) (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	3.90	6.16	370.3	1.05	1.66
1988-89	6.68	6.65	409.7	1.63	1.62
1989-90	7.27	7.44	438.3	1.66	1.70
1990-91	6.70	7.88	460.9	1.45	1.71
1991-92			460.3		
1992-93			483.5		
1993-94			513.0		
1994-95			552.7		

Source: Data sheet compiled scheme wise

In the table I.C.D.S Programme (table 10) we can see there is a lot of gap in the table. We can see that the expenditures are always more than the allotted amount though both have increased steadily. Though there are expenditures met every year this scheme seems to have stopped after 1990-91. Some questions like this have to be answered. The mystery of missing data from 1991-92 have been that the scheme has been shifted from Central to State. We could however not follow it up in the later period. Some officials also told us that the scheme has been shifted to Women and Child welfare department. But why should this make a difference? This needs to be explored further. Growth rate has not been calculated, as the data is incomplete.

About Primary Health centres:

Here we can get a general idea about the Primary health centers, we use three tables given below. These schemes come under Rural health services -allopathy.

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Table 11 Primary Health Centres (GO1Pattern) (MNP). (2210-03-103-0-71) (Plan)
(Figures in Lakhs)

Current prices			Constant Prices		
Year	Allocation	Expenditure	Deflators	Allocation	Expenditure
1987-88	18.33	19.10	370.3	4.95	5.16
1988-89	30.50	28.63	409.7	7.44	6.99
1989-90	30.50	38.49	438.3	6.96	8.78
1990-91	45.18	48.14	460.9	9.80	10.44
1991-92	51.25	50.19	460.3	11.13	10.90
1992-93	50.00	47.21	483.5	10.34	9.76
1993-94	70.00	59.24	513.0	13.65	11.55
1994-95	80.00	77.76	552.7	14.47	14.07
Growth Rate	20.22	19.18		14.35	13.36

Source: Data sheet compiled scheme wise

In the above table we can see both the allocations as well as the expenditures are increasing every year. Though there is a fluctuation in the expenses it has always been closer to the allocations. The growth in expenditures has kept pace with allocation at 13% and 14% respectively. This does not however give us an idea of how the Doctors, ANMs, Nurses are posted and how their services are qualified. That needs follow up by panchayats, NGOs, Citizens, researchers and others.

Table 12 Upgradation of Primary health centres (PHC) (42 10-02- 103- 1-02) (Plan)
(Figures in Lakhs)

Current prices			Constant Prices		
Year	Allocation	Expenditure	Deflators	Allocation	Expenditure
1987-88	22.00	20.53	370.3	5.94	5.54
1988-89	8.00	18.30	409.7	1.95	4.47
1989-90	4.00	43.33	438.3	0.91	9.89
1990-91	9.00	11.97	460.9	1.95	2.60
1991-92	30.00	17.65	460.3	6.52	3.83
1992-93	30.00	24.28	483.5	6.20	5.02
1993-94	60.00		513.0	11.70	0.00
1994-95	25.00	13.17	552.7	4.52	2.38
Growth Rate	1.61	-5.40		-3.36	-10.02

Source: Data sheet compiled scheme wise

Under Rural Health services we can see from the table (12) that from 1990-91 onwards the allocations have increased. In the table we can see in the year 1993-94 there is no expenses met against Rs 60.00 Lakhs. How could this be? It needs scrutiny.

Though in the earlier years the expenditures were more, the allotted amount was very less. Against an amount of Rs 4.00 Lakhs Rs 43.33 Lakhs has been spent in the year 1989-90. But for each of the above heads, one sees that allocation in the recent years (from 1990-91 onwards) has been higher than the expenditures. There is a gap, which means that the entire allotted sum has not been spent. Given the common belief that there is not enough money for many things to be done at this level--we often hear both the public and the officials bemoaning the lack of money for undertaking work--this is a surprising **finding**. The reasons for this have to be sought separately.

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The growth rates for both allocations and expenditures are negative. It is sad to note that the allocations and expenditures have not kept pace with the growing needs of the local environment. There are random changes in the figures, which show that no new plan schemes have been implemented.

Table 13 Upgrading of Primary Health Centres. (2210-03-103-0-73) (Non-Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.72	6.35	370.30	0.19	1.71
1988-89	0.50	0.83	409.70	0.12	0.20
1989-90	0.98	1.07	438.30	0.22	0.24
1990-91	0.79	0.58	460.90	0.17	0.13
1991-92	0.89	0.91	460.30	0.19	0.20
1992-93	1.53	1.09	483.50	0.32	0.22
1993-94	1.61	2.84	513.00	0.31	0.55
1994-95	1.65	1.72	552.70	0.30	0.31
Growth Rate	10.92	-15.06		5.88	-19.22

Source: Data sheet compiled scheme wise

Under upgrading of Primary Health centres (table 13) though an amount of Rs 6.35 Lakhs has been spent in the year 1987-88 against an allocation of 0.72 lakhs, it has gone down in the latter years.

The Non-Plan figures show that here too the expenditures have fallen far below the allotted sums. The growth in allocations is minimal of 6% this can utmost keep in par with inflationary pressures. Expenditures show proper growth when compared to allocations. The difference between allocation and expenditure needs a probe. Such a large difference makes a mockery of the budget process.

The following tables are a reflection of how moneys flow towards prevention and control of diseases.

Table 14 Other Diseases – Guinea Worm Eradication Programme.
(2210-06-101-7-06) (Plan) (Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.08	0.14	370.3	0.02	0.04
1988-89	0.09	0.07	409.7	0.02	0.02
1989-90	0.09	0.07	438.3	0.02	0.02
1990-91	0.15	0.14	460.9	0.03	0.03
1991-92	0.20	0.11	460.3	0.04	0.02
1992-93	0.20	0.05	483.5	0.04	0.01
1993-94	0.05	0.10	513.0	0.01	0.02
1994-95	0.10	0.04	552.7	0.02	0.01
Growth Rate	2.83	-14.50		0.00	-15.91

Source: Data sheet compiled scheme wise

This head (table 14) has an interesting incident to it. Over the years in all documents we only have the name 'Saru hunnina roga', printed in English and Kannada. We realised that it is a spelling mistake and it is actually 'Naru hunnina roga', more popularly known in English as 'Guinea worm', when our advisory council member Br Poornima Vyasulu corrected it and pointed it out to us. This apparently is not common in all areas, however

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it is given as a scheme to all. May be the sums can be readjusted to make better use of finances. This needs to be probed further.

Table 15 Blindness -National Programme for prevention of blindness (2210-06-101-8-01) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.53	6.28	370.3	0.14	1.70
1988-89	4.38	3.52	409.7	1.07	0.86
1989-90	4.82	3.15	438.3	1.10	0.72
1990-91	8.23	3.30	460.9	1.79	0.72
1991-92	2.00	1.58	460.3	0.43	0.34
1992-93	2.25	2.27	483.5	0.47	0.47
1993-94	2.50	3.29	513.0	0.49	0.64
1994-95	3.85	3.54	552.7	0.70	0.64
Growth Rate	28.13	-6.91		22.28	-11.50

Source: Data sheet compiled scheme wise

Table 16 Leprosy-Leprosy control scheme. (2210-06-101-4-04) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	8.20	12.55	370.3	2.21	3.39
1988-89	12.69	10.60	409.7	3.10	2.59
1989-90	13.89	10.12	438.3	3.17	2.31
1990-91	15.70	11.35	460.9	3.41	2.46
1991-92	14.85	10.77	460.3	3.23	2.34
1992-93	16.40	10.50	483.5	3.39	2.17
1993-94	16.40	8.29	513.0	3.20	1.62
1994-95	18.00	14.07	552.7	3.26	2.55
Growth Rate	10.33	1.44		4.98	-3.50

Source: Data sheet compiled scheme wise

Table 17 Leprosy Control Centres. (2210-06-101-4-02) (Non-Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	2.72	10.78	370.30	0.73	2.91
1988-89	8.06	4.94	409.70	1.97	1.21
1989-90	4.96	6.51	438.30	1.13	1.49
1990-91	5.82	6.36	460.90	1.26	1.38
1991-92	4.78	4.09	460.30	1.04	0.89
1992-93	6.74	4.37	483.50	1.39	0.90
1993-94	8.84	5.52	513.00	1.72	1.08
1994-95	7.26	5.77	552.70	1.31	1.04
Growth Rate	13.06	-7.52		7.58	-12.07

Source: Data sheet compiled scheme wise

Under Leprosy Control Schemes (Non-Plan) we can see that there is full utilization of the money being allotted. Under the Leprosy Control scheme (table 17) we can see there are fluctuations in allocating the amount. But in the case of expenditures we can see that the expenses are more than the allocations in the years 1989-90 and 1990-91 (it has increased around Rs 6.5 Lakhs) and in later years we can see that it has decreased.

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Table 18 Leprosy Control Scheme (CSS). (2210-06-101-4-05) (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88			370.30		
1988-89	16.81	10.16	409.70	4.10	2.48
1989-90	14.50	16.13	438.30	3.31	3.68
1990-91	18.10	13.58	460.90	3.93	2.95
1991-92	21.04	19.03	460.30	4.57	4.13
1992-93	23.48	22.51	483.50	4.86	4.65
1993-94	28.58	27.03	513.00	5.57	5.27
1994-95	28.51	27.69	552.70	5.16	5.01
Growth Rate	7.84	15.40		3.34	10.57

Source: Data sheet compiled scheme wise

In the above tables (14,15,16,17,18) one can see that more allocation are made to Leprosy control scheme and Prevention of blindness than for the prevention of Naru hunnina roga. Though more allocations have been made available for eradication of leprosy and the blindness it has not been used to the full extent. There is always fluctuations in the expenses from the beginning years. But under the eradication of blindness in the later three years (i.e. from 1992-93 to 1994-95) the expenses are more than the allocations. Though once in the year 1990-91 the allocations have touched Rs 8.23 Lakhs it has come down in the following years. But in the case of Prevention programme of Naru hunnina roga both the expenditures as well as the allocations are very less. The above three schemes were centrally sponsored schemes till 1989-90 after which it became state sponsored schemes. It is at this level decisions are taken and not. at the district level.

We understand that the schemes are fixed and are spent as committed expenditures. There is no flexibility, funds cannot be shifted from one scheme to another.

Under Non-Plan, however the data show a greater flow of funds under each of the heads. The system of allopathy has been given a better standing than the other systems of medicine. The work under this system has also been divided between urban and rural health services.

Note: The difference between PHCs (GOI type) and PHCs (Mysore type) have not been fully understood . This needs to be probed.

At Taluk level

Urban Health services -allopathy

Zilla panchayat budgets takes care of health services at Urban and semi- urban areas. Hence taluk-level services come under this head.

Big hospitals -Dental units to taluk hospitals (table 19): it is seen that the expenses have been less than what has been dotted for setting up of dental units in taluk hospitals. The allocations have over the years increased but an equal

amount has not been spent. Though the allocations have increased from Rs 0.45 Lakhs in the year 1987-88 to Rs 3.23 Lakhs in the year 1994-95 the expenditures have only grown from Rs 0.51 Lakhs to Rs 0.98 Lakhs.

The other head under big hospitals -establishment of blood banks showed no allocation or expenditures in any year.

Table 19 Dental units to Taluk hospitals. (22 10-01 -1 10-2- 14) on-plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.45	0.51	370.30	0.12	0.14
1988-89	1.74	0.89	409.70	0.42	0.22
1989-90	1.74	0.85	438.30	0.40	0.19
1990-91	1.37	0.98	460.90	0.30	0.21
1991-92	2.22	0.98	460.30	0.48	0.21
1992-93	2.34	0.95	483.50	0.48	0.20
1993-94	2.52	0.92	513.00	0.49	0.18
1994-95	3.23	0.98	552.70	0.58	0.18
Growth Rate	27.94	8.51		21.77	3.19

Source: Data sheet compiled scheme wise

Table 20 Taking over of Taluk Development Board Dispensaries (2210-01-1 10-5-52) (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	50.00	52.38	370.30	13.50	14.14
1988-89	50.00	79.60	409.70	12.20	19.43
1989-90	161.56	96.31	438.30	36.86	21.97
1990-91	122.03	94.88	460.90	26.48	20.59
1991-92	134.15	109.77	460.30	29.14	23.85
1992-93	157.79	127.53	483.50	32.63	26.38
1993-94	163.39	125.93	513.00	31.85	24.55
1994-95	159.26	148.12	552.70	28.81	26.80
Growth Rate	15.58	13.88		9.94	8.32

Source: Data sheet compiled scheme wise

The other head is the Taking Over of Taluk Development Board Dispensaries (table 20). We see that under this head also allocations are higher than expenditures except for the first two years. The growth of allocated funds has been steady, though there was a higher amount allotted in 1989-90, again there has been a fall in the years 1993-94 and 1994-95. Starting from RS 50.00 Lakhs in the year 1987-88 it has reached RS 163.39 Lakhs in the year 1993-94. We can also see a steady increase in the expenditure amount also but here this has not been able to cope up with the allocations in any year except for the first two years. Expenditures have grown by 8% in the study period, as against allocations which show a growth rate of nearly 10%.

Hospitals and dispensaries -taluk level general hospitals (table 21) the figures show that most of the budgeted amounts have been spent. We can see from the table that there is always an increase in the allocation every year. Same in the case of expenses also. But over the study period allocations have greatly been reduced, while expenditures are constant. It only means expenditures exist which are being met, and maybe a little more can also be absorbed.

Table 2 1 Taluk Level General Hospitals, (22 10-03- 1 10-0-7 1) (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	15.46	10.85	370.30	4.17	2.93
1988-89	15.17	12.61	409.70	3.70	3.08
1989-90	17.27	14.82	438.30	3.94	3.38
1990-91	17.66	15.63	460.90	3.83	3.39
1991-92	18.96	17.04	460.30	4.12	3.70
1992-93	21.60	17.57	483.50	4.47	3.63
1993-94	22.60	19.46	513.00	4.41	3.79
1994-95	20.69	20.23	552.70	3.74	3.66
Growth Rate	3.71	8.10		-1.35	2.82

Source: Data sheet compiled scheme wise

Table 22 Taking over of Taluk Development Board Dispensaries (22 10-04- 10 1- 1-75) (Non-plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	3.41	5.26	370.30	0.92	1.42
1988-89	5.59	2.88	409.70	1.36	0.70
1989-90	1.69	3.82	438.30	0.39	0.87
1990-91	5.33	3.64	460.90	1.16	0.79
1991-92	6.08	6.62	460.30	1.32	1.44
1992-93	6.97	4.54	483.50	1.44	0.94
1993-94	4.25	1.84	513.00	0.83	0.36
1994-95	5.69	3.41	552.70	1.03	0.62
Growth Rate	6.61	-5.27		1.42	-9.84

Source: Data sheet compiled scheme wise

At taluk level we can see the services are divided between the various hospitals, dispensaries and centres. The figures here are all for Non-Plan. But this also shows the low moneys allotted and spent at this level. Are there allocations in line with the responsibilities of these bodies? This needs a probe.

About Health centres:

Again under Non-Plan we have recurring expenditures for the following.

In the case of establishment of subsidized health centres (table 23) we can see there has always been a steady increase in both the cases except once in 1988- 89 the expenses being fallen.

Table 23 Establishment of Subsidised Health Centres. (2210-01-110-4-54) (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	3.66	4.12	370.30	0.99	1.11
1988-89	4.08	3.27	409.70	1.00	0.80
1989-90	4.55	3.95	438.30	1.04	0.90
1990-91	4.73	4.31	460.90	1.03	0.94
1991-92	5.60	5.29	460.30	1.22	1.15
1992-93	6.33	4.99	483.50	1.31	1.03
1993-94	6.61	5.68	513.00	1.29	1.11
1994-95	6.85	6.07	552.70	1.24	1.10
Growth Rate	8.15	4.96		2.85	-0.11

Source: Compiled from data sheet.

Rural Health Service - allopathy.

Coming to Rural Health Services -under allopathy we have the Minimum Needs Programme [MNP] where Establishment of health sub-centres (table 24) has been taken up. There has been a steady increase in allocations towards establishing the health centres though the same amounts have not been expended. In one year, 1991-92, expenditure has been higher than allocation. Though the expenditures are not increasing why are the allocations always on the increase? Some questions like this have to be answered.

Table 24 Establishment of Health Sub-centres (MNP). (22 10-03- 10 1-0-72) (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	13.93	1.85	370.3	3.76	0.50
1988-89	16.1	12.94	409.7	3.93	3.16
1989-90	18.1	12.40	438.3	4.13	2.83
1990-91	20.95	10.92	460.9	4.55	2.37
1991-92	22.17	25.43	460.3	4.82	5.52
1992-93	32.79	16.62	483.5	6.78	3.44
1993-94	31.5	26.70	513.0	6.14	5.20
1994-95	34.43	20.54	552.7	6.23	3.72
Growth Rate	11.98	35.11		6.52	28.51

Source: Data sheet compiled scheme wise

Table 25 Rural Health Training Centres & Sub-centre (2210-06-003-0-02) (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	12.98	4.94	370.30	3.51	1.34
1988-89	7.22	5.29	409.70	1.76	1.29
1989-90	8.60	7.01	438.30	1.96	1.60
1990-91	9.55	7.49	460.90	2.07	1.63
1991-92	9.17	7.87	460.30	1.99	1.71
1992-93	11.40	8.20	483.50	2.36	1.70
1993-94	11.61	8.89	513.00	2.26	1.73
1994-95	12.62	10.10	552.70	2.28	1.83
Growth Rate	-0.35	9.35		-5.25	3.97

Source: Data sheet compiled scheme wise

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Under Rural health training centres & sub-centres (table 25) we can see though

there are expenditures met there is a gap between the allocations and expenses, the expenses are always lesser than the allocations. From the table we can see the expenses being increased from RS 4.94 Lakhs as against RS 12.98 Lakhs in 1987-88 to RS 10.10 Lakhs against 12.62 Lakhs in the year 1994-95.

It also shows that allocations are quite small for training centres. Hence it is clear that the situation in training centres need much improvement. Even under table 26 the expenditure show a slower growth than the allocations.

Table 26 Survey, Education and Treatment Centres. (2210-06-101-4-03) (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	2.99	4.72	370.30	0.81	1.28
1988-89	3.82	4.37	409.70	0.93	1.07
1989-90	6.09	6.34	438.30	1.39	1.45
1990-91	6.63	7.32	460.90	1.44	1.59
1991-92	6.52	6.44	460.30	1.42	1.40
1992-93	8.45	7.09	483.50	1.75	1.47
1993-94	9.13	9.13	513.00	1.78	1.78
1994-95	10.91	11.43	552.70	1.97	2.07
Growth Rate	17.56	11.69		11.75	6.19

Source: Data sheet compiled scheme wise

About Medicines

Here we can see an important component of health services, namely, the timely supply of vital medicines. These are usually sent after the approval of a budget and an indent process for procuring medicines at several local hospitals. Medicines ofcourse are brought in bulk. The list of medicines get approved annually and cannot be altered at a short notice.

The funds supporting medicines and chemicals for hospitals and health sub-centres (table 27) show that the funds have actually fallen over the years. It was as high as Rs.44.3 Lakhs in 1989-90 and 1990-91 and fallen later over the years. It has however again picked up over the year 1994-95 to Rs. 32.05 Lakhs from a low of Rs. 18.51 Lakhs. In real terms it has been halved. Infact the growth of money spent towards medicines has shown a declining trend, which needs some serious thought. More so because this comes under Rural health services -Allopathy which in general is having the largest share. Where is all the money going?

Table 27 Medicines & Chemicals for Hospitals & Health Sub-centres (2210-03-103-0-74) (Non-plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88			370.30		
1988-89			409.70		
1989-90	44.30	41.24	438.30	10.11	9.41
1990-91	44.30	43.67	460.90	9.61	9.47
1991-92	18.51	12.33	460.30	4.02	2.68
1992-93	19.43	23.60	483.50	4.02	4.88
1993-94	29.14	24.30	513.00	5.68	4.74
1994-95	32.05	25.83	552.70	5.80	4.67
Growth Rate	-5.25	-7.50		-8.85	-11.02

Source: Data sheet compiled scheme wise

Table 28 Chemical Examination Regional Centres. (2210-06-107-0-02) (Non-Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	2.16	2.37	370.30	0.58	0.64
1988-89	2.77	1.87	409.70	0.68	0.46
1989-90	2.94	1.11	438.30	0.67	0.25
1990-91	3.69	1.99	460.90	0.80	0.43
1991-92	3.52	1.69	460.30	0.76	0.37
1992-93	3.25	1.70	483.50	0.67	0.35
1993-94	2.41	2.36	513.00	0.47	0.46
1994-95	3.00	2.15	552.70	0.54	0.39
Growth Rate	4.19	-1.21		-0.89	-6.00

Source: Data sheet compiled scheme wise

Under the above head Chemical Examination Regional Centres (table 28) one can see that the amount being allotted is not used to full extent, though in the years 1993-94 and 1994-95 it is nearing the allocations. We can see from the table though there was an expenditure of RS 2.37 Lakhs in the year 1987-88 against RS 2.16 Lakhs it has fallen in the later years. Even under the allocations there is always a fluctuation in the grant.

This table infact reflects the poor diagnostic setups in our rural areas. The numbers speak for themselves. What is the quality of service being provided? Under Plan head, infact there is no equivalent scheme ! It seems there is no plan to have services in any new setup, and the existing services are so bad

Table 29 District Health Laboratories. (2210-06-107-0-03) (Non-Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	2.57	2.25	370.30	0.69	0.61
1988-89	3.91	3.53	409.70	0.95	0.86
1989-90	4.38	4.26	438.30	1.00	0.97
1990-91	4.89	3.95	460.90	1.06	0.86
1991-92	4.75	3.88	460.30	1.03	0.84
1992-93	4.82	4.47	483.50	1.00	0.92
1993-94	5.16	4.82	513.00	1.01	0.94
1994-95	5.34	4.40	552.70	0.97	0.80
Growth Rate	9.57	8.74		4.35	3.45

Source: Data sheet compiled scheme wise

Table 29 this shows a slightly different picture. However this is at district level. This district may be unique. this needs further shift.

Other expenditure - school health services (table 30) - comparatively the amounts spent towards this head are not much though one feels that a larger amount should be spent on this head. But we can see that the allotted amount has been spent. In fact there has been a marginal increase in spending the budgeted amount from 1991-92 onwards

Table 30 School Health Services. (2210-03-800-0-08) (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	1.02	1.82	370.30	0.28	0.49
1988-89	1.82	1.73	409.70	0.44	0.42
1989-90	2.12	2.69	438.30	0.48	0.61
1990-91	2.94	1.97	460.90	0.64	0.43
1991-92	2.40	2.40	460.30	0.52	0.52
1992-93	2.87	2.92	483.50	0.59	0.60
1993-94	3.52	4.99	513.00	0.69	0.97
1994-95	4.03	5.76	552.70	0.73	1.04
Growth Rate	18.74	15.49		12.73	9.86

Source: Data sheet compiled scheme wise

Rural health services - other systems of medicine:

One can see that an effort is being made to promote other systems of medicine actively by opening dispensaries catering to the unique systems of medicine. The sums though not being very large are being spent. One does not see much of a lag between the allocation and the expenditures. We can see from the table (31) that there is always an increase in allocating the amount for both the schemes

Table 31 Government Ayurvedic Dispensaries. (2210-04-101-1-71) (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	2.82	3.85	370.30	0.76	1.04
1988-89	3.88	2.94	409.70	0.95	0.72
1989-90	4.38	3.13	438.30	1.00	0.71
1990-91	4.70	3.81	460.90	1.02	0.83
1991-92	5.37	4.64	460.30	1.17	1.01
1992-93	6.85	5.38	483.50	1.42	1.11
1993-94	8.37	12.10	513.00	1.63	2.36
1994-95	12.02	9.12	552.70	2.17	1.65
Growth Rate	19.87	11.38		14.01	5.94

Source: Data sheet compiled scheme wise

Table 32 Opening of Homeopathy Dispensaries in Rural Areas. (2210-04-102-0-71) (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.71	1.03	370.30	0.19	0.28
1988-89	1.09	0.61	409.70	0.27	0.15
1989-90	1.09	1.20	438.30	0.25	0.27
1990-91	1.20	0.95	460.90	0.26	0.21
1991-92	1.36	1.01	460.30	0.30	0.22
1992-93	0.93	1.61	483.50	0.19	0.33
1993-94	1.65		513.00	0.32	0.00
1994-95	2.06	1.24	552.70	0.37	0.22
Growth Rate	14.24	2.35		8.69	-2.97

Source: Data sheet compiled scheme wise

Table 33 Opening of Nature-Cure-Hospitals. (2210-04-200-0-71) (Non-Plan)
(Figures in Lakhs)

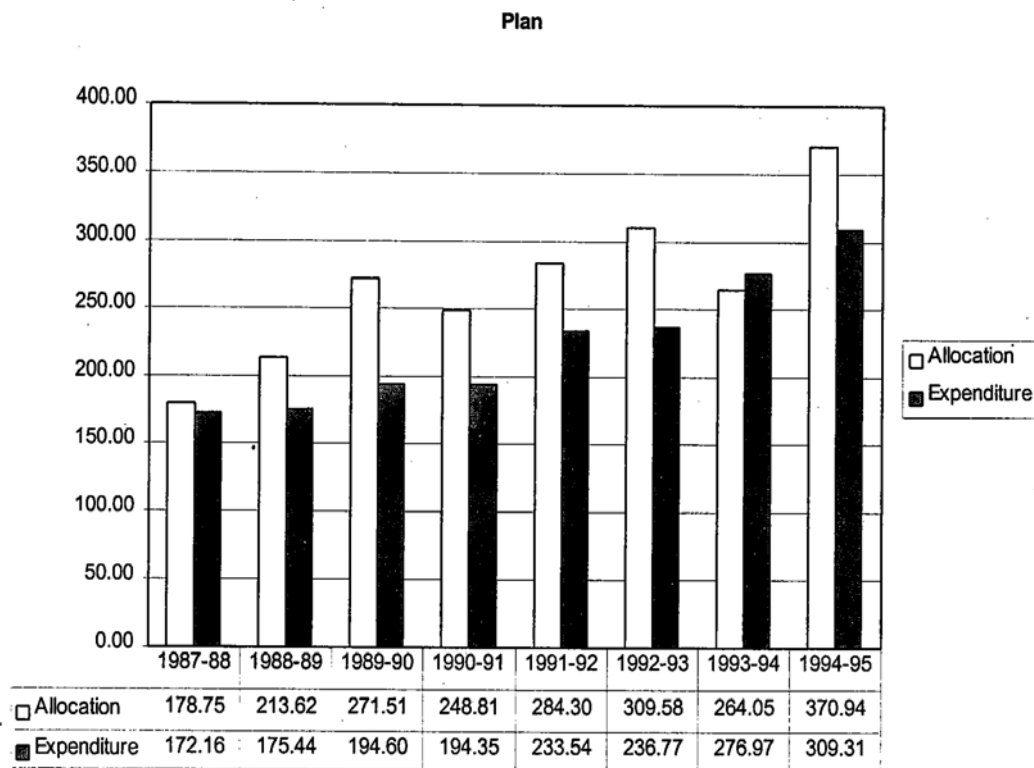
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.54	3.47	370.30	0.15	0.94
1988-89	0.76	1.04	409.70	0.19	0.25
1989-90	1.23	0.78	438.30	0.28	0.18
1990-91		0.76	460.90		0.16
1991-92	0.93	0.78	460.30	0.20	0.17
1992-93	1.15	0.81	483.50	0.24	0.17
1993-94	1.31	1.03	513.00	0.26	0.20
1994-95	1.48	1.26	552.70	0.27	0.23
Growth Rate	13.43	-11.89		7.62	-16.14

Source: Data sheet compiled scheme wise

Under Homeopathy-Opening of Homeopathy Dispensaries in Rural areas (table 32) and Other Systems- Opening of Nature cure Hospitals (table 33) one can see that both the allocations as well as the expenditures are very less. Under table 32 both in the allocations as well as the expenditures there is a fluctuations in the amounts. Though in 1993-94 and 1994-95 the allocations are increasing we cannot see much changes in the expenses. Under Opening of Nature Cure Hospitals (table 33) we can see there is an increase of allocation from 1991-92 onwards. Though the expenses were as high as Rs 3.47 Lakhs against Rs 0.54 Lakhs in 1987-88 it has decreased in the later years

Family Welfare in Dharwad.

Total Allocation and Total Expenditure of Family Welfare sector



Family welfare expenditures are direct central government expenditure towards family planning programmes. The table numbers are continued from the previous sector.

Part I

Major Head wise

Table 34 Share of Allocation from state and Centre (Plan)
(Figures in Percentages)

Years	SSS	CSS
1987-88	3.39	96.61
1988-89	2.90	97.10
1989-90	2.90	97.10
1990-91	4.46	95.54
1991-92	4.40	95.60
1992-93	4.45	95.55
1993-94	6.22	93.78
1994-95	4.58	95.42

Source: compiled from our data sheet

Table 35 Share of Expenditure from state and Centre (Plan)
(Figures in Percentages)

Years	SSS	CSS
1987-88	4.52	95.48
1988-89	0.00	100.00
1989-90	3.45	96.55
1990-91	3.29	96.71
1991-92	2.62	97.38
1992-93	0.70	99.30
1993-94	1.14	98.86
1994-95	0.79	99.21

Source: compiled from our data sheet

Family Welfare sector has been under Plan account throughout. From the tables it is obvious that states responsibility has been less than 5 % with 1 or 2% fluctuations, where as the Central Government is the controlling authority so far as finances are concerned. The estimates for family welfare programme are sent by the state Government to the Government of India. Since the schemes are Centrally Sponsored schemes even if a particular ZP fails to send its expenditure estimates, the state Government is expected to provide funds even to the defaulting ZPs for the purpose of family welfare programme. Since it is a priority programme the State Government diverts funds from other programmes to family welfare programmes of the ZPs. Though ultimately the state Government may get reimbursement from the Government of India, the states own priorities in health sector may suffer to that extent due to diversion of funds in the initial stages. The Zilla panchayats do not seem to play any other role in this.

Part II: is not relevant here as the data can not be combined, as few schemes exists.

Part III

Individual schemes

Under family welfare we have 14 schemes that show the data to run the trend. All the 14 schemes are from Plan. Of the 14 schemes only one scheme is State sponsored and the other 13 are Central sponsored. Only a few schemes are explained below separately.

State sponsored Schemes.

Table 36 Compensation - Scheme of Issue of Karnataka Lottery Tickets to Acceptors of Sterilisation (2210-00-105-3-00) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	1.20	0.85	370.30	0.32	0.23
1988-89	1.20		409.70	0.29	
1989-90	1.20	0.95	438.30	0.27	0.22
1990-91	1.80	0.90	460.90	0.39	0.20
1991-92	2.00	0.30	460.30	0.43	0.07
1992-93	2.00	1.50	483.50	0.41	0.31
1993-94	1.80	0.94	513.00	0.35	0.18
1994-95	1.80		552.70	0.33	
Growth Rate	5.96	1.45		1.29	-3.44

Source: Data sheet compiled scheme wise

This is a very interesting scheme to attract people. Getting the lottery is anybody's luck, hope the sterilisations are not so and are in proper order.

This is the only scheme under state sponsorship (issuing of Karnataka lottery tickets table 36). Here we find the allocation is more than the expenditures in all the eight years. Though the expenses have not crossed the allotted amount in any of the above years, in 1990-91 the allocation have been increased. Only in the year 1992-93 we can see that the expenditure has crossed the one lakh mark and touched Rs 1.50 Lakhs against Rs 2 Lakhs. In the year 1988-89 and 1994-95 we find there is no expenditure met, other than this in other years the expense is around Rs 90,000 mark. The Growth rate given above is only for the first seven years.

Central Sponsored Schemes.

Table 37 Maternity & Child Health - Universal Immunisation Programme (2211-00-103-0-03) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88			370.30		
1988-89	2.12	2.63	409.70	0.52	0.64
1989-90	4.39	4.34	438.30	1.00	0.99
1990-91	4.95	3.55	460.90	1.07	0.77
1991-92	5.50	4.63	460.30	1.19	1.01
1992-93	4.05	4.57	483.50	0.84	0.95
1993-94	3.50	3.06	513.00	0.68	0.60
1994-95	7.00	4.77	552.70	1.27	0.86
Growth Rate	18.61	8.88		13.61	4.31

Source: Data sheet compiled scheme wise

In the scheme Universal Immunisation programme (table 37) almost in all the years the allocations and the expenditures are equally matched. This scheme has only started from 1988-89. Though in 1991-92 the allocations have touched Rs 5.50 Lakhs it has decreased in the next two years but once again in 1994-95 it has increased to Rs 7.00 Lakh, where Rs 4.77 Lakhs has been spent. The expenditures have grown lesser than allocations

Table 38 Compensation - IUD, Vasectomy & Tubectomy (2211-00-105-1-01). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	63.00	40.27	370.30	17.01	10.87
1988-89	64.00	41.50	409.70	15.62	10.13
1989-90	37.68	49.80	438.30	8.60	11.36
1990-91	55.40	47.04	460.90	12.02	10.21
1991-92	70.00	48.21	460.30	15.21	10.47
1992-93	76.00	43.71	483.50	15.72	9.04
1993-94	53.00	47.42	513.00	10.33	9.24
1994-95	60.00	38.98	552.70	10.86	7.05
Growth Rate	-0.61	-0.41		-5.45	-5.27

Source: Data sheet compiled scheme wise

Under the scheme the Compensation for IUD, vasectomy & tubectomy (table 38) a huge amount is being allotted. Except in the year 1989-90 where the

Democracy and decentralization:study of Budgets

allocations are Rs 37.68 lakhs in the rest of the years the amount allotted is more than Rs 50 lakhs. The expenditures done against this amount are also between Rs 40 lakhs to Rs 50 lakhs. Only in the year 1994-95 against Rs 60 lakhs an amount of Rs 38.98 lakhs have been spent.

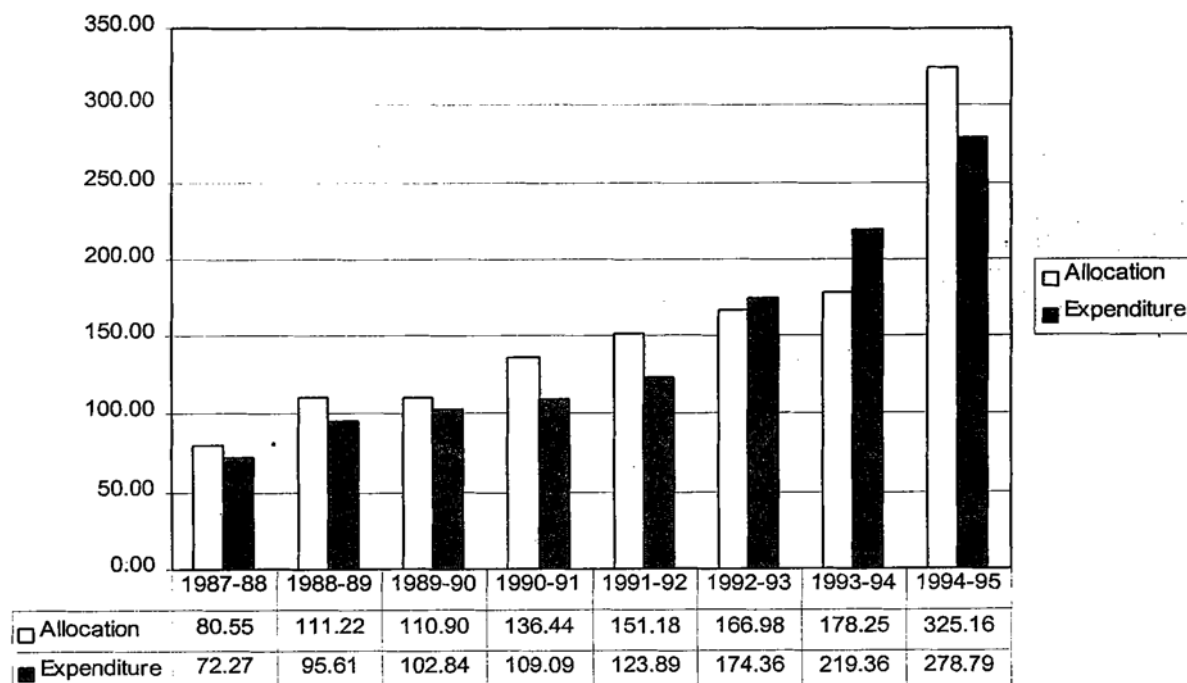
It seems that in general the growth is negative for both allocations and expenditures for the above scheme. It has fallen over the years.

We next take up women and child welfare

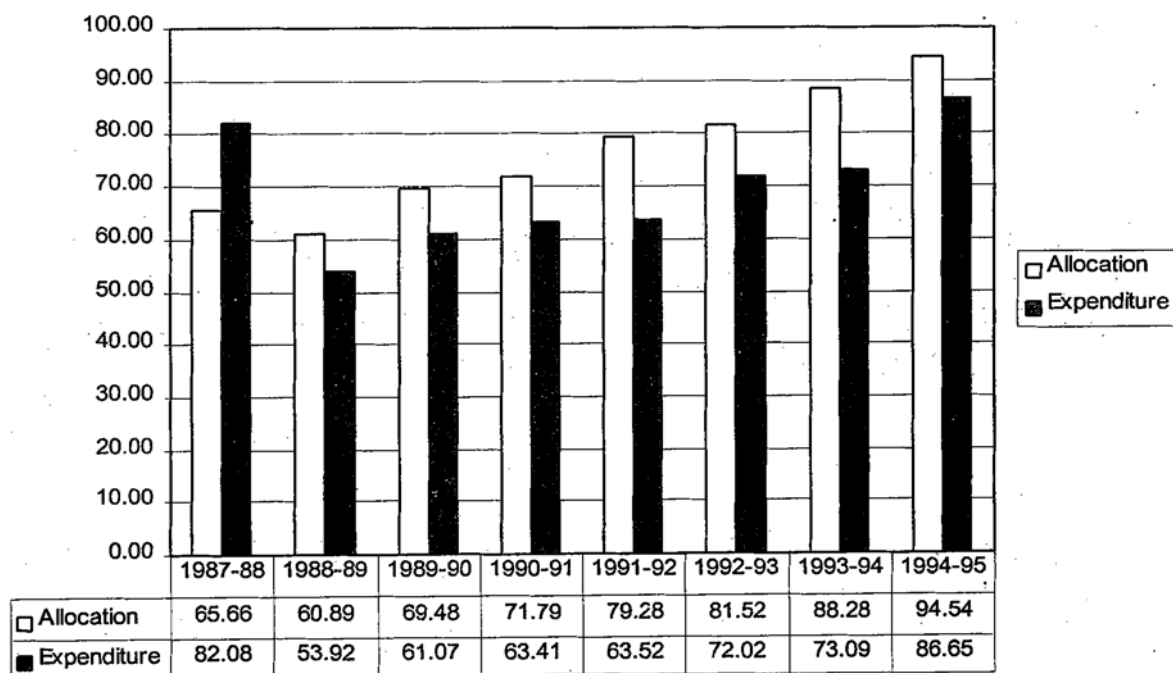
Women and Child welfare in Dharwad

Total Allocation and Total Expenditure of Women and Child Welfare sector

Plan



Non plan



From the graph one sees that the plan heads are growing less compared to the non-plan component. Here also expenditures are not commensurate with the allocations made towards the sector.

Part I

Maior Head 'wise

This head actually comes as Social security and welfare under social services in the budget. The table numbers are continued from the previous sector.

Table 39 Share of Allocation from state and Centre (Plan)
(Figures in Percentages)

Years	SSS	CSS
1987-88	14.93	85.07
1988-89	8.76	91.24
1989-90	7.20	92.80
1990-91	6.74	93.26
1991-92	7.77	92.23
1992-93	8.04	91.96
1993-94	9.68	90.32
1994-95	2.51	97.49

Source: Compiled from our data sheet

Table 40 Share of Expenditure from state and Centre (Plan)
(Figures in Percentages)

Years	SSS	CSS
1987-88	20.59	79.41
1988-89	6.56	93.44
1989-90	8.30	91.70
1990-91	6.33	93.67
1991-92	3.60	96.40
1992-93	12.90	87.10
1993-94	7.72	92.28
1994-95	4.41	95.59

Source: Compiled from our data sheet

The expenditure on women and child welfare has been primarily handled under Centrally Sponsored Schemes under Plan account. Infact the share of SSS has fallen over the years

Table 41 Share of Plan to non-Plan to total expenditure.
(Figures in Percentages)

Years	Plan	Non-Plan
1987-88	53.18	46.82
1988-89	64.66	35.34
1989-90	62.39	37.61
1990-91	63.22	36.78
1991-92	66.11	33.89
1992-93	70.77	29.23
1993-94	100.00	0.00
1994-95	76.29	23.71

Source: Compiled from data sheet

Most of the expenditures have been Plan expenditures which have increased from 53% in 1987 to 76% in 1995 with an exception of 100% Plan expenditure in 1993. The non-Plan expenditure has come down from 47% in 1987 to 35% in 1988 but has increased to 38% in the next year. However from 1991 onwards it is declining consistently. This could be the result of merging of some of the women and child welfare programmes with medical and public health. This needs further study

Part II: is not relevant here as the data can not be combined.

Part III

Individual Schemewise

In the sector Women and child welfare we have 10 schemes equally shared by the Plan and Non-Plan. Of the 5 schemes that come under Plan, 3 are state-sponsored schemes and 2 from the central sponsored schemes. In the Non-Plan all the 5 schemes come under one main head Social welfare. The current prices of each scheme are explained below along with which the constant prices and the growth rate has been given in the table. State Sponsored schemes

Table 42 Crèches for Working Mothers (2235-02-102-0-73) - (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.30	1.59	370.30	0.08	0.43
1988-89	1.30	1.26	409.70	0.32	0.31
1989-90	2.00	1.80	438.30	0.46	0.41
1990-91	2.50	2.24	460.90	0.54	0.49
1991-92	1.50	0.99	460.30	0.33	0.22
1992-93	1.65	1.51	483.50	0.34	0.31
1993-94	1.75	0.95	513.00	0.34	0.19
1994-95	1.75	0.73	552.70	0.32	0.13
Growth Rate	24.66	-9.27		18.92	-13.89

Source: Data sheet compiled Scheme wise

Table 43 Construction of Anganwadi Buildings (2235-02-102-0-79). (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	4.75	3.33	370.30	1.28	0.90
1988-89	0.87	0.12	409.70	0.21	0.03
1989-90	1.99	3.01	438.30	0.45	0.69
1990-91	2.00	1.73	460.90	0.43	0.38
1991-92	10.00	3.18	460.30	2.17	0.69
1992-93	11.00	20.73	483.50	2.28	4.29
1993-94	15.00	20.67	513.00	2.92	4.03
1994-95	5.41	9.62	552.70	0.98	1.74
Growth Rate	1.64	14.18		-3.28	8.59

Source: Data sheet compiled Scheme wise

Under Creches for Working mothers (table 42) we find though in early years there was full utilisation of the dotted amount the expenses in the latter years getting decreased it has come down to Rs 73 thousand against Rs 1.75 lakhs in the year 1994-95. Whereas in the Construction of Anganwadi buildings it quite opposite in the last three years the expenditure is more than the allocations. In 1992-93 and 1993-94 against Rs 11 and Rs 15 lakhs an amount of almost Rs 21 lakhs have been spent.

It can be seen that expenditures to wards creches has fallen far below the allocations. The allocations has grown at an impressive 18% over the period ,while expenditures have actually been negative. For anganwadis the scenario is the reverse, where allocations have risen very slowly

Central sponsored schemes.

Table 44 CSS of ICDS (Centre 100%) (2235-02-102-0-55) (Plan) (Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	64.45	63.58	370.30	17.40	17.17
1988-89	97.00	86.76	409.70	23.68	21.18
1989-90	98.00	91.57	438.30	22.36	20.89
1990-91	120.75	96.95	460.90	26.20	21.03
1991-92	130.00	101.00	460.30	28.24	21.94
1992-93	143.00	142.19	483.50	29.58	29.41
1993-94	145.00	185.66	513.00	28.27	36.19
1994-95	300.00	252.17	552.70	54.28	45.63
Growth Rate	21.20	18.79		15.28	13.00

Source: Data sheet compiled Scheme wise

Table 45 Scheme for Care & Maintenance of Destitute Children (State 50%: Centre 50%) (2235-02-102-0-62) (Plan) (Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	4.07	1.70	370.30	1.10	0.46
1988-89	4.48	2.57	409.70	1.09	0.63
1989-90	4.92	1.81	438.30	1.12	0.41
1990-91	6.50	5.33	460.90	1.41	1.16
1991-92	5.00	14.80	460.30	1.09	3.22
1992-93	5.50	10.66	483.50	1.14	2.20
1993-94	16.00	13.60	513.00	3.12	2.65
1994-95	17.00	14.58	552.70	3.08	2.64
Growth Rate	19.57	30.82		13.74	24.41

Source: Data sheet compiled Scheme wise

Compared to the schemes under the state sponsored head, in the central sponsored we can see that allocations are more, also the expenses made under these schemes are quite better than that in State sponsored schemes. Under both this schemes we find there is always a substantial amount being increased. Of this two schemes we find that the ICDS (table 44) scheme is 100% sponsored from the Centre, whereas the scheme for Care and maintenance of Destitute children (table 45) we find that the amount comes from both the state and the Centre (equally with 50% each). In the ICDS scheme we find that in the year 1994-95 there is a sudden increase in allocations as well as the expenditures. The allocations have touched Rs

300 Lakhs. In the table 45 we find in the years 1991-92 and 1992-93 the expenditure is twice that of the allotted amount. (In 1991-92 against Rs 5 Lakhs an amount of Rs 14.80 Lakhs has been spent and in the year 1992-93 against an amount of Rs 5.50 Lakhs an amount of Rs 10.66 has been spent).

Table 46 Family & Child Welfare - Integrated family welfare services Schemes. (2235-02-102-0-74). (Non-Plan) **(Figures in Lakhs)**

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	24.86	36.16	370.30	6.71	9.77
1988-89	23.27	19.83	409.70	5.68	4.84
1989-90	23.43	21.34	438.30	5.35	4.87
1990-91	24.33	20.01	460.90	5.28	4.34
1991-92	27.75	26.89	460.30	6.03	5.84
1992-93	24.61	30.16	483.50	5.09	6.24
1993-94	27.99	34.40	513.00	5.46	6.01
1994-95	35.07	42.00	552.70	6.35	7.60
Growth Rate	4.39	1.89		-0.69	-3.09

Source: Data sheet compiled Scheme wise

In Integrated family welfare services scheme (table 46) we find that the allocation in the first seven years are between Rs 23 lakhs and Rs 27 lakhs. In four years the expenses have crossed the allocations. Though in 1987- 88 the expenses have touched Rs 36.16 lakhs it has decreased in the later years. But has once again increased from 1992-93 onwards. The growth rate show a rapid decline for expenditures over the years.

Table 47 Women Welfare - Maternity Allowance to Agricultural Landless Women Laborers (2235-02-103-0-73) (Non-Plan) **(Figures in Lakhs)**

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	28.50	23.16	370.30	7.70	6.25
1988-89	29.93	20.22	409.70	7.31	4.94
1989-90	31.43	24.00	438.30	7.17	5.48
1990-91	29.86	27.15	460.90	6.48	5.89
1991-92	29.86	22.91	460.30	6.49	4.98
1992-93	29.86	18.80	483.50	6.18	3.89
1993-94	31.35	15.68	513.00	6.11	3.05
1994-95	32.92	19.14	552.70	5.96	3.46
Growth Rate	1.82	-2.35		-3.15	-7.12

Source: Data sheet compiled Scheme wise

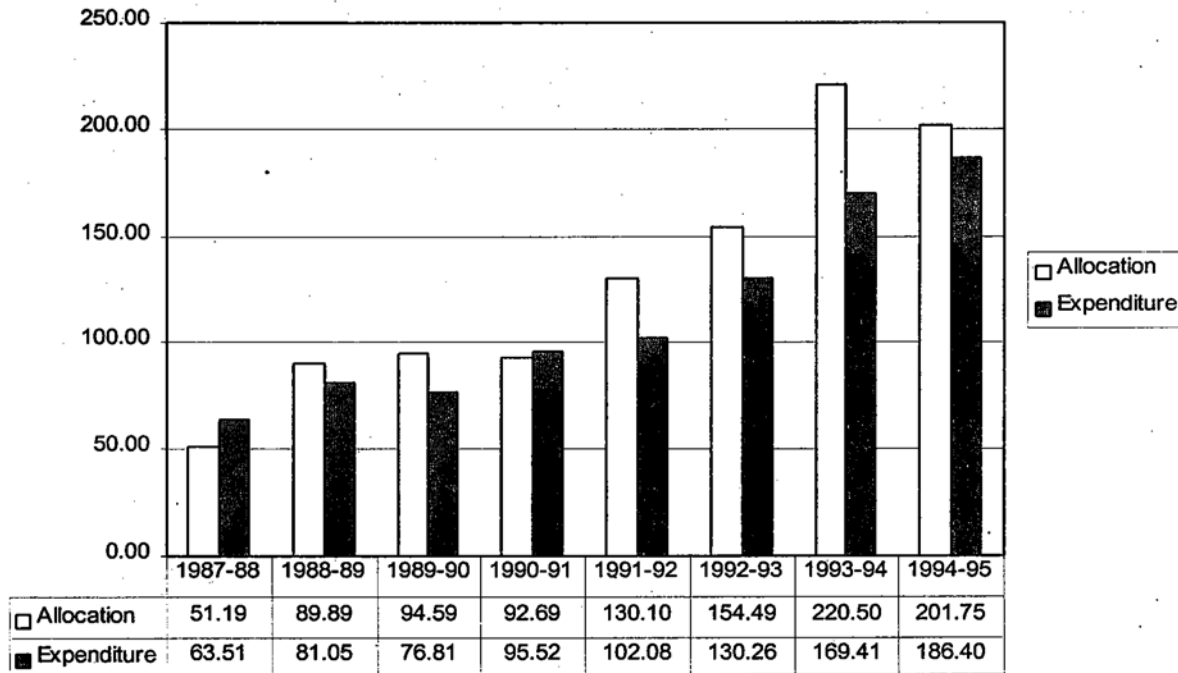
This table again is an interesting one. How this scheme is being implemented is to be studied separately.

In the scheme maternity allowance towards Agricultural landless women labourers we find in almost all the eight years the expenses are less than the allotted amount. We find that in the later years that the expenses have been decreasing whereas the allocations are quite opposite it is being increasing.

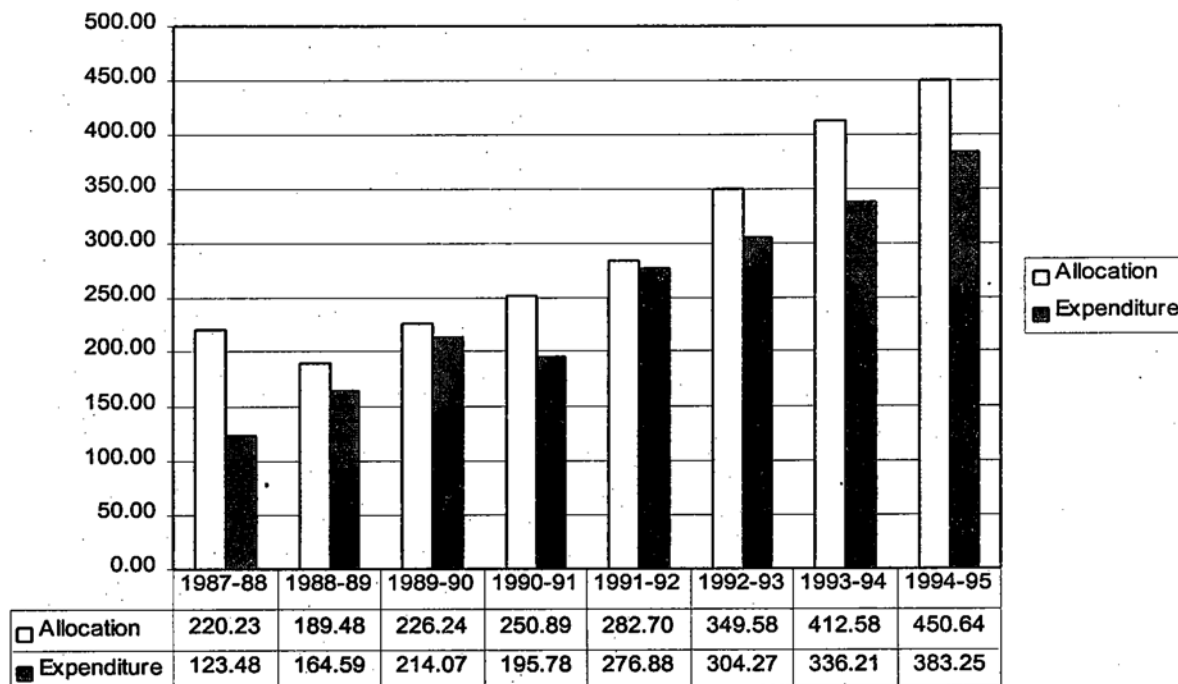
(II) Bangalore (Rural)

Total Allocation and Total Expenditure of Health sector

Plan



Non plan



In this district also the non-plan moneys are more than plan. However one can also see that in general the amounts are also smaller compared to Dharwad. This district is organised differently from Dharwad as explained in Part II, Chapter 4 of the Book.

Part I

Maior Headwise

Medical and public health

This sector in this district has only the salary component for both the divisions as explained elsewhere. Data for development works taken up has not been included.

In this district, the three sectors studied under Medical and Public health -the figures for Family welfare and Women and children welfare are not available. Hence here only Health is considered.

Table 48: Share of Allocation towards major heads (Plan)
(Figures in Percentages)

Years	RHS	UHS	PH
89-90	78.67	0.00	21.33
90-91	87.93	0.00	12.07
91-92	82.71	11.53	5.76
92-93	78.87	10.84	10.30
93-94	85.03	10.88	4.08
94-95	85.63	9.91	4.46
95-96	85.06	6.13	8.81
96-97	86.30	2.59	11.11
97-98	93.37	4.33	2.30

Source: Compiled from our data sheet

The Rural Health Service scores over the other two services. It is growing rapidly, absorbing 93% of the share. Urban Health Services has dropped over the years. Public Health services is fluctuating.

Table 49: Share of Expenditure towards major heads (Plan)
(Figures in Percentages)

Years	RHS	UHS	PH
89-90	89.34	0.00	10.66
90-91	90.07	0.00	9.93
91-92	91.23	0.00	8.77
92-93	77.49	10.69	11.82
93-94	82.05	2.93	15.02
94-95	89.99	2.82	7.19
95-96	89.60	0.00	10.40
96-97	85.49	0.89	13.62
97-98	84.97	0.00	15.03

Source: Compiled from our data sheet

When we compare with allocations made under UHS it seems to have spent less than PH where sums seem to have been overspent. RHS more or less matches.

Table 50: Share of Allocation towards major heads (Non-Plan)
(Figures in Percentages)

Years	RHS	UHS	PH
89-90	57.18	28.71	14.10
90-91	55.51	26.09	18.39
91-92	57.33	23.46	19.21
92-93	54.47	26.53	19.00
93-94	59.02	22.12	18.85
94-95	59.48	22.02	18.50
95-96	58.28	21.86	19.87
96-97	57.83	22.72	19.45
97-98	61.97	18.54	19.49

Source: Compiled from our data sheet

Under Non-Plan heads, committed amounts are seen 'under various services. The table clearly shows the share demarcated among the three services. RHS has a share of 60% and 20% each for UHS and PHS

Table 51: Share of Expenditure towards major heads (Non-Plan)
(Figures in Percentages)

Years	RHS	UHS	PH
89-90	58.98	27.49	13.53
90-91	56.13	28.92	14.95
91-92	65.26	23.83	10.91
92-93	64.58	22.57	12.85
93-94	64.55	21.92	13.53
94-95	64.42	21.00	14.58
95-96	63.69	22.15	14.17
96-97	67.65	20.28	12.07
97-98	64.64	20.98	14.38

Source: Compiled from our data sheet

The proportion of RHS to UHS to PH is in the ratio of 55:25:20. They are maintaining this over a period of time

Table 52: Share of Allocation towards major heads (Plan & NP together)
(Figures in Percentages)

Years	RHS	UHS	PH
89-90	63.06	20.87	16.08
90-91	64.26	19.05	16.69
91-92	65.32	19.70	14.97
92-93	63.06	21.01	15.93
93-94	68.08	18.21	13.71
94-95	67.57	18.28	14.16
95-96	67.75	16.30	15.96
96-97	67.63	15.79	16.58
97-98	69.90	14.95	15.14

Source: Compiled from our data sheet

Table 53: Share of Expenditure towards major heads (Plan & NP together)
(Figures in Percentages)

Years	RHS	UHS	PH
89-90	65.06	21.99	12.95
90-91	64.34	21.92	13.74
91-92	71.67	17.95	10.38
92-93	67.11	20.24	12.65
93-94	67.52	18.69	13.78
94-95	70.09	16.97	12.94
95-96	69.89	16.84	13.27
96-97	71.98	15.57	12.44
97-98	66.23	19.34	14.43

Source: Compiled from our data sheet

From the above (table 52,53) when we compare with the allocations made, we see that under RHS, expenditures have been higher, for PHS, expenditures are lesser, while for UHS it generally matches.

Table 54: Share of Allocation towards Plan and Non-Plan
(Figures in Percentages)

Years	Plan	NP
89-90	27.33	72.67
90-91	26.98	73.02
91-92	31.52	68.48
92-93	35.21	64.79
93-94	34.83	65.17
94-95	30.92	69.08
95-96	35.36	64.64
96-97	34.42	65.58
97-98	25.27	74.73

Source: Compiled from our data sheet

In general, allocations made in Medical and Public health sector is more under the Non-Plan as against Plan.

Table 55: Share of Expenditure towards Plan and Non-Plan
(Figures in Percentages)

Years	Plan	NP
89-90	20.02	79.98
90-91	24.20	75.80
91-92	24.68	75.32
92-93	19.57	80.43
93-94	17.00	83.00
94-95	22.17	77.83
95-96	23.95	76.05
96-97	24.30	75.70
97-98	7.80	92.20

Source: Compiled from our data sheet

When we compare the two, we see that more is being spent under Non-Plan over and above the allotted sums, while for Plan there is under spending

Part II

Combining Schemes

Growth Rates are given only for the tables where the data is complete.

Table 56: Rural health services - PHCs (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	28.80	32.52	438.30	6.57	7.42
1990-91	31.24	39.10	460.90	6.78	8.48
1991-92	42.00	38.59	460.30	9.12	8.38
1992-93	59.00	24.77	483.50	12.20	5.12
1993-94	71.00	36.86	513.00	13.84	7.19
1994-95	72.00	44.69	552.70	13.03	8.09
1995-96	100.00	57.03	593.20	16.86	9.61
1996-97	125.00	68.22	644.33	19.40	10.59
Growth Rate	20.14	9.70		14.49	4.55

Note the above table includes the salaries given to Primary health centres and community health centres.

Source: Data sheet compiled minor head wise, where data is available

We see that PHCs exist under RHS where allocations are being made. But expenses are not being fully made. We do not know the reason for this: whether there is a genuine lack of manpower or whether released amount is lesser than allocations made. Detailed field studies are needed

Table 57: Rural health services - Buildings (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	3.43	1.30	438.30	0.78	0.30
1990-91	1.73	1.20	460.90	0.38	0.26
1991-92	1.73	0.00	460.30	0.38	0.00
1992-93	5.50	0.55	483.50	1.14	0.11
1993-94	8.00	3.12	513.00	1.56	0.61
1994-95	8.25	4.43	552.70	1.49	0.80
1995-96	9.50	6.03	593.20	1.60	1.02
1996-97	12.00	9.25	644.33	1.86	1.44
Growth Rate	16.95	27.80		11.47	21.66

Note: the above table includes of upgrading of Ayurvedic dispensaries, opening of taluk Ayurvedic and homeopathic hospitals, and unani dispensaries.

Source: Data sheet compiled minor head wise, where data is available

The buildings under RHS also attract very little allocations, expenses made are still lesser. It is not surprising that this is so since we hear from representatives that the PHCs are in general in a very bad shape.

Table 58: Control of diseases (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	15.15	5.51	438.30	3.46	1.26
1990-91	9.00	6.06	460.90	1.95	1.31
1991-92	7.50	7.32	460.30	1.63	1.59
1992-93	8.00	8.75	483.50	1.65	1.81
1993-94	9.00	10.00	513.00	1.75	1.95
1994-95	9.00	7.48	552.70	1.63	1.35
1995-96	20.00	11.19	593.20	3.37	1.89
1996-97	25.00	16.86	644.33	3.88	2.62
Growth Rate	6.46	15.00		1.44	9.58

Note the above table includes the amount spent on leprosy control scheme.

Source: Data sheet compiled minor head wise, where data is available

Table 59: Urban health services (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	64.96	56.78	438.30	14.82	12.95
1990-91	65.46	55.30	460.90	14.20	12.00
1991-92	66.33	60.73	460.30	14.41	13.19
1992-93	90.10	68.67	483.50	18.63	14.20
1993-94	91.28	72.91	513.00	17.79	14.21
1994-95	99.24	80.16	552.70	17.96	14.50
1995-96	104.30	94.77	593.20	17.58	15.98
1996-97	116.87	95.97	644.33	18.14	14.89
Growth Rate	7.62	6.78		2.56	1.76

Source: Data sheet compiled minor head wise, where data is available

UHS figures under Non-Plan show that though the amounts are rising marginally over a period of time, full utilisation is not seen.

For RHS (table 60) the amounts almost match, except in 1996-97 where the expenses are more than allocations. This is probably on account of salary payment. This requires a deeper probe

Table 60 : Rural health services (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	129.15	121.76	438.30	29.47	27.78
1990-91	139.07	107.33	460.90	30.17	23.29
1991-92	161.52	166.31	460.30	35.09	36.13
1992-93	178.26	191.58	483.50	36.87	39.62
1993-94	228.58	208.90	513.00	44.56	40.72
1994-95	252.60	239.18	552.70	45.70	43.27
1995-96	261.79	264.46	593.20	44.13	44.58
1996-97	288.94	311.27	644.33	44.84	48.31
Growth Rate	10.59	12.45		5.39	7.16

Source: Data sheet compiled minor head wise, where data is available

Table 61: Control of diseases (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	20.32	8.74	438.30	4.64	1.99
1990-91	19.71	8.25	460.90	4.28	1.79
1991-92	25.99	10.39	460.30	5.65	2.26
1992-93	27.15	20.38	483.50	5.62	4.22
1993-94	36.05	21.30	513.00	7.03	4.15
1994-95	37.02	24.71	552.70	6.70	4.47
1995-96	42.32	25.75	593.20	7.13	4.34
1996-97	42.03	26.66	644.33	6.52	4.14
Growth Rate	9.51	14.96		4.34	9.59

Source: Data sheet compiled minor head wise, where data is available

When we compare Plan and Non-Plan figures for Control of Diseases we see that Plan allocations have fallen more sharply than Non-Plan. Expenditures however have kept at a constant of about four lakhs per year over the later half of the study (1992-93 to 1996-97).

Part III

Individual Schemes

Under Plan heads we have urban health services and rural health services. We can see that not much is being spent on the urban health services.

Under the Rural health services- Allopathy we have Primary health centres with three schemes coming under its belt. Of these two schemes have the data to run the trend. The growth rate has been calculated for nine years.

Table 62 Primary Health Centres (GOI pattern) (2210-03-103-0-71) (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	16.80	20.30	438.30	3.83	4.63
1990-91	23.20	25.62	460.90	5.03	5.56
1991-92	27.00	29.12	460.30	5.87	6.33
1992-93	40.00	17.49	483.50	8.27	3.62
1993-94	50.00	27.03	513.00	9.75	5.27
1994-95	49.00	34.94	552.70	8.87	6.32
1995-96	70.00	42.26	593.20	11.80	7.12
1996-97	85.00	48.59	644.33	13.19	7.54
1997-98	52.20	21.65	675.11	7.73	3.21
Growth Rate	13.42	0.72		8.12	-3.99

Source: Data sheet compiled scheme wise

Table 63 Community Health Centres (2210-03-103-0-73) (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	12.00	12.18	438.30	2.74	2.78
1990-91	8.04	13.47	460.90	1.74	2.92
1991-92	15.00	9.47	460.30	3.26	2.06
1992-93	19.00	7.28	483.50	3.93	1.51
1993-94	21.00	9.83	513.00	4.09	1.92
1994-95	23.00	9.74	552.70	4.16	1.76
1995-96	30.00	14.77	593.20	5.06	2.49
1996-97	40.00	19.62	644.33	6.21	3.05
1997-98	10.00	31.49	675.11	1.48	4.66
Growth Rate	-2.01	11.13		-6.61	5.91

Source: Data sheet compiled scheme wise

Of the above two schemes that fall under the Health centres one can see that the allotment of amount towards the Primary Health Centres (table 62) are more than the Community Health Centres (table 63). Under both the schemes one can see that there is a steady increase in allocations over the years. In both the schemes one can find that the allocations in 1997-98 have decreased sharply.

One can see from Primary health centres (table 62) that the expenses made against the budgets are less compared to that of the allocations. Only in the first three years one can see that the expenses are more than the allotted amount. In 1990-91 against Rs 23.20 Lakhs an amount of Rs 25.62 Lakhs has been spent. But in the later years from 1992-93 onwards the expenses have come down. Especially in the years 1993-94 and 1997-98 against Rs 50 Lakhs and Rs 52.20 Lakhs only & amount of Rs 27.03 Lakhs and Rs 21.65 Lakhs has been spent. But we should note that this is only the salary figures and not the development figures.

Under Community health centres (table 63) we can see that the allocations made in the year 1997-98 is very less; it has decreased by Rs 30 Lakhs over the previous year. This is the second lowest allotment for all the nine years. But the expenses made against Rs 10 Lakhs here is Rs 31.49 Lakhs, which is an all time high. Except for some years once again in this scheme we can find that the money has not been used to the full extent. Is this because of lack of manpower or any other reasons?

From all the three schemes one can see from the tables given below that the allocations are from the year 1991-92 onwards. Though under Other expenditures there are around 8 to 9 schemes only these three schemes show the data to run the trend.

Table 64 Supply of Equipment (2210-03-800-0-13) (Plan)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90			438.30		
1990-91	2.00		460.90	0.43	
1991-92	12.00	29.14	460.30	2.61	6.33
1992-93	12.00	19.32	483.50	2.48	4.00
1993-94	14.00	8.92	513.00	2.73	1.74
1994-95	14.00	37.24	552.70	2.53	6.74
1995-96	14.00	52.71	593.20	2.36	8.89
1996-97	14.00	41.20	644.33	2.17	6.39
1997-98	18.00		675.11	2.67	

Source: Data sheet compiled scheme wise

Under Supply of Equipment we can see that the allocations have increased once in 2 to 4 years. But in this scheme we can see that the expenses met against this budgets are more compared to the other schemes which we looked at earlier. Except in the year 1993-94 where against Rs 14 Lakhs an amount of Rs 8.92 Lakhs being spent in the other years we can see that the expenses are much higher than Rs 35 Lakhs against the same amount of Rs 14 Lakhs. In the year 1995-96 and 1996-97 an amount of Rs 52.71 and Rs 41.20 Lakhs has been spent. But in the year 1997-98 against Rs 18 Lakhs no amount has been spent.

Table 65 Supply of Linen (2210-03-800-0-14) (Plan)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90			438.30		
1990-91			460.90		
1991-92	4.00	2.96	460.30	0.87	0.64
1992-93	3.00	7.00	483.50	0.62	1.45
1993-94	3.00	3.00	513.00	0.58	0.58
1994-95	2.00	4.41	552.70	0.36	0.80
1995-96	2.00		593.20	0.34	
1996-97	2.00	2.00	644.33	0.31	0.31
1997-98	5.00		675.11	0.74	

Source: Data sheet compiled scheme wise

Under Supply of Linen (table 65) very less amount has been allotted towards this scheme. Under Supply of Linen except in the years 1992-93 to 1994-95 where the expenses are more in the other years it is very less are in some years there is no expenses met. In the year 1997-98 there is an allocation of Rs 5 Lakhs but there is no expenses figure.

Under Indian System of Medicines we have the following tables given below :

Table 66 Opening and maintenance of Ayurvedic dispensaries (2210-04-101-1-72) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90			438.30		
1990-91			460.90		
1991-92			460.30		
1992-93	4.00		483.50		
1993-94	3.00	0.19	513.00	0.58	0.04
1994-95	4.00	0.76	552.70	0.72	0.14
1995-96	10.00	3.89	593.20	1.69	0.66
1996-97	8.00	6.11	644.33	1.24	0.95
1997-98	1.78	0.52	675.11	0.26	0.08

Source: Data sheet compiled scheme wise

Table 67 Upgrading of Ayurvedic dispensaries (2210-04-101-1-73) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	1.73		438.30	0.39	
1990-91	1.73		460.90	0.38	
1991-92	1.73		460.30	0.38	
1992-93	2.00		483.50	0.41	
1993-94	2.00	0.44	513.00	0.39	0.09
1994-95	2.00	0.46	552.70	0.36	0.08
1995-96	2.50	0.84	593.20	0.42	0.14
1996-97	2.00	0.98	644.33	0.31	0.15
1997-98	1.22	0.23	675.11	0.18	0.03

Source: Data sheet compiled scheme wise

Looking at the above two tables one can see that the amount allotted towards opening and maintenance of Ayurvedic dispensaries (table 66) is more compared to that of Upgrading of the existence Ayurvedic dispensaries (table 67). But we can see that there is an interesting finding where in the allotments to Opening of Ayurvedic dispensaries is only from the year 1992-93, whereas in Upgrading the dispensaries it is from the beginning. But for both the schemes one can see that the expenses are only from 1993-94. In both the schemes the expenses are less than the allocations. In table 8 except in the year 1995-96 and 1996-97 where the expenses are more than a lakh, (it is Rs 3.89 and Rs 6.11 Lakhs respectively) in other years it is very less. Same the case of Upgrading of Ayurvedic dispensaries (table 67). The process behind these figures need to be studied on the ground.

Table 68 Staff of Ayurveda , Homeopathy, Unani dispensaries (2210-04-101-1-74) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	0.40		438.30	0.09	
1990-91	0.45		460.90	0.10	
1991-92	0.45		460.30	0.10	
1992-93	0.75	0.30	483.50	0.16	0.06
1993-94	0.50	0.50	513.00	0.10	0.10
1994-95	0.50	0.64	552.70	0.09	0.12
1995-96	0.50	0.94	593.20	0.08	0.16
1996-97	2.00	1.07	644.33	0.31	0.17
1997-98	0.26		675.11	0.04	

Source: Data sheet compiled scheme wise

One can see that under the Staff of Ayurveda, Homeopathy, Unani dispensaries very less amounts are allotted. Though it is very less in some years where the expenses are met it has been utilised to full extent. Only in the year 1996-97 the allocations are Rs 2 Lakhs, other than this it is less than 1 lakh.

Below are two tables, which shows only allocations but not the expenditures. We do not know the reason why this happens.

Table 69 Primary health centres – Buildings (4210-02-103-1-01) (Plan)
(Figures in Lakhs)

Year	Current prices	
	Allocation	Expenditure
1989-90	7.50	
1990-91	10.00	
1991-92	15.00	
1992-93	25.00	
1993-94	25.00	
1994-95	25.00	
1995-96	40.00	
1996-97	40.00	
1997-98	50.00	

Source: Data sheet compiled scheme wise

Table 70 upgradation of Primary health units (4210-02-103-1-02) (Plan)
(Figures in Lakhs)

Year	Current prices	
	Allocation	Expenditure
1989-90	2.00	
1990-91	12.00	
1991-92	15.00	
1992-93	12.00	
1993-94	35.00	
1994-95	20.00	
1995-96	20.00	
1996-97	20.00	
1997-98	31.70	

Source: Data sheet compiled scheme wise

Once again in Non-Plan we have urban health services and rural health services. Each of the schemes that have been taken under this heads is given below

Table 71 Primary health centres (Government of India type) (2210-03-103-0-71) (Non-Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	60.86	62.14	438.30	13.89	14.18
1990-91	65.99	63.97	460.90	14.32	13.88
1991-92	84.12	84.40	460.30	18.28	18.34
1992-93	60.58	89.06	483.50	12.53	18.42
1993-94	97.25	105.86	513.00	18.96	20.64
1994-95	119.24	115.94	552.70	21.57	20.98
1995-96	135.53	123.52	593.20	22.85	20.82
1996-97	148.50	128.83	644.33	23.05	19.99
1997-98	209.78	131.32	675.11	31.07	19.45
Growth Rate	14.74	8.67		9.36	3.57

Source: Data sheet compiled scheme wise

Under Primary Health Centres (GO1 type) (table 71) and Medical Sub-centres PHCs we can see that a very huge amount being pumped in. Especially in Primary Health Centres (GO1 type) we can see that the allocations which was Rs 60.86 Lakhs in the year 1989-90 has increased to Rs 209.78 Lakhs in a span of eight years. We can see that there is a sudden increase in allocations in the year 1997-98 (From Rs 148.50 Lakhs in the year 1996-97 it has increased to Rs 209.78 Lakhs). But the expenses are less.

Table 72 Upgrading of Primary Health Centres (2210-03-103-0-73) (Non-Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	9.81	6.15	438.30	2.24	1.40
1990-91	10.23	6.09	460.90	2.22	1.32
1991-92	18.44	17.34	460.30	4.01	3.77
1992-93	30.27	20.86	483.50	6.26	4.31
1993-94	31.68	12.34	513.00	6.18	2.41
1994-95	18.62	11.67	552.70	3.37	2.11
1995-96	13.67	14.09	593.20	2.30	2.38
1996-97	17.00	15.99	644.33	2.64	2.48
1997-98	40.75	25.18	675.11	6.04	3.73
Growth Rate	17.14	16.96		11.65	11.50

Source: Data sheet compiled scheme wise

Under the scheme Upgrading of Primary Health Centres we can see that there is a sudden decrease in allocations in the year 1994-95. Though in earlier years there was increases and had reached Rs 31.68 Lakhs in 1993-94 from Rs 9.81 Lakhs in 1989-90 it has dropped to Rs 18.62 Lakhs and Rs 13.67 Lakhs in the year 1994-95 and 1995-96 respectively. Once again only in the year 1997-98 we can see that it has increased to Rs 40.75 Lakhs. But we can see that except in 1995-96 where against Rs 13.67 Lakhs an amount of Rs 14.09 Lakhs being spent, no where the expenses have been able to touch the allocations.

Table 73 Medicines and chemicals for Hospitals and Health Sub-centres (2210-03-103-0-74)(Non-Plan)
(Figures in Lakhs)

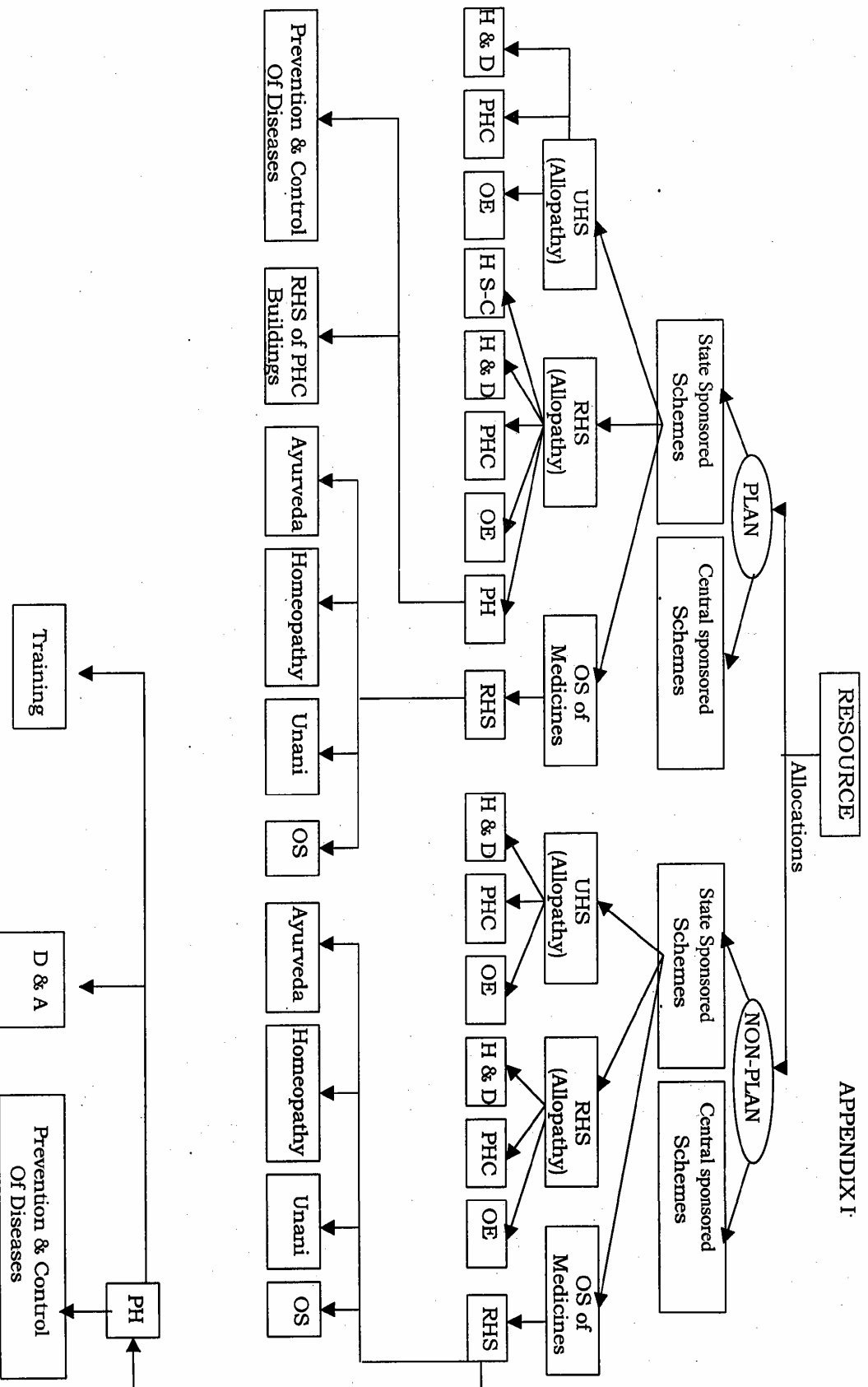
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1989-90	25.77	25.69	438.30	5.88	5.86
1990-91	25.77	8.84	460.90	5.59	1.92
1991-92	10.83	14.39	460.30	2.35	3.13
1992-93	11.37	20.04	483.50	2.35	4.14
1993-94	17.25	26.52	513.00	3.36	5.17
1994-95	18.97	38.76	552.70	3.43	7.01
1995-96	20.86	43.74	593.20	3.52	7.37
1996-97	22.94	80.99	644.33	3.56	12.57
1997-98	27.53		675.11	4.08	
Growth Rate	0.74			-3.98	

Source: Data sheet compiled scheme wise

In the table Medicines and chemicals for hospitals (table 73) there is a decrease in allocations in 1991-92 (it has decreased to Rs 10.83 Lakhs from Rs 25.77 Lakhs). This is a good sign because we can see that in earlier two years the amounts were not fully utilised. In the year 1990-91 we can see that against Rs 25.77 Lakhs only Rs 8.84 Lakhs being spent. But in the later years the expenses have kept on increasing and in some years it is double the allocated amount. In the year 1995-96 against Rs 20.86 Lakhs an amount of Rs 43.74 Lakhs has been spent and in 1996-97 it is almost four times the allocations.

HEALTH

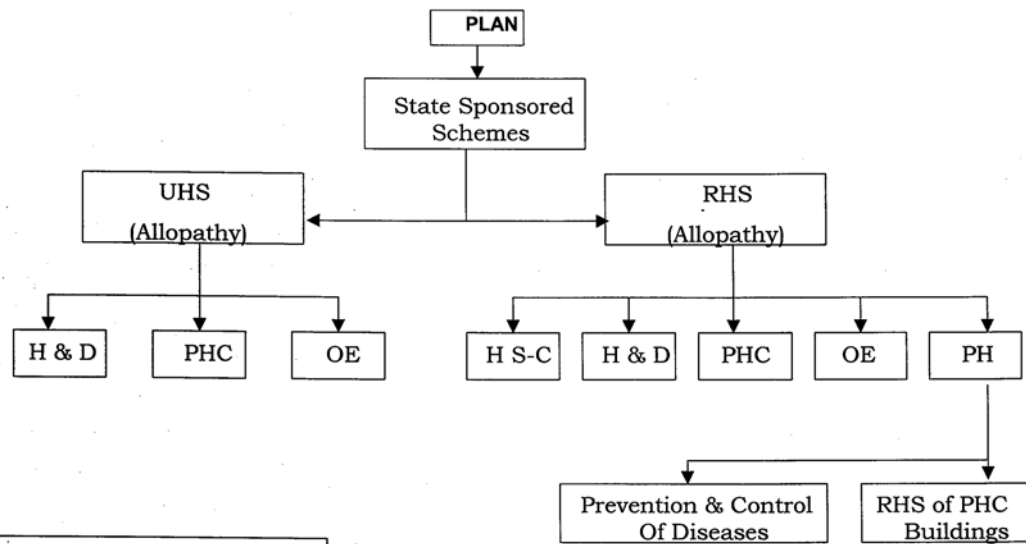
APPENDIX I



Descriptions

UHS – Urban Health Services.
RHS – Rural Health Services.
H&D – Hospitals and Dispensaries.
PHC - Primary Health Centres.
H S-C – Health Sub Centres.
D&A – Direction and Administration.
OS – Other Systems.
OE – Other Expenditure.
PH – Public Health.

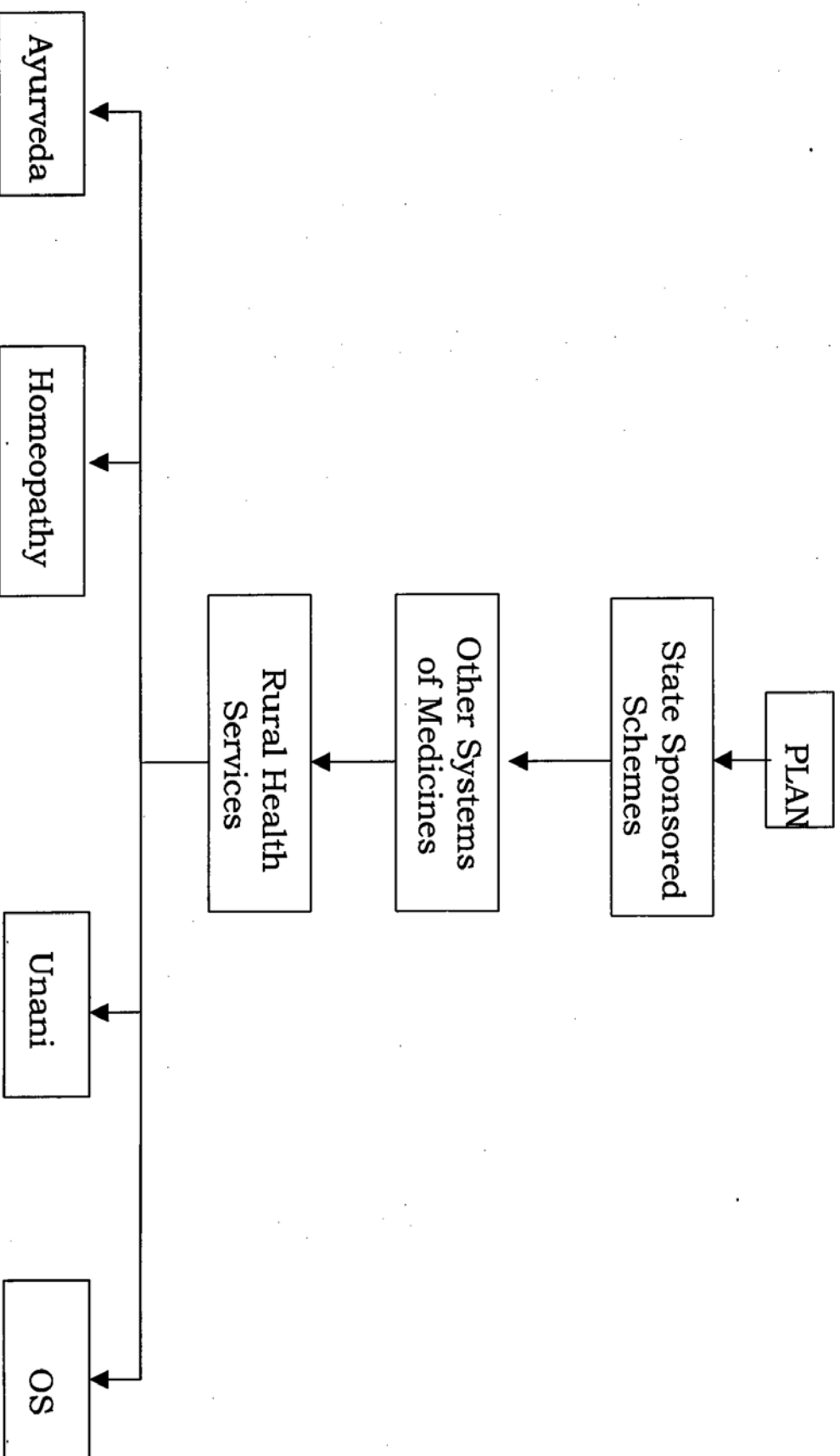
Democracy and Decentralization: Study of Budgets



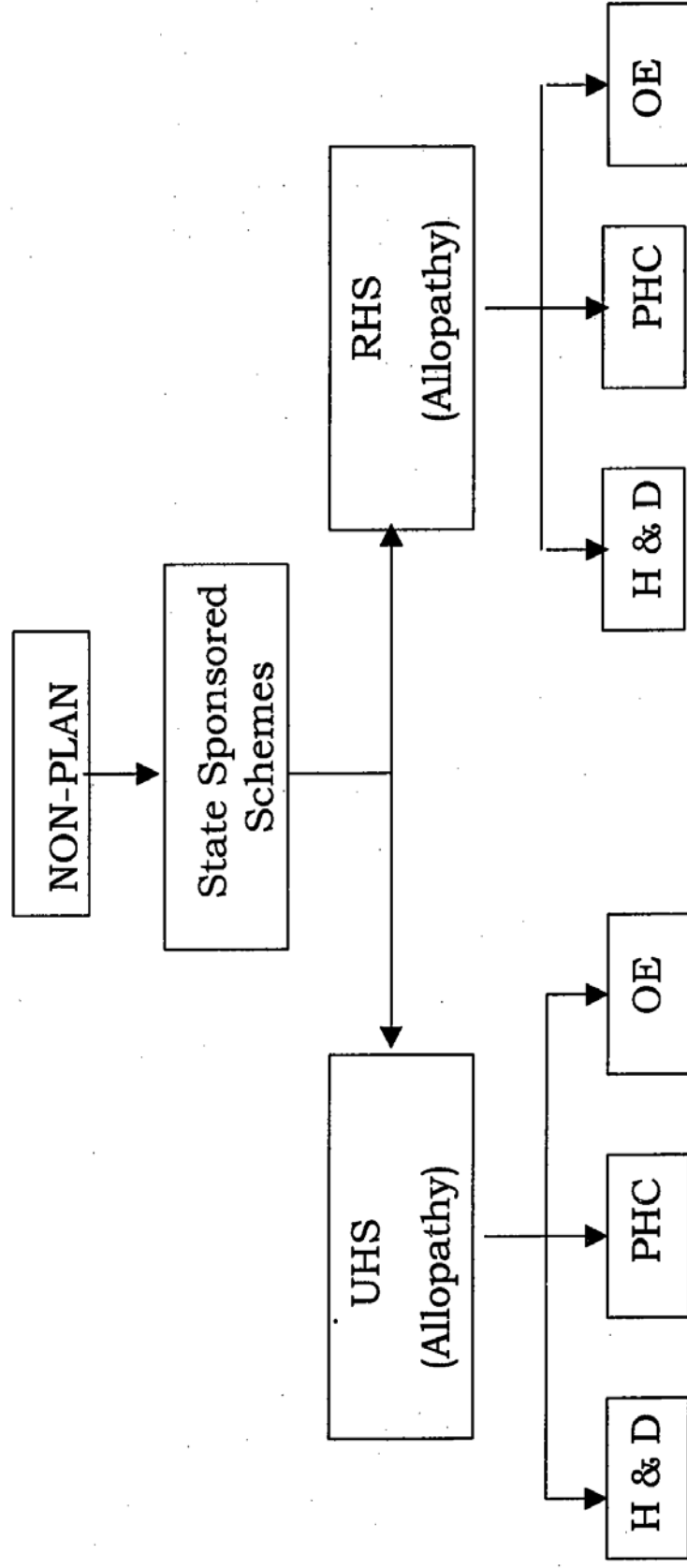
Description

1. UHS - Urban Health Services.
2. RHS - Rural Health Services.
3. PHC - Primary Health Centres.
4. H&D - Hospitals and Dispensaries.
5. H S-C - Health Sub Centres.
6. OE - Other Expenditure.
7. PH - Public Health.

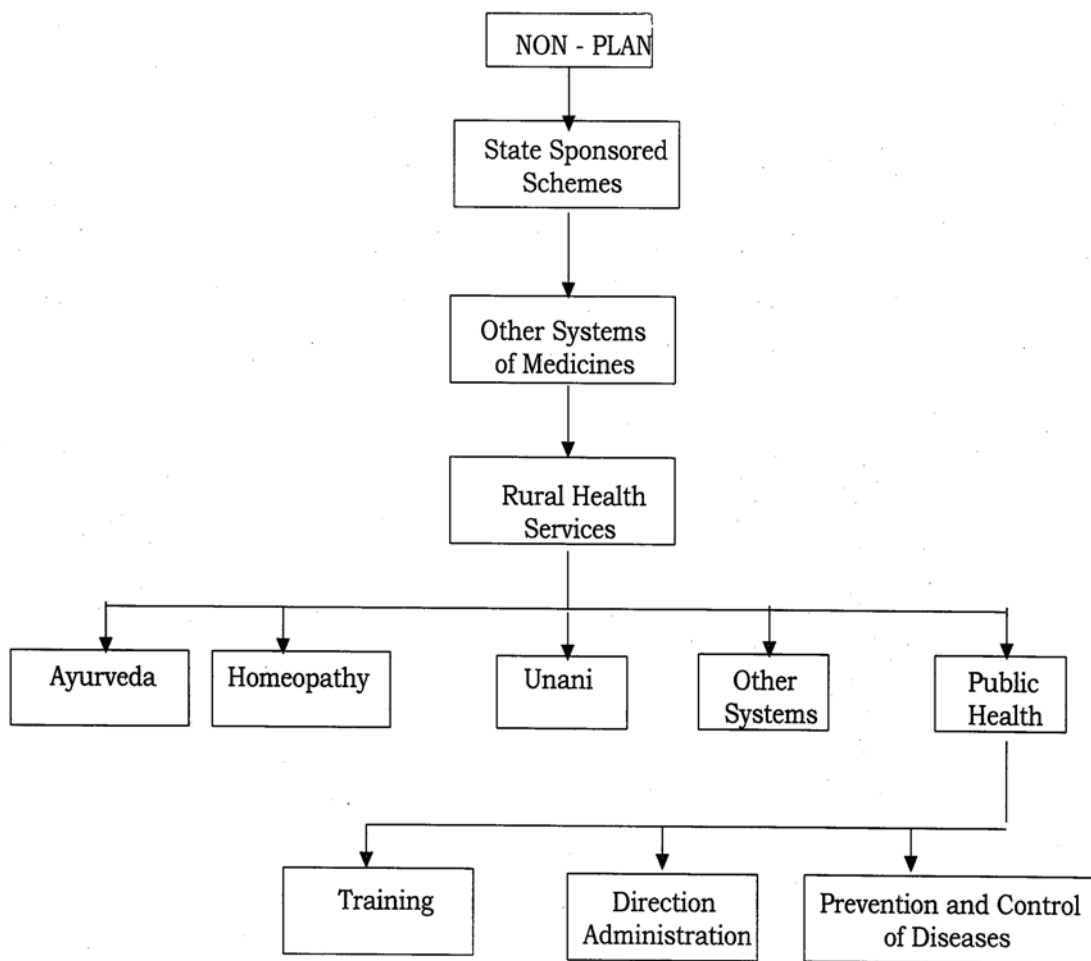
Democracy and Decentralization: Study of Budgets



Democracy and Decentralization: Study of Budgets



Democracy and Decentralization: Study of Budgets



Schemes taken for the Study

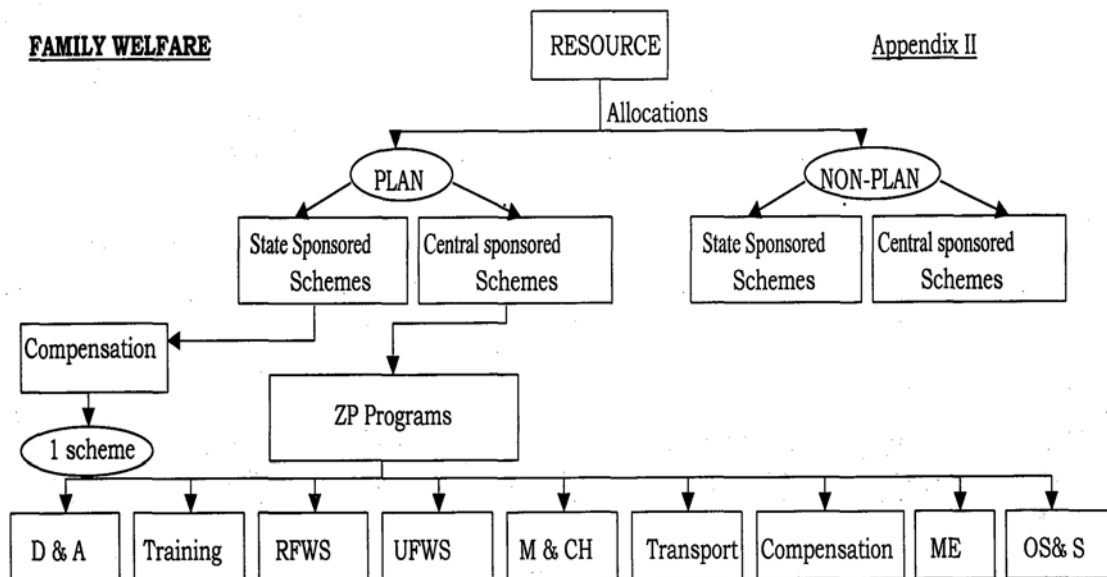
1. Under Urban health Services (Allopathy) (**UHS**)- Hospitals and Dispensaries (**H&D**)-
 - a. Big Hospitals - Dental Units to Taluk Hospitals
 - b. Local Fund Hospitals & Dispensaries
 - c. Other Government Hospitals & Dispensaries
 - d. Establishment of Subsidised Health Centres
2. Under Urban health Services (Allopathy)- Primary Health Centres (**PHC**)-
Taking Over of Taluk Development Board Dispensaries
3. Under Rural health Services (Allopathy) (**RHS**)- Hospitals and Dispensaries (**H&D**)-
 - a. Establishment of Health Sub centres.
 - b. Taluk Level General Hospitals.
4. Under Rural health Services (Allopathy) (**RHS**)- Primary Health Centres (**PHC**)-
 - a. Primary Health Centres (Govt of India type).
 - b. Medical Sub- Centres - PHC.
 - c. Upgrading of Primary Health Centres
 - d. Medicines and Chemicals for Hospitals & Health Sub-centres.
5. Under Rural health Services (Allopathy) (**RHS**)- Other Expenditure (OE) –
School Health Services

Schemes taken for Study

1. Under Other System of Mediciens – Rural Health Services (**RHS**) – District level Schemes – Allopathy
 - a. Government Ayurvedic Dispensaries.
 - b. Taking over of Taluk Development Board Dispensaries.
2. Under Homeopathy – Opening of Homeopathy Dispensaries in Rural areas
3. Under Other Systems (**OS**) – Opening of Nature Cure Hospitals.
4. Under Public Health (**PH**) – Direction and Administration (**D & A**) –
 - a. District Establishment.
 - b. Other Establishment.
5. Under Training – Rural health training centres & sub-centres
6. Under Public Health (**PH**) – Prevention and control of Diseases
 - a. Malaria Maintenance phase
 - b. Cholera control program
 - c. Leprosy control schemes
 - d. Survey, Education and Treatment Centres
 - e. Leprosy Control Scheme (CSS)
 - f. Chemical Examination Regional Centres
 - g. District Health Laboratories .

FAMILY WELFARE

Appendix II

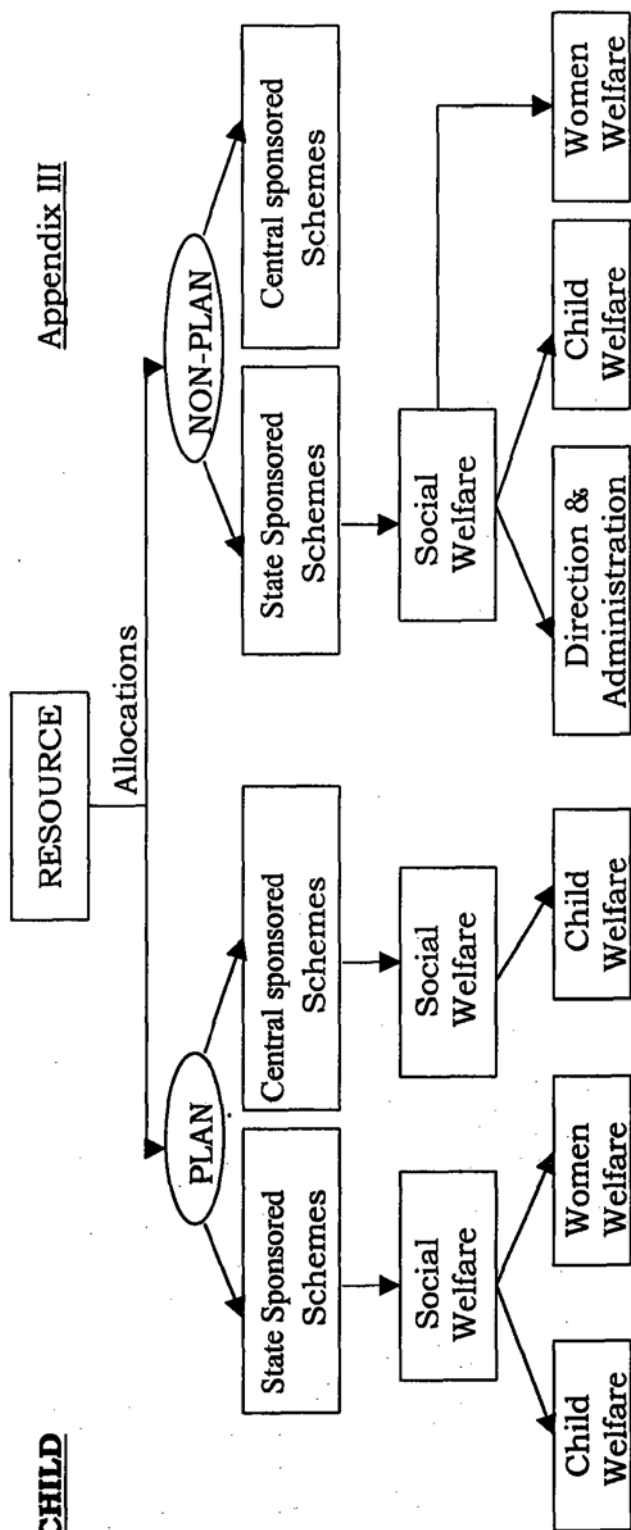


Description

D & A	Direction and Administration
RFWS	Rural Family Welfare Services
UFWS	Urban Family Welfare Services
M & CH	Maternity and Child Health
ME	Mass Education
OS & S	Other Services and supplies

WOMEN AND CHILD

Appendix III



Chapter 5

DEVELOPMENT EXPENDITURES IN ZILLA PANCHAYATS

3. Water Supply and Sanitation

Karnataka is one of the pioneer states to provide at least one safe drinking water source for all the revenue villages by 1986 itself. The Water supply and Sanitation Board has taken under its purview the following as its aim:

- 100% of the urban population is to be covered with safe water supply
- Towns have to be provided with protected water supply .
- 100% of the population in class -I cities, 50% in respect of class II cities and other towns should be covered under sanitation.

Water supply to urban areas includes (i) piped water supply schemes, (ii) urban water supply schemes, and (iii) board water supply schemes.

Rural water supply and rural sanitation include provision of borewell fitted hand pumps for all villages and minimum water supply schemes for big villages.

There are many foreign schemes running under bilateral assistance:

-Netherlands assistance, Integrated rural water supply and sanitation project in four districts Dharwad, Bijapur, Bellary and Raichur.

-World Bank assistance:

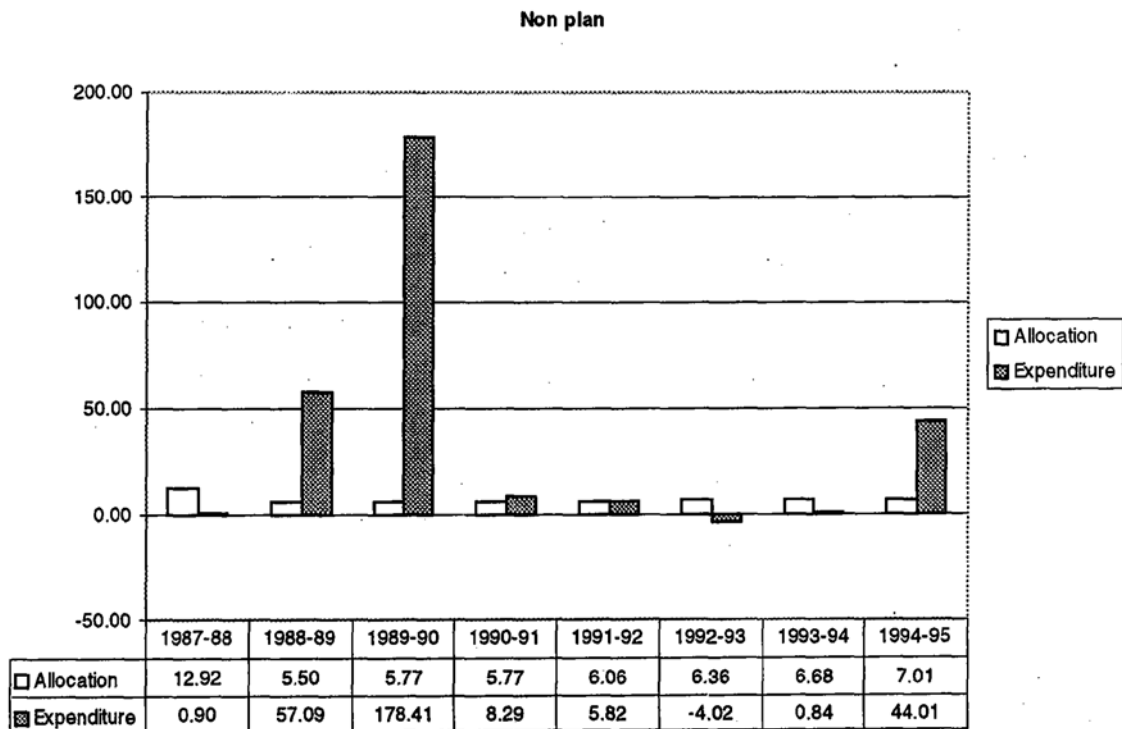
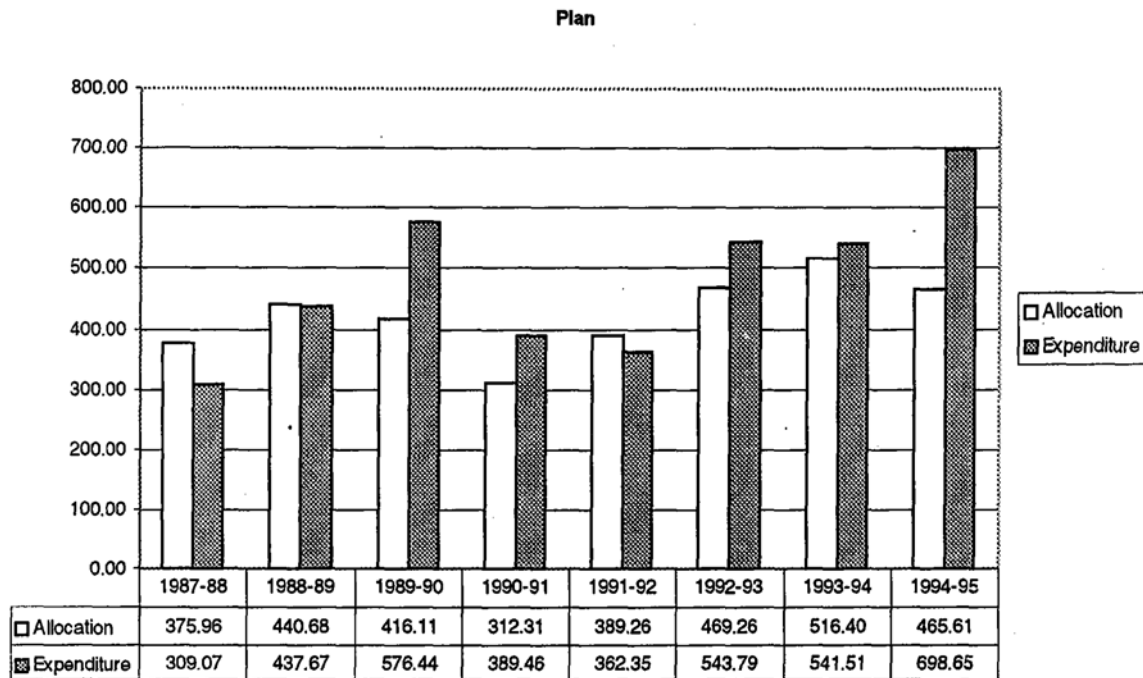
Integrated rural water supply environmental sanitation habit -proposed for 1000 villages in the following ten districts: Bangalore (Rural), Mandya, Mysore, Shimoga, Dakshin Kannada, Belgaum, Gulbarga, Raichur, Bidar and Bellary.

In this paper we consider water supply and sanitation. This has, under its head mandal panchayat programs falling under the ZP schemes. This is the state level scheme -national rural water supply scheme coming: under the rural water supply scheme. The other is the 100% central scheme, namely, central accelerated water supply schemes. The various sub-schemes under both heads are nearly the same and are large in number. But they can be broadly be categorised into three, piped water supply scheme, borewells, and mini water supply schemes. Our field visits show that people feel that there is a lot of leakage in the system with respect to flow of funds. We have not been able to gather more information to authenticate this, What the budpet shows we present here.

The flow chart given below shows the schemes that fall under the Major heads and Minor heads. This procedure is same throughout the state.

(I) Dharwad:

Total Allocation and Total Expenditure of Water Supply and Sanitation.



This sector is mainly maintained through the plan heads. Non-plan in most cases, is almost negligible.

Part I

Major headwise

Table 1: Share of Allocations towards State sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) under Plan.

(Figures in Percentages)

Years	SSS	CSS
1987-88	52.68	47.32
1988-89	46.76	53.24
1989-90	46.01	53.99
1990-91	45.98	54.02
1991-92	47.93	52.07
1992-93	43.53	56.47
1993-94	45.57	54.43
1994-95	43.41	56.59

Source: compiled from our Data sheet

The CSS in this sector has 100% funding. There is no matching grant from the state. The schemes include piped water supply scheme, mini water supply schemes etc. There has been a declining share of state schemes as compared to central schemes. The ZP Schemes share has come down from 53% in 1987-88 to 43 % in 1995. As against this there has been an increase in CSS share to the tune of 10% from 47% in 1987 to 57% in 1995.

Table 2: Share of Expenditures towards State sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) under Plan.

(Figures in Percentages)

Years	SSS	CSS
1987-88	46.31	53.69
1988-89	47.14	52.86
1989-90	32.98	67.02
1990-91	35.47	64.53
1991-92	42.60	57.40
1992-93	48.92	51.08
1993-94	45.81	54.19
1994-95	48.01	51.99

Source: compiled from our Data sheet

Except for couple of years during 1989-90 and 1990-91, the Plan expenditure on ZP schemes have marginally changed. And the share of CSS has been around 50% to 54% except in some mid years. When we compare with the allocations, we see that for CSS they more or less match the expenditures, but the same cannot be said about SSS

Table 3: Share of Allocations towards State Sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) for both Plan and Non-Plan combined
(Figures in Percentages)

Years	SSS	CSS
1987-88	54.08	45.92
1988-89	47.42	52.58
1989-90	46.75	53.25
1990-91	46.96	53.04
1991-92	48.73	51.27
1992-93	44.28	55.72
1993-94	46.27	53.73
1994-95	44.25	55.75

Source: compiled from our Data sheet

Table 4: Share of Expenditures towards State Sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) for both Plan and Non-Plan combined
(Figures in Percentages)

Years	SSS	CSS
1987-88	47.76	52.24
1988-89	48.40	51.60
1989-90	33.91	66.09
1990-91	36.81	63.19
1991-92	43.54	56.46
1992-93	49.85	50.15
1993-94	45.89	54.11
1994-95	48.01	51.99

Source: compiled from our Data sheet

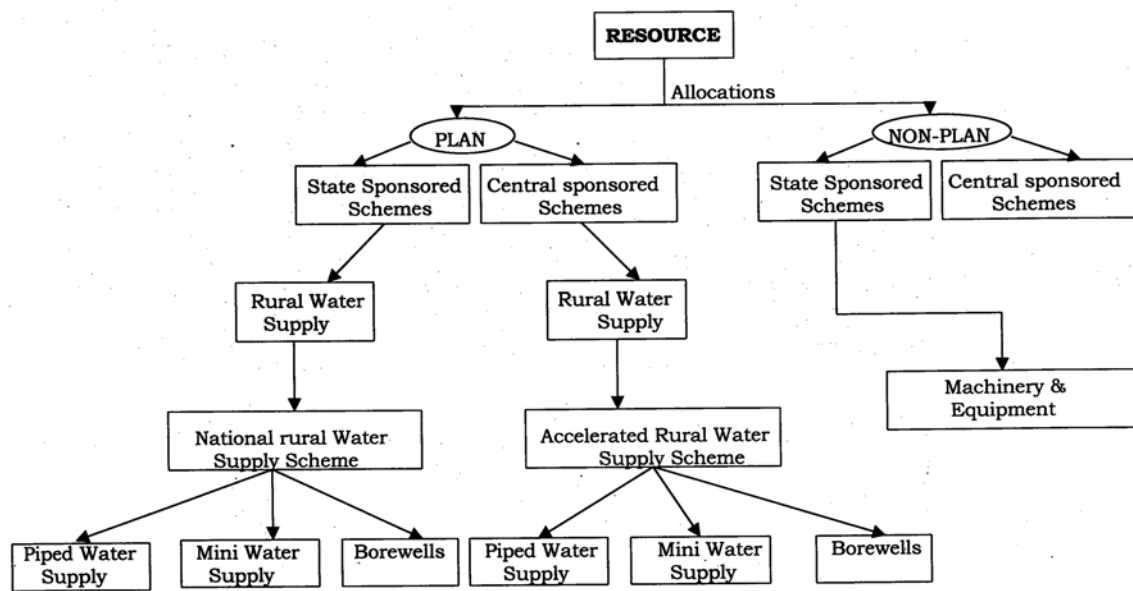
The schemes emerging under centrally sponsored sector seem to be dominating in water Supply and sanitation sector. The trend in expenditure shows that an all time high level of 66% in 1989-90. The CSS share has not dropped below 50% during our analysis. The State Government also seem to be introducing new schemes. The maintenance of these schemes has been the responsibility of the State Government.

Table 5: Share of Plan to Non-Plan expenditure.
(Figures in Percentages)

Years	Plan	Non-Plan
1987-88	97.30	2.70
1988-89	97.63	2.37
1989-90	98.62	1.38
1990-91	97.93	2.07
1991-92	98.36	1.64
1992-93	98.18	1.82
1993-94	99.84	0.16
1994-95	100.00	NE

• NE :- No Expenditure

Source: compiled from our Data sheet



The expenditure on water supply and sanitation has been basically a Plan programme with very little effort on maintenance. Throughout our analysis the Non-Plan expenditure has not crossed 3% and is on a decline from 2.7% in 1987-88 to 2% in 1990-91 and further declined to 0.16% in 1993-94. There is no expenditure for the year 1994-95 on Non-Plan account.

Generally complete maintenance responsibility is on state Government to carry on the schemes under Non-Plan account. But this seems to have been met through plan only. No new schemes have been transferred to Non-Plan for a long time. The subject needs to be probed at various levels.

Part II

Combining Schemes

We have broadly combined under two heads-NRWSS and CAWSS, These are the only two heads seen in the budget documents. Infact it is seen that the various schemes under CAWSS and NRWSS are exactly the same. Only the source of funds are different. How these work at the local level will make for interesting research, since the same department at the state level would be implementing the schemes. Also it is very likely that there is overlapping of funds, interest and work areas leading to a lot of confusion. Hence in the end nothing much may be achieved.

Table 6: Towards NRWSS (National rural water supply scheme) (Plan)

Year	Current prices		Deflators	Constant Prices		(Figures in Lakhs) Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	175.20	123.85	370.3	47.31	33.45	1.42	1.01
1988-89	164.61	132.14	409.7	40.18	32.25	1.19	0.95
1989-90	178.45	169.49	438.3	40.71	38.67	1.18	1.12
1990-91	131.04	137.71	460.9	28.43	29.88	0.81	0.85
1991-92	157.81	138.83	460.3	34.28	30.16	0.96	0.85
1992-93	161.00	241.46	483.5	33.30	49.94	0.92	1.37
1993-94	187.39	222.11	513.0	36.53	43.30	0.99	1.17
1994-95	163.00	221.46	552.7	29.49	40.07	0.78	1.06
Growth Rate	-0.9	7.54		-5.74	2.28		

Note: The above table includes the supply of water through the mode of piped water, Borewells and mini water schemes

Source: Data sheet - compiled minor head wise, where figures available.

NRWSS is under the state scheme fully. It also includes piped water supply scheme, which is also taken one under Public Health department. There are also five other schemes of borewells and mini water schemes.

It is seen that the SSS from the earlier tables shows a share of 48% in the total. Within its share, we see that the allocations have been falling over time under Plan head. The corresponding Expenditure are however at the rise and generally greater than the allocation. Infact allocation figures show a falling growth rate over the period upto 5%.

The per capita figures here should give us an idea of how much investment is made per person in a given year. We see that the sum allotted is about Rs 0.78 in 1994-95, which has in fact fallen over the years, the expenditures are marginally higher at Re 1. Is this enough, given the need? Is there a norm against which this can be assured? A lot of work has still to be done.

This will not give us an exact idea of the physical accessibility to water sources etc.

Table 7: Towards CAWSS (Central accelerated water supply scheme) (Plan)

(Figures in Lakhs)

Year	Current prices			Constant Prices		Per Capita	
	Allocation	Expenditure	Deflators	Allocation	Expenditure	Allocation	Expenditure
1987-88	118.62	104.23	370.3	32.03	28.15	0.96	0.85
1988-89	220.80	194.62	409.7	53.89	47.50	1.59	1.40
1989-90	204.91	168.53	438.3	46.75	38.45	1.36	1.12
1990-91	146.71	245.45	460.9	31.83	53.25	0.91	1.52
1991-92	169.70	144.42	460.3	36.87	31.38	1.03	0.88
1992-93	186.00	195.13	483.5	38.47	40.36	1.06	1.11
1993-94	200.29	170.01	513.0	39.04	33.14	1.05	0.89
1994-95	174.50	198.78	552.7	31.57	35.96	0.84	0.95
Growth Rate	4.94	8.4		-0.18	3.11		

Note: The above table includes the supply of water through the mode of piped water, Borewells and mini water schemes. The data for 94-95 is from MMR

Source: Data sheet - compiled minor head wise, where figures available.

CAWSS is a 100% CSS. This means Central accelerated water supply scheme. It also has under its purview similar schemes for borewells, mini water schemes and piped water supply scheme. It holds a 52% share in the total. The allocation & expenditure fluctuate in the study period, showing greater differences in some years. This sector generally comes under the engineering division and hence the accounting practice may also have a role in it. The schemes under implementation may not be reflected in the table due to reasons explained in part 2, Chapter 4. Here too the table is self explanatory

Table 8: Towards Repairs (Non-Plan)

(Figures in Lakhs)

Year	Current prices			Constant Prices		Per Capita	
	Allocation	Expenditure	Deflators	Allocation	Expenditure	Allocation	Expenditure
1987-88	12.92	8.58	370.3	3.49	2.32	0.10	0.07
1988-89	5.50	10.93	409.7	1.34	2.67	0.04	0.08
1989-90	5.77	8.01	438.3	1.32	1.83	0.04	0.05
1990-91	5.77	8.29	460.9	1.25	1.80	0.04	0.05
1991-92	6.06	6.08	460.3	1.32	1.32	0.04	0.04
1992-93	6.36	10.07	483.5	1.32	2.08	0.04	0.06
1993-94	6.68	0.84	513.0	1.30	0.16	0.04	0.00
1994-95	7.01		552.7	1.27		0.03	0.00
Growth Rate	-7.36			-11.87			

Note: The above table includes of the schemes New supplies and Repairs and carriages.

Source: Data sheet - compiled minor head wise, where figures available.

Similarly table showing amounts towards repairs give a very low figure for new supplies and repairs. Nothing seems to have been done at all if one sees the per capita figures

Part III

(Individual Schemes)

In this sector only Non-Plan data is available for machinery and equipment.

Data-sheet Plan shows that we have continuous figures under state schemes for the following

Table 9 Public Health Department - Piped water supply scheme
(2215-01-102-1-01) (Plan). (Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	154.80	109.85	370.3	41.80	29.67
1988-89	160.77	107.76	409.7	39.24	26.30
1989-90	145.00	146.27	438.3	33.08	33.37
1990-91	96.46	100.52	460.9	20.93	21.81
1991-92	119.00	116.55	460.3	25.85	25.32
1992-93	120.00	174.85	483.5	24.82	36.16
1993-94	143.43	133.83	513.0	27.96	26.09
1994-95	130.00	134.94	552.7	23.52	24.41
Growth Rate	-2.16	2.60		-6.94	-2.41

Source: Data sheet compiled scheme wise

Under Piped water supply scheme (Table 9) we can see that both the allocations as well as the expenditures have crossed over the Rs 100.00 lakhs mark. In the year 1987-88 and 1988-89 we can see that the allocations are more than the Rs 150.00 lakhs after which it has come down to Rs 96.46 lakhs in the year 1990-91. But once again, in the following years, there is a steady increase for the next four years. In the case of expenditures, we can see there is much fluctuations. It has increased to Rs 174.85 Lakhs in the year 1992-93. However the moneys towards the scheme seem to have fallen over the period as the growth rates show.

Table 10 Mini water supply scheme – Normal (2215-01-102-1-04). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88			370.3		
1988-89			409.7		
1989-90	9.00		438.3	2.05	
1990-91	7.68	9.22	460.9	1.67	2.00
1991-92	12.00	17.08	460.3	2.61	3.71
1992-93	15.00	15.68	483.5	3.10	3.24
1993-94	17.96	33.42	513.0	3.50	6.51
1994-95	11.00	19.84	552.7	1.99	3.59

Source: Data sheet compiled scheme wise

Under mini water supply scheme -normal (Table 10) we see that the expenses are higher than the budgeted amounts. No figures are seen for allocation in 1988-

89 and no expenses in 1988-89 and 1989-90. In 1993-94 the expenditure saw a marked rise to Rs. 33.42 Lakhs from Rs 15.68 Lakhs. We have not been able to get an explanation for missing figures.

Table 11 Borewells (including revival) (2215-01-102-1-12). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	20.4	14	370.3	5.51	3.78
1988-89			409.7		
1989-90	9.00	9.95	438.3	2.05	2.27
1990-91	7.81	6.12	460.9	1.69	1.33
1991-92	7.81	5.20	460.3	1.70	1.13
1992-93	2.00		483.5	0.41	
1993-94	2.00	1.73	513.0	0.39	0.34
1994-95	2.00	0.79	552.7	0.36	0.14
Growth Rate	-25.20	-30.19		-28.90	-33.77

Source: Data sheet compiled scheme wise

In case of borewells (including revival), expenditures are less than budgets; budgets are also fluctuating, with a low figure of Rs.2 Lakhs in the years 1992-93 to 1994-95. In the year 1994-95 we can see the expenditures touching an all time low of Rs 0.79 Lakhs.

Piped water supply scheme (Table 12) shows the money is being spent on works. That is, the figures in most years shows that budgets and expenses match nearly, expenses falling below by a little. In the years 1990-91, 1992-93 and 1994-95, however the expenditures are far above the budgets allotted. In the scheme related to borewells, in most cases budgets show a steady increase whereas the expenses are fluctuating with gaps in between. Coming to maintenance (tables 13,14,15) of mini water supply scheme, maintenance is hard hit it seems, in most of the years the expenditures are above the allocations. In case of mini water supply schemes -SCP the budget is quite meagre compared to only mini water supply schemes which shows a good monetary position under both budget and expenditures, expenses falling behind budget in most cases.

Table 12 Piped Water Supply Scheme (ARWS) (2215-01-102-2-71) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	103.62	89.64	370.3	27.98	24.21
1988-89	130.00	129.15	409.7	31.73	31.52
1989-90	146.89	142.87	438.3	33.51	32.60
1990-91	100.20	186.02	460.9	21.74	40.36
1991-92	113.20	107.16	460.3	24.59	23.28
1992-93	120.00	162.17	483.5	24.82	33.54
1993-94	123.14	117.22	513.0	24.00	22.85
1994-95	107.50	130.57	552.7	19.45	23.62
Growth Rate	0.46	4.81		-4.44	-0.31

Source: Data sheet compiled scheme wise

Table 13 Mini Water supply Schemes - Special Component Plan (2215-01-102-2-78) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88					
1988-89	0.80			0.20	
1989-90	6.20	5.12	438.3	1.41	1.17
1990-91	1.00	3.19	460.9	0.22	0.69
1991-92	3.00	4.31	460.3	0.65	0.94
1992-93	4.00	5.29	483.5	0.83	1.09
1993-94	6.85	5.02	513.0	1.34	0.98
1994-95	4.00	7.68	552.7	0.72	1.39
Growth Rate	-7.04	6.99		-10.60	2.91

Source: Data sheet compiled scheme wise

Table 14 Maintenance of mini water supply schemes (2215-01-102-2-76) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88			370.3		
1988-89	2.80	3.05	409.7	0.68	0.74
1989-90	2.70		438.3	0.62	
1990-91	4.00	4.34	460.9	0.87	0.94
1991-92	4.50	8.50	460.3	0.98	1.85
1992-93	6.00	1.41	483.5	1.24	0.29
1993-94	6.00	13.97	513.0	1.17	2.72
1994-95	12.00	17.24	552.7		
Growth Rate	23.11	28.07			

Source: Data sheet compiled scheme wise

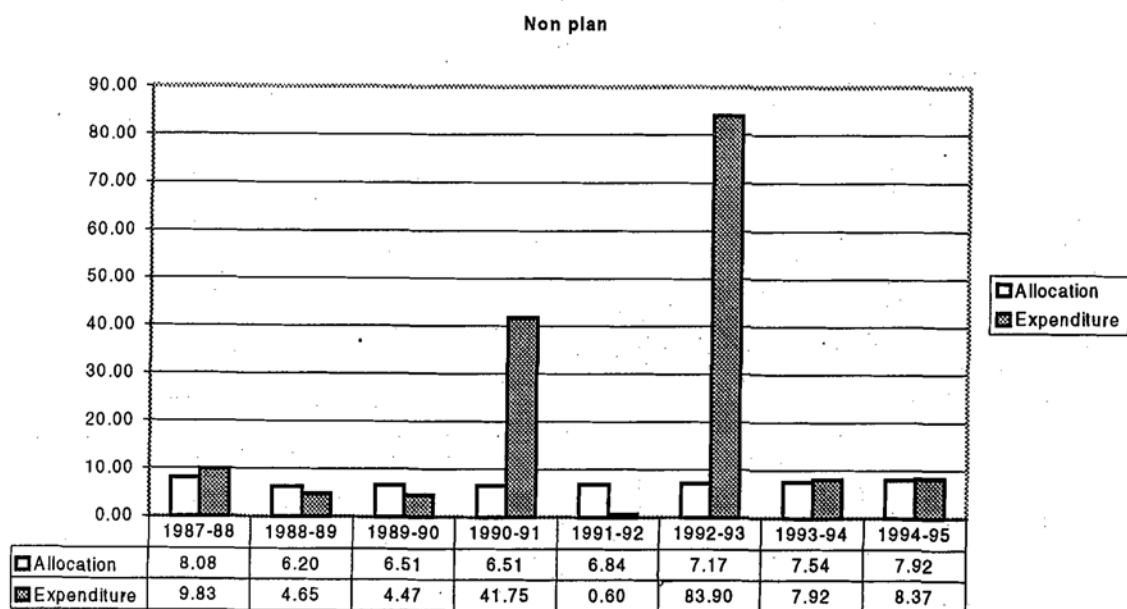
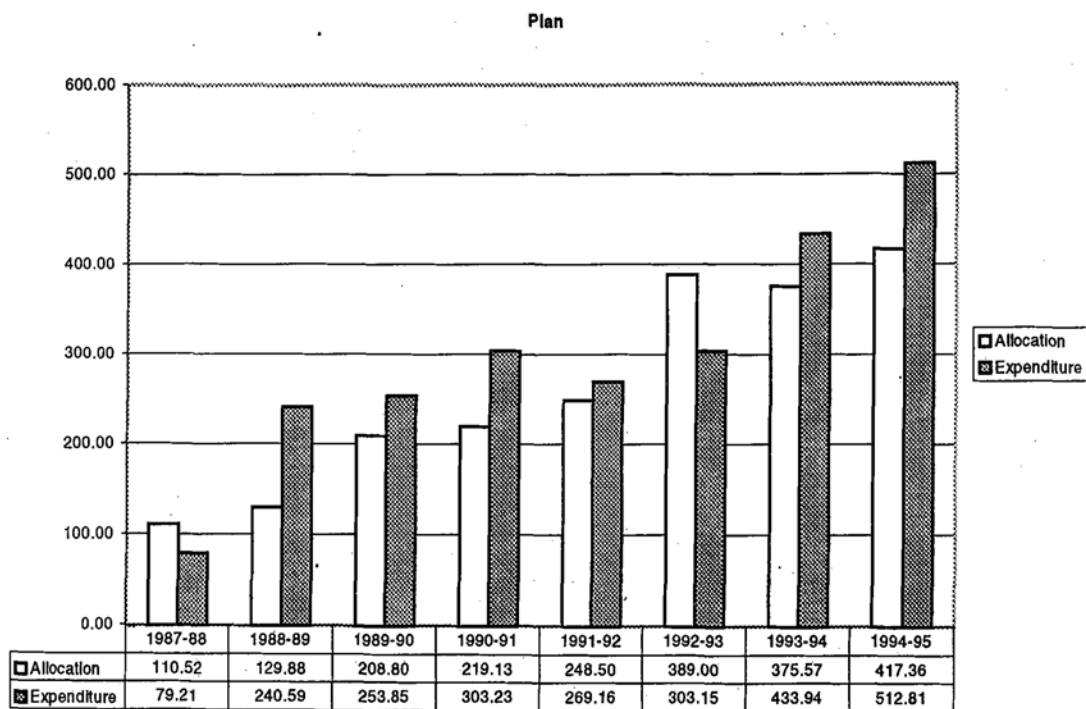
Table 15 Mini water supply schemes - Normal (2215-01-102-2-73) (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88			370.3		
1988-89			409.7		
1989-90	38.72	24.32	438.3	8.83	5.55
1990-91	22.09	32.17	460.9	4.79	6.98
1991-92	25.00	18.71	460.3	5.43	4.06
1992-93	30.00	25.99	483.5	6.20	5.38
1993-94	30.00	26.34	513.0	5.85	5.13
1994-95	30.00	29.08	552.7	5.43	5.26
Growth Rate	-4.16	3.02		-7.78	-0.89

Source: Data sheet compiled scheme wise

(II) Bangalore (Rural)

Total Allocation and Total Expenditure of Water Supply and Sanitation



In this district also the non-plan heads are near non-existent. All schemes are run under plan head.

Part I

Major Headwise

In this district, we have data only for development works taken up in Bangalore division. Data presented here is only for this division. The salary component is not available

Table 16: Share of Allocations towards State sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) under Plan.

(Figures in Percentages)

Years	SSS	CSS
92-93	45.10	54.90
93-94	53.90	46.10
94-95	53.84	46.16
95-96	40.05	59.95
96-97	43.61	56.39
97-98	46.96	53.04

Source: compiled from our Data sheet

Table 17: Share of Expenditures towards State sponsored Schemes (SSS) and Central Sponsored Schemes (CSS) under Plan.

(Figures in Percentages)

Years	SSS	CSS
92-93	67.22	32.78
93-94	59.09	40.91
94-95	58.98	41.02
95-96	67.48	32.52
96-97	62.31	37.69
97-98	51.05	48.95

Source: compiled from our Data sheet

Table 18: Share of Plan to Non-Plan allocation

(Figures in Percentages)

Years	P	NP
92-93	97.70	2.30
93-94	97.95	2.05
94-95	91.34	8.66
95-96	97.82	2.18
96-97	98.49	1.51
97-98	94.18	5.82

Source: compiled from our Data sheet

Table 19: Share of Plan to Non-Plan expenditure
(Figures in Percentages)

Years	P	NP
92-93	97.09	2.91
93-94	96.51	3.49
94-95	97.20	2.80
95-96	97.86	2.14
96-97	96.85	3.15
97-98	98.36	1.64

Source: compiled from our Data sheet

These 4 tables show the ratio of CSS to SSS in Development works taken up in the Bangalore Division. It is quite clear that the figures show the same pattern where SSS share is around 42-45% while the CSS share is 58-55%. In some years for allocations, expenditure is higher.

Plan to Non-Plan expenditure shows that most is spent only through Plan heads. While less than 3% is spent through Non-Plan.

Part 11

Combining Schemes

Here the data is available only for 6 years. It covers only the amounts spent on development works for one division. The allocation and expenditure figures have only a limited use. We present a few tables to get a broader picture of problems confronted while building a database.

We see that in Bangalore division, expenses on this scheme have been made over and above the allocations.

Table 20: NRWSS - National Rural Water Supply Scheme (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	57.74	78.54	483.50	11.94	16.25
1993-94	81.60	98.91	513.00	15.91	19.28
1994-95	127.73	121.04	552.70	23.11	21.90
1995-96	80.29	166.07	593.20	13.54	28.00
1996-97	101.53	162.15	644.33	15.76	25.17
1997-98	153.14	168.73	675.11	22.68	24.99
Growth Rate	17.65	13.59		11.29	7.44

Note: The above table includes the supply of water through the mode of piped water, borewells and mini water schemes

Source: Data sheet - compiled minor head wise, where figures available.

Table 21: CAWSS - Central Accelerated Water Supply Scheme (Plan)

(Figures in Lakhs)

	Current prices			Constant Prices	
Year	Ban Div All	Bang Div Exp	Deflators	Ban Div All	Bang Div Exp
1992-93	70.30	38.31	483.50	14.54	7.92
1993-94	69.78	68.48	513.00	13.60	13.35
1994-95	109.52	84.19	552.70	19.82	15.23
1995-96	120.18	80.05	593.20	20.26	13.49
1996-97	131.29	98.08	644.33	20.38	15.22
1997-98	173.00	161.77	675.11	25.63	23.96
Growth Rate	16.19	27.13		9.91	20.26

Note: The above table includes the supply of water through the mode of piped water, borewells and Mini water schemes

Source: Data sheet - compiled minor head wise, where figures available.

Table 22: Machinery and Equipment (Non-Plan)

(Figures in Lakhs)

	Current prices			Constant Prices	
Year	Ban Div All	Bang Div Exp	Deflators	Ban Div All	Bang Div Exp
1992-93	3.01	3.51	483.50	0.62	0.72
1993-94	3.17	6.06	513.00	0.62	1.18
1994-95	22.49	5.92	552.70	4.07	1.07
1995-96	4.47	5.38	593.20	0.75	0.91
1996-97	3.56	8.47	644.33	0.55	1.31
1997-98	20.15	5.53	675.11	2.98	0.82
Growth Rate	37.28	7.87		29.91	2.19

Note: The above table consist of the amount spent towards New supplies and Repairs and Carriages

Source: Data sheet - compiled minor head wise, where figures available.

For CAWSS, however the expenses are less than the allocations. But in the year 97-98 both the allocation and expenditure have suddenly increased. Under Non-Plan, expenditures on machinery and equipment are more or less constant.

Part III

Individual Schemes

Under the Plan head we have 11 schemes that have continuous figures to run the trend for the state sponsored schemes.

State Sponsored Schemes

Table 23 Piped water supply Scheme (2215-01-102-1-01) (Plan).
(Figures in Lakhs)

Year	Allocation				
1992-93	30.00				
1993-94	30.86				
1994-95	30.00				
1995-96	30.00				
1996-97	56.05				
1997-98	75.00				
		Current prices		Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	12.60	5.95	483.50	2.61	1.23
1993-94	17.98	18.93	513.00	3.50	3.69
1994-95	17.69	17.29	552.70	3.20	3.13
1995-96	12.60	9.70	593.20	2.12	1.64
1996-97	23.44	15.59	644.33	3.64	2.42
1997-98	37.20	35.87	675.11	5.51	5.31
Growth Rate	19.77	34.91		13.26	27.60

Source: Data sheet compiled scheme wise

Under the Piped water supply scheme (table 23) we can see that the allocation for the whole of the Bangalore district in the first four years is always around Rs 30 Lakhs whereas in the year 1996-97 and 1997-98 it has increased to Rs 56.05 Lakhs and Rs 75 Lakhs respectively. It is the same case in the allocations to the Bangalore division in the first four years the allocations are around Rs 12 Lakhs and Rs 18 Lakhs. Only in the year 1997-98 it has increased to Rs 37.20 Lakhs. But one can see from the table that the expenses made against these budgets are always less in most of the years. In the year 1992-93 it is as less as Rs 5.95 Lakhs against Rs 12.60 Lakhs. Only in the year 1993-94 the expenses are more than the allotted amount (against Rs 17.98 Lakhs an amount of Rs 18.93 Lakhs has been spent).

Table 24 – Piped water supply Scheme- Augmentation (2215-01-102-1-03) (Plan)
(Figures in Lakhs)

Year	Allocation				
1992-93	8.00				
1993-94	9.62				
1994-95	10.00				
1995-96	11.00				
1996-97	12.00				
1997-98	15.00				
		Current prices		Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	3.36	1.88	483.50	0.69	0.39
1993-94	4.04	4.68	513.00	0.79	0.91
1994-95	4.18	5.01	552.70	0.76	0.91
1995-96	4.57	1.48	593.20	0.77	0.25
1996-97	5.01	6.83	644.33	0.78	1.06
1997-98	7.23	7.93	675.11	1.07	1.17
Growth Rate	13.62	27.11		7.59	20.09

Source: Data sheet compiled scheme wise

Under Piped water supply scheme- augmentation the expenses are more than the allotted amount in the Bangalore division in four years out of the six years. In the year 1996-97 and 1997-98 against Rs 5.01 and Rs 7.23 Lakhs an amount of Rs 6.83 and Rs 7.93 has been spent. But in the other two years (1992-93 and 1995-96) the expenses are less than Rs 2 Lakhs though the allotted amount are Rs 3.36 Lakhs and Rs 4.57 Lakhs. But one interesting finding is that though in some years the expenses are less the allocations have not come down it has kept always increasing (both for the overall Bangalore district as well as the Bangalore division that come under it).

Table 25 Mini water Supply Scheme – Normal (2215-01-102-1-04) (Plan)
(Figures in Lakhs)

Year	Allocation				
1992-93	35.00				
1993-94	41.91				
1994-95	41.50				
1995-96	41.70				
1996-97	45.00				
1997-98	60.15				
		Current prices		Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	14.70	26.81	483.50	3.04	5.54
1993-94	20.69	23.84	513.00	4.03	4.65
1994-95	27.22	29.18	552.70	4.92	5.28
1995-96	17.51	50.07	593.20	2.95	8.44
1996-97	18.84	30.17	644.33	2.92	4.68
1997-98	29.96	38.93	675.11	4.44	5.77
Growth Rate	12.60	6.41		6.52	0.68

Source: Data sheet compiled scheme wise

Allocations are less than expenditures in the table mini water supply schemes - Normal (Table 25)

Table 26 Borewells (HP's) – Rejuvenation (2215-01-102-1-13) (Plan).
(Figures in Lakhs)

Year	Allocation				
1992-93	3.00				
1993-94	3.00				
1994-95	4.00				
1995-96	3.25				
1996-97	3.60				
1997-98	7.50				
		Current prices		Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	1.86	0.47	483.50	0.38	0.10
1993-94	1.26	1.06	513.00	0.25	0.21
1994-95	2.68	1.40	552.70	0.48	0.25
1995-96	1.37	1.08	593.20	0.23	0.18
1996-97	1.50	1.09	644.33	0.23	0.17
1997-98	3.36	1.11	675.11	0.50	0.16
Growth Rate	10.36	15.40		4.68	8.15

Source: Data sheet compiled scheme wise

In the table Borewells- Rejuvenation (table 26) the allocations are very less, it is less than Rs 5 Lakhs in almost all the years except in the year 1997-98. Even it is the same in the case of the allocations to the Bangalore division it is almost less than two lakhs in four years of the six years.

Table 27 District Level testing Laboratories (2215-01-102-1-14) (Plan)
(Figures in Lakhs)

(Figures in Rupees)

Year	Allocation
1992-93	
1993-94	1.00
1994-95	2.00
1995-96	0.75
1996-97	0.85
1997-98	1.75

	Current prices			Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93		0.45	483.50		0.09
1993-94	1.00	1.30	513.00	0.19	0.25
1994-95	1.90	0.78	552.70	0.34	0.14
1995-96	0.31	0.60	593.20	0.05	0.10
1996-97	0.85	1.00	644.33	0.13	0.16
1997-98	1.75	2.42	675.11	0.26	0.36
Growth Rate		32.36			25.99

Source: Data sheet compiled scheme wise

Under District level testing laboratories (table 27) the allocations are less except in the year 1994-95 where the allocations are Rs 2 Lakhs for the overall Bangalore district. Though there is expenses in Bangalore division in the year 1992-93 there is no allocations in that year

Table 28 Environmental Component (2215-01-102-1-15) (Plan)
(Figures in Lakhs)

(figures in Lakhs)

Year	Allocation
1992-93	
1993-94	0.50
1994-95	1.00
1995-96	0.45
1996-97	1.78
1997-98	2.85

	Current prices			Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93			483.50	0.00	0.00
1993-94	0.21	0.11	513.00	0.04	0.02
1994-95	0.51	0.38	552.70	0.09	0.07
1995-96	0.19	0.12	593.20	0.03	0.02
1996-97	0.80	0.57	644.33	0.12	0.09
1997-98	1.18	1.14	675.11	0.17	0.17
Growth Rate	41.23	59.63		33.56	53.42

Source: Data sheet compiled scheme wise

Even under the Environmental Component both the allocations and the expenditures are very less. Only in the year 1997-98 the allocations as well as the expenses have touched the lakh mark.

Table 29 Maintenance of Borewells (2215-01-102-1-07) (Plan)
(Figures in Lakhs)

Year	Allocation				
1992-93	20.00				
1993-94	20.00				
1994-95	20.00				
1995-96	33.11				
1996-97	38.91				
1997-98	40.91				
		Current prices		Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	8.16	24.53	483.50	1.69	5.07
1993-94	8.35	24.37	513.00	1.63	4.75
1994-95	20.95	20.03	552.70	3.79	3.62
1995-96	13.31	15.82	593.20	2.24	2.67
1996-97	16.14	33.69	644.33	2.50	5.23
1997-98	17.56	27.91	675.11	2.60	4.13
Growth Rate	13.62	2.17		7.44	-3.36

Source: Data sheet compiled scheme wise

In the table maintenance of the borewells a large amount is spent in the Bangalore division.

Though in the year 1994-95 the allocations have increased to the Bangalore division to Rs 20.95 Lakhs from Rs 8.35 Lakhs it has decreased in the later years. It is interesting to observe that the expenses for Bangalore division is equal to and in some case higher than what has been allocated to Bangalore (total). What then happens to the other division?

Central Sponsored Schemes

Under the Central sponsored scheme we have 7 schemes that come under it, they are shown below.

Table 30 Piped water supply scheme (ARWS) (2215-01-102-2-71) (Plan)
(Figures in Lakhs)

Year	Allocation
1992-93	60.00
1993-94	61.57
1994-95	76.00
1995-96	100.00
1996-97	120.00
1997-98	130.25

	Current prices			Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	25.20	8.84	483.50	5.21	1.83
1993-94	30.05	30.91	513.00	5.86	6.03
1994-95	49.02	48.58	552.70	8.87	8.79
1995-96	53.56	22.00	593.20	9.03	3.71
1996-97	50.25	29.48	644.33	7.80	4.58
1997-98	60.01	55.44	675.11	8.89	8.21
Growth Rate	15.56	35.80		9.31	28.42

Source: Data sheet compiled scheme wise

In the scheme Piped water supply (ARWS) the allocations for the Bangalore district has increased over the years. Starting from Rs 60 Lakhs in the year 1992-93 it has reached to Rs 130.25 Lakhs in the year 1997-98. There was a sudden rise in the year 1995-96 from Rs 76.00 Lakhs to Rs 100.00 Lakhs and at the end (1997-98) it has increased to rupees 130.25 lakhs.

Even the allocation to the Bangalore division has increased. But the expenses made on these amounts are fluctuating. In the year 1994-95 against Rs 49.02 Lakhs an amount of Rs 48.58 Lakhs has been spent, but the very next year i.e. 1995-96 though there is an increase in allocation the expenses have decreased to Rs 22.00 Lakhs. This sudden decrease is not known.

Table 31 Mini water supply scheme (2215-01-102-2-73) (Plan)
(Figures in Lakhs)

Year	Allocation				
1992-93	45.00				
1993-94	45.00				
1994-95	36.00				
1995-96	40.00				
1996-97	48.00				
1997-98	56.25				
	Current prices			Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	18.90	21.79	483.50	3.91	4.51
1993-94	18.79	18.40	513.00	3.66	3.59
1994-95	18.04	22.30	552.70	3.26	4.03
1995-96	17.02	22.68	593.20	2.87	3.82
1996-97	19.31	19.04	644.33	3.00	2.96
1997-98	26.73	28.00	675.11	3.96	4.15
Growth Rate	5.95	4.27		0.21	-1.38

Source: Data sheet compiled scheme wise

Under the mini water supply scheme (table 31) the allocations to the Bangalore district is always between Rs 45 Lakhs and Rs 50 Lakhs. Only in the year 1997-98 it has increased to Rs 56.25 Lakhs. Whereas the allocations in Bangalore division is between Rs 17 and Rs 20 Lakhs. But the expenses made against this amount are more. In the year 1994-95 and 1995-96 the expenses have crossed Rs 22 Lakhs.

Table 32 Borewells with Hand pumps (2215-01-102-2-72) (Plan)
(Figures in Lakhs)

Year	Allocation				
1992-93	25.00				
1993-94	25.00				
1994-95	15.00				
1995-96	41.00				
1996-97	43.00				
1997-98	48.00				
		Current prices		Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	10.50	3.61	483.50	2.17	0.75
1993-94	10.29	10.50	513.00	2.01	2.05
1994-95	14.27	4.47	552.70	2.58	0.81
1995-96	16.60	17.52	593.20	2.80	2.95
1996-97	17.97	18.89	644.33	2.79	2.93
1997-98	23.38	21.69	675.11	3.46	3.21
Growth Rate	14.27	34.83		8.09	27.42

Source: Data sheet compiled scheme wise

Table 33 Maintenance of Mini water supply scheme (2215-01-102-2-76) (Plan)
(Figures in Lakhs)

Year	Allocation				
1992-93	10.00				
1993-94	10.00				
1994-95	21.00				
1995-96	22.00				
1996-97	29.00				
1997-98	41.00				
		Current prices		Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	4.20	0.38	483.50	0.87	0.08
1993-94	0.00	0.03	513.00		0.01
1994-95	8.78	1.10	552.70	1.59	0.20
1995-96	9.13	3.95	593.20	1.54	0.67
1996-97	12.04	6.31	644.33	1.87	0.98
1997-98	19.67	11.38	675.11	2.91	1.69
Growth Rate	29.35	76.22		22.29	66.26

Source: Data sheet compiled scheme wise

One can find from the above tables that in the Bangalore division the amount spent on maintenance is very less. It is the same case in the maintenance of mini water supply scheme (table 33) only in the year 1997-98 against Rs 19.67 Lakhs an amount of Rs 11.38 Lakhs has been spent.

Under the Non-Plan scheme we have two schemes where we can look into the trend.

Table 34 Machinery and Equipment - New Supplies (2215-01-052-0-01) (Non-Plan)
(Figures in Lakhs)

(Figures in Lakhs)

Year	Allocation
1992-93	1.15
1993-94	1.21
1994-95	1.27
1995-96	1.33
1996-97	1.40
1997-98	1.54

	Current prices			Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	0.48	2.28	483.50	0.10	0.47
1993-94	0.51	1.91	513.00	0.10	0.37
1994-95	15.31	1.03	552.70	2.77	0.19
1995-96	0.71	1.35	593.20	0.12	0.23
1996-97	0.58	3.57	644.33	0.09	0.55
1997-98	1.19		675.11	0.18	0.00
Growth Rate	16.34			10.29	

Source: Data sheet compiled scheme wise

Under New Supplies (table 34) we can see that the allocation to the Bangalore district is less than 2 Lakhs. But the expenses made in the Bangalore division is more than the allocation made to this division. In the year 1996-97 as against Rs 0.58 Lakhs an amount of Rs 3.57 Lakhs has been spent.

Table 35 Machinery and Equipment - Repairs and Carriages (2215-01-052-0-02) (Plan)
(Figures in Lakhs)

Year	Allocation	(Figures in Lakhs)			
1992-93	6.02				
1993-94	6.33				
1994-95	6.65				
1995-96	6.99				
1996-97	7.34				
1997-98	8.07				
	Current prices			Constant Prices	
Year	Ban Div All	Expenditure	Deflators	Ban Div All	Expenditure
1992-93	2.53	1.22	483.50	0.52	0.25
1993-94	2.66	4.14	513.00	0.52	0.81
1994-95	7.18	4.89	552.70	1.30	0.88
1995-96	3.76	4.03	593.20	0.63	0.68
1996-97	3.00	4.89	644.33	0.47	0.76
1997-98	18.96	5.52	675.11	2.81	0.82
Growth Rate	39.89	28.61		32.47	21.89

Source: Data sheet compiled scheme wise

In the table Repairs and Carriages (table 35) we can see that the allocations to the Bangalore district is between Rs 6 and Rs 8 Lakhs. The allocations to the Bangalore division is fluctuating. In the year 1994-95 the allocations have increased to Rs 7.18 Lakhs but the next two years it has decreased, and also in the year 1997-98 there is a sudden increase in the allocations it has increased to Rs 18.96 Lakhs. The expenses made against these amounts are less. But from where this amount has been allotted is not known.

Findings:

Only 2 major schemes, NRWSS for SSS and CAWSS for CSS exist in the 2 districts. The schemes under both the heads are similar in nature. We don't know how they operate in the field. There may be overlapping. The ratio of SSS to CSS is 48: 52. A lot of in depth work has to be done. We have only made a start.

Chapter 5

DEVELOPMENT EXPENDITURES IN ZILLA PANCHAYATS

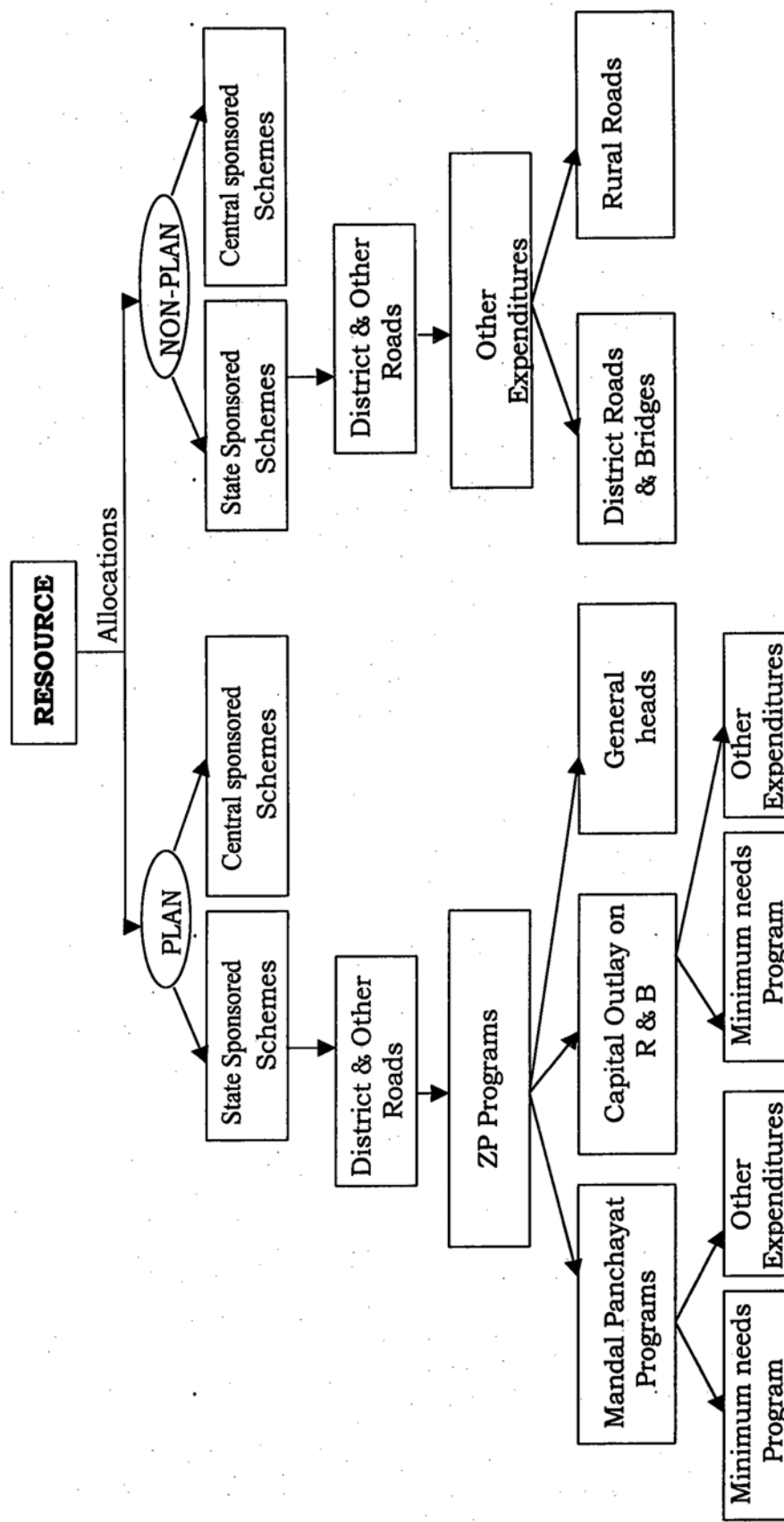
4. Roads and Bridges

In this paper we consider Roads and Bridges._ Zilla Panchayat programs includes construction of roads which come under Minimum Needs Programme. We also have the Mandal panchayat Programmes continuing to take care of district and other roads.

Under this head there are no centrally sponsored or state sponsored schemes. All are district and other roads coming under ZP programmes. Most have been built under the broad schemes of JRY and TRYSEM. These have a provision for "food for work" scheme. The food grains are distributed to the daily wage earners together with a minimum cash payment. At the GP level, JRY scheme means reaching out to the most number of families living below the poverty line. The moneys spent under these schemes show the amounts available to procure the food grains to be distributed. It does not show the length of the roads laid.

The flowchart given below shows the scheme that falls under major head and minor heads. This procedure is same throughout the state

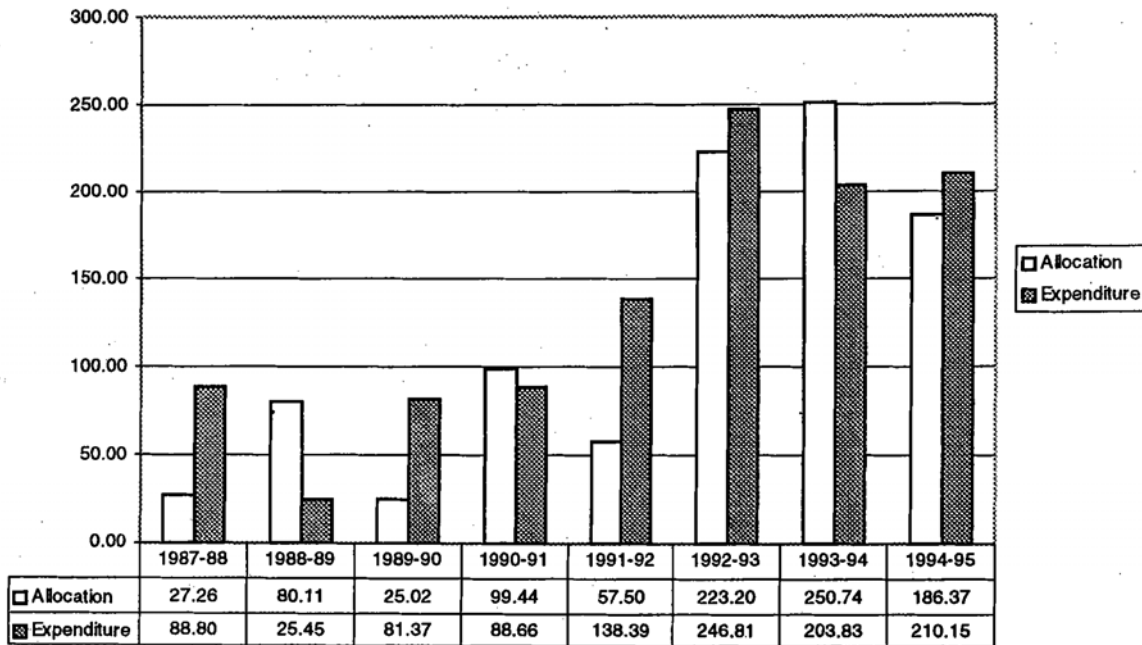
Democracy and Decentralization: Study of Budgets



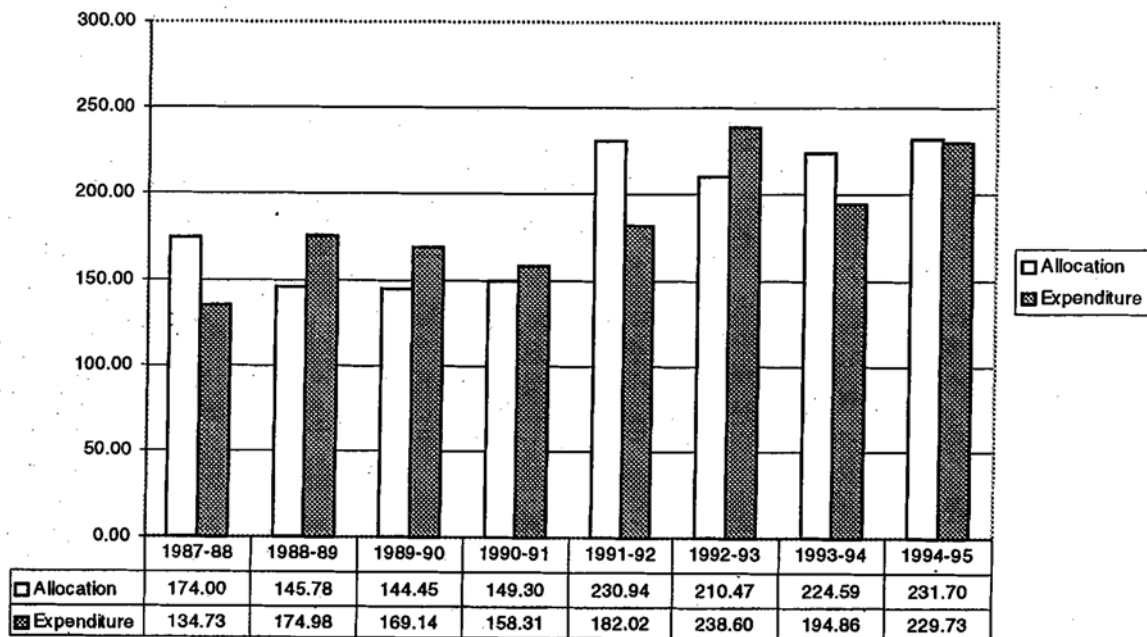
(I) Dharwad

Total Allocation and Total Expenditure on Roads and Bridges.

Plan



Non plan



In the above graph one sees that except for two years, 1992-93 and 1993-94, the plan moneys are very low compared to the non-plan. Also just as in other sectors, expenditures do not always match with the allocations

Part I

Major Headwise

Part 1: Because there are no broad heads of CSS or SSS, this section is not here

Part II

Combining Schemes

Table 1 : Towards Rural Roads (Plan)

Year	Current prices		Deflators	Constant Prices		(Figures in Lakhs) Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	45.75	47.10	370.3	12.35	12.72	0.37	0.38
1988-89	50.10	44.58	409.7	12.23	10.88	0.36	0.32
1989-90	51.60	53.69	438.3	11.77	12.25	0.34	0.36
1990-91	66.54	62.98	460.9	14.44	13.66	0.41	0.39
1991-92	129.00	90.63	460.3	28.03	19.69	0.79	0.55
1992-93	153.00	186.88	483.5	31.64	38.65	0.87	1.06
1993-94	174.00	154.89	513.0	33.92	30.19	0.92	0.81
1994-95	124.17	167.69	552.7	22.47	30.34	0.60	0.80
Growth Rate	13.29	17.2		7.77	11.48		

Note: - The above table includes the schemes that come under minimum needs program. The revenue and capital outlays are clubbed together. Some schemes that come under district roads are also added up here to arrive at the final figures in the table.

Source: Data sheet Compiled minor head wise, where data is available.

Table 2 : Towards Bridges (Plan)

Year	Current prices		Deflators	Constant Prices		(Figures in Lakhs) Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	17.90	2.71	370.3	4.83	0.73	0.15	0.02
1988-89	19.69	29.98	409.7	4.81	7.32	0.14	0.22
1989-90	18.89	27.16	438.3	4.31	6.2	0.13	0.18
1990-91	16.18	19.30	460.9	3.51	4.19	0.10	0.12
1991-92	48.74	26.57	460.3	10.59	5.77	0.30	0.16
1992-93	53.00	51.30	483.5	10.96	10.61	0.30	0.29
1993-94	59.54	48.94	513.0	11.61	9.54	0.31	0.26
1994-95	45.00	38.07	552.7	8.14	6.89	0.22	0.18
Growth Rate	12.21	39.14		6.74	32.39		

Note :- The above table includes of the scheme Sethu Bandhan and construction of new bridges and culverts and improvements to existing bridges

Source: Data sheet Compiled minor head wise, where data is available.

Table 3 : Towards Repairs

(Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	174.00	108.23	370.3	46.99	29.23	1.41	0.88
1988-89	145.78	174.98	409.7	35.58	42.71	1.05	1.26
1989-90	144.46	169.14	438.3	32.96	38.59	0.96	1.12
1990-91	149.30	158.29	460.9	32.39	34.34	0.92	0.98
1991-92	230.94	164.17	460.3	50.17	35.66	1.41	1.00
1992-93	210.47	226.03	483.5	43.53	46.75	1.20	1.29
1993-94	224.59	194.48	513.0	43.78	37.91	1.18	1.02
1994-95	231.70	229.73	552.7	41.92	41.57	1.11	1.10
Growth Rate	3.64	9.86		-1.42	4.5		

Source: Compiled from Data sheet

Note :- The above table includes the schemes that come under district roads & bridges and rural roads

In this part the heads calculated under Plan and Non-Plan are not common, the reason for this is that the data was insufficient in some cases. Also it is interesting to note that in general most expenses towards rural roads, bridges are spent under Plan heads and similarly for repairs in Non-Plan.

Money spent on rural roads has been more than the allocated sums. For bridges though the allocations exist, expenses are not fully met.

In general moneys towards repairs are bigger than the combined amounts towards roads and bridges under Plan. The expenditures have been rising over the study period, the corresponding allocations however are fluctuating.

The per capita figures should give us an idea of how money is kept towards procurement of grains per head. The numbers are low as expected.

Part III:

Individual Schemes

Under **Plan** heads we have

Table 4 Survey (3054-80-005-0-00) (Plan)

(Figures in Lakhs)

Year	Allocation
1987-88	0.03
1988-89	0.03
1989-90	0.03
1990-91	0.42
1991-92	0.50
1992-93	0.50
1993-94	0.50
1994-95	0.50

Source: Data sheet compiled scheme wise

Table 5 Machinery and Equipments (3054-80-005-0-00) (Plan)
(Figures in Lakhs)

Year	Allocation	Expenditure
1987-88	3.24	
1988-89	3.66	
1989-90	3.66	
1990-91	7.08	0.59
1991-92	12.00	1.95
1992-93	10.00	
1993-94	10.00	
1994-95	10.00	

Source: Data sheet compiled scheme wise

The heads show us how much money is there. But the budget figures show erratic data, in the sense that there is no continuous data over a period of time. Under Table 4 we can see no expenditure income. In Table 5 the allocations have started from Rs 3.24 Lakhs and grown to Rs 12.00 Lakhs in the year 1991-92 after which it has been steady at Rs 10.00 Lakhs every year. Even under this head we cannot see much expenditure and hence much cannot be said about the amounts spent under these heads. For the engineering departments, there is one explanation for expenses not shown against allocations in some years. This happens because of the accounting practices. In the engineering departments, money received during any period cannot be shown to be spent until completely utilised or the works completed on ground. Stocks lying at site is posted in the suspense account.

Coming to Mandal panchayat programmes Div 1 we see that under District and other roads again no budget allocation or expenditure is made.

Expenditures for rural communication (Table 6) have steadily increased. From 1989-90 till 1991-92 the expenditures have been less than the budget amount allotted. However the expenditure has come to an all time low of Rs 0.39 Lakhs in the year 1990-91, during the years 1992-93 to 1994-95 expenses have outstripped allocations. In the year 1994-95 though the allocation is only Rs 10.00 Lakhs the expenditures are double that amount (Rs 20.80 Lakhs).

For the scheme of construction of roads in rural areas, (Table 7) there has been an increase in allocation, and steady during the years 1992-93, 1993-94 and 1994-95 at Rs. 10.00 Lakhs. Correspondingly the expenses have not been fully utilised and there is a gap between the allocation and the expenditure. There was a sudden increase in expenditure amount in 1992-93 and 1993-94 over and above the allotted sum but again a drop in the following year.

The same pattern can be seen with regard to Sethu Bandhan (Table 8) where allocations have been steadily rising over the years. Expenses correspondingly show an erratic trend with fluctuations. There was a sudden rise in the expenditure amount over and above the allotted sum in 1988-89 from Rs 0.46 Lakhs to Rs 12.57 Lakhs but again a drop in the following years, though the

expenditure sum was higher than the allotted sum for the years 1989-90 and 1990-91. From the year 1992-93 till 1994-95 the expenditures have always been around Rs 17.00 Lakhs.

With regards to asphaltting roads in village limits (Table 9), expenditures have always lagged behind showing a huge gap between the budget and the expenditures except in the first year studied 1987-88 (Against Rs 3.15 Lakhs an amount of Rs 8.40 Lakhs has been spent). Though in 1991-92 the allocations have gone up from Rs 3.24 Lakhs to Rs 16.00 Lakhs the expenditure has kept its track by increasing only by around 5.00 Lakhs

Table 6 Rural Communication (3054-04-337-1-71). (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	0.30	0.73	370.3	0.08	0.20
1988-89	0.33	1.00	409.7	0.08	0.24
1989-90	1.30	0.44	438.3	0.30	0.10
1990-91	2.06	0.39	460.9	0.45	0.08
1991-92	5.00	3.17	460.3	1.09	0.69
1992-93	9.00	11.24	483.5	1.86	2.32
1993-94	14.00	18.59	513.0	2.73	3.62
1994-95	10.00	20.80	552.7	1.81	3.76
Growth Rate	55.01	52.00		47.68	44.30

Source: Data sheet compiled scheme wise

Table 7 Scheme of construction of roads in rural areas (3054-04-337-1-75) (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	1.00	1.41	370.3	0.27	0.38
1988-89	1.10	0.99	409.7	0.27	0.24
1989-90	1.88	1.02	438.3	0.43	0.23
1990-91	2.00	2.38	460.9	0.43	0.52
1991-92	5.00	4.06	460.3	1.09	0.88
1992-93	10.00	12.82	483.5	2.07	2.65
1993-94	10.00	10.23	513.0	1.95	1.99
1994-95	10.00	7.52	552.7	1.81	1.36
Growth Rate	33.35	23.27		26.85	17.28

Source: Data sheet compiled scheme wise

Table 8 Sethu Bandhan (3054-04-337-1-77). (Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	6.40	0.46	370.3	1.73	0.12
1988-89	7.04	12.57	409.7	1.72	3.07
1989-90	6.86	7.45	438.3	1.57	1.70
1990-91	5.48	7.72	460.9	1.19	1.67
1991-92	10.00	5.28	460.3	2.17	1.15
1992-93	15.00	17.25	483.5	3.10	3.57
1993-94	20.00	17.55	513.0	3.90	3.42
1994-95	15.00	17.14	552.7	2.71	3.10
Growth Rate	11.23	57.18		5.77	50.15

Source: Data sheet compiled scheme wise

Table 9 Asphaltting roads in village limits (3054-04-337-1-78). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	3.15	8.40	370.3	0.85	2.27
1988-89	3.46	3.75	409.7	0.84	0.92
1989-90	3.66	0.83	438.3	0.84	0.19
1990-91	3.24	1.57	460.9	0.70	0.34
1991-92	16.00	6.33	460.3	3.48	1.38
1992-93	18.00	10.40	483.5	3.72	2.15
1993-94	24.00	17.98	513.0	4.68	3.50
1994-95	20.00	13.95	552.7	3.62	2.52
Growth Rate	25.99	6.55		19.86	1.31

Source: Data sheet compiled scheme wise

Next taking up the capital outlay on Roads & Bridges under the ZP programs;

Table 10 Village highways (Halli heddari) (5054-04-337-1-72). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	6.00	7.25	370.3	1.62	1.96
1988-89	6.60	10.27	409.7	1.61	2.51
1989-90	4.02	4.66	438.3	0.92	1.06
1990-91	5.00	5.45	460.9	1.08	1.18
1991-92	10.00	10.32	460.3	2.17	2.24
1992-93	18.00	20.12	483.5	3.72	4.16
1993-94	18.00	14.96	513.0	3.51	2.92
1994-95	13.00	23.24	552.7	2.35	4.20
Growth Rate	10.15	15.67		4.76	10.00

Source: Data sheet compiled scheme wise

Under the above head Village highways (Table 10) we can see from the beginning that the expenditures have always crossed the allocations. Though the allocations have made a steady increase even in real terms, over the previous years it has not been able to cope up with the expenditures. We can see from the table in the year 1994-95 that Rs 23.24 Lakhs has been spent against Rs 13.00 Lakhs. The reason for this has to be found. There has been a substantial growth in expenditure of 10% in the study period.

Table 11 Construction of roads with people's participation (5054-04-337-1-73). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	7.00	9.92	370.3	1.89	2.68
1988-89	7.70	2.17	409.7	1.88	0.53
1989-90	7.58	9.19	438.3	1.73	2.10
1990-91	10.00	6.75	460.9	2.17	1.46
1991-92	10.00	1.99	460.3	2.17	0.43
1992-93	2.00	3.24	483.5	0.41	0.67
1993-94	2.00	1.69	513.0	0.39	0.33
1994-95	2.00		552.7	0.36	
Growth Rate	-14.50		5.13	-18.72	

Source: Data sheet compiled scheme wise

With regards to construction of roads with people's participation (table 1 1), there has been a general fall in the budget allotted as well as the expenditures towards this head. Though the Allocations in 1990-9 1 and 199 1-92 had reached Rs 10.00 Lakhs it has fallen down to Rs 2.00 Lakhs the following years. It is the same case in the expenditure where once in 1989-90 it has reached Rs 9.19 Lakhs and has fallen down to an all time low of Rs 1.69 Lakhs in the year 1993-94. From the above table we can see in the year 1994-95 there is no expenditure. So one can see that, much progress has not been made using this scheme. If people's participation is lacking, the reasons for this have to be found

Table 12 Rural Communication (5054-04-337-1-74). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	19.50		370.3	5.27	
1988-89	21.45	11.79	409.7	5.24	2.88
1989-90	20.20	24.89	438.3	4.61	5.68
1990-91	25.47	29.39	460.9	5.53	6.38
1991-92	40.00	36.86	460.3	8.69	8.01
1992-93	47.00	58.69	483.5	9.72	12.14
1993-94	47.00	44.38	513.0	9.16	8.65
1994-95	33.00	40.29	552.7	5.97	7.29
Growth Rate	6.80			1.57	

Source: Data sheet compiled scheme wise

With regard to Rural Communication (Table 12), we can see in almost 4 years that the expenditures are over the allotted amount. In the year 1992-93 we can see the expenditures have even touched Rs 58.69 Lakhs, after which once again they have come down. It is the same even with the allocation where once in 1992-93 and 1993-94 it was Rs 47.00 Lakhs and has come down to Rs 33.00 Lakhs in the year 1994-95

Taking up the other heads falling under

Table 13 Asphaltting roads and improvements to the existing roads
(5054-04-800-1-71). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	1.50	6.32	370.3	0.41	1.71
1988-89	1.65	2.29	409.7	0.40	0.56
1989-90	4.56	4.92	438.3	1.04	1.12
1990-91	6.00	2.98	460.9	1.30	0.65
1991-92	30.00	13.97	460.3	6.52	3.03
1992-93	28.00	24.25	483.5	5.79	5.02
1993-94	38.00	25.56	513.0	7.41	4.98
1994-95	20.00	36.02	552.7	3.62	6.52
Growth Rate	38.23	24.30		31.29	18.21

Source: Data sheet compiled scheme wise

Table 14 Construction of new bridges and culverts and improvements to existing bridges (5054-04-800-1-73). (Plan)
(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	11.50	2.26	370.3	3.11	0.61
1988-89	12.65	17.41	409.7	3.09	4.25
1989-90	12.03	19.71	438.3	2.74	4.50
1990-91	10.70	11.58	460.9	2.32	2.51
1991-92	38.74	21.30	460.3	8.42	4.63
1992-93	38.00	34.05	483.5	7.86	7.04
1993-94	39.54	31.39	513.0	7.71	6.12
1994-95	30.00	20.94	552.7	5.43	3.79
Growth Rate	12.73	32.09		7.21	* 25.65

Source: Data sheet compiled scheme wise

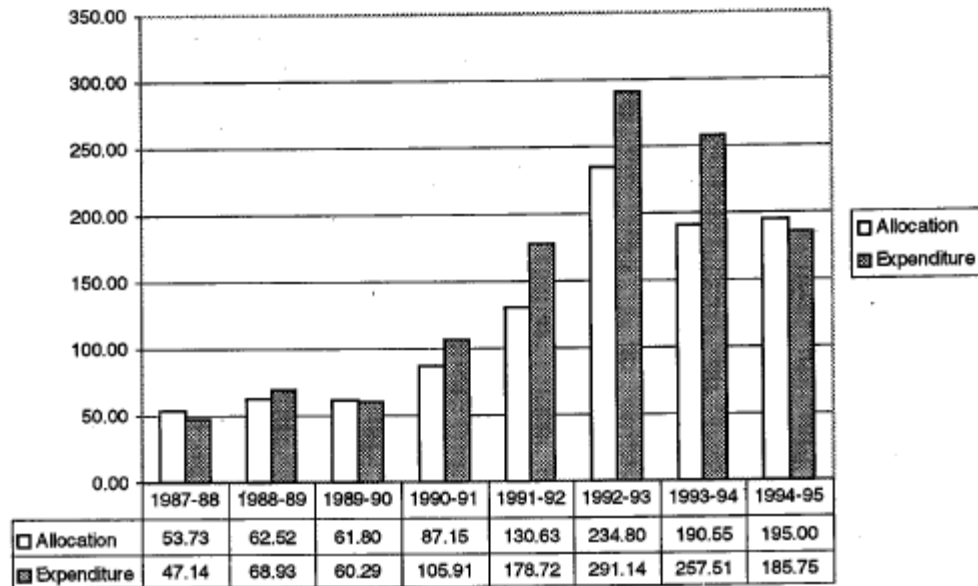
In the above tables (I3 and 14) we see that expenditures though growing are still way behind the allotted amounts except in some years where they exceed the budget. In the table asphaltting roads and improvements to the existing roads the allocation has touched Rs 38.00 Lakhs in the year 1993-94 and has fallen down to Rs 20.00 Lakhs in the very next year (1994-95). It is the same case in the (table 14) Construction of new bridges and culverts and improvements to existing bridges where once the allocations have reached Rs 38.74 and Rs 39.54 Lakhs in the year 1991-92 and 1993-94 and has fallen down to Rs 30.00 Lakhs in the year 1994-95.

There is a massive growth in expenditure of 25% over the years for construction of new bridges and culverts. But under asphaltting roads it has been that allocations are high at 31%.

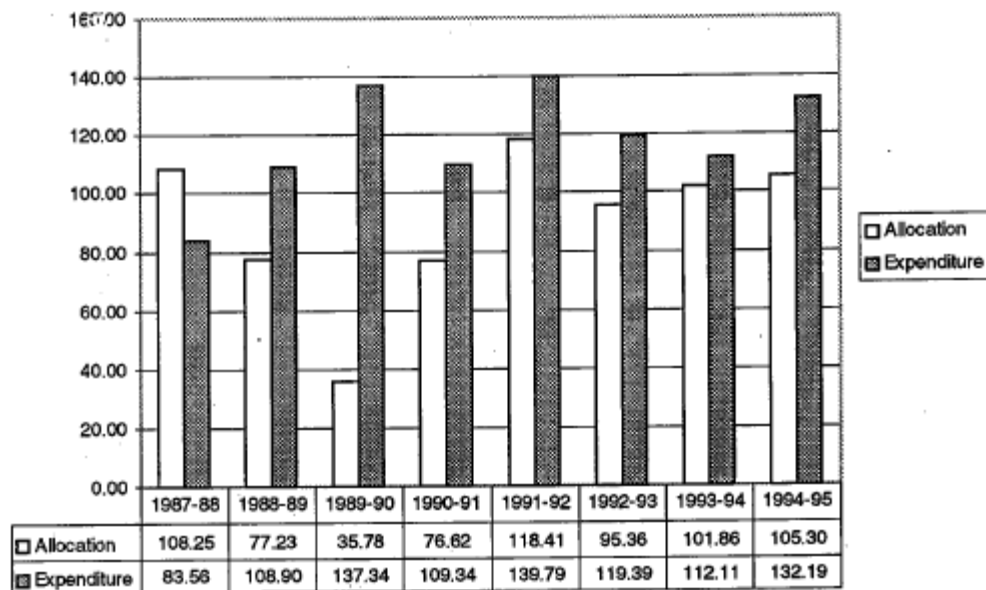
(II) Bangalore (Rural)

Total Allocation and Total Expenditure on Roads and Bridges.

Plan



Non plan



In this district also except for 1992-93 and 1993-94, the plan moneys are lesser than non-plan. It would seem that a large chunk of money was given in those two years specifically. More needs to be studied about this.

Part I is not available

Data is available for only Bangalore division -development works

Part II

Combining Schemes

Table 15 :Towards Roads (Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	79.57	106.06	483.50	16.46	21.94
1993-94	78.13	67.25	513.00	15.23	13.11
1994-95	102.94	60.97	552.70	18.62	11.03
1995-96	60.02	82.79	593.20	10.12	13.96
1996-97	58.44	65.74	644.33	9.07	10.20
1997-98	60.18	39.52	675.11	8.91	5.85
Growth Rate	-4.55	-15.17		-9.72	-19.77

Source: Data sheet Compiled minor head wise, where data is available.

Note :The above table includes of the amount spent towards construction of roads and its maintenance.

Expenses have been fluctuating. The allocation after an initial rise has fallen in the last 3 years.

Table 16 :Towards bridges (Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	12.60	16.18	483.50	2.61	3.35
1993-94	18.95	13.71	513.00	3.69	2.67
1994-95	18.42	12.98	552.70	3.33	2.35
1995-96	14.91	18.90	593.20	2.51	3.19
1996-97	15.96	12.94	644.33	2.48	2.01
1997-98	16.19	7.78	675.11	2.40	1.15
Growth Rate	4.27	-11.49		-1.39	-16.32

Source: Data sheet Compiled minor head wise, where data is available.

Note :The above table includes of the amount spent towards construction of bridges and its maintenance.

Allocations are higher than expenditure except in one year 1995-96.

Democracy and Decentralization: Study of Budgets

Table 17 :Towards Repairs (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	52.52	61.52	483.50	10.86	12.72
1993-94	59.87	36.22	513.00	11.67	7.06
1994-95	79.91	64.55	552.70	14.46	11.68
1995-96	57.18	50.23	593.20	9.64	8.47
1996-97	61.91	82.47	644.33	9.61	12.80
1997-98	83.40	30.86	675.11	12.35	4.57
Growth Rate	8.01	-10.86		2.17	-15.68

Source: Data sheet Compiled -or head wise, where data is available.

Note :the above table includes of the all the eight schemes that come under Non-Plan. It includes both of Roads and Bridges.

Amounts kept for repairs is larger than Plan amounts towards roads and bridges.

Expenditure and allocations however vary in some years.

Part III

Individual Schemes

Under the Plan heads we have

Table 18 ZP Programmes -Machinery and Equipment (3054-80-052-0-00)(Plan)

(Figures in Lakhs)

Year	Allocation
1992-93	4.00
1993-94	4.00
1994-95	3.00
1995-96	2.00
1996-97	1.00
1997-98	1.00

Year	Current prices		Deflators	Constant -Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	1.65	0.00	483.50	0.34	0.00
1993-94	1.28	3.27	513.00	0.25	0.64
1994-95	4.00	0.00	552.70	0.72	0.00
1995-96	0.84	0.00	593.20	0.14	0.00
1996-97	0.50	0.00	644.33	0.08	0.00
1997-98		0.00	675.11		0.00

Source: Data sheet compiled scheme wise

The above head (table 18)shows decline in allocations. One can see from the table that around 40% to 45% of the total allotted amount is spent on the

development works for the Bangalore Division Taluks. We can see from the table that in the year 1992-93 and 1993-94 of the 4.00 Lakhs in both the years an amount of Rs 1.65 Lakhs and Rs 1.28 Lakhs are allotted to Bangalore divisions respectively. Except for the year 1993-94 where against Rs 1.28 Lakhs an amount of Rs 3.27 Lakhs being spent in the Bangalore division no expenses have been met in the other years. **There is one figure in the year 1994-95 where the total allocation for the Bangalore district is Rs 3.00 Lakhs whereas the allotted amount for the Bangalore division is more than that (it is Rs 4.00 Lakhs).** This is a surprise finding the reason for this has to be found.

Table 19 District and other Roads -Rural communication (3054-04-337-1-71) (Plan)

(Figures in Lakhs)					
Year	Allocation				
1992-93	13.00				
1993-94	20.00				
1994-95	20.00				
1995-96	19.50				
1996-97	20.00				
1997-98	20.00				
	Current prices			Constant Prices	
Year	Ban Div All	Bang Div Exp	Deflators	Ban Div All	Bang Div Exp
1992-93	21.46	25.42	483.50	4.44	5.26
1993-94	10.65	9.17	513.00	2.08	1.79
1994-95	8.35	6.98	552.70	1.51	1.26
1995-96	8.19	13.29	593.20	1.38	2.24
1996-97	7.74	9.97	644.33	1.20	1.55
1997-98	8.30	4.59	675.11	1.23	0.68
Growth Rate	-14.64	-24.82		-19.26	-28.89

Source: Data sheet compiled scheme wise

Under the scheme rural Communication (table 19) one can see that the allocations for the overall district is always steady over the previous years. Whereas the allocations to the Bangalore division is fluctuating. In the year 1992-93 an amount of Rs 21.46 Lakhs has been allotted to Bangalore division against which Rs 25.42 Lakhs has been spent. Whereas the allocations for the overall district is very less it is just Rs 13.00 Lakhs. Where this extra allocation came from is not known? Except in the years 1995-96 and 1996-97 the expenses are less than the allotted amount in the Bangalore division. It has indeed come down to Rs 4.59 Lakhs against Rs 8.30 Lakhs in the year 1997-98.

Table 20 District and other Roads -Sethu bandhan (3054-04-337- 1-77) (Plan)
(Figures in Lakhs)

Year	Allocation
1992-93	10.00
1993-94	15.00
1994-95	15.00
1995-96	14.00
1996-97	14.00
1997-98	14.00

	Current prices			Constant Prices	
Year	Ban Div All	Bang Div Exp	Deflators	Ban Div All	Bang Div Exp
1992-93	4.20	6.26	483.50	0.87	1.29
1993-94	7.59	6.33	513.00	1.48	1.23
1994-95	7.34	4.96	552.70	1.33	0.90
1995-96	5.88	8.20	593.20	0.99	1.38
1996-97	6.00	5.02	644.33	0.93	0.78
1997-98	5.81	2.83	675.11	0.86	0.42
Growth Rate	5.56	-12.39		-0.19	-17.06

Source: Data sheet compiled scheme wise

The second scheme that comes under the District and other roads is the Sethu bandhan (table 20). Under which the allocations for the overall district is steady. But the allocations for the Bangalore division are not the same. It has sometimes risen and sometimes come down. Except for the years 1992-93 and 1995-96 where the expenses are more (against Rs 4.20 and Rs 5.80 Lakhs an amount of Rs 6.26 and Rs 8.20 has been spent), in the other years they are less than the allotted amount.

Table 2 1 District and other Roads -Asphalting roads in village limits (3054-04-337-1-78) (Plan)
(Figures in Lakhs)

(Figures in Lakhs)					
Year	Allocation				
1992-93	20.00				
1993-94	20.00				
1994-95	20.00				
1995-96	19.00				
1996-97	19.00				
1997-98	19.00				
	Current prices			Constant Prices	
Year	Ban Div All	Bang Div Exp	Deflators	Ban Div All	Bang Div Exp
1992-93	8.40	5.69	483.50	1.74	1.18
1993-94	9.40	7.16	513.00	1.83	1.40
1994-95	8.26	6.80	552.70	1.49	1.23
1995-96	7.98	8.64	593.20	1.35	1.46
1996-97	8.00	7.41	644.33	1.24	1.15
1997-98	7.89	2.58	675.11	1.17	0.38
Growth Rate	-1.04	-12.35	5.72	-6.40	-17.21

Source: Data sheet individual scheme wise

Under Asphaltting roads in village limits (table 21) the allocations are steady for the overall Bangalore district. It is the same case as well as in to the Bangalore Division also it is between Rs 7 and Rs 9 Lakhs. But the expenses made are less than the allocation in most of the six years. In the year 1997-98 only Rs 2.58 Lakhs has been spent against Rs 7.89 Lakhs. Often we hear that less is allocated from both the officials and the public, but looking at the above table this is a surprise finding.

Table 22 Minimum needs programme -Village Highways (Halli Heddari) (5054-04-337- 1-72) (Plan)
(Figures in Lakhs)

Year	Allocation				
1992-93	5.00				
1993-94	5.00				
1994-95	5.00				
1995-96	5.40				
1996-97	6.00				
1997-98	6.00				
		Current prices		Constant Prices	
Year	Ban Div All	Bang Div Exp	Deflators	Ban Div All	Bang Div Exp
1992-93	2.10	4.00	483.50	0.43	0.83
1993-94	2.70	2.19	513.00	0.53	0.43
1994-95	3.43	1.56	552.70	0.62	0.28
1995-96	2.27	2.40	593.20	0.38	0.40
1996-97	2.70	4.93	644.33	0.42	0.77
1997-98	2.49	0.87	675.11	0.37	0.13
Growth Rate	2.88	-22.45		-2.47	-26.58

Source: Data sheet compiled scheme wise

The Minimum Needs Program concentrates on giving employment to rural landless by building roads on 'Food for work ' scheme. So the figures do not necessarily reflect the length of roads laid, but the money spent to procure food grains which are distributed among the workers.

Table 23 Minimum needs programme -Rural Communication (5054-04-337-1-74) (Plan)

(Figures in Lakhs)	
Year	Allocation
1992-93	30.00
1993-94	35.00
1994-95	35.00
1995-96	32.00
1996-97	32.00
1997-98	32.00

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Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	12.60	20.91	483.50	2.61	4.32
1993-94	17.70	15.00	513.00	3.45	2.92
1994-95	14.61	11.85	552.70	2.64	2.14
1995-96	13.44	15.33	593.20	2.27	2.58
1996-97	12.10	10.02	644.33	1.88	1.56
1997-98	13.28	8.38	675.11	1.97	1.24
Growth Rate	0.88	-14.14	5.72	-4.58	-18.78

Source: Data sheet compiled scheme wise

Under Minimum needs program one can see that allocations of money is more towards the Rural communication scheme (table 23) compared to the other scheme Village highways (Halli heddari) (table 22). Under both the schemes the allocations over the years have been uniform to the overall district. Both under village highways and rural communication in the year 1992-93 and 1995-96 the expenses are more than the allotted amount in the Bangalore division. Except these two years the expenses are less than the allocations in the other four years. In the year 1997-98 under both the schemes are very less they have decreased to an all time low. In the Village highways scheme against Rs 2.49 Lakhs only Rs 0.87 Lakhs has been spent and in the Rural communication against Rs 13.28 Lakhs only Rs 8.38 Lakhs has been spent.

Under the Non-Plan head we have the Bangalore division data on development works for all the eight schemes that come under it. We have two major heads District Roads and Bridges and Rural roads that come under other expenditures. Under this heads the schemes the come are the same.

Note: -The allocations to the Bangalore district for the year 1995-96 is not available

Table 24 Ordinary repairs (3054-04-800-1-72)(Non-Plan) |

(Figures in Lakhs)	
Year	Allocation
1992-93	3.30
1993-94	3.51
1994-95	3.62
1995-96	
1996-97	3.00
1997-98	4.21

	Current prices			Constant Prices	
Year	Ban Div All	Bang Div Exp	Deflators	Ban Div All	Bang Div Exp
1992-93	2.50	0.76	483.50	0.52	0.16
1993-94	2.58	0.46	513.00	0.50	0.09
1994-95	2.64	1.64	552.70	0.48	0.30
1995-96	2.00	0.62	593.20	0.34	0.10
1996-97	2.21	0.61	644.33	0.34	0.09
1997-98	3.10		675.11	0.46	
Growth Rate	3.65			-2.02	

Source: Data sheet compiled scheme wise

In the above table one can see that in almost all the years the Bangalore Division gets 75% of the money allotted to the Bangalore district. And also we can see from the table that the money allotted to the Bangalore Division has not been utilised to full extent, except for the year 1994-95 where an amount of Rs 1.64 Lakhs being spent against Rs 2.64 Lakhs. The rest of years show that the expenses are less than Rs 1 lakh. Then if this is so some questions like why is the money being allotted though it is not being spent why is there an increase in allocations every year? Some questions like this have to be answered.

Table 25 Rural roads -Ordinary repairs (3054-04-800-2-71)(Non-Plan)

(Figures in Lakhs)					
Year	Allocation				
1992-93	27.72				
1993-94	29.55				
1994-95	30.42				
1995-96					
1996-97	35.23				
1997-98	47.65				
	Current prices			Constant Prices	
Year	Ban Div All	Bang Div Exp	Deflators	Ban Div All	Bang Div Exp
1992-93	14.54	9.65	483.50	3.01	2.00
1993-94	16.33	7.94	513.00	3.18	1.55
1994-95	17.01	15.11	552.70	3.08	2.73
1995-96	16.26	8.12	593.20	2.74	1.37
1996-97	17.56	8.60	644.33	2.73	1.33
1997-98	23.75	2.50	675.11	3.52	0.37
Growth Rate	8.52	-20.16		2.64	-24.51

Source: Data sheet compiled scheme wise

Looking at the table Ordinary repairs, which come under the rural roads, has more allocations than that of the other major head. We can see that there is always a steady increase in the allocation over years for the Bangalore district.

Even under the Bangalore division though in almost all the years where the expenses are less than the allocations the amounts being allotted to this division have not come down. Except for the year 1994-95 where an amount of Rs 15.11 Lakhs been spent against Rs 17.01 Lakhs no expenses have crossed the Rs 10 lakh mark. In 1997-98 against Rs 23.75 Lakhs only an amount of Rs 2.50 Lakhs has been spent.

But under the Repairs to bridges the amount being spent is very less. Infact in the year 1997-98 against Rs 6.49 Lakhs a amount of .Rs 0.31 Lakhs has been spent.

Chapter 5

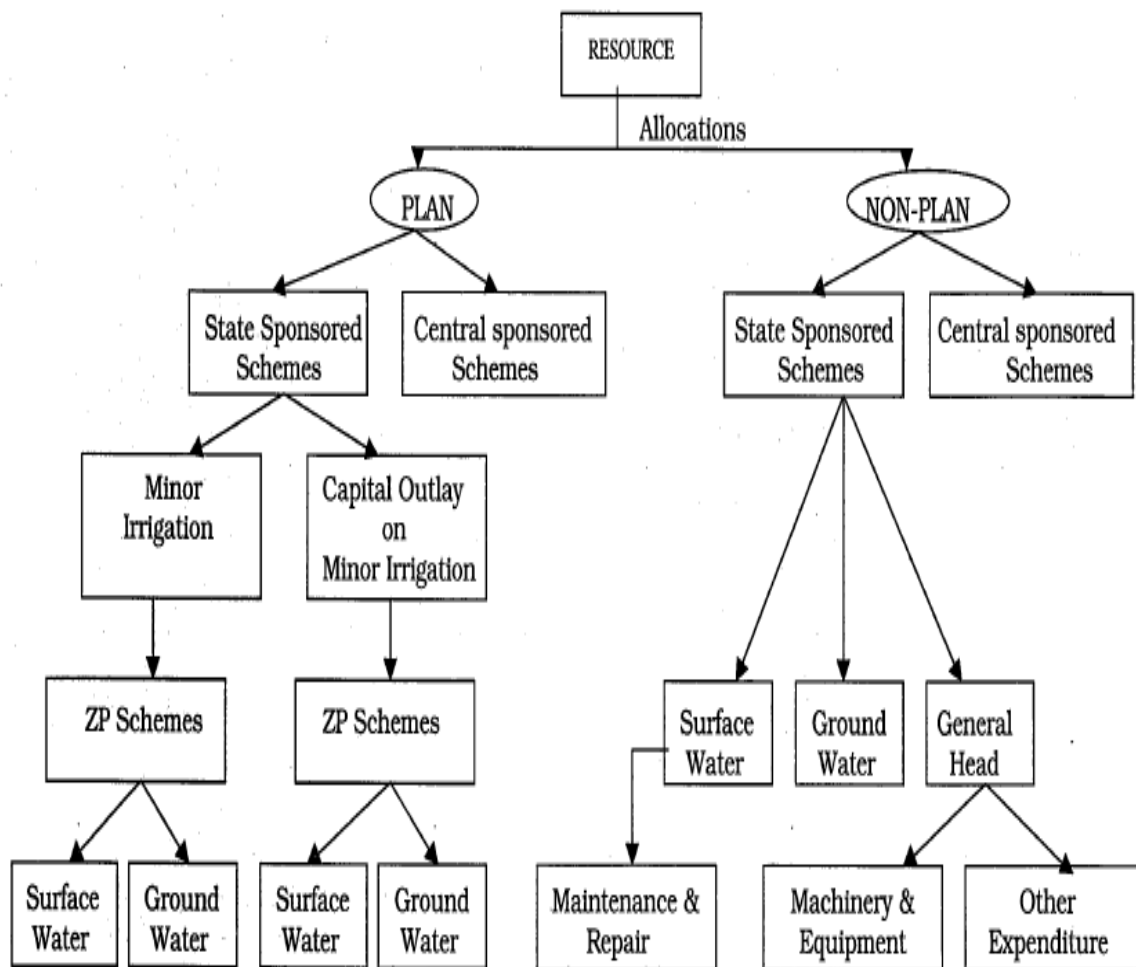
DEVELOPMENT EXPENDITURES IN ZILLA PANCHAYATS

5. Minor irrigation

In this paper we take up minor irrigation. There are two broad heads under which the expenditures are seen -surface water and ground water. Under surface water expenses, we have construction of new tanks, construction and modernization of anecuts, pickups and feeder channels, restoration of old and breached tanks and desilting of tanks, and ground water schemes which include community irrigation schemes such as ganga kalyana schemes, etc. **All are Zilla Panchayat schemes, there are no SSS or CSS.**

The flowchart given below shows the scheme that fall under major heads and minor heads. This procedure is same throughout the state.

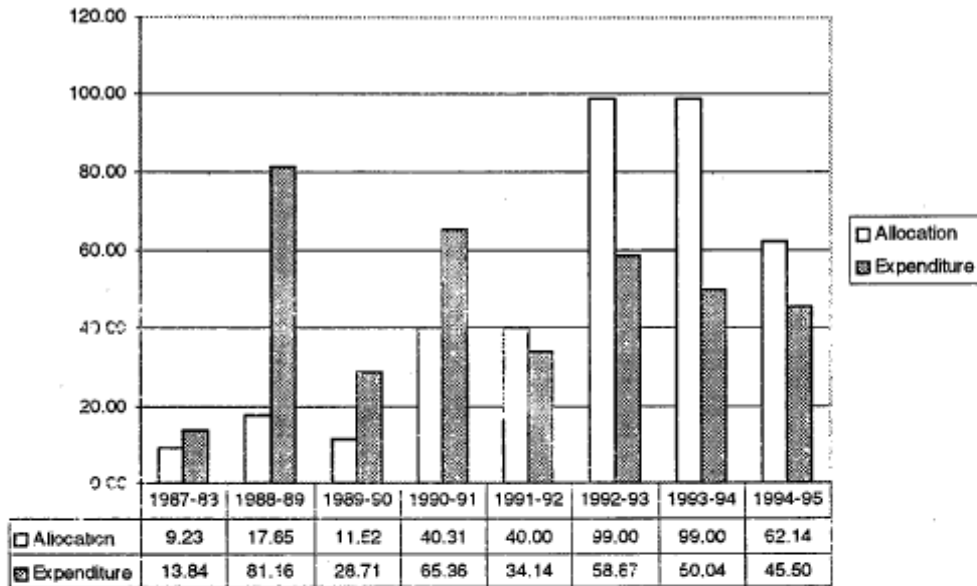
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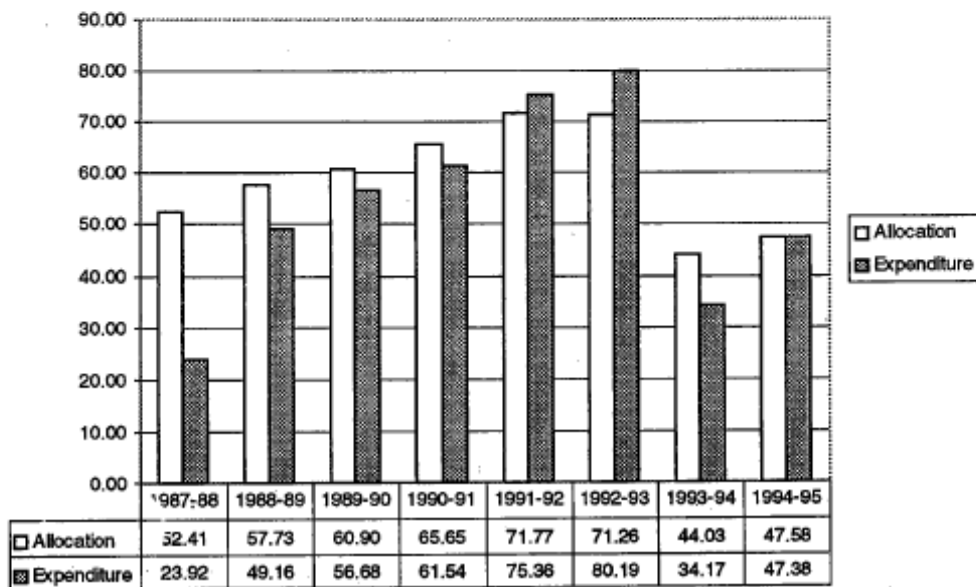
(I) Dharwad

Total Allocation and Total Expenditure of Minor Irrigation.

Plan



Non plan



Surprisingly in this sector, whi2e plan has always been erratic, non-plan also has fallen quite a bit in the last two years of the study. Why ? This has to be studied.

Part I

Major Head wise

Part I is not relevant here because there are no SSS and CSS in this sector.

Part II

Combining Schemes

We have clubbed some numbers to get a macro picture on a few minor heads.

Table 1:Towards Surface Water (Plan)

(Figures in Lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	8.01	2.98	370.3	2.16	0.80	0.06	0.02
1988-89	8.86	12.94	409.7	2.16	3.16	0.06	0.09
1989-90	9.52	2.93	438.3	2.17	0.67	0.06	0.02
1990-91	20.48	4.98	460.9	4.44	1.08	0.13	0.03
1991-92	57.82	14.56	460.3	12.56	3.16	0.35	0.09
1992-93	47.00	28.86	483.5	9.72	5.97	0.27	0.16
1993-94	67.00	28.42	513.0	13.06	5.54	0.35	0.15
1994-95	32.00	22.57	552.7	5.79	4.08	0.15	0.11
Growth Rate	18.90	28.80		13.12	22.59		

Note: The above table includes of the schemes like Direction and Administration, Deepening of wells and tanks, Construction of Modernization of anecuts, pickups and feeder channels, Restoration of old and breached tanks and desilting of tanks. Source: Data sheet compiled minor head wise, where data is available

It is very clear that very little is being spent under this head, when we see that the expenses are far less than what is allocated. The number of natural tanks that are getting dried up and being closed for real estate in Dharwad is a clear indication that the department has turned a blind eye towards such activities.

It also means that the natural sources of water is being spoilt while more money is being allocated to dig borewells, as seen under WS&S sector.

The per capita figures show that investment per person is very low.

Table 2 :Towards Ground Water (plan)

Year	Current prices		Deflators	(Figures in Lakhs) Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	0.00	1.08	370.3	0.00	0.29	0.00	0.01
1988-89	2.26	5.46	409.7	0.55	1.33	0.02	0.04
1989-90	7.65	2.67	438.3	1.75	0.61	0.05	0.02
1990-91	13.30	11.55	460.9	2.89	2.51	0.08	0.07
1991-92	20.00	6.56	460.3	4.34	1.43	0.12	0.04
1992-93	25.00	27.24	483.5	5.17	5.63	0.14	0.15
1993-94	25.00	20.26	513.0	4.87	3.95	0.13	0.11
1994-95	23.00	21.09	552.7	4.16	3.82	0.11	0.10
Growth Rate		44.99			38.03		

Note :The above table include of the schemes like Exploration, Community irrigation schemes -Ganga kalyana scheme.

Source: Data sheet compiled minor head wise ,where data is available

Schemes like Community irrigation came under Ground water (Table 2). Here to we can see that the allocations are themselves very low. Expenses are even lower than the allotted sums.

Table 3 : Towards Maintenance and repair (Non-Plan)

Year	Current prices		Deflators	(Figures in Lakhs) Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	40.00	16.92	370.3	10.80	4.57	0.32	0.14
1988-89	44.00	41.75	409.7	10.74	10.19	0.32	0.30
1989-90	46.19	48.94	438.3	10.54	11.17	0.31	0.32
1990-91	49.14	54.34	460.9	10.66	11.79	0.30	0.34
1991-92	38.81	38.04	460.3	8.43	8.26	0.24	0.23
1992-93	42.60	61.78	483.5	8.81	12.78	0.24	0.35
1993-94	18.70	20.73	513.0	3.65	4.04	0.10	0.11
1994-95	19.55	26.05	552.7	3.54	4.71	0.09	0.12
Growth Rate	-8.56	5.54	5.13	-13.01	0.38		

Note : the above table includes of the schemes Annual maintenance and repairs, Special repairs.

Source: Data sheet compiled minor head wise ,where data is available

But interestingly the figures for maintenance and repair is higher than the sum put together for Surface and Ground water schemes in Non-Plan. We wonder whether there is real maintenance, if not how much gets diverted for other things?

Table 4 : Towards Machinery and equipment (Non-Plan)

(Figures in Lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	7	3.18	370.3	1.89	0.86	0.06	0.03
1988-89	7.35	2.44	409.7	1.79	0.6	0.05	0.02
1989-90	7.71	2.17	438.3	1.76	0.5	0.05	0.01
1990-91	7.71	2.4	460.9	1.67	0.52	0.05	0.01
1991-92	14.43	0	460.3	3.13	0	0.09	0.00
1992-93	8.35	3.06	483.5	1.73	0.63	0.05	0.02
1993-94	9.4	0.09	513	1.83	0.02	0.05	0.00
1994-95	9.87	7.64	552.7	1.79	1.38	0.05	0.04
Growth Rate	4.39	11.58		-0.68	6.09		

Note: The above table include of the schemes New supplies, Repairs and carriages.

Source: Compiled from Datasheet

Table 5 :Towards Survey (Non-Plan)

(Figures in Lakhs)							
Year	Current prices		Deflators	Constant Prices		Per Capita	
	Allocation	Expenditure		Allocation	Expenditure	Allocation	Expenditure
1987-88	3.31	3.17	370.3	0.89	0.86	0.03	0.03
1988-89	4.13	4.64	409.7	1.01	1.13	0.03	0.03
1989-90	4.65	4.65	438.3	1.06	1.06	0.03	0.03
1990-91	5.45	4.8	460.9	1.18	1.04	0.03	0.03
1991-92	7.59	7.79	460.3	1.65	1.69	0.05	0.05
1992-93	8.2	9.07	483.5	1.7	1.88	0.05	0.05
1993-94	10.65	11.14	513	2.08	2.17	0.06	0.06
1994-95	12.64	13.7	552.7	2.29	2.48	0.06	0.07
Growth Rate	18.23	20.08		12.54	14.15		

Source: Data sheet compiled minor head wise , where data is available

The same is true for machinery equipment and survey.

Part III:

Individual scheme

Under the Plan head, we find that a budget amount has been allotted under capital outlay on irrigation for surface water under the ZP schemes.

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Table 6 Construction & modernization of Anecuts, pickups and feeder channels
(4702-00- 101 -1-02) (Plan)

(Figures in Lakhs)					
	Current prices			Constant Prices	
Year	Allocation	Expenditure	Deflators	Allocation	Expenditure
1987-88	0.45		370.3	0.12	
1988-89	0.49	0.39	409.7	0.12	0.10
1989-90	5.00	0.19	438.3	1.14	0.04
1990-91	9.48	2.47	460.9	2.06	0.54
1991-92	40.82	4.52	460.3	8.87	0.98
1992-93	30.00	27.27	483.5	6.20	5.64
1993-94	35.00	15.37	513.0	6.82	3.00
1994-95	15.00	8.43	552.7	2.71	1.53
Growth Rate	55.01			47.65	

Source: Data sheet compiled scheme wise

Table 7 Restoration of old and breached tanks and desilting of tanks (4702-00-101-1-03) (Plan)

(Figures in Lakhs)					
	Current prices			Constant Prices	
Year	Allocation	Expenditure	Deflators	Allocation	Expenditure
1987-88			370.3		
1988-89			409.7		
1989-90			438.3		
1990-91	7.00	1.27	460.9	1.52	0.28
1991-92	15.00	8.97	460.3	3.26	1.95
1992-93	15.00	1.58	483.5	3.10	0.33
1993-94	30.00	13.05	513.0	5.85	2.54
1994-95	15.00	14.14	552.7	2.71	2.56
Growth Rate	16.47	61.93		12.26	55.67

Source: Data sheet compiled scheme wise

As for the construction and modernization of anecuts, pickups and feeder channels (Table 6), we see that allocations have been generally higher than the expenditures. The entire sums have not been used. In fact there has been a drastic jump in allocations towards this head from 1991-92 onwards from an earlier sum of Rs. 9.48 Lakhs in 1990-91 to Rs. 40.82 in 1991-92. However there has again been a drop in 1992-93 and thereafter.

The same can be said of restoration of old and breached tanks and desilting of tanks (Table 7). Here we see that the allocation and expenditure figures are available only from 1990-91 onwards. Though the allocations in the year 1991-92 and 1992-93 are touching Rs 15.00 Lakhs, the expenditures are very less it is at Rs 8.97 and a very low of Rs 1.58 Lakhs. Even against Rs 30.00 Lakhs only Rs 13.05 Lakhs has been spent in the year 1993-94. But in the following year the allocation has come down to Rs 15.00 Lakhs.

Democracy and Decentralization: Study of Budgets

Table 8 Community irrigation schemes -Ganga-kalyana Schemes

(4702-00-102- 1-01) (Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88			370.3		
1988-89	1.07	5.46	409.7	0.26	1.33
1989-90	5.00	2.67	438.3	1.14	0.61
1990-91	10.00	8.38	460.9	2.17	1.82
1991-92	20.00	6.56	460.3	4.34	1.43
1992-93	25.00	27.24	483.5	5.17	5.63
1993-94	25.00	20.26	513.0	4.87	3.95
1994-95	23.00	21.09	552.7	4.16	3.82
Growth Rate	55.00	21.29		48.60	16.27

Source: Data sheet compiled scheme wise

Under the ground water ZP schemes we have under other expenditure, Ganga kalyana schemes (Table 8).The sums have been allotted from the year 1988- 89 onwards towards this scheme. There has been a steady rise in allocations. Expenditures have not been made commensurately, except for one year 1992-93 when the expenditure has exceeded the allocated sum of Rs. 25 Lakhs.

Table 9 Annual maintenance repairs (2702-0 1 -10 1-0-72). (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	33.00	13.45	370.3	8.91	3.63
1988-89	36.30	30.90	409.7	8.86	7.54
1989-90	38.11	34.53	438.3	8.69	7.88
1990-91	40.06	42.19	460.9	8.69	9.15
1991-92	29.85	32.06	460.3	6.48	6.97
1992-93	32.77	43.60	483.5	6.78	9.02
1993-94	14.39	17.06	513.0	2.81	3.33
1994-95	15.04	21.36	552.7	2.72	3.86
Growth Rate	-9.36	5.95		-13.78	0.77

Source: Data sheet compiled scheme wise

The expenditures under annual maintenance and repairs (table 9) have been higher than the budgets, though one cannot say that the increase in amounts has been maintained. Infact it has been fluctuating over the years. Under this Table we can see a rise in the allocation over the previous years till 1992-93. But in the year 1993-94 it has fallen to an all time low of Rs 14.39 Lakhs. It is the same case in the expenditures, though in the year 1990-91 and 1992-93 the expenditures have crossed Rs 40.00 Lakhs, it has come down to Rs 17.06 Lakhs in the year 1993-94.

Democracy and Decentralization: Study of Budgets

Table 10 Special repairs (2702-01-101-0-73). (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	7.00	3.48	370.3	1.89	0.94
1988-89	7.70	10.86	409.7	1.88	2.65
1989-90	8.08	14.40	438.3	1.84	3.29
1990-91	9.08	12.15	460.9	1.97	2.64
1991-92	8.96	5.98	460.3	1.95	1.30
1992-93	9.83	18.18	483.5	2.03	3.76
1993-94	4.31	3.67	513.0	0.84	0.72
1994-95	4.51	4.69	552.7	0.82	0.85
Growth Rate	-5.35	3.80		-9.91	-1.25

Source: Data sheet compiled scheme wise

Under Special Repairs (Table 10) we can see that there is always a gap between the allocations and the expenditures. We can see from the table that though there is a rise in allocations every year it has not been able to catch up with the expenditures, except in the year 1991-92 against Rs 8.96 Lakhs a sum of Rs 5.98 Lakhs has been spent. But the very next year the expenditure has raised to Rs 18.18 Lakhs against Rs 9.83 Lakhs of allotted amount. After which both the allocation as well as expenditures have fallen to a low of around Rs 4.00 Lakhs for the next two years.

Table 11 New Supplies (2702-80-052-1-01). (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	2.00	1.99	370.3	0.54	0.54
1988-89	2.10	0.76	409.7	0.51	0.19
1989-90	2.20	0.82	438.3	0.50	0.19
1990-91	2.20	2.40	460.9	0.48	0.52
1991-92	9.62		460.3	2.09	
1992-93	2.78	0.95	483.5	0.57	0.20
1993-94	6.58	0.09	513.0	1.28	0.02
1994-95	2.96	4.16	552.7	0.54	0.75
Growth Rate	5.02	9.66		0.00	4.19

Source: Data sheet compiled scheme wise

Democracy and Decentralization : Study of Budgets

Table 12 Repairs and Carriages (2702-80-052- 1-02). (Non-Plan)

(Figures in Lakhs)					
Year	Current prices		Deflators	Constant Prices	
	Allocation	Expenditure		Allocation	Expenditure
1987-88	5.00	1.18	370.3	1.35	0.32
1988-89	5.25	1.68	409.7	1.28	0.41
1989-90	5.51	1.36	438.3	1.26	0.31
1990-91	5.51		460.9	1.20	
1991-92	4.81		460.3	1.04	
1992-93	5.57	2.11	483.5	1.15	0.44
1993-94	2.82		513.0	0.55	
1994-95	6.91	3.48	552.7	1.25	0.63
Growth Rate	4.13	14.48		-0.96	8.84

Source: Data sheet compiled scheme wise

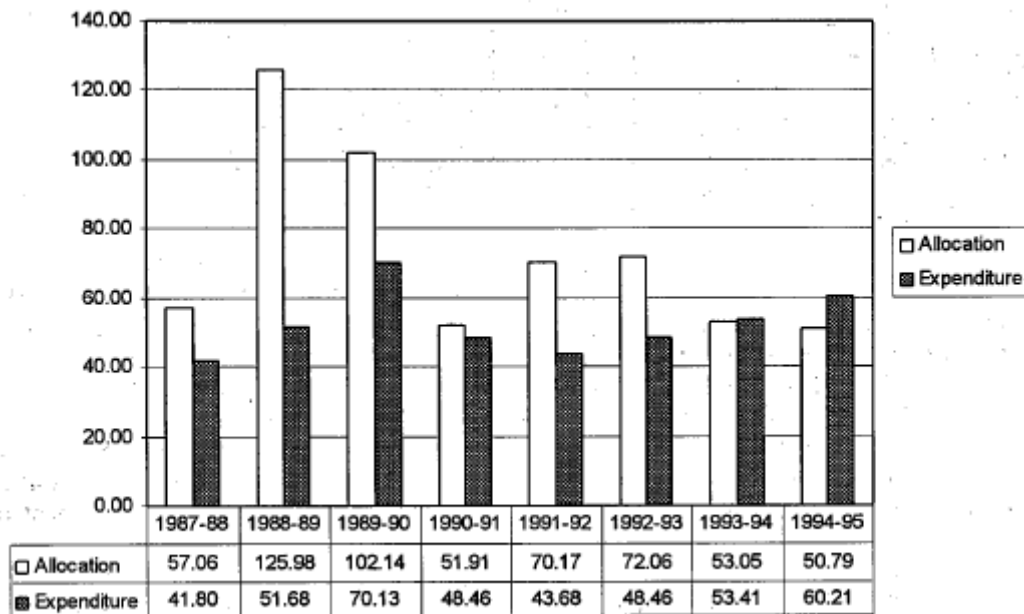
Under this two heads New supplies (Table 11) and Repairs and Carriages (Table 12) we see that expenses have not been uniform, to say the least. It is highly fluctuating and also some missing figures exist for a few years. When we look at the allocations in New supplies we can see that it has always maintained an amount of Rs around 2.00 Lakhs every year, except one or two years where in 1991-92 it has reached an all time high of Rs 9.62 Lakhs and Rs 6.58 Lakhs in 1993-94. But the expenditures are around Rs 1.00 Lakhs in most of the years. In 1991-92 against Rs 9.62 Lakhs no amount has been spent. But In the year 1994-95 the expenditure have gone up to Rs 4.16 Lakhs.

Under Repairs and Carriages though every year there is an allocation of around Rs 5.00 Lakhs, in most of the years no expenses are met. In this case some questions like why is no expenditures being incurred? If there is no expenditures, why is money being allocated? Has to be answered.

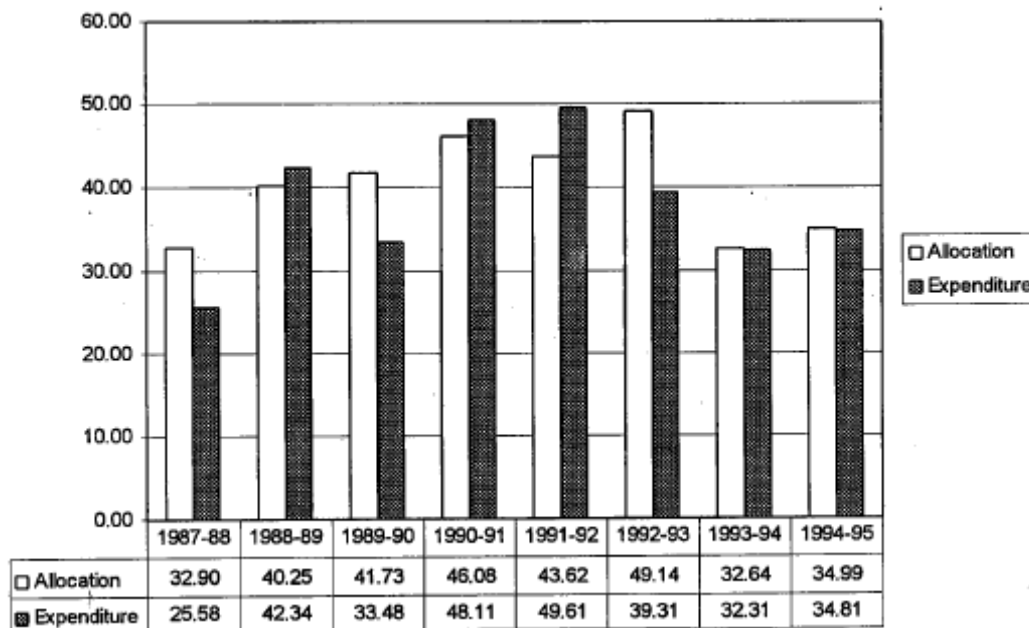
(II) Bangalore (Rural) .

Total Allocation and Total Expenditure of Minor Irrigation.

Plan



Non Plan



In this district we also have a problem in that the accounts are maintained differently as already explained in the database and methodology chapter. There are three Sources from which we have to collect information to get a total of the total expenditures made on any scheme. We get the salaries paid from the treasury accounts at the ZP office, and the development works expenses from the two divisions at Bangalore and Ramanagara. In our study those numbers pertaining to Ramanagara division could not be collected after much efforts. Hence this was abandoned. Also the salaries figures were incomplete in some cases, badly maintained in others. Hence any table shown here has to be seen in this light.

Plan amounts has fallen over the years, while non-plan is fluctuating.

Part I is not relevant here because there are no SSS and CSS in this sector.

Part II:

Combining Schemes

The Expenditure are less than allocations. Is it because the released amounts have been less than allocations?

Table 13: Surface Water (Plan)

Year	Current prices		Deflators	(Figures in Lakhs) Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	24.03	19.09	483.50	4.97	3.95
1993-94	23.44	15.08	513.00	4.57	2.94
1994-95	15.77	12.67	552.70	2.85	2.29
1995-96	14.69	12.94	593.20	2.48	2.18
1996-97	17.44	12.75	644.33	2.71	1.98
1997-98	14.94	16.32	675.11	2.21	2.42
Growth Rate	-7.62	-2.58		-12.63	-7.84

Note :-The above table includes of the schemes like construction of new tanks, construction and modernization of anecuts, pickups and feeder channels, and Restoration of old and breached tanks and desilting of tanks

Source: Data sheet combined Minor Head wise, where data is available.

Table 14: Ground Water (Plan) (Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	6.75	4.63	483.50	1.40	0.96
1993-94	5.04	1.69	513.00	0.98	0.33
1994-95	5.67	4.08	552.70	1.03	0.74
1995-96	5.25	2.43	593.20	0.89	0.41
1996-97	3.50	22.60	644.33	0.54	3.51
1997-98	4.87	4.81	675.11	0.72	0.71
Growth Rate	-5.30	0.64		-10.49	-4.90

Note : - The above schemes includes of community irrigation schemes (Ganga kalayana scheme) Land acquisition changes

Source: Data sheet combined Minor Head wise, where data is available.

It is sad to see that even the allotted amounts are not 'being utilized efficiently. 6 to 8 taluks in this district are dry. Much is being done for digging borewells etc in WS&S sector but nothing much has been done in this sector to rejuvenate the natural Sources.

Table 15 : Maintenance and Repairs (Non-Plan) (Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	13.15	10.71	483.50	2.72	2.21
1993-94	10.52	7.09	513.00	2.05	1.38
1994-95	7.14	6.93	552.70	1.29	1.25
1995-96	7.83	5.04	593.20	1.32	0.85
1996-97	7.20	2.07	644.33	1.12	0.32
1997-98	7.70	5.02	675.11	1.14	0.74
Growth Rate	-8.53	-11.86		-13.49	-16.67

Note :The above table includes of the schemes like Annual maintenance and repairs, Special repairs and Grant in Aid

Source: Data sheet combined Minor Head wise, where data is available.

Table 16 : Machinery and Equipment (Non-Plan)

(Figures in Lakhs)

Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Bang Div Exp		Ban Div All	Bang Div Exp
1992-93	3.51	0.98	483.50	0.73	0.20
1993-94	3.26	0.90	513.00	0.64	0.18
1994-95	5.32	0.19	552.70	0.96	0.04
1995-96	5.48	0.00	593.20	0.92	0.00
1996-97	5.65	5.43	644.33	0.88	0.84
1997-98	6.22	4.12	675.11	0.92	0.61
Growth Rate	10.01	27.04		3.93	20.42

Note : The above table includes of the schemes like New supplies and Repairs and Carriages.

Source: Data sheet Minor Headwise

Sums kept' aside for maintenance and repairs; buying machinery and equipment have been sparingly used.

Part III:

Individual Schemes

Under the surface water head we have two heads namely the zilla parishad schemes and the diversion schemes. Under the zilla parishad schemes we have data for three schemes to run the trend, they are shown below

Table 17 Construction of new tanks (4702-00- 101- 1-01) (Plan)
(Figures in Lakhs)

Year	Current prices		Constant Prices		
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	30.00				
1993-94	20.00				
1994-95	15.00				
1995-96	14.10				
1996-97	16.00				
1997-98	16.00				
1992-93	12.90	11.96	483.50	2.67	2.47
1993-94	15.04	10.51	513.00	2.93	2.05
1994-95	4.86	2.84	552.70	0.88	0.51
1995-96	5.92	2.93	593.20	1.00	0.49
1996-97	6.64	4.71	644.33	1.03	0.73
1997-98	6.64	5.09	675.11	0.98	0.75
Growth Rate	-10.48	-13.27		-15.38	-18.02

Source: Data sheet compiled scheme wise

In the table 'construction of new tanks' we can see that the allocation amount for the overall district has come down over the years (In 1992-93 it is Rs 30.00 lakhs where as in the year 1995-96 it has come down to Rs 14.10 Lakhs). The same is reflected in the Bangalore division. Though the allocations have decreased it has not made much effect on the expenses of the Bangalore division. This is because in almost all the years the expenses are less than the amount allotted. Except for the first two year i.e. 1992-93 and 1993-94 where the expenses &e more than Rs 10 lakhs (in 1992-93 it is Rs 11.96 and 1993-94 it is Rs 10.51 Lakhs respectively), in the later years the expenses have decreased to less than Rs 5 Lakhs. Indeed in the years 1994-95 and 1995-96 it has decreased. to Rs 2.84 and Rs 2.93 Lakhs.

Democracy and Decentralization : Study of Budgets

Table 18 Construction and modernization of anecuts, pickups and feeder channels (4702-00- 10 1 -1-02) (Plan)

(Figures in Lakhs)					
Year	Allocation				
1992-93	14.00				
1993-94	10.00				
1994-95	13.74				
1995-96	14.00				
1996-97	15.00				
1997-98	10.00				
	Current prices			Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	5.88	5.91	483.50	1.22	1.22
1993-94	4.20	2.23	513.00	0.82	0.43
1994-95	2.74	1.60	552.70	0.50	0.29
1995-96	5.88	2.64	593.20	0.99	0.45
1996-97	6.23	5.30	644.33	0.97	0.82
1997-98	4.15	6.31	675.11	0.61	0.93
Growth Rate	-5.64	1.10		-10.91	-4.42

Source: Data sheet compiled scheme wise

Compared to the construction of tanks there is less amount allotted to the construction of anecuts, pickups and the feeder channels (table 18).The amounts allotted here over years are fluctuating. The same is reflected towards the Bangalore division. In the year 1994-95 it has come down to Rs 2.74 Lakhs and also the expense made in this year is Rs 1.60 Lakhs. Except in the last year i.e. 1997-98 where the expenses is Rs 6.31 Lakhs against Rs 4.15 Lakhs in the other years the expenses are less than the allotted amount.

Table 19 Restoration of old and breached tanks and desilting of tanks (4702-00- 10 1 -1-03) (Plan)

(Figures in Lakhs)	
Year	Allocation
1992-93	15.00
1993-94	10.00
1994-95	10.00
1995-96	6.90
1996-97	11.00
1997-98	10.00

Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Ban Div Exp		Ban Div All	Ban Div Exp
1992-93	5.25	1.22	483.50	1.09	0.25
1993-94	4.20	2.34	513.00	0.82	0.46
1994-95	8.17	8.22	552.70	1.48	1.49
1995-96	2.89	7.37	593.20	0.49	1.24
1996-97	4.50	2.73	644.33	0.70	0.42
1997-98	4.15	4.92	675.11	0.61	0.73
Growth Rate	-3.84	26.16		-9.22	19.55

Source: Data sheet compiled scheme wise

In the above table one can see that the expenses made in the year 1995-96 and 1996-97 are more than the amount allotted in the Bangalore division. We can see that in 1994-95 an amount of Rs 8.17 Lakhs has been allotted and an amount of Rs 8.22 Lakhs has been spent against this. In the year 1995-96 the allocations to overall Bangalore district have also decreased (from Rs 10 Lakhs it has come down to Rs 6.90 Lakhs).

Table 20 Community irrigation schemes -Ganga Kalyana Schemes
(4702-00-102- 1-0 1) (Plan)

(Figures in Lakhs)					
Year	Allocation				
1992-93	10.00				
1993-94	10.00				
1994-95	10.00				
1995-96	10.50				
1996-97	7.50				
1997-98	5.00				
Year	Current prices		Deflators	Constant Prices	
	Ban Div All	Ban Div Exp		Ban Div All	Ban Div Exp
1992-93	3.70	2.42	483.50	0.77	0.50
1993-94	4.20	1.68	513.00	0.82	0.33
1994-95	4.17	4.07	552.70	0.75	0.74
1995-96	3.15	2.15	593.20	0.53	0.36
1996-97	3.50	2.99	644.33	0.54	0.46
1997-98	2.38	1.93	675.11	0.35	0.29
Growth Rate	-7.09	-3.70		-12.31	-8.68

Source: Data sheet compiled scheme wise

Table 21 Land Acquisition charges (4702-00-102- 1-03) (Plan)

(Figures in Lakhs)					
Year	Allocation				
1992-93	2.00				
1993-94	2.00				
1994-95	1.00				
1995-96	5.00				
1996-97	2.50				
1997-98	6.00				
	Current prices			Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	3.05	2.21	483.50	0.63	0.46
1993-94	0.84		513.00	0.16	
1994-95	1.50		552.70	0.27	
1995-96	2.10	0.27	593.20	0.35	0.05
1996-97		19.61	644.33		3.04
1997-98	2.49	2.87	675.11	0.37	0.43
Growth Rate	-3.32	4.45		-8.49	-1.12

Source: Data sheet compiled scheme wise

From the two tables we can see that the amount allotted toward the ganga kalyana schemes (table 20) is more than that of the land acquisition changes (table 21). But when we look to the overall allocation in the ganga kalyana scheme we see that the allocations towards this has decreased over the years, we can see that the allocations was around 10 Lakhs till the year 1995-96 but has come down to Rs 5 Lakhs in the year 1997-98. And the amounts allotted towards the Bangalore division has also decreased. When we look towards the expenses made in Bangalore division we can see that the expenses are lesser than the allocations. In 1993-94 we can see that the expenses made is just Rs 1.68 Lakhs against Rs 4.20 Lakhs.

Under land acquisition charges we can see that over the years the allocations towards this schemes has increased when we look at the overall Bangalore district figures. One can see from the table that in the year 1996- 97 there is no allocation made towards Bangalore division but the expenses made in this year is very high (it is Rs 19.61 Lakhs). In the year 1993-94 and 1994-95 there is no expenses met in Bangalore division.

Under the Non-Plan schemes we have two major heads that is the district sector schemes and the state sector schemes. Under the district sector schemes we have two major sub-heads namely maintenance and repairs and machinery and Equipment. The schemes that come under this heads are given below

Table 22 Annual maintenance and repairs (2702-01-101-1-72). (Non-Plan).

(Figures in Lakhs)	
Year	Allocation
1992-93	18.65
1993-94	8.77
1994-95	9.16
1995-96	9.54
1996-97	6.97
1997-98	7.46

	Current prices			Constant Prices	
Year	Ban Div All	Ban Div Exp	Deflators	Ban Div All	Ban Div Exp
1992-93	8.91	2.33	483.50	1.84	0.48
1993-94	8.68	4.26	513.00	1.69	0.83
1994-95	3.94	3.18	552.70	0.71	0.58
1995-96	5.14	3.62	593.20	0.87	0.61
1996-97	3.60	1.90	644.33	0.56	0.29
1997-98	3.85	3.89	675.11	0.57	0.58
Growth Rate	-13.05	8.92		-17.74	3.20

Source: Data sheet compiled scheme wise

From the above table Annual maintenance and repairs (table 22) we can see that the allocation of amount towards the Bangalore district as well as the Bangalore division has decreased drastically. The allocations towards the Bangalore district in the year 1992-93 was Rs 18.65 Lakhs but when we look at the year 1997-98 it has come down to Rs 7.46 Lakhs, almost an amount of Rs 11 Lakhs. This is a good sign because from the table we can see that the expenses made in Bangalore division is always less than the amount allotted to them. In the six years taken we can see that except in the year 1993-94 where the expenses is Rs 4.26 Lakhs against Rs 8.68 Lakhs no amount has crossed Rs 4 Lakhs in any of the years.

Findings

Under both Minor Irrigation and Roads and Bridges, we see the sectors have fared badly. Investments have been low and priorities set forth have not been always been implemented.

Allocations are lowly themselves, also interestingly all schemes have been primarily taken up under plan only.

Some questions that arise :

- + When will maintenance gain importance 3**
- + What are the new schemes for rapid betterment of these sectors 3**

With this general know-how of the system now lets move to know-why of budgets. The following chapter tries to bring forth how budgets are made and the process of budgeting itself in PRIs.

PART III
(BUDGET PROCESS)

Chapter 6

THE BUDGET PROCESSES IN THE THREE TIERS OF PANCHAYAT

Central to any organisation's working is the financial system. The budget is at the heart of this system. This chapter looks at the budget process in zilla panchayats. The general framework within which the finances are to be taken care of in the PRIs is defined under the Chapter XVII in the Sections 241 to 267 in The Karnataka Panchayat Raj Act, 1993. The Act clearly mentions the flow of money and how it is to be accounted. We have in this chapter tried to make flow-charts which have been pieced together based on interviews with officials and non-officials in the districts and our own work with these budgets. The flow-charts clearly represent how the system is to be structured and how it functions in reality.

The chapter is organised as follows. Section - I discusses the pattern of allocation of funds, projects taken up by the representatives from the allotted resources and collection of taxes etc. It focuses on the budget process – the planning procedure adopted by the planning department of zilla panchayat at the district level. This includes budget planning at three levels viz., Grama Panchayat, Taluk Panchayat and Zilla Panchayat. In this section the problems faced by the planning department of the zilla panchayat are also discussed. Section – II describes the sources of funds that are made available to the local self-government. Further, how the money is made available to all the schemes, the projects that can be taken up with the allotted money and the alternative means of obtaining the money in case of scarcity of funds are also discussed.

Section - I

The budget process:

The budget process in itself typically has four basic stages:

- (1) budget formulation, when the budget plan is put together by the executive branch of the government;
- (2) enactment, when the executive's budget plan is debated, altered and approved by the legislative branch;
- (3) implementation, when the features of budget are carried out by the government, and
- (4) Auditing and assessment: when the actual expenditures on the budget are accounted for and assessed for their effectiveness.

This section discusses in detail the first two steps of the budget process in the structure of PRI. The procedure of allocating monetary resources to the zilla panchayat from the state government is presented. The way the budget is prepared at the zilla panchayat, the feedback it receives from the lower tiers, and the kind of works that can be taken up by the grama panchayats with the annual grants.

Since planning assumes the highest importance in the functioning of an economy, it is very essential to understand about the working of the planning unit at the district level. The first and the foremost is to see how the planning unit at the District level prepares a budget plan. Subsequently, what are the problems

that the planning body of the ZP face during the budgeting process? There were some suggestions for overcoming these problems by the representatives and the officials, which are put together. At the ZP level we interviewed the Chief Planning Officer (CPO) and the Assistant Planning Officer (APO), the Executive officer at the TP and the Secretary of the grama panchayat at the grass root level.

Structural hierarchy of PRI :

The structural hierarchy of PRI is given below in the form of a Flowchart 1. The flowchart gives the functional heads below the elected representatives of ZP. The political head of the ZP is the president who is elected by the members of the zilla panchayat. The vice-president acts as the chief, in absence of the president and takes decisions on behalf of the president. The third in the hierarchy is the Chief Executive Officer (CEO), who is a representative of the Government and the chief authority for various departments coming under the ZP.

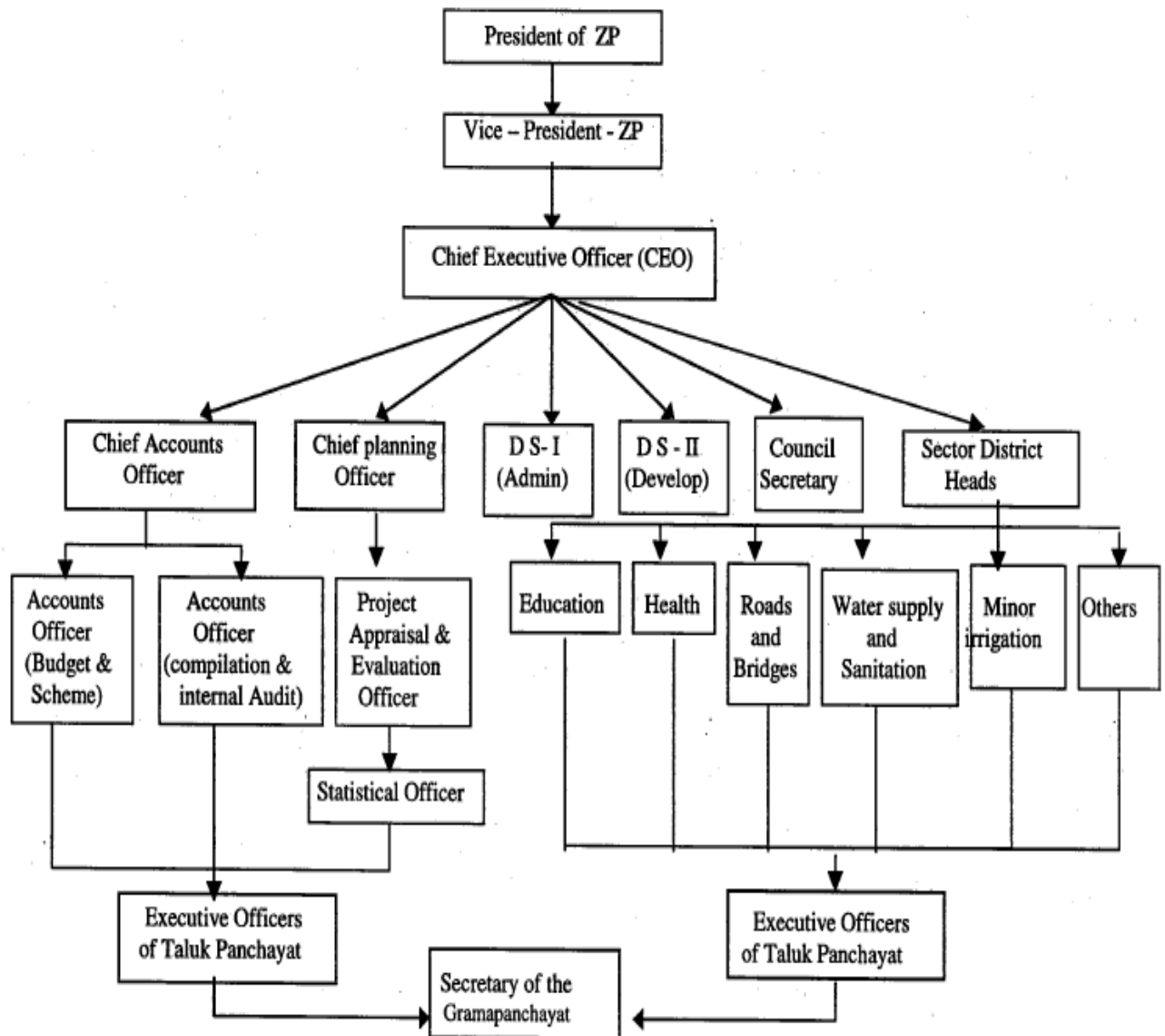
Below the functional heads at the various departmental levels as seen in the flowchart, we have the officials working in the TP. These officials also have a elected body to whom they are answerable. The highest office at the TP is the President and the Vice-President (not shown in the flow-chart). The Executive officer works for the elected body. But is answerable for all official matters to the ZP above. The DS-I is in-charge of all the TP officials. Also any of the departmental heads in the ZP can ask for information from the EO at any time.

Similarly at the next tier, at the GP level, the Secretary is shown in the flowchart. He also works for the GP, which has an elected body consisting of President, vice-president and the council of members. This is not shown in the flowchart here. The Secretary is the government link with the rest of the official structure at the top two tiers.

The process behind the preparation of the budget plan, which is submitted to the state planning department for the approval for the financial year is presented below.

Democracy and Decentralization: Study of Budgets

Structural hierarchy of PRI Flow Chart -1



Preparation of Budget plan in PRI:

The local self-government possesses a planning department at the District level like the State planning department at the state level. The primary function of the planning department of the zilla panchayat is to prepare the budget action plan for the allocated finances from the government.

How is the budget plan prepared?

The State planning board informs the planning unit of zilla panchayat about State financial allocation figure [approximate] for which the budget has to be made. Accordingly, the District planning body does the sector-wise allocation for the district depending upon the nature of the sectors. This is at the level of officials.

The Zilla Panchayat does the sector-wise allocation based on the priority works that is to be addressed for the next year in the respective sectors. In some cases the state government suggests the works that are to be prioritised. Any suggestions made by the representatives at the meeting are incorporated at this stage. What the ZP does is to consider, and approve, perhaps with modifications, the draft plan put upto it by the district officials.

First the need-based works are taken up while drafting the action plan -like primary education, SC/STs development programmes, rural water supply, health services, nutrition, housing, women and child development and rural roads etc. According to the CP.O, the state planning board insists that the above sectors be given top priority each year.

Further in the case of rural water supply, if the district or any part is covered under an externally aided project, the detailed case by case progress under the project, physical and financial are taken up during Plan discussions. In the health sector, data may be got ready in detail regarding the progress under the various schemes both -physical and financial.

In the case of Special Component Plan (SCP) and Tribal Sub Plan (TSP) --both schemes meant for backward classes, special attention is paid not merely for achieving allocation levels equal to the strength of the population but also to keep the relevance and usefulness of the scheme itself.

Next, the sectors, which are economically feasible for the district, are considered. The non-feasible sectors are not considered in the action plan.

According to .the Chief Planning Officer, **there is no adaptation of any theory for budget planning.**

The three important aspects that are looked at while planning the budget are:

- (a) the Need-base,
- (b) Feasibility
- (c) the sectors which has greatest potential --where there is a possibility of return of revenue to the government.

(a) District Level Planning:

The method adopted in preparing the budget plan at the district level:

First a proposal from the District departmental heads for Health, Education, Agriculture, Women and Child Development etc., are called for before preparing the budget plan.

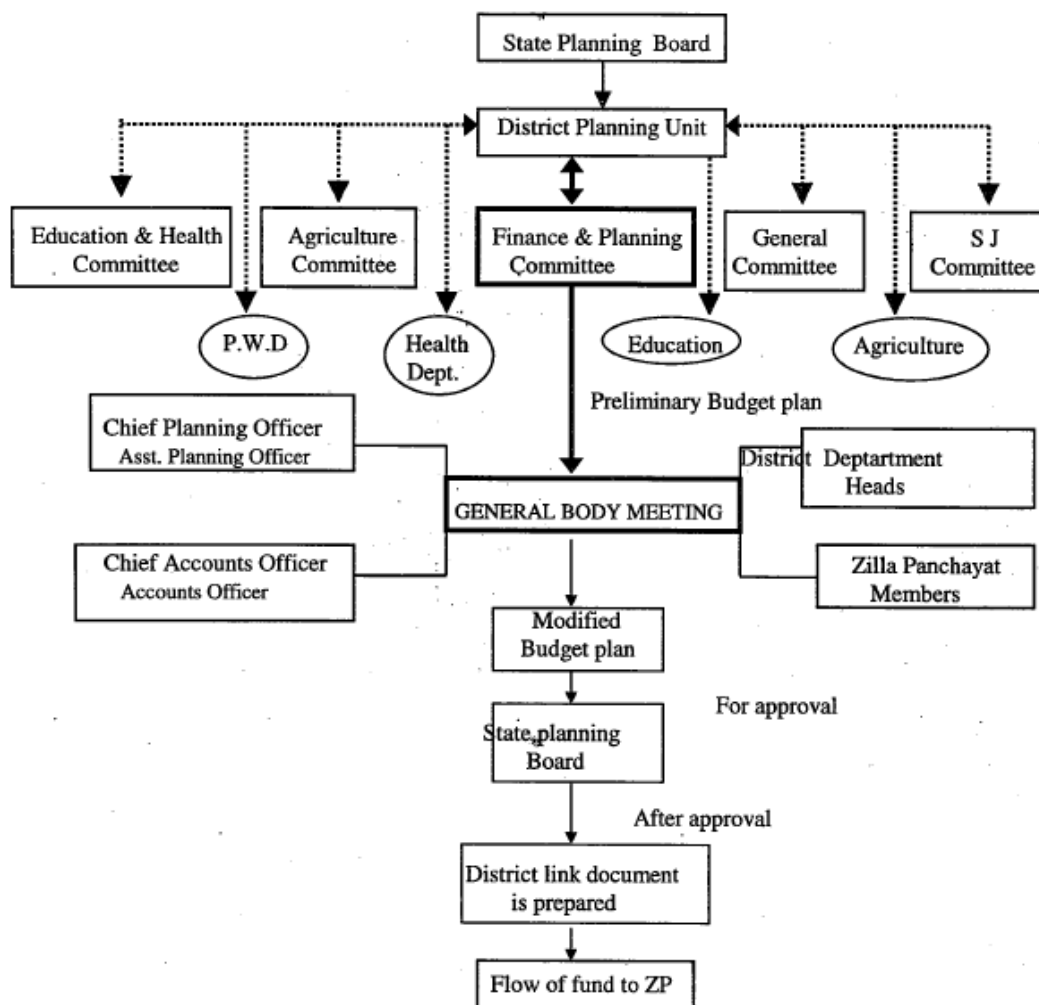
- The proposal has a designed proforma consisting of following sections:
Beneficiary Oriented Programmes - which consists of total number of beneficiaries in various schemes and the corresponding amount that has to be given in the current year and so on.
- Salary Component - the plan schemes (the total amount to be spent on the salaries of the staff in various sectors)
- Work Component - the works that are to be carried out in the current year. For example - Construction of School buildings, PHCs, Hostel buildings and other related works. A prior cost estimation from the concerned engineers on the forth-coming works is obtained by the concerned District head.
- The fourth section includes details of any Publicity - regarding health, training programmes, demonstrations, exhibitions etc.

The proforma contains eight components (from format -I to format - VIII)asking for the zilla panchayat the estimated budget for the next financial year. This proforma is supplied by the State Planning Board uniformly to all the zilla panchayats in the state. While making sectoral allocations all the details have to be furnished in the mentioned proforma.

This proforma consisting of eight components must be prepared in **three volumes**. The **first volume** should contain financial details of all programmes of Zilla, Taluk and Grama Panchayats (given in **formats I and II**). Staff position, grant in aid institutions, building programmes, rural 'water supply schemes, physical targets and achievements and woman component plan should be furnished in **formats III to VIII** as part of **second volume**. Also in the third volume, a brief write-up on the district covering its natural resources - its potential and exploitation; demography; industrial development and employment opportunities; infrastructure like length of roads, number of villages not covered by roads, kutch roads, all weather roads; number of school buildings; health institutions; hostel buildings, anganwadis; drinking water facilities covering PWS, MWS; augmentation, rejuvenation and borewells, minor irrigation tanks etc., is furnished.

All the heads of the above mentioned departments at the District level have to fill the designed proforma and must mention the financial expenditure (where ever it is required in the proforma) and send it back to CPO of the ZP.

Approval of draft budget action plan through various channels is shown in flow chart 2:



The budget planning are of three kinds: (a) District level planning (b) Taluk level planning and (c) Grama Panchayat level planning.

A draft plan is prepared by planning department at the Zilla Panchayat by looking at the current year allocation for various sectors and the need for the next year [the approximate budget figures that is required for the next year is obtained by respective heads at the district level]. Generally if no clear directive is given, an increase of 10 % is made in the next year budget plan compared to the current year, to account for the inflation. However this has also not been made in the past two years (1998-99 and 1999-2000). Thus prepared draft action plan is sent to respective District heads for further modification. After the scrutiny of the action plan, it is ready for discussion at Zilla Panchayat. **Upto this point, only officials are involved in the process.**

The now ready proposed action plan is tabled in Finance and Planning committee. However the suggestions from other committees **viz.**, General committee, Education and Health committee, Agriculture committee and Purchase committee are taken. The last mentioned committee is not in the Act. The above committees are headed by the elected representatives of the zilla panchayat. In the Finance and Planning committee the scrutiny of the proposals, examination of receipts and expenditure statements of different sectors are taken up. Similarly the other committees look into the matters related to them.

Flowchart-2 shows the process of budget planning. The re-drafting of the budget plan is done in the finance committee. However in the other committees, the issues relating to schemes are discussed. For example in the education and health committee the schemes that come under health and education are discussed which is then forwarded to finance and planning committee.

After the approval of various committees, the plan is revised by the ZP officials. It is then again tabled in the general body meeting comprising of all the elected members. The CEO of the Zilla Panchayat also sits in all these meetings. All the District heads who were involved in the preliminary drafting of the plan also attend the meeting to answer the questions. In the general body meeting a final budget plan is after the approval of the members and the president/CEO of Zilla Panchayat.

The officials act according to the decisions taken by the elected representatives in the general body meeting. Once the final plan is prepared no changes can be made at the district level.

The planning department of the Zilla Panchayat now approach the Principal Secretary, Planning Department for the final approval of the plan. The meeting at the state planning department is attended by the heads (officials) of various sectors -like Health, Education, SC/ST development, Women and child welfare, Minor irrigation etc. After their scrutiny of the action plan pertaining to their respective state departmental heads, the plan gets approved at the State level and the funds are released.

Reappropriation of the excess funds at the ZP level:

When there is an excess of funds in some of the sectors, then a sub-plan is prepared for the remaining amount. The ZP has discretionary power to reappropriate the excess funds to other sectors showing a need upto 10%, with approval in its inner committee meetings. For an approval of more than 10% of the amount the ZP has to take the approval of the government. Thus, the local government does not enjoy full powers --it is controlled by the state government.

(b) Taluk Level Planning:

To work out the financial allocation for Taluk Panchayat programmes, basically five components⁶⁸ are given weightages, which are as follows:

- 1 Population -50 %
- 2 Geographical Area -15 %
- 3 Dry land area- 15%
- 4 Agriculture labour population -10 %
- 5 Per capita resources raised -10%

The weightage for rural population is based on District financial allocation. The Taluk-wise population is considered and the weightage is made in proportion to the population. For example -If the total financial allocation of a district is Rs 100 crores, then fifty percent of the total allocation is used for the development programmes giving importance to rural population. In case of literacy -the number of literates in each taluk is considered. The Executive Officers (EO) are entrusted to prepare the budget plan for the block level. The EOs are guided by the officials of the planning department of the Zilla Panchayat in the preparation of the budget plan for their respective taluks.

The Taluk level planning is prepared based on the action-plan of the grama panchayats, which are sent to the concerned taluk panchayat. According to the APO, the grama sabhas are the most powerful in deciding about the works that are required for their grama panchayat. The immediate needs of the grama panchayats are put forth at the grama sabhas, which are translated into proposals/petitions as the case may be to the TP. The requirements are then further put up by Taluk Panchayat president to the zilla panchayat. Thus prepared action plan at the grass root is sent to respective Taluks for which the EOs prepare the detailed budget plan for various sectors. When once the taluk budget plan is approved at the ZP level, the funds will flow to the respective Taluk Panchayats' in due course. Accordingly, the Taluk panchayats carry out the works. At the TP level, selection of beneficiaries and other task-oriented activities are looked after by the executive officer of TP. This is a very important activity co- ordinating both ZP and GP levels.

But this process has some hiccups. These were explained as Constraints faced by the planning body:

⁶⁸ Information received from the Planning Department vide G.O. No. PD 3PRU 86 Bangalore dated 19th December 1986.

- Lack of trained staff in the planning Department. Frequent transfers of the skilled staff hampers the working process. This is because the new staff have to be trained on various aspects and then get the work done.
- The EOs at the Taluk level do not give the required information to the planning department. If any information is required by the ZP in a specific format, the EOs fail to provide in the required specification, which makes them (the CPO, APO) to personally visit the taluk and get the information.
- Sometimes there is pressure from ZP members during the process of budget planning to give preferences to his/her constituency. But this is a rare case.

The possible solutions provided by the officials of the planning department to overcome the difficulties:

- The government should appoint more technically qualified staff to the planning department. And these staffs should not be transferred out after a short stint.
- A separate planning department should be set up even at the taluk level similar to ZP. This is necessary because, the entire taluk planning process can be done at the taluk level itself. Moreover, the shuttling of EOs between ZP and TP will end. This makes the planning process much faster.
- According to the APO, the taluk schemes do not change every year. Therefore if the amount is released directly to the taluk panchayat, they (TP) themselves can do the planning instead of approaching ZP for the help.

The State Panchayat Council was looking into this matter, which was already in the Act. This has been ratified since then. Now the TP gets funds directly from the State government for which it can plan on its own. The funds however are routed through the ZP. The ZP maintains these funds in a suspense account and used to implement the TP plans. However the implementing authorities at this level are the same for both ZP and TP plans.

(c) The grass root Planning:

Two types of budget plan are prepared at the grass root level. The processes are given in the flowcharts 3 and 4. The first kind of budget is prepared based on the allocation of funds from the State/Central government. The second kind of budgeting is done on the revenue obtained through local taxes, the annual grant of Rs one lakh and the amount designated through tenth finance commission. These three kinds of revenue are combined together under a head called "Section - I".

Preparation of Budget - I: [the funds from the government]

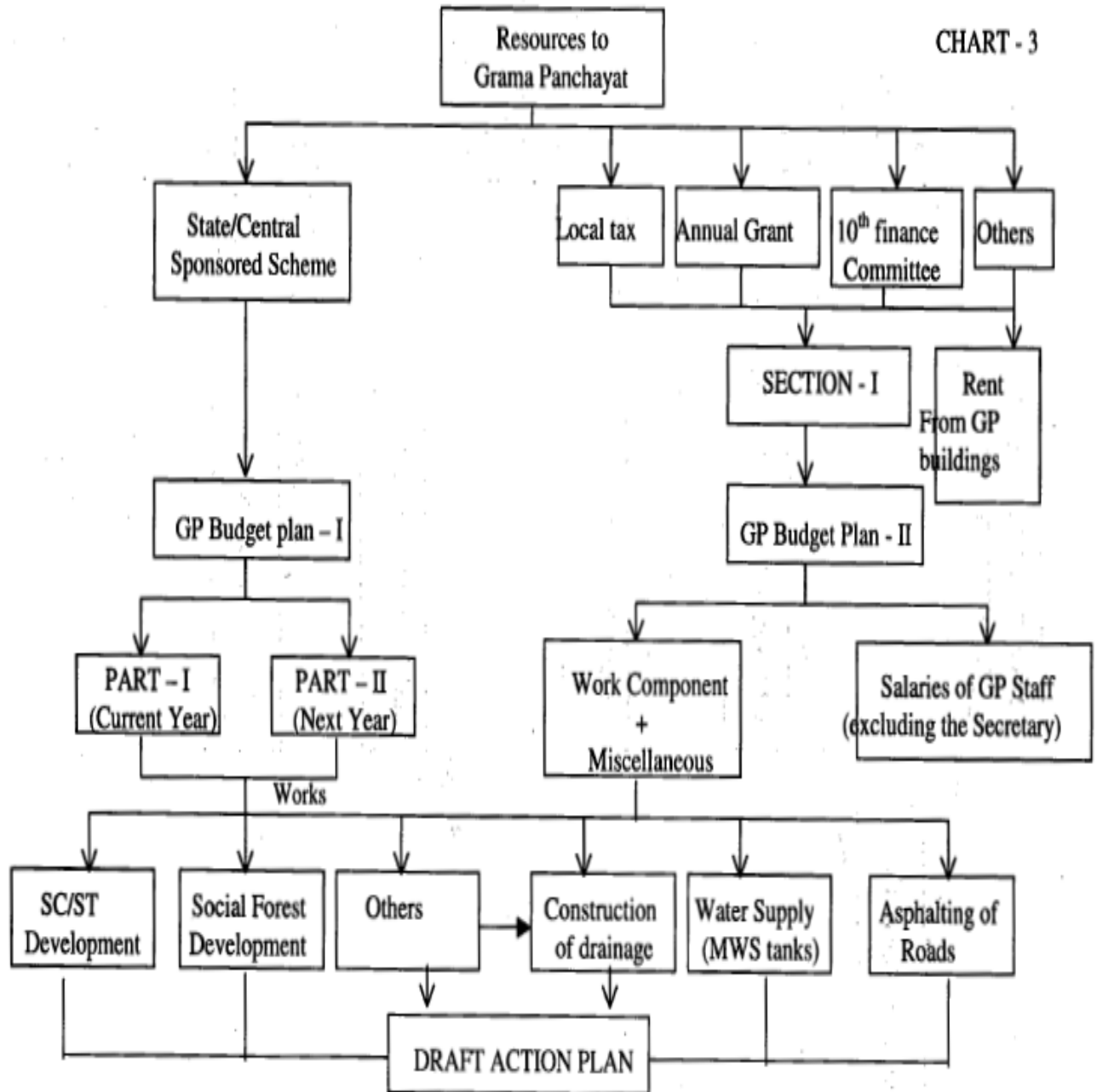
The action plan is classified into two separate parts. Part - I consists of the spillover works of the previous year that is completed in the current year. Part - II consists of the new works that are taken up in the current year. The JRY scheme is 70:30 scheme, 70% coming from GOI. 22.5 % of this fund is exclusively meant for SC/ST development and 15 % is kept for the development of social forest as per the norms of the government.

The taking up of JRY scheme is disclosed in the grama sabha. Further the works that can be carried within the percentage of allocation meant for SC/ST development is also explained in the grama sabha. For example: construction of

Democracy and Decentralization: Study of Budgets

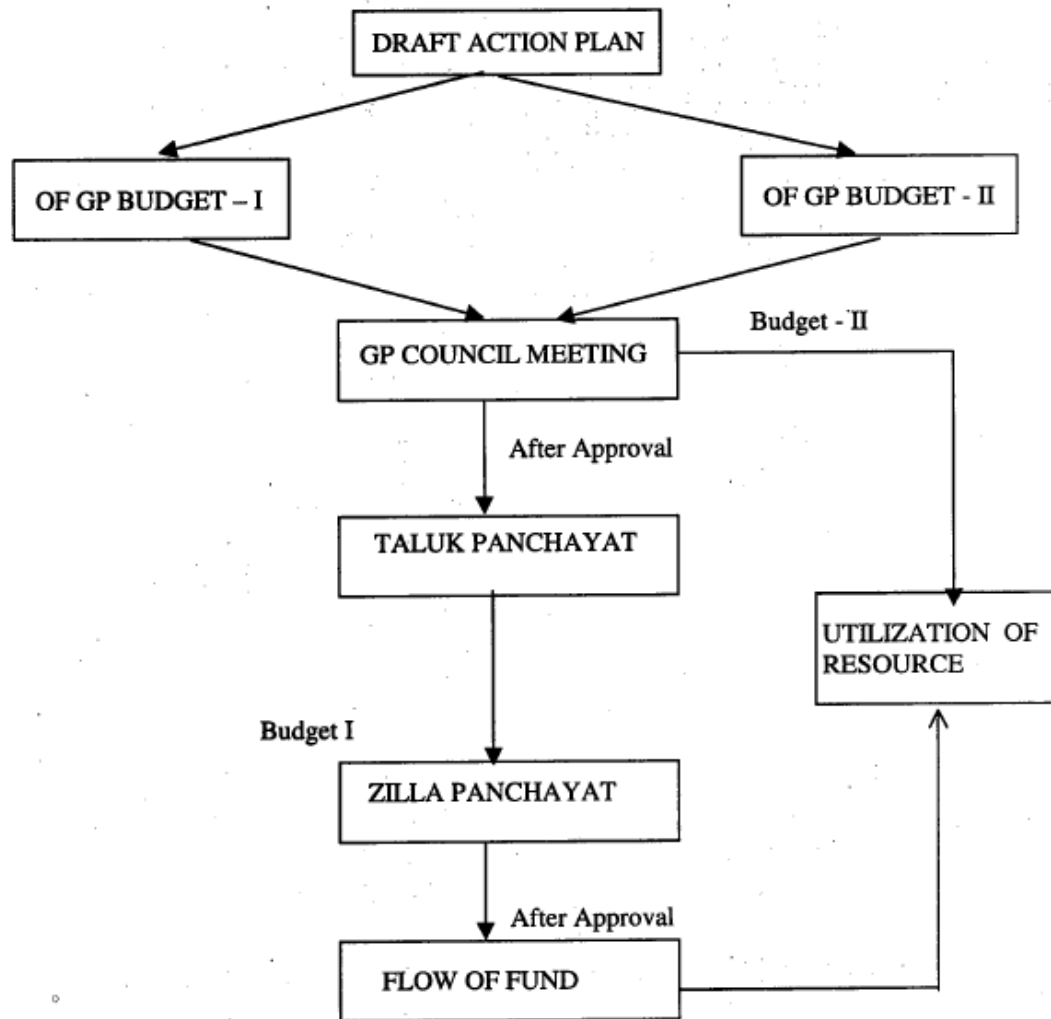
drainage for a street where the concentration of SC/ST population is higher. Also the total allocation of the funds under JRY scheme is also informed in the grama sabha. Before making any draft plan the suggestions of the people in the grama sabha is taken. Based on the demand of the people, the priority works are listed in the draft action plan. Sometimes, the demands of the people are more, but the resources are limited. Therefore, the action-plan is prepared looking at the resources that has reached the panchayat. If the cost of listed works in the action plan crosses more than Rs 2000/-then an estimation of the work has to taken from the concerned ZP/TP engineer.

CHART - 3



FLOW CHART OF BUDGET PROCESS --GRAMA PANCHAYAT:

CHART -4



Thus prepared draft action-plan is tabled in the meeting consisting of all the members of the panchayat. After making necessary modifications in the meeting, the final draft of the action plan is prepared in two parts as mentioned above and sent to the Taluk panchayat. When the funds are released the works mentioned in Part -I is first taken up and then works of part -II are carried with the remaining resources. The incomplete works of Part -II are carried into next year action plan under Part- I.

Preparation of Budget -II: (local revenue + the annual grant)

A second kind of budget plan is prepared with the revenue obtained by levy local taxes --house tax, water tax, library tax etc., and the annual grant. The other miscellaneous revenue of the grama panchayat includes the buildings rented to the public, auctioning of trees belonging to grama panchayat and so on. But this revenue is small. Since there is no restriction from the higher level in using the resources, the grama panchayat is the supreme authority in executing this kind of budget plan. Therefore, all the development works -like construction /repair of panchayat roads, improvement of the drainage system, drinking water facility and other miscellaneous works are budgeted in the action plan based on the total revenue obtained. Next the administrative expenses, the salaries of the panchayat staff (apart from the secretary) are some of the items that are considered in preparing the budget plan. The draft action plan is tabled in the council meeting at the grama panchayat and after the approval, the modified plan is sent to Taluk Panchayat for endorsement. But the amount they get from these resources should be deposited in the bank in a separate account and this should be spent with the approval of the GP president. These amounts are also audited at the end of the year and is sent to the CAO at the district level.

With regard to the allocation of funds from the Tenth Finance Commission, which commenced in the year 1996-97, the sectors for which the funds should be used are clearly mentioned. The planning body at the grass root level cannot budget apart from the sectors prescribed by the funding agency. As per the guidelines the funds from the Tenth Finance Commission should be utilised for construction of PHCs, Maintenance of drinking water, repair of school buildings, health and hygiene etc. The basic criterion to avail the benefits of Tenth Finance Commission is that the panchayat should invest fifty percent of the total allocation [i.e., in the ratio of 2:1]. For example -suppose the total allocation of Tenth Finance Commission for a particular panchayat is say -Rs 1,30,000. Then half of this sum is Rs 65,000. Now, the panchayat should make this additional sum of Rs 65,000 along with Rs 1,30,000. Finally the plan should be made for the budget of Rs 1,95,000. The allocation of resources under 10th finance is based on the population of the panchayat. This half of the amount is invested from the amount collected from local taxes.

To carry out the emergency works:

Out of the total revenue obtained from local taxes and annual grant 10 % is kept in a separate account called "Panchayat Account". Apart from this whatever revenue is collected, is deposited in the bank in the Panchayat's name. So whatever they spend is reflected in the bank account. The revenue obtained by renting the buildings constructed by the panchayat and selling of panchayat

property -like fallen trees, wood logs etc., are included in the above account. In case any emergency work is to be taken up, then the money is used from Panchayat account. In this situation an emergency meeting is summoned and the approval of the members is taken before carrying out the works.

About standing committee at the grass root level:

In our interactions, when asked about the functioning of the standing Committee / social justice committee, we found that though the Act says that standing committee has to perform certain functions at the grama panchayat level, but in practice it has failed to function. There exists practical difficulty in the functioning of the sub-committee at the grass root level.

This can be seen with an illustration. Suppose there is illegal acquisition of land by an individual. When the affected party asks for relief the procedure would be as follows:

As per the norms of the Act this issue must be discussed in social justice committee which consists of not more than five members. Suppose the panchayat goes according to the norms of the act by forming a committee of five members and gives judgement in favour of either of them, then the decision is not accepted by the other person. He thinks that the sub committee has given a bias judgement and demands for a general body meeting comprising of all the members. Therefore instead of forming the sub-committees the panchayat will call a general meeting to address the above kind of issues. This is one of the reasons for the failure of various sub-committees at the grass root level in reality.

Failure of the panchayats in recovering the taxes:

It is seen that the panchayat is able to recover only 70 % percent of the total revenue through local taxes. The reasons for failure are:

- The failure of agriculture crops is the common reason provided by most of the people in the panchayat.
- Certain sections cited their domestic problems -especially in the case of labour class, which makes the panchayat to postpone the recovery of taxes.
- In some cases the poor economic status of the people forces them to take their own time in paying the tax.

It is seen that the co-operation of the members is very much essential for the development of a panchayat. A secretary alone cannot do miracles to recover the deficit balance of the revenue. Until the members of the respective constituencies insist that the people pay the taxes, it becomes very difficult to carry the development works. More so in this situation where 'the salaries of panchayat staff [except the Secretary] has to be paid from the local revenue.

This brings out clearly that:

1. There exists only a top-down decentralisation process. It means that the schemes are decided above. Only the expending power is devolved. This can be

explained in terms of **administrative decentralisation or de-concentration** where the lower level officials are given a certain amount of freedom to decide on minor issues. But they are answerable only to the higher level officers.

2. **Elected people react to a draft plan made by officials.** The ZP should make a budget of its own, with officials providing information etc. In this, an amount should be agreed on and the ZP should make the allocations. Today, they implement others plans. The GP should implement, The ZP should plan and the TP should supervise and co-ordinate. **This is a long way in the future.**

Chapter 7

CONCLUSIONS

A point that has to be reiterated here is that the whole study of budgets is a continuous process just as the budgeting process itself which is continuous through the year. We have learnt a great deal in this period. We have presented our report in this book for a larger debate and discussion among the various stakeholders in the civil society. A few points stand out:

1: The profile of the districts gives us a basic understanding of the district. This is intended to be the benchmark on which further work has to be done to understand the economic growth of the people in the district. Budgets form only a very small but vital part of this whole exercise.

1 The next part dealing with the budget database and methodology shows clearly the poor management information systems that exist today. More has to be done in this regard. To build a reasonably complete picture of Dharwad district it has taken over two years. While in the same period the figures of Bangalore Rural district could not be fully put together because the system never helped us in any fashion. Building of rapport and credibility which worked in Dharwad did not do so in Bangalore rural because the systems were weak.

2 The budget analyses of the various sectors shows that:

a. Education: Primary education is gaining more than secondary education. Adult education however has lost out to the other two. There is now a general ratio of 65:35 in favour of primary education for both allocations and expenditures. But we cannot say if this is adequate given needs.

b. Health: Here one sees that the rural health services has a higher ratio of money as compared to urban health services and public health services. Public health services are particularly hard-hit, showing that community and preventive medicine is receiving a lot less than curative medicine. Also allopathy is gaining in importance even in the rural areas.

c. Water supply and sanitation: this sector primarily has only two schemes, state-sponsored National Rural water supply schemes, and central- sponsored, Central Accelerated water supply schemes, both having the same kind of schemes under it. We don't know how much of it is overlapping in the field. But the moneys do not show that much work is being carried out.

d. Minor Irrigation and Roads and Bridges: we see the sectors have fared badly. Investments have been low and priorities set forth have not been always been implemented. Allocations are lowly themselves, also interestingly all schemes have been primarily taken up under plan only.

4. One can also see that we have not drawn conclusions for all the tables given fully. Also we have not put in table form all the data available with us for reasons explained in the book. This has been done because we would like the report to be

used in different groups for discussions to gain more insights. This would go a long way in strengthening PRIs.

5. The other **Salient points that emerge from the study:**

- **Issuer of budget8 are complex** - for even a researcher and hence more so for a lay person.
- There are problems in implementation of projects - **multiplicity of stakeholders.**
- There are **vested interests** working at tandem.
- There are **overlapping of political interests.**
- **Revenue sources not resolved.**
- **Need to clarify functional responsibilities** among the various line departments.
- Data is abysmal, Official Secrets Act helps in withholding information, **poor Management of Information Systems.** Rapport breaks the ice, but still cannot help much because there is no proper compilation and retrieval systems.
- **Circulars hard to get** at the lower tiers
- **Dissemination of information is lacking.**
- **All research material should be in the local language -- Kannada.**

This report should constitute the base for further work in these two districts. Much that is relevant still needs to be identified and then implemented. How much work is involved can be seen from the fact that our team, after three years of work, can only claim to have begun to understand this complex field.

Appendix 1

Transparent and Accountable Administration at the Local Level

What does a citizen know?

What information can a citizen get?

How can we improve the system?⁶⁹

This is an opportunity to discuss issues of transparency in administration that we welcome. We thank Shri K Raghupati, Director of the GOK Institute for this invitation, and promise to make full use of this seminar. In doing so, we will not deal in abstractions. We will make a presentation on the basis of our own ongoing work, and illustrate the travails of a citizen at the local level. Our purpose in doing this is to bring the attention of senior officials who we do not think understand the kind of problems ordinary citizens face--because they never face such problems themselves. And we hope workable solutions can come out of our discussions.

One of the most important initiatives in recent years has been to implement the 73rd and 74th amendments, which have ushered in local self-government. Karnataka we know has been a pioneer, but having said that, we are sure we will agree that much more has to be done⁷⁰. Let us share our experience in working at this level.

We are economists and social scientists, and our interest is in understanding the development process, especially at the local level. The administrative unit has traditionally been the district. In recent years, administration of development schemes at the local level has come to the elected zilla panchayat. Let us state our bias in this matter clearly at the outset. Since this panchayat is an elected body, it is a vast improvement on the earlier system, which depended on civil servants to implement plans and decisions taken at the state level. We believe it is a better system that must be made to work. But how does all this work in practice?

There are 29 items of development that have been handed over to the ZPs. There is expenditure in the districts undertaken by the line Departments of the state government. But about 40% of the development budget of the state is passed on to the ZPs in accordance with the recommendations of the State Finance Commission. This is good.

We wanted to study expenditures Bangalore [Rural] district⁷¹. As economists, we thought the best way would be by looking at the budget figures. We looked for the budget of this district. What became available after a long and patient search, is a document called the Link Document, which gives information on how much is allocated to each district under each head of the budget. With considerable effort, we managed to get these details for several years. Enormous amounts of unprocessed information were indeed available.

⁶⁹ Paper presented at a Workshop-cum-Seminar on Transparent and Accountable Administration, Sponsored by The Department of Administrative Reforms and Public Grievances, GOI and Department of Personnel Administration and Reforms, GOK, June 24 and 25, 1999. Organised by Karnataka Government Secretariat Training Institute, Bangalore 560001.

⁷⁰ We refer to the following: Vinod Vyasulu, "Panchayat Raj in Karnataka: Some Points for Discussion" Paper prepared for a seminar at the Indian Institute of Advanced Studies, Shimla, October 1998 and Poornima and Vinod Vyasulu, "Grassroots Democracy In India: Experience from Malgudi", Paper presented at an International Seminar organised by the UNDP, March 1999, New Delhi.

⁷¹ We refer to the paper by A Indira, "The Economy of Bendagaluru" presented to the Bangalore [Rural] Zilla Panchayat 1997, unpublished.

But what use can we make of this information? An allocation is just that--it is a statement of intent. How much of it actually went to the district, and how much was actually spent on each head in any year? For an answer, we were led on a wild goose chase. We sought information in the ZP office. The President, whom we met, was happy at our interest, and wanted to know what we would find. He referred us to the CEO. After some hesitation--for which we do not blame him--the CEO gave us permission in writing to seek the information. This was on 28/5/97.

For the next one and half years we went from officer to officer in the ZP, seeking this information. We promised to share what we got; we promised to enter it into a computer and give it back to the ZP. We offered to hold workshops in the ZP. Everyone was kind, everyone offered us tea, but the data remained a chimera. After 18 months, we approached the CEO again--a new person this time. We again got permission and a promise of information. We did get some more, but not all that is required for any analysis, and certainly not all that is available.

The problem seems to be inherent in the system. There is a belief that government knows best, government is always right and government is above ordinary people. This being so, government servants especially at the local level, feel no need to communicate with citizens. There is no pressure on them to do so. Secrecy is the norm in government. Information is only given when there is specific authorisation. Given this culture of secrecy it is also possible that available information is often not processed and ready in a form that can be used. This means that extra work is involved when a citizen asks for information. Why should such work be done? The work culture in government offices is not something we need to talk of.

A general letter of approval is never enough. A government servant who gives out information may get into trouble; one who refuses it faces no problems. It is this underlying culture that has to change: the problem is not one of the odd official. It is an attitude that the citizen asking for information is a nosy Parker who is dangerous. We say this with sadness after our experience in Bangalore (Rural) district. We are not making a complaint of a specific problem, but bemoaning a general malaise. We hope no one gets into trouble because of our frankness in this seminar--that is not our intention.

In this seminar, the areas chosen for focus are health and transport. To make our point, we present data we got from Bangalore (Rural) on these subjects. The best way to make this point is to share the results of more than two years of effort with you. Please see appendix 1, which has the following tables:

- 1.1 Expenditures on Medical and Public Health in Bangalore (Rural) district 1987-97, under the health head-plan.
- 1.2 Expenditures on Roads and Bridges, Bangalore (Rural) 1987-97, plan. .

Please note how much information is missing. The rows for expenditure figures are blank in so many cases that analysis is simply not possible. And this is after efforts of a group of people working for several years.

Just to show that more data is available, we attach, in appendix 2, information on Medical and Public Health in Dharwad district-plan expenditure. This is just to make the point that such information is available at the district level, but access is not always simple. Why is less information made available in Bangalore (Rural)?

Data are available. It is just not shared with ordinary citizens. The political leader--the ZP President--was not in a position to get us the data. The CEO approved our request, but that did not mean we got the data, which was available. Even our promise that we would return it in computerised form made little difference.

Such data are required for an understanding of how priorities are being set, of how progress is being made, and of how efficiently expenditures are being incurred. This money is tax payer money, it is not the personal property of some politician or businessman. It has been approved in the State Assembly, and devolved downwards. Why then is it so difficult to get so little? Why is it that there is so little interest in results that may have a policy implication?

There are many like us who would like to collect and analyse such information for different purposes, from writing a thesis to influencing local decision making. Such information should be freely available. It is not. If educated citizens like us are made to run around, if potentially important and influential persons like us--or why should we be invited to seminars like this one?--cannot access information, how can we talk of accountable and transparent administration? Is not access to information the first step in accountability? Is not access to information an essential condition for transparency?

Over the years, many suggestions have been made. We can just recapitulate some of these suggestions for the purposes of the present discussion.

The system should be modified for the belief that information sharing is the norm. Every department at the local level must make a list of its schemes, its reporting formats, its budgets, beneficiaries etc. A note stating what is available, [which is updated every six months] should be available on request to any visitor to the office. Copies of all departments' notes must be available at the headquarters and with PROS in Bangalore. Such notes must be given wide distribution. A note about areas in which information will not generally be shared--a negative list, should also be prepared. In such areas, information on what procedures are to be followed for limited access must be clearly given.

Every official must be told in writing that requests for information must be honoured within a week. Complaints of refusing information must be first met with a warning; if there are three complaints, it must go into the confidential report of the official. If this happens frequently, systems for dealing with it should be put in place.

Citizens may flood the officials with requests. Therefore a small fee should be charged for the request. If a note about what information is available in each department is available, the request should be specific. A nominal fee should be paid along with it. This fee should not be set on a profit-making basis, as citizens are entitled to information. Once the fee is paid, information must be given, within a specified frame --say one week. It should not be a long time frame.

How can we improve? We have to reason this out together and find solutions together.

The experience being shared has been obtained while working on a research project on "Devolution of Panchayat Finances" at the TIDE Development Research Foundation in Bangalore. The research team consists of A Indira, Vinod Vyasulu, Shashi Kumar, Kiran Kumar, Jaisimha and Thyagarajan. Responsibility for views expressed is that of the authors alone. Work on this project is still continuing, so more data would be welcome.

APPENDIX - II
Dharwad Zilla Panchayat Budgets from 1987-88 to 1994-95

Minor Irrigation - Plan

STATE SPONSORED SCHEMES																	
(Figures in Rupees)																	
Head of Account	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Minor Irrigation	1987-88	1987-88	1988-89	1988-89	1988-89	1988-89	1989-90	1989-90	1989-90	1989-90	1990-91	1990-91	1991-92	1991-92	1992-93	1992-93	1993-94
Surface Water																	
Zila Parishad Scheme																	
Direction and Administration	666000.00	247715.25	727000.00	1048732.16	352000.00	238720.24	400000.00				200000.00		246600.00		200000.00		200000.00
Machinery and Equipment											200000.00				200000.00		214000.00
Deepening of Wells & Tanks	100000.00	46851.20	110000.00	204891.75	520000.00	34810.60	-			123125.12			107429.23				
Sub-Plan for Hilly Areas																	
Ground Water																	
Exploration		107949.37	119000.00		285000.00		300000.00		317122.65								
Capital Outlay on Irrigation																	
Surface Water																	
Zila Parishad Schemes																	
Construction of new Tanks	400000.00		400000.00		550000.00	254328.27	450000.00	774816.43	500000.00	1302793.76							
Construction and Modernisation of																	
Anicuts, pickups and feeder channels	450000.00		490000.00	38359.35	500000.00	18754.10	948000.00	247273.80	4182000.00	451651.08	3000000.00	2727280.95	3500000.00	1530861.90	1500000.00	842996.50	
Restoration of old and breached tanks																	
and desilting of tanks							700000.00	127125.79	1500000.00	804886.21	1500000.00	168487.75	3000000.00	1304890.00	1500000.00	1413428.00	
World bank Aid for construction new	1230660.00	879000.00	253000.00		300000.00												
tanks (tanks with < 200 hectares)																	
Diversion Schemes																	
Kuhara land or Salt Water exclusion																	
dams																	
Ground Water																	
Other Expenditure																	
Community irrigation schemes - Ganga																	
Kalyana Schemes			107000.00	548256.83	500000.00	117070.55	1000000.00	858061.38	2000000.00	656280.89	2500000.00	2723511.15	2500000.00	2325615.00	2300000.00	2106296.00	
Community Irrigation							2945442.50		4108201.62								
Land Acquisition Charges				4236587.17							2000000.00		2500000.00	278295.90	500000.00		500000.00
Others				2534686.63													
Recherwaga Narmada Kanya																	
TOTAL	2431000.00	1384515.82	1755000.00	8115554.89	3567000.00	2870145.26	4001000.00	6536430.82	19482000.00	3414851.02	9000000.00	5887468.75	6000000.00	4887446.90	4214000.00	4399121.00	

Note : For 1993-94 & 1994-95, Expenditure figures is from MMR Report

APPENDIX - II
Dharwad Zilla Panchayat Budgets from 1987-88 to 1994-95

Minor Irrigation - Non Plan

(Figures in Rupees)									
Head of Account		1987-88 Allocation	1987-88 Expenditure	1988-89 Allocation	1988-89 Expenditure	1989-90 Allocation	1989-90 Expenditure	1990-91 Allocation	1990-91 Expenditure
Construction of Wells and deepening, C.E Minor Irrigation, Bangalore District Sector Schemes									
Maintenance and Repairs									
	Annual Maintenance and repairs	3300000.00	1344536.21	3630000.00	3089747.98	3811000.00	3453373.63	4006000.00	4218422.59
	Special Repairs	700000.00	347811.73	770000.00	1085830.99	808000.00	1440282.24	908000.00	1214701.33
	Grants-in-Aid	1400000.00		1500000.00		1570000.00		2070000.00	
Machinery and Equipment									
	New Supplies	2000000.00	199206.00	2100000.00	78158.16	2200000.00	81523.80	2200000.00	240301.00
	Repairs and Carriages	500000.00	118302.40	525000.00	168209.35	551000.00	135564.48	551000.00	
Other Expenditure									
	Survey Works-Minor Irrigation	700000.00	186.40	750000.00		780000.00	91449.04	1280000.00	
Ground Water Investigation									
State Sector Schemes									
	Survey	3310000.00	317128.50	4130000.00	483780.60	4550000.00	485694.85	5450000.00	480439.55
Expenditure									
	Storage		7815.40		32264.13				
	Different Social Welfare-Advance		358000.00						
	D.C Fund								
	Natural calamities								
	Refund								
TOTAL		5241000.00	2892500.64	5773000.00	4915792.13	6090000.00	5667845.84	6545000.00	6153963.47
Head of Account		1991-92 Allocation	1991-92 Expenditure	1992-93 Allocation	1992-93 Expenditure	1993-94 Allocation	1993-94 Expenditure	1994-95 Allocation	1994-95 Expenditure
Construction of Wells and deepening, C.E Minor Irrigation, Bangalore District Sector Schemes									
Maintenance and Repairs									
	Annual Maintenance and repairs	2985000.00	3206182.43	3277000.00	4359987.19	1430000.00	1706239.86	1504000.00	2136188.30
	Special Repairs	696000.00	597978.82	663000.00	1818377.53	431000.00	387204.16	451000.00	468837.70
	Grants-in-Aid	597000.00		656000.00		288000.00		301000.00	
Machinery and Equipment									
	New Supplies	962000.00		278000.00	95092.00	658000.00	9460.00	296000.00	416378.00
	Repairs and Carriages	481000.00		557000.00	210919.45	282000.00		691000.00	347874.57
Other Expenditure									
	Survey Works-Minor Irrigation	497000.00	2829873.00	546000.00	815614.35	240000.00		251000.00	
Ground Water Investigation									
State Sector Schemes									
	Survey	759000.00	778715.00	829000.00	907358.00	1065000.00	1113618.00	1254000.00	1389813.00
Expenditure									
	Storage								
	Different Social Welfare-Advance								
	D.C Fund						224150.00		
	Natural calamities		123155.42		11629.95				
	Refund				-225.00		-3840.00		-700.00
TOTAL		7177000.00	7535854.67	7126000.00	8018763.47	4403000.00	3417032.02	4758000.00	4738391.57

Source -
Allocation - Budget Link Documents, COK
Expenditure - Zilla Panchayat Office

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The Research Team

Dr.A. Indira, Team Leader

Deputy Director, TIDE-DRF, and Consulting Economist.

She is a post-graduate in Management from Indian Institute of Science, Bangalore and a doctorate in Industrial Economics from Osmania University, Hyderabad, and has six years of post Ph.D research experience. She also has a degree in law. Her main areas of interest are technology diffusion and policy analysis. She has been working in the area of Panchayat Raj from past four years.

S B. Anuradha

Research Assistant, Kannada Translator

She holds a Master degree in Development Planning and Management. She has worked in the field as a program officer in development and para-legal issues for three years.

K. Jayasimha

Research Associate

He has a Masters degree in Statistics from Bangalore University. His strength is in design of questionnaires, field survey, collection and analysis of data.

R. Kiran Kumar

Research Assistant

He has a Bachelors degree in Commerce. He is good in the field for surveys and subsequent data analysis, using different packages

Shashi Kumar

Research Assistant

He has a Bachelors degree in Commerce. He is a Computer analyst, good at programming, designing questionnaires, and familiar with a range of software.

R Thyagarajan

Accounts Executive

He has a Bachelors degree in Commerce. He handles our Accounts and Administration. He has also taken part in the fieldwork in this project.