



FINANCES OF URBAN LOCAL SELF GOVERNMENTS (ULSG) IN KARNATAKA: (A RELATIVE STUDY BETWEEN KUDLIGI AND SANDUR ULSG)

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ABSTRACT:

The ULBs are the integral and inalienable part of democratic and three-tier system of federal government. They are assigned the task of functioning, providing, supervising, directing and controlling social services from womb to tomb like common minimum health, education welfare services, roads, peace, security and beauty in environment. The massive growth of urban population and urbanization caused for creation of ULBs to take care the needs and basic facilities of the urban society and are responsible to pace municipal services as per the provisions laid in 12th Schedule of Indian Constitution (74th Amendment).

For the study, the Sandur and Kudligi municipalities have taken to fulfill the objectives with emerged methodology. Both the municipalities are oldest one and operating in same line. The area of these ULSG is regarded and identified as under developed in Nanjundappa Committee on Regional Imbalance. However, a few opportunistic difference lies among the two municipalities.

KEYWORDS: Quality of Life, Best Practices, Urbanization, Urban Financial Management.

INTRODUCTION:

The world has witnessed the moment of urbanization and showed the migration of people from rural to urban areas. This transformation took place in human life on preferential basis to establish firmly for home and work alike. The rapid growth in the urban population million recorded 62.44 million (1951), 159.46 million (1981), 285.01 million (2001), 377.10 (2011) which are 17.29 percent, 23.34 percent, 27.75 percent and 31.16 percent to total population respectively. The massive growth of urban population and urbanization caused for creation of ULBs to take care the needs and basic facilities of the urban society and are responsible to pace municipal services as per the provisions laid in 12th Schedule of Indian Constitution (74th Amendment). The ULBs are the integral and inalienable part of democratic and three-tier system of federal government. They are assigned the task of functioning, providing, supervising, directing and controlling social services from womb to tomb like common minimum health, education welfare services, roads, peace, security and beauty in environment.

The existence of ULBs goes back to the ancient India from excavation of Harappa and Mohenjo-Daro a clear proof for well planned cities in India and evident in Ramayana, Mahabharata, Buddhist period to the existence of several forms of local self-governments. It continues to flourish under the Mouryan period to till Mughal rules. The writings of Koutilya and Meghastanese give clear evidential

description for ULBs and its functions, operations and management and whatever the forms of cities administration was in autocratic form.

The modern and present form of municipal administration is imported by British to Indian and was their legacy. The first municipal corporation was setup in Madras (1688) followed by presidency towns Calcutta (1772) and Bombay (1793). The concept of budget is mandated services by Samuel Laing (1861-62) and elected representative by Lord Mayo Resolutions (1870), Lord Rippon Resolution (1882), which he provision some autonomy to electoral members in preparation of budget and hence, he is known a father of local self-governments.

OBJECTIVE AND METHODOLOGY OF THE STUDY

The objective of the study is to know the performance of the Sandur and Kudligi Municipalities in the management of finance and to draw the practicable recommendations for their better improvement in operations. In order to achieve the above objective both primary as well as secondary sources of data is used for the study. The primary information is collected from municipalities with a set of questionnaires and secondary data is collected from their published annual reports.

PUSHING FACTORS OF THE STUDY

After reading the past works and knowing previous performances of ULSG, certain factors have pushed to undertake the study and those are:

- ❖ The ULSG are weakening in terms of raising resources and enjoying the autonomy.
- ❖ The present generated revenues are insufficient to manage urban welfare with assurance of high quality of life.
- ❖ There is no rationale in levying taxes and fixing fees and are in narrow and inflexible.
- ❖ They are showing improvement in management of resources by struggling to adopt best and unique practices.

Provisioned Responsibilities of Municipalities have under 12th Schedule

Urban planning, including town planning	Roads and bridges	Fire services	Urban forestry, protection of environment and promotion of ecological aspects
Regulation of land use and construction of buildings	Slum improvement and upgrading	Urban poverty alleviation	Safeguarding the interests of weaker sections of society, including the disabled and mentally retarded
Planning for economic and social development	URBAN LOCAL SELF GOVERNMENTS		Burials and burial grounds, cremations, cremation grounds, and electric crematoriums
Public health, sanitation conservancy and solid waste management	Promotion of cultural, educational, and aesthetic aspects	Cattle pounds; prevention of cruelty to animals	Provision of urban amenities and facilities such as parks, gardens, playgrounds
Water supply for domestic, industrial and commercial purposes	Vital statistics including registration of births and deaths	Regulation of slaughter houses and tanneries	Public amenities including street lighting, parking lots, bus stops, and public conveniences

Categories of Receipts (Sources) and Payments (Applications) of ULSG

Revenue Receipts	Revenue Expenditures
Own Taxes, Assigned Taxes	Salary and Wages Administration and General Expenses, Light and Energy, Repairs and Maintenance, Service and Programme Expenses, Grant Expenses, Loan Charges and Other Expenses
Property Tax, Octroi, Toll Tax, Tax on Sale of Electricity, Advertisement Tax, Entertainment Tax, Profession Tax, Motor Vehicle Tax, Surcharge of Stamp Duty	
Others	
User Charges and Fees, Inter-Governmental Grants, Sale and Hire Charges, Borrowings	
Capital Receipts	Capital Expenditures
Loans from the State Government, Open Market Borrowings, Loans from Financial Institutions and Grants and Aids for Specific Projects	Various Infrastructure Projects viz. roads, bridges, water supply, sewerage etc.

Fact Sheet of ULBs

	Sandur ULSG	Kudligi ULSG
Population	37,441	26680
Area (Sq. Kms)	22.13	32.18
Number of Properties	7657	8324
Number of Wards	23	20
Length of Roads (Kms)	60	46.78
Total Water Supply (lac ltrs)	4.2	3.6
Per Capita Water Supply (LPCD)	98	88.66

Compared Results of the Study

Sl. No.	Particulars	Sandur ULSG	Kudligi ULSG
Income Items:			
1	Tax Revenue	High	Low
2	Assigned revenues and compensations	Low	High
3	Rental Income from municipal properties	High	Low
4	Fees, User Charges and Other Charges	High	Low
5	Sale and Hire Charges	High	Low
6	Grants and Contributions	High	Low
7	Interest/Dividend Earned	High	Low
8	Other Income	Low	High
Expenditure Heads			
9	Human Resource Expenses	Low	High
10	General Expenses	Low	High
11	Operations and Maintenance	Low	High
12	Interest and Finance Charges	Low	High
13	Programme Expenses, Grants etc.	High	Low
14	Provisions and Write Offs	Low	High

COMMON FINDINGS OF THE STUDY

1. There is always existence of mismatches between functions and finances.
2. Their own taxes and charges are grossly inadequate to meet their rising expenditures.

3. The State government is not showing interest to grant-in-aid due to its budget deficit.
4. The PPP is to adopt immediately under CSR or any other means and to work on that.
5. It is strategic option to collect the tax revenues from the public through motivation and awareness.

CONCLUSION

The municipalities have to adopt the best resources mobilization practices and thereby, assure the quality of life for the general public. In this connection, there is need to follow best practices and cost management techniques. The commitment in raising resources should be done up to the mark in order to balance fiscal deficit for some extent. There should be rationale in levying taxes and fees.

REFERENCES

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