



THE ANALYSIS OF TRENDS IN EXPENDITURE ON SOCIAL SERVICES OF GOVERNMENT OF MAHARASHTRA (SINCE 2007-08 TO 2016-17)

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ABSTRACT:

Public expenditure is a major part of public finance and scientifically it is studied in public economics. Government spending on social services contributes social welfare. Hence, in this paper, an attempt made to empirically analyse the trends in expenditure on social services of Government of Maharashtra since 2007-08 to 2016-17. The data related to study is collected from the authentic sources. The collected data has analysed through descriptive statistics. The Linear Growth Rate (LGR) and Compound Growth Rate (CGR) are calculated using simple regression analysis. From the results of analysis, it is found that there is significant increase in all three revenue expenditure, capital expenditure and total expenditure on social services. But in total expenditure the percentage of revenue expenditure is greater than the percentage of capital expenditure during the period under study.

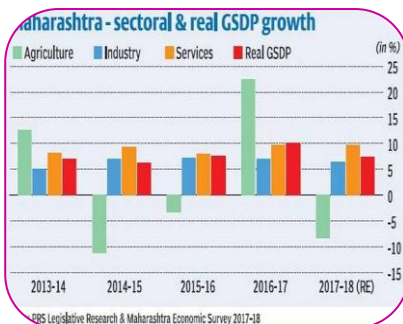
KEYWORDS: Expenditure, Social Services, Linear Growth Rate, Compound Growth Rate.

INTRODUCTION

Public Expenditure is an important fiscal measure and it has significant role in socio-economic development of a country. Expenditure incurred by the government is known as public expenditure. Government spends on various goods and services because ultimately government is responsible for socio-economic development of the state. State has to provide various social services for the betterment of the society. With development purposes government specifically spends on social services. Spending on social services comes under development expenditure which is divided into two parts revenue development expenditure and capital development expenditure. Maharashtra state is one of the leading states in India. Since 1991 the significant growth rate is found in expenditure of Government of Maharashtra. The major heads of social services on which expenditure is made are: education, sports, arts and culture, health and family welfare, water supply, sanitation, housing and urban development, welfare of S.C., S.T. and O.B.C., labour and labour welfare, social welfare and nutrition and other community services etc.

JEL CLASSIFICATION: H70, H72, H75, H76.

CONCEPT: The concept of public expenditure is important to study for better understanding about it. Public expenditure is the expenditure incurred by public authorities i.e. Central Government, State Government and Local bodies for the satisfaction of collective needs of the citizens or for promotion of economic and social welfare. (Lekhi R.K. 2011 p.no.79).



OBJECTIVES OF STUDY:

1. To study the trends and growth in expenditure on social services of government of Maharashtra.

- To make a comparative study of revenue and capital expenditure on social services of government of Maharashtra.

HYPOTHESES:

The followings are the null hypotheses for present research work:

- There is no significant increasing trend in the revenue expenditure on social services of Government of Maharashtra over the span of ten years.
- There is no significant increasing trend in the capital expenditure on social services of Government of Maharashtra over the span of ten years.
- There is no significant increasing trend in the total expenditure on social services of Government of Maharashtra over the span of ten years.

METHODOLOGY:

1. Data Collection: This research is totally based on secondary data. The data related to the research topic 'The Analysis of Trends in Expenditure on Social Services of Government of Maharashtra (Since 2007-08 to 2016-17).' is collected from various sources like: Government reports, budgets, financial statements, economic survey, Maharashtra development report, journals, periodicals, reference books, news papers and authentic websites etc.

2. Data Analysis: Various statistical tools have used for the data analysis like: Mean, standard deviation, coefficient of variance, linear and compound growth rates and student 't' statistic etc.

LIMITATION OF STUDY:

This research is confined with the analysis of expenditure made by the government of Maharashtra only on social services during the span of ten years from 2007-08 to 2016-17.

REVENUE EXPENDITURE ON SOCIAL SERVICES:

The revenue expenditure on social services of Government of Maharashtra includes expenditure on heads such as education, sports, arts and culture, health, family welfare, water supply, sanitation, housing and urban development, welfare of S.C., S.T. and O.B.C., labour and labour welfare, social welfare and nutrition and other community services etc.

Table No.1
Revenue Expenditure on Social Services

(Rs. in Crores)

Years	1.Education, Sports, Arts & Culture	2.Health & Family Welfare	3.Water Supply Sanitation, Housing and Urban Development	4.Welfare of S.C,S.T and OBC	5.Labour and Labour Welfare	6.Social Welfare and Nutrition	7.Other Expenses	Total Revenue Expenditure On Social Services (1 to 7)
2007-08	13641.63	2695.06	5044.57	2392.22	402.26	2527.16	70.15	26773.05
2008-09	16446.81	3105.45	4460.23	3200.50	527.59	3236.67	74.94	31052.20
2009-10	22207.82	3695.73	6938.39	4145.32	599.02	3325.00	93.17	41004.66
2010-11	26943.47	4474.41	6509.41	4517.92	646.07	5076.17	114.62	48282.06
2011-12	298788.1	50016.3	74378	51166.3	7206.7	45411.3	21155.3	548122.1
2012-13	338565.9	59357.7	71139.2	64166.4	7301.8	50616	29242.8	620389.6
2013-14	382378.1	68159.5	69515.1	79513.8	7674	54081.6	47468.5	708790.8
2014-15	396957	84972.4	74287	80966.6	8953	58672.1	64716.7	769524.9
2015-16	428674.7	93573.9	95733.2	82374.9	7091.6	69181.1	46542.9	823172.3
2016-17	453581.8	101214.4	148678.7	91868	8454.1	66472.7	32550.3	902819.9
Descriptive Statistics and LGR and CGR								

Period	Average (Rs. Crores)	SD	CV	LGR	CGR
2007-08 to 2016-17	451993.2	370478.1	81.96	25.64**(8.80)	59.9** (6.17)

Source: i) Economic Survey of Maharashtra, Directorate of Economics and Statistics, GOM, Various Issues. ii) State Finances 'A Study of Budgets' RBI, Various Issues.

SD-Standard Deviation; CV-Coefficient of Variation; Degree of Freedom = 8 for t-values CGR-Compound Growth Rate; LGR-Linear growth Rate; t-table value for 8 d.f.@ 5%= 2.31and 1%= 3.35; Figures in bracket indicate calculated 't' value *Significant at 5% level; **Significant at 1% level.

In table no.1 it is found that there is increasing trend in expenditure on heads like education, sports, arts and culture, health, family welfare, welfare of S.C.,S.T. and O.B.C., and fluctuating trends in expenditure on heads like water supply, sanitation, housing and urban development, labour and labour welfare, social welfare and nutrition. The total revenue expenditure on social services was Rs. 26773.05 crores in 2007-08 which increased to Rs.902819.9 crores in 2016-17. It has been increased continuously during the study period. On the average the revenue expenditure on social services was Rs. 451993.2 crores during the period under study. Overall there was a significant growth in revenue expenditure on social services at LGR of 25.64 per cent and CGR of 59.9 per cent every year on an average during the period under study. It indicates significant increasing trend in the revenue expenditure on social services of Government of Maharashtra over the span of ten years .Therefore, **the null hypothesis 1 is rejected.**

CAPITAL EXPENDITURE ON SOCIAL SERVICES:

The capital expenditure on social services of Government of Maharashtra includes expenditure on heads such as education, sports, arts and culture, health, family welfare, water supply, sanitation, housing and urban development, welfare of S.C.,S.T. and O.B.C., social welfare and nutrition and other services etc.

Table No.2
Capital Expenditure on Social Services outside the Revenue Account

(Rs. in Crores)

Years	1.Education, Sports, Arts & Culture	2.Health & Family Welfare	3.Water Supply Sanitation, Housing and Urban Development	4.Welfare of S.C,S.T and OBC	5.Social Welfare and Nutrition	6.Other Expenses	Total Capital Expenditure on Social Services outside the Revenue Account(1to6)
2007-08	149.82	88.12	59.51	377.39	-2.51	69.91	742.24
2008-09	387.1	340	496.6	682.2	55.23	103.55	2064.68
2009-10	176.83	215.59	636.25	310.82	60.97	78.4	1478.86
2010-11	139.9	182.55	329.85	477.44	21.12	89.75	1240.61
2011-12	1548.2	4050.6	4491.9	8777.5	151.7	1949.7	20969.5
2012-13	1660.1	4604.7	3791.1	5803.5	330.4	2050	18239.8
2013-14	1022.4	5530	7147.7	7059.9	762.5	1217.1	22739.4
2014-15	958.1	4695.4	4666.8	7519.2	311.9	1426.8	19578.2
2015-16	1141.9	6506.4	9500.1	7092.6	782.7	818.4	25842.2
2016-17	522.8	6023.7	6582.6	4010.5	268.9	15256.6	32665.1
Descriptive Statistics and LGR and CGR							
Period	Average(Rs. Crores)	SD	CV	LGR	CGR		
2007-08 to 2016-17	14556.06	12006.37	82.48	25.23**(7.49)	55.8**(5.49)		

Source: i) Economic Survey of Maharashtra, Directorate of Economics and Statistics, GOM, Various Issues. ii) State Finances 'A Study of Budgets' RBI, Various Issues.

SD-Standard Deviation; CV-Coefficient of Variation; Degree of Freedom = 8 for t-values CGR-Compound Growth Rate; LGR-Linear growth Rate; t-table value for 8 d.f.@ 5%= 2.31and 1%= 3.35; Figures in bracket indicate calculated 't' value *Significant at 5% level; **Significant at 1% level.

By observing table no.2 it is found that there is fluctuating trend in expenditure on all heads such as education, sports, arts and culture, health, family welfare, welfare of S.C.,S.T. and O.B.C., and water supply, sanitation, housing and urban development, social welfare and nutrition. The total capital expenditure on social services was Rs. 742.24 crore in 2007-08 which increased with ups and downs to Rs.32665.1 crore in 2016-17. During 2007-08 to 2016-17 the average capital expenditure on social services was Rs. 14556.06 crore. In case of capital expenditure on social services also, there was a significant increase at LGR of 25.23 per cent and CGR of 55.8 per cent every year on an average during the period under study.

It indicates the significant increasing trend in the capital expenditure on social services of Government of Maharashtra over the span of ten years .Therefore, **the null hypothesis 2 is rejected.**

TOTAL EXPENDITURE ON SOCIAL SERVICES OF GOVERNMENT OF MAHARASHTRA:

Total expenditure consists of revenue expenditure and capital expenditure on social services of Government of Maharashtra as provided in table below.

Table No.3
Total Expenditure on Social Services of GOM

(Rs. in Crores)					
Years	Revenue Expenditure On Social Services	Capital Expenditure on Social Services Outside the Revenue account		Total Expenditure on Social Services	
2007-08	26773.05	742.24		27515.29	
2008-09	31052.2	2064.68		33116.88	
2009-10	41004.66	1478.86		42483.52	
2010-11	48282.06	1240.61		49522.67	
2011-12	548122.1	20969.5		569091.6	
2012-13	620389.6	18239.8		638629.4	
2013-14	708790.8	22739.4		731530.2	
2014-15	769524.9	19578.2		789103.1	
2015-16	823172.3	25842.2		849014.5	
2016-17	902819.9	32665.1		935485	
Descriptive Statistics and LGR and CGR					
Period	Average (Rs. Crores)	SD	CV	LGR	CGR
2007-08 to 2016-17	466549.22	382233.23	81.92	25.63**(8.80)	59.7**(6.17)

Source: i) Economic Survey of Maharashtra, Directorate of Economics and Statistics, GOM, Various Issues. ii) State Finances 'A Study of Budgets' RBI, Various Issues.

SD-Standard Deviation; CV-Coefficient of Variation; Degree of Freedom = 8 for t-values CGR-Compound Growth Rate; LGR-Linear growth Rate; t-table value for 8 d.f.@ 5%= 2.31and 1%= 3.35; Figures in bracket indicate calculated 't' value *Significant at 5% level; **Significant at 1% level.

It is observed from table no. 3 during the study period total expenditure on social services has increased continuously. It was Rs. 27515.29 crores in 2007-08 which consistently increased to Rs. 935485 crores in 2016-17. The LGR of total expenditure on social services was 25.63 per cent and CGR 59.7 per cent

during 2007-08 to 2016-17. Both LGR and CGR have shown that there is significant increase (at 1% level of significance) in the total expenditure on social services of Government of Maharashtra over the span of ten years. Based on the above findings, **the null hypothesis 3 is rejected.**

If compared between revenue and capital expenditure on social services. It seems that the revenue expenditure is proportionally higher than capital expenditure as a part of total expenditure on social services. Moreover, an important finding is that the revenue expenditure on social services has been increased consistently rather than inconsistent increase in capital expenditure on social services.

CONCLUSION:

Ultimately government plays an essential role in the socio - economic welfare of the country. In recent years government has adopted concept of welfare state and become more responsible for the welfare of the society. There is consistent up trend in revenue expenditure whereas the fluctuating trend is found in capital expenditure. Total expenditure on social services of Government of Maharashtra has been increased continuously with significant increasing trend during the period under study. It simply indicates that government tried to fulfil the maximum requirement of the society with limitations of its revenue.

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