

White Paper On Public Finance Of Vidarbha

It is easy to pinpoint the purpose of this book. It is to make data available for various policy options in the current uneasiness about the backlog and development of Vidarbha. The value of a particular approach can be best rated by comparing it with available alternatives. I felt that a student like me should offer something purposeful about the probable effects of pursuing one or the other approach. This is not an original work in any theory. It is only an attempt to present in a consolidated form a probable picture about the existing state and nature of the governments revenue and expenditure if Vidarbha is carved into an independent state today. It is a model created in order to examine its foundations and its near future.

In his work 'The study of International Relations' Quincy Wright observes "the fields of economics and politics overlap". This is manifested in this region more so where leaders of most political parties are discussing demands for better shares in the devolution of resources from the state exchequer. There are popular impressions about the potentiality of the government, impressions which do not harmonize with reality. It has been my experience in the Finance and Planning Department of Maharashtra that inspite of a fairly high level of taxation and with revenue receipts as highest for any state in the country, there is hardly any money left for development and expansion work. Most of our revenues are consumed in running the state. There is a huge deficit in the Revenue Account and the State is in the Debt-Trap.. Unless conventional wisdom is cast aside and radical approach adopted to generate revenue surplus, resources cannot flow to the periphery. Do we have the political will to take drastic measures to generate surplus so that the poor can share it ?

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