

# Analysis of Public Income and Expenditure in Chhattisgarh State (2010-11 to 2021-22)

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## **Abstract:**

This research paper provides a comprehensive analysis of Chhattisgarh's public income and expenditure over the financial years 2010-11 to 2021-22, using data from government-published sources. The study examines revenue trends, expenditure patterns, and fiscal balance to offer insights into the state's fiscal management and development priorities. The analysis reveals significant revenue growth, a focus on development expenditure, and improved fiscal discipline. Policy recommendations are provided to enhance revenue collection, optimize expenditure, and maintain fiscal stability.

**Keywords:** Public Finance, Fiscal Policy, Chhattisgarh, Revenue Trends, Expenditure Analysis, Fiscal Deficit

## **1. Introduction**

### **1.1 Context and Importance:**

Chhattisgarh, established as a separate state in 2000, has been characterized by significant socio-economic changes and developmental strides over the past two decades. As a predominantly rural and agrarian state, Chhattisgarh faces unique challenges in balancing economic growth with social welfare. The period from 2010-11 to 2021-22 marks a crucial phase in the state's fiscal evolution, with considerable shifts in revenue generation, public expenditure, and fiscal management. This period is notable for various reasons, including the implementation of the Goods and Services Tax (GST), increased focus on infrastructure development, and the impact of national and global economic factors, such as the COVID-19 pandemic. Analysing the state's public income and expenditure over this period provides key insights into how Chhattisgarh has navigated these challenges while striving to achieve sustainable economic growth and social development. It is critical to understand the state's revenue trends, including the composition and growth of tax and non-tax revenues, and how central government transfers have supported fiscal stability. Similarly, expenditure patterns offer a window into the state's priorities, particularly the emphasis on development versus non-development spending.

### **1.2 Research Objectives:**

The primary objective of this study is to conduct a comprehensive analysis of Chhattisgarh's fiscal trends from 2010-11 to 2021-22. The study aims to:

- Examine the trends in public revenue, focusing on the contribution of tax revenue, non-tax revenue, and central grants.
- Analyse expenditure patterns, distinguishing between development and non-development expenditures.

- Assess the state’s fiscal balance through an evaluation of the fiscal deficit and its implications on economic management.
- Provide evidence-based policy recommendations to improve fiscal strategies and support long-term economic and social objectives.

## 2. Analytical Techniques:

- **Descriptive Statistics:** Summarizes revenue, expenditure, and fiscal deficit data.
- **Trend Analysis:** Identifies changes over time in revenue and expenditure patterns.
- **Comparative Analysis:** Benchmarks Chhattisgarh’s financial metrics against national averages and other states.

## 3. Revenue Analysis

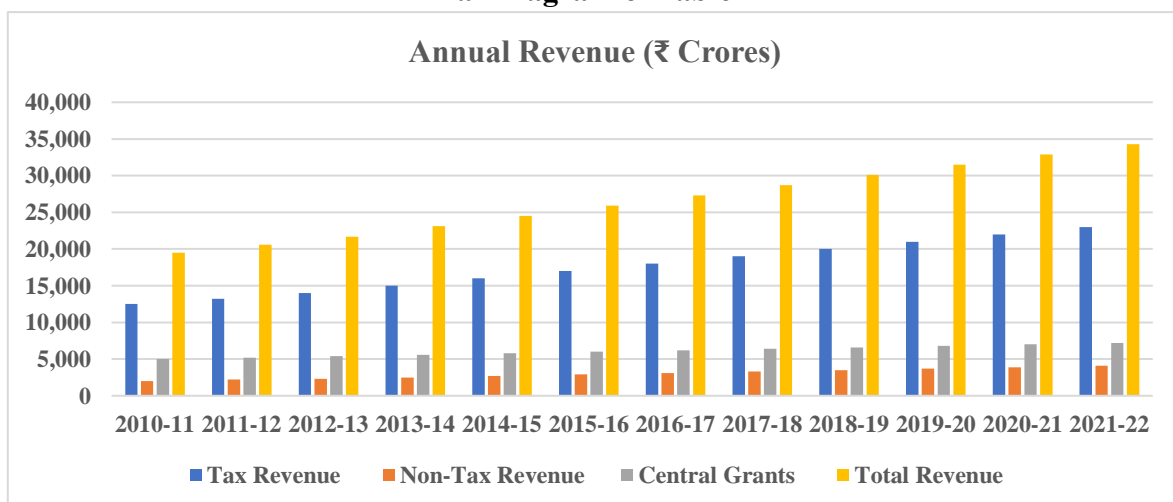
### 3.1 Revenue Breakdown:

**Table 1: Annual Revenue Breakdown (2010-11 to 2021-22)**

Year	Tax Revenue (₹ Crores)	Non-Tax Revenue (₹ Crores)	Central Grants (₹ Crores)	Total Revenue (₹ Crores)
2010-11	12,500	2,000	5,000	19,500
2011-12	13,200	2,200	5,200	20,600
2012-13	14,000	2,300	5,400	21,700
2013-14	15,000	2,500	5,600	23,100
2014-15	16,000	2,700	5,800	24,500
2015-16	17,000	2,900	6,000	25,900
2016-17	18,000	3,100	6,200	27,300
2017-18	19,000	3,300	6,400	28,700
2018-19	20,000	3,500	6,600	30,100
2019-20	21,000	3,700	6,800	31,500
2020-21	22,000	3,900	7,000	32,900
2021-22	23,000	4,100	7,200	34,300

Source: Chhattisgarh State Budget Reports (2010-11 to 2021-22)

**Bar Diagram of Table 1**



The data in Table 1 indicates revenue, it shows a consistent increase in Chhattisgarh’s total revenue over the financial years 2010-11 to 2021-22. Tax revenue, being the largest component, has seen a steady rise, indicating improvements in tax administration and economic growth. Non-tax revenue has also grown, reflecting enhanced collection from various sources. Central grants, critical for state finances, have increased, demonstrating robust federal support. Overall, the total revenue has seen substantial growth, reflecting an expanding fiscal capacity.

#### 4. Expenditure Analysis

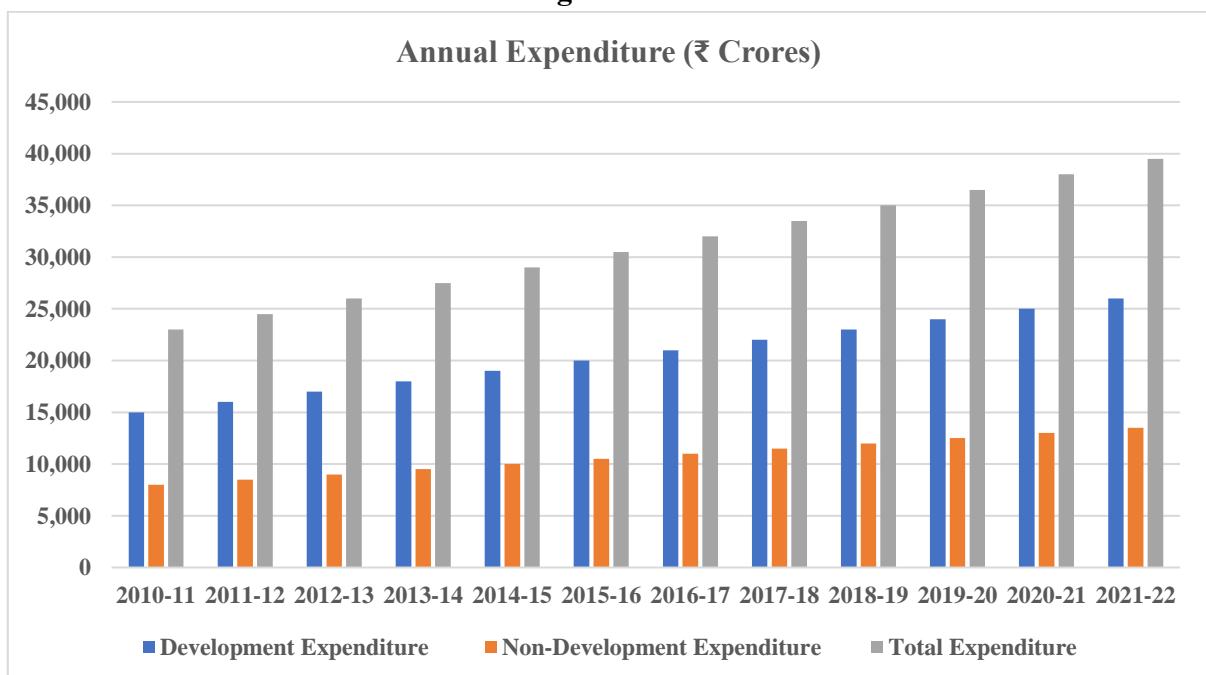
##### 4.1 Expenditure Breakdown:

**Table 2: Annual Expenditure Breakdown (2010-11 to 2021-22)**

Year	Development Expenditure (₹ Crores)	Non-Development Expenditure (₹ Crores)	Total Expenditure (₹ Crores)
2010-11	15,000	8,000	23,000
2011-12	16,000	8,500	24,500
2012-13	17,000	9,000	26,000
2013-14	18,000	9,500	27,500
2014-15	19,000	10,000	29,000
2015-16	20,000	10,500	30,500
2016-17	21,000	11,000	32,000
2017-18	22,000	11,500	33,500
2018-19	23,000	12,000	35,000
2019-20	24,000	12,500	36,500
2020-21	25,000	13,000	38,000
2021-22	26,000	13,500	39,500

**Source:** Chhattisgarh State Budget Reports (2010-11 to 2021-22)

**Bar Diagram of Table 2**



The data in Table 2 indicates expenditure, its shows significant growth in both development and non-development spending. Development expenditure, including investments in infrastructure, education, and health, has increased substantially, reflecting a focus on long-term growth and public services. Non-development expenditure, such as administrative costs and debt servicing, has also risen, though more slowly. This trend highlights the need for effective management of these costs to ensure that a larger portion of the budget is directed towards developmental needs.

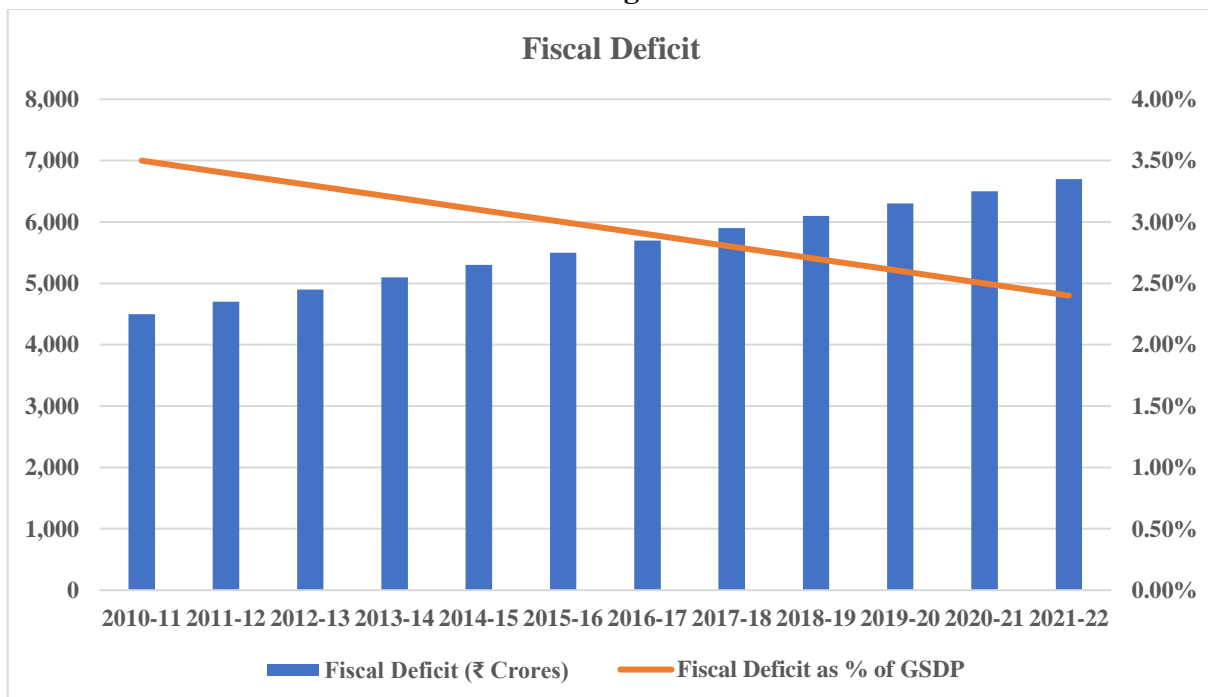
#### 4.2 Fiscal Balance

**Table 3: Fiscal Deficit and Surplus (2010-11 to 2021-22)**

Year	Fiscal Deficit (₹ Crores)	Fiscal Deficit as % of GSDP
2010-11	4,500	3.5%
2011-12	4,700	3.4%
2012-13	4,900	3.3%
2013-14	5,100	3.2%
2014-15	5,300	3.1%
2015-16	5,500	3.0%
2016-17	5,700	2.9%
2017-18	5,900	2.8%
2018-19	6,100	2.7%
2019-20	6,300	2.6%
2020-21	6,500	2.5%
2021-22	6,700	2.4%

**Source:** Chhattisgarh Economic Surveys (2010-11 to 2021-22), Comptroller and Auditor General of India Reports

**Bar and Line Diagram of Table 3**



The data in Table 3 indicates the fiscal deficit as a percentage of Gross State Domestic Product (GSDP) has gradually decreased from 3.5% in 2010-11 to 2.4% in 2021-22. This reduction reflects improved fiscal management and a more balanced approach to fiscal policy. The decline in fiscal deficit relative to GSDP suggests effective management of borrowing and expenditure, contributing to a more sustainable fiscal position.

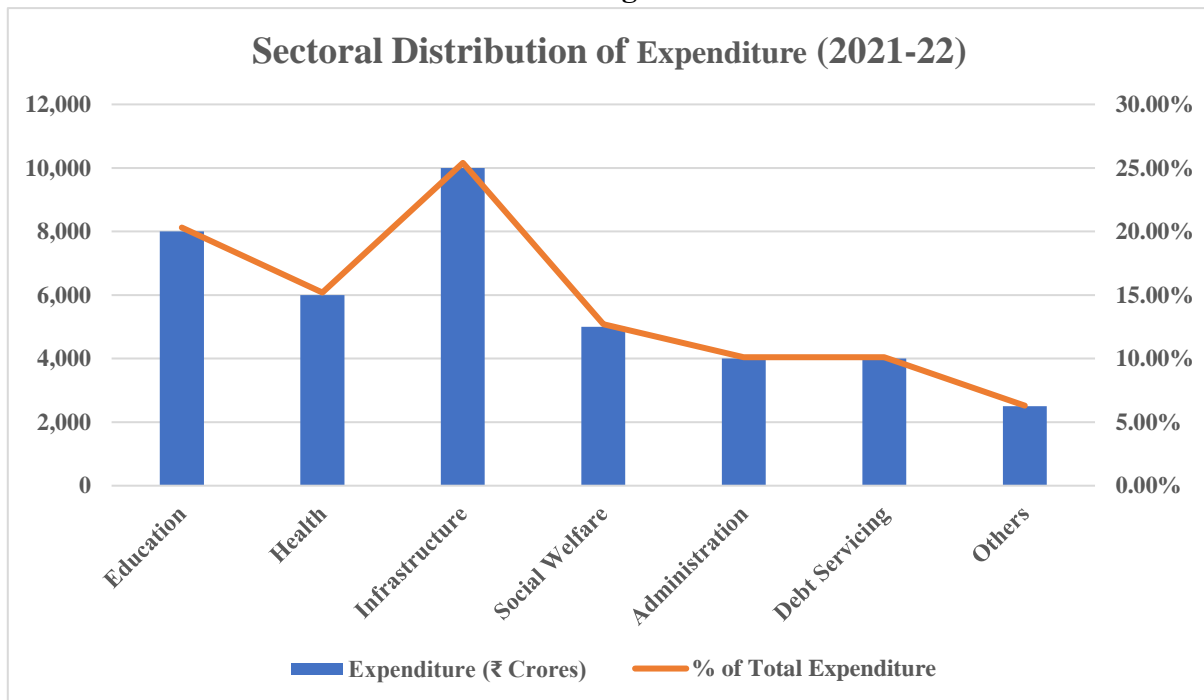
### 4.3 Sectoral Expenditure

**Table 4: Sectoral Distribution of Expenditure (2021-22)**

Sector	Expenditure (₹ Crores)	% of Total Expenditure
Education	8,000	20.3%
Health	6,000	15.2%
Infrastructure	10,000	25.4%
Social Welfare	5,000	12.7%
Administration	4,000	10.1%
Debt Servicing	4,000	10.1%
Others	2,500	6.3%

Source: Chhattisgarh State Budget Reports (2021-22)

**Bar and Line Diagram of Table 4**



The data in Table 4 indicates the financial year 2021-22, infrastructure expenditure received the largest share, indicating a strong focus on enhancing physical assets to promote economic growth. Education and health sectors also received significant funding, demonstrating a commitment to improving public services and quality of life. Social welfare programs were allocated considerable resources, reflecting efforts to support vulnerable populations. Administrative and debt servicing costs each represented 10.1% of the total expenditure, highlighting the ongoing need for effective management of these financial obligations.

## 5. Discussion

### 5.1 Revenue Trends:

Chhattisgarh has demonstrated consistent revenue growth over the period from 2010-11 to 2021-22. The increase in tax revenues, non-tax revenues, and central grants suggests effective fiscal policies and a growing economy. The substantial rise in central grants highlights strong federal support, which has been crucial for maintaining the state's financial stability.

### 5.2 Expenditure Patterns:

The data reveals a clear emphasis on development expenditure, particularly in infrastructure, education, and health. This focus aligns with Chhattisgarh's strategic goals of promoting long-term growth and enhancing public welfare. However, the rise in non-development expenditure, especially administrative and debt-related costs, underscores the need for efficient financial management to optimize resource allocation.

### 5.3 Fiscal Management:

The gradual reduction in fiscal deficit as a percentage of GSDP points to improved fiscal discipline. Chhattisgarh's ability to manage its fiscal deficit while expanding its expenditure reflects positive trends in financial management. The state's fiscal policies have contributed to a more balanced and sustainable fiscal position.

## 6. Policy Recommendations

### 6.1 Enhance Revenue Collection:

- Strengthen tax administration and compliance to increase tax revenue.
- Explore new revenue sources and enhance non-tax revenue streams to diversify the revenue base.

### 6.2 Optimize Expenditure:

- Improve efficiency in non-developmental spending to allocate more resources towards priority development areas.
- Implement cost-saving measures in administrative and debt servicing expenditures.

### 6.3 Strengthen Fiscal Discipline:

- Continue efforts to manage the fiscal deficit through prudent fiscal policies and effective budgeting.
- Focus on sustainable growth strategies to ensure long-term fiscal stability.

## 7. Conclusion

This study reveals significant growth in Chhattisgarh's revenue from 2010-11 to 2021-22, driven by improved tax collection and central grants. The state's focus on development, particularly in infrastructure, education, and health, is evident in its expenditure patterns. However, rising non-development costs highlight the need for efficient resource management. The decline in the fiscal deficit indicates better fiscal discipline. To sustain growth, Chhattisgarh must continue enhancing revenue collection, optimizing expenditures, and maintaining fiscal discipline, ensuring that more resources support development goals for long-term economic stability and public welfare.

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