

Public Expenditure: An Insight and Concern

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Abstract

Public expenditure has been witnessing a continuous increase over time in almost every country across the globe. However, the fact that public expenditure has grown over the period of time there are very areas in public expenditure which is largely unexplored. Non-development expenditure still continues to be a large proportion of the total expenditure. Defence, debt services and administrative expenses are so large and so significant that they are responsible for keeping non-development expenditure at a high level. In spite of continuously increasing development expenditure, economic growth has not risen to levels already achieved in many other less developed countries. Public fund are not used rationally and that is why in spite of targets are realized seldomly. In some industries unutilized capacity existed while some other industries find it difficult to meet existing demand with their present capacity. It relates to the outcome of inconsistencies in the Indian Planning System. According to 13th Finance Commission public expenditure through creation of funds outside the consolidated fund of the states need to be discouraged. Expenditure through such funds and from civil deposits should be brought under the audit jurisdiction of the C&AG.