

CONTENTS

Chapters	Page No.
1. Introduction	1-37
2. Other Important Aspects of Local Government	38-59
3. Panchayati Raj	60-102
4. Urban Government	103-156

SYLLABUS

THEORY AND PRACTICE OF LOCAL GOVERNMENT MH-430

Chapter-1 Introduction

- Unit-1 Philosophy of Local Government. Nature Significance and Broad objectives.
- Unit-2 Salient features of Local Government. Forms of Local Government, Deconcentration, Decentralization.
- Unit-3 Status, Areas, Levels and functions of Local bodies.
- Unit-4 Executive wing : Political and Permanent.

Chapter-2 Other Important Aspects of Local Government

- Unit-1 Deliberative wing of Local bodies: Councils & Committees.
- Unit-2 Financial Resources of Local bodies.
- Unit-3 Control over local bodies : Scope and techniques.
- Unit-4 State-Local Government Relations: Autonomy of Local Government in India.

Chapter-3 Panchayati Raj

- Unit-1 Democratic Decentralization: Panchayati Raj in India.
- Unit-2 73rd Constitutional Amendinant Act in India.
- Unit-3 Models of Panchyati Raj with special Reference to Uttar Pradesh.
- Unit-4 Role of the district collector in general and in rural and urban development.

Chapter-4 Urban Government

- Unit-1 Patterns of Urban Government. Corporations Municipalities, brief outline of the structure of Urban local Governments in India, UK, USA & France.
- Unit-2 74th Constitutional Amendment Act in India, Town Planning, Cantonment Boards.
- Unit-3 Municipal Administration in India: Status, functions, Composition of elected bodies, committee system, Municipal executive, Municipal Personnel, Municipal Politics and Municipalities.
- Unit-4 Importance and Scope of Urban Administration in Modern Society, Political, Social and Economic consequences of Urbanization, Rural-Urban Relationship.

CHAPTER – 1

INTRODUCTION

Introduction

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STRUCTURE

- 1.1 Learning Objectives
- 1.2 Introduction
- 1.3 Evolution of Local-Self Government
 - The Historical Background
- 1.4 Philosophy and Core Features of Local Government
- 1.5 Nature and Forms of Local Government
- 1.6 Functions of Local Government
- 1.7 Decentralisation Debate
 - Decentralisation : Meaning
 - Importance of Decentralisation
 - Approaches to the Concept of Decentralisation
 - Types of Decentralisation
- 1.8 Current Status of Local Bodies
- 1.9 Executive Wing of Local Government
- 1.10 Summary
- 1.11 Review Questions
- 1.12 Further Readings

1.1 LEARNING OBJECTIVES

- After studying the chapter, students will be able to :
- State the evolution, nature, philosophy and importance of local government;
 - Explain forms and features of local government;
 - Discuss the concept and elements of decentralisation;
 - Describe the executive wings (Structure) of local government.

1.2 INTRODUCTION

Local government institutions have always existed in India in one form or another since ancient times. The present form of urban local government owes its genesis to the British rule. The initiation began with Samuel Laing, member of the Viceroy's Council, in the Budget Speech (1861-62) proposing that local services should be based on local resources. Lord Mayo's Resolution of 1870 introduced

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the concept of elected representatives in the municipalities. Lord Ripon is considered the founding father of urban local government as he implanted the concept of municipal authorities as units of self-government. His Resolution of 18 May 1882 on local self-government dealt with the constitution of local bodies, their functions, finances and powers and laid the foundation of local self-government in modern India. Local self-government played an important role in the Independence Movement. After Independence, the Constitution of India was framed on federal principles. Indian Constitution makers divided the government functions in three lists: Federal, State and Concurrent. Local government bodies are covered in the State List and are governed by the State Statutes or in the case of Union Territories by the Union Parliament.

Recent years have witnessed an increasing interest and a growing consciousness of the need and importance of local self-government as provider of services to the local community as well as an instrument of democratic self-government. Local government is an integral part of the national government structure, the level of government closest to the citizens and in the best position both to involve them in the decision making process of improving their living conditions and to make use of their knowledge and capabilities in the promotion of all round development. There are two types of local government: urban local government and rural local government. Until recently, urban local government was manifested in Municipal Corporations, Municipal Councils, Town Area Committees and Notified Area Committees. However, the Seventy-Fourth Constitution Amendment Act adopted in 1992 proposes to form a uniform structure of Municipal Corporations, Municipal Councils and *Nagar Panchayats* in transitional areas. Rural local government operates through *Zilla Panchayats* (*Parishads*), *Taluka Panchayats* and *Village Panchayats*.

1.3 EVOLUTION OF LOCAL SELF-GOVERNMENT

A brief account of the evolution of local self-government in the country has undergone through time, and the extent to which the present system represents a departure from the past.

THE HISTORICAL BACKGROUND

Local self-government, to borrow a phrase from Sydney Webb, is as old as the hills'. This can be more true of India than any other country of the world. There is sufficient evidence to establish the fact that the institution of local self-government is almost pre-historic, and the conception of local self-government is indigenous to the Indian soil. Municipal governments have flourished in India since times immemorial. While empires rose and fell, village panchayats which formed an integral part of the national life, helped to preserve democratic traditions

in social, cultural, economic and political life, survived the onslaughts of centuries of political upheavals and saved Indian society from disintegration. The existence of local bodies in ancient India is a positive proof of the inherent genius of our people to manage local affairs efficiently and on a decentralised basis. The decentralisation of power in the kingdoms of the Maurya and the Gupta period was unique. Such a devolution of power was unknown to the western world until modern times. The local governments at different levels, performing many functions, though not very democratic, were sufficiently autonomous.

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Local Self Government Under the Muslim Rule

With the coming of the Muslim rule in India, local institutions received a set-back, as they did not enjoy the same autonomy and prestige, as under the Hindu kings. Mughal government was highly centralized autocracy. The crown was the motive power of the entire administrative machinery. Where the government is absolute, the supreme authority concentrated in one man's hand, the territory larger, the means of communications between the districts slow and difficult, the transfer of local officers frequent, no political life or local initiative is left to the people.

The muslim rulers recognised local chiefs and zamindars as the repositories of local authority, to the exclusion of the people. The villages and towns of the Mughal empire enjoyed parochial self-government rather than local autonomy. A people who do not possess political freedom and powers of self taxation for national purposes, can not be said to enjoy local autonomy. The office of Kotwal was developed as the keystone of the municipal administration and his functions in connection with the town in his charge were, at least in theory, the most comprehensive conceivable being in certain respects even wider than those of the municipal bodies of the present day.

While the mughals did not initiate any positive measures of encouragement to local institutions, wherever such institutions existed, they worked in co-operation with the official machinery of the rulers and in certain respects became a part of it. Between the breakdown of the mughal empire and the coming of the British, there was complete anarchy and military despotism in most parts of the country. During this period the ties of social framework were loosened, and in many places, local institutions had been perverted or sapped, before the British officials had an opportunity to assess their value.

Local Self-Government During the British Rule

When India was colonised, there occurred a sharp break from the tradition. The state system, after the advent of the British emerged as a highly centralised set up. Local institutions during the British period were more a creation of the government from whom they derived their autonomy rather than a process of

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spontaneous growth. No attempts were made to build up the system on indigenous foundations, although a good deal of indigenous taxation was retained in local finance. The *chungi* of the muslim rulers, the Sikh *dharat*, the *muhtarafa* of Maratha towns have a descendant in today's *octroi*. But from the structure and procedure of earlier local institutions, almost nothing has been incorporated into modern local government. The form adopted during the British rule was an admixture of the British and continental patterns. The history of local self-government in India under the British rule can be conveniently divided into four phases. Local finance being a counterpart of local administration and its mainstay, has of course, been an expression of the purpose implicit in different phases of local government. The first phase may be assumed to have ended in 1882, when Lord Ripon issued his well-known resolution on local self-government.

The second phase covers developments from 1882 to 1919, when more powers were transferred from the centre to the provinces, and the recommendations of the Decentralisation Commission of 1907, besides discussing other matters, suggested some changes in local self-government. The third phase extended upto 1935, during which the Indian Taxation Enquiry Committee (1925) considered the problems of local taxation, along with central and provincial finances. The Simon Commission of 1930, reversed the process of decentralisation, by recommending strict control of the state over local bodies. The fourth phase covers developments upto 1947. During this phase, the struggle for independence was intensified and with the introduction of provincial autonomy in 1937, and coming into power of congress ministries in many provinces, local bodies, particularly village panchayats, received a great stimulus and there was democratisation of local bodies. But local self-government became a mere annexe to the national political stadium, where the struggle for independence was moving towards its climax.

A rapid survey of local self-government and finances in India under the British rule, reveals certain well marked characteristics.

1. Lamentable half hearted concessions to a demand for wider systems of local self-government. For a long time, local government remained a democratic facade to an autocratic structure.
2. Local Finances had not the free and natural growth they had in most of the European countries.
3. Local self-government inherited but little from indigenous local institutions and their development was artificial from outside.
4. Arbitrary and haphazard nature of local taxation that emerged from the British period.
5. Non-hierarchical character of local government.

6. No distinction between deliberative and executive functions.
7. Local self-government acquired a political character.
8. The control exercised by the Government and its agencies was excessive.

Independence opened a new Chapter in socio-economic reforms, as embodied in the Directive Principles of State Policy, enunciated in the Constitution which established a federal system of public administration, provided universal adult franchise and the objective of welfare state. Article 40 of the Constitution lays down that the state would take steps to establish autonomous bodies in the form of village panchayats.

We would like to take up the discussion of the developments in the field of rural and urban local bodies in the post-independence period separately because of the distinct nature of changes introduced in the two fields. In this chapter we would concentrate our attention to the developments in respect of Panchayati raj institutions and would pick up the thread in respect of developments in respect of urban local bodies, in a separate chapter.

Local Self-Governments - Developments in the Post-Independence Period

As already observed, village panchayats have been an integral part of village administration since times immemorial but nothing much is known about the status, structure, functions and finances of panchayats in ancient India. Although the idea of decentralised planning is as old as the Gandhian economic thought, attempts at giving a concrete shape to this thinking may be said to have been made in the post-independence period.

During the constitution making process and thereafter since the inception of planning in India, certain hard choices had to be made between the needs of national security, national unity and economic growth, on the one hand, and the consideration of achieving a measure of distributive justice, on the other, so that the benefits of development accrue to the people at the grass-root level, and also people may participate in the process of planning and development at different territorial levels. In the initial years, the choice was made in favour of rapid growth and planning and, therefore, decision-making remained centralised and vertical around the two political levels, *viz.*, the Union and the state. Local bodies like panchayats, by and large, functioned as civic agencies of the state government and not as instruments of micro-level planning.

It was during the III five year plan that a methodology of preparing state plans for rural development on the basis of district and block plans, was evolved and attempts were made to constitute three-tier system of PRIs, based on the recommendations of the Balwant Rai Mehta Committee (1957), and with it the idea of planning from below' gained some currency. But these ideas did not pick up and were not operationalized, as the PRIs, except in some states, were stagnating

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or declining, after the initial enthusiasm for their development. Lot of discussion had taken place in the country in respect of the need for creating multi-level planning framework which envisaged devolution of definite powers, functions and finances to different territorial levels, but no concrete steps were taken in this direction.

Since the beginning of the VI five year plan, a number of special programmes for poverty alleviation, employment generation and area development were launched in the country. At this stage, block level was considered important to implement rural development programmes through fuller utilization of local resources. In November 1977, a Working Group under the Chairmanship of Prof. M.L. Dantwala was appointed by the Government of India, to draw up guidelines for block level planning. At the same time, in December, 1977, a Committee on Panchayati Raj, headed by Ashok Mehta was appointed. The Committee considered inadequacy of resources, mainly responsible for failure of PRIs and, therefore, recommended, inter alia, measures for strengthening the financial resources of PRIs.

In the light of recommendations of the Committee, gradually PRIs were set up in almost all the states and were contemplated to be developed as instruments of development. Whereas in Maharashtra and Gujarat, power was vested in district panchayats, in Madhya Pradesh and some other states, the responsibility for development was entrusted to development blocks. Another committee headed by Prof. C.H. Hanumantha Rao (1984) went into the question of evolving methodology for district level planning and recommended that planning process at the district level should be sufficiently decentralised, having a good deal of autonomy, administrative and technical capability and financial adequacy.

The above discussion shows that there has been no dearth of ideas and expert opinion but what is lacking is consistency in thinking and political will to implement the concept of decentralised planning and development in a multi-level framework, and create PRIs in that framework which are democratic, autonomous, financially strong, capable of formulating and implementing plans for their respective areas and provide decentralised administration to the people. Elections were not held regularly in a large number of states. Even after three decades since the Balwant Rai Mehta Committee had recommended 3-tier Panchayati raj system as a form of rural self-government and as a mechanism for democratic decentralisation, in most of the states, the position regarding PRIs remained unsatisfactory, and no tangible action was taken to strengthen the local self-government system. Financially these bodies were weak and dependent largely on state governments which did not follow any consistent policies, with the result that most of the PRIs remained defunct or superseded.

The final wave of reforms was initiated in June 1986 with the setting up of a Committee under the chairmanship of the jurist Dr. L.M. Singhvi. The Committee noting the continued structural weaknesses and reluctance of many States to conduct timely elections recommended that it was time that local self-government should be constitutionally recognized, protected and preserved by inclusion of a new chapter in the Constitution. The First Commission on Centre-State Relations had also recommended legislative measures to stabilize the system of local Government. The 64th and 65th Constitution Amendment Bills were introduced in July 1989 by the Government of Shri Rajiv Gandhi. These however could not be passed in the Rajya Sabha. A combined Constitution Amendment Bill covering rural and urban bodies could also not go through because of dissolution of the Parliament. However, the political determination remained strong and finally in 1992, Government drafted and introduced the 73rd and 74th Amendment Bills which were passed in December 1992 and after ratification by the requisite number of States came into force in mid-1993. These introduced Parts IX and IXA in the Constitution containing Articles 243 to 243 ZG and added the Eleventh and Twelfth Schedules.

The Constitutional Amendment Act, 1992, marks a water-shed in the history of local self- government in the country since it gives a constitutional mandate to the state governments to restructure and revamp rural local bodies in accordance with constitutional obligations. The Act provides for (i) the creation of three tier system of PRIs - gram panchayat at the village level, Janapad Panchayat at the block level and Zila Panchayat at the district level, with sufficient powers and functions contained in schedule XI of the Act; (ii) the creation of State Election Commission to ensure free, fair and timely elections after the expiry of every 5 years, and (iii) the creation of State Finance Commission after every 5 years to recommend devolution of financial resources from the state government to local bodies and also suggest measures for strengthening their financial position.

1.4 PHILOSOPHY AND CORE FEATURES OF LOCAL GOVERNMENT

The choice before the Constituent Assembly was either to follow the Euro-American constitutional tradition (already introduced in India in a rudimentary form by the colonizing power) or to look for solutions embedded in India's history and culture. The former tended to provide for centralized direct democracy and the latter a decentralized indirect democracy. It was also not merely a question of form. The instrument had to be suitable to bring about a social and economic revolution, once political independence had become a reality. The former was being practised in the Western world and many of the colonized countries saw a model of development which could be reached by following the same

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instrumentalities. The latter model rejected the basic concepts of an urban oriented, nation state centred, configuration and propagated a village oriented life style in which the basic unit of representative Government was the village panchayat at the base. The rest was a hierarchy of indirectly elected bodies right upto the national level.

The strongest proponent of the Indian model was Mahatma Gandhi and his was an all encompassing view of how India should organize its polity and the values which should permeate all sections of society. This view was concretized by his follower Shriman Narayan Agarwal in a draft entitled "Gandhian Constitution for free India" and sent to the President of the Constituent Assembly.

CONSTITUENT ASSEMBLY DECIDES

In the end however the Constituent Assembly chose to adopt the Euro-American model with direct elections to provinces and the Central Legislature, as most suited to meet India's requirements in the context of the modern world and its challenges and opportunities. The draft Constitution introduced in the Constituent Assembly in November 1948 did not contain any provision relating to local bodies. It is not as if the matter had been ignored. There was a strong undercurrent which called for bringing them in. Making a reference to them B.N. Rau, the Constitutional Adviser to the Constituent Assembly stated that details of local Government were to be left to "auxiliary legislation".

However during the debate on Directive Principles of State Policy (Part IV) the first of the five amendments, which were accepted, related to Panchayats. The amendment moved by K. Santhanam sought to add a new Article :

"The State shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of selfgovernment".

This amendment was accepted and incorporated as Article 40. Once this was done the basic principles underlying the Directive Principles as elaborated in Article 37 became applicable to it. Thus organization of village panchayats became fundamental in the governance of the country and it became incumbent on the State to make laws to operationalise this ideal. The primary responsibility was cast on the States as legislative power was to be found in item 5 of List II (State List) of the Seventh Schedule to the Constitution.

The motivating factor behind the 73rd and 74th Amendments was the need to give a Constitutional status to the panchayat structure, to take it away from the legislative discretion of the States where it lay and to give it a distinct life and composition which could not be attained by ordinary statute. Only by this method could the objective enshrined in Article 40 of the Directive Principles be achieved and units of self-government created. The Statement of Objects and

Reasons to the Amendment Bill accordingly said that “there is an imperative need to enshrine in the Constitution certain basic and essential features of Panchayati Raj Institutions to impart certainty, continuity and strength to them.”

• The essential features which emerged were –

- (i) Incorporation of new Parts in the Constitution; (Parts IX and IXA)
- (ii) A Gram Sabha in a village or groups of villages; (Article 243A)
- (iii) A three-tier (with a few exceptions) system of elected bodies; (Article 243B)
- (iv) Direct elections to all seats and to offices of chairpersons at the village levels; (Article 243C)
- (v) Reservation of seats for SC/STs in proportion to their population and to office of chairpersons at each level; (Article 243D)
- (vi) Reservation of at least one-third of the seats for women; (Article 243D)
- (vii) A fixed tenure of five years and elections within six months in case of supersessions; (Article 243E)
- (viii) Disqualification of membership; (Article 243F)
- (ix) Devolution of powers and responsibilities by the State legislature; (Article 243G)
- (x) Sound finance including grants-in-aid and powers of taxation, duties, tolls and fees; (Article 243H)
- (xi) Setting up of Finance Commissions every five years to review the financial position; (Article 243 I)
- (xii) Auditing of accounts of panchayats; (Article 243 J)
- (xiii) Conduct of elections by a State Election Commission; (Article 243K)
- (xiv) The part not to apply to Scheduled areas, tribal areas and to a few States. (Article 243M)

The detailed provisions in parts IX and IXA are more or less similar.

It was enjoined on the States to devolve power and responsibilities upon local bodies with respect to the implementation of schemes for economic development and social justice and that these schemes should be inclusive of those enumerated in the Eleventh Schedule (in the case of Panchayats) and in the Twelfth Schedule (in the case of Municipalities).

CORE PRINCIPLES

India is a Union of States. States can be created or amalgamated by a law of Parliament; residuary powers are vested in the Union (Entry 97 of List I); local governments were creatures entirely of State laws until the 73rd and 74th Constitutional Amendments and presently Constitutional devolution is the norm, not upward or outward delegation.

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The evolution of the Constitution, over the years, has tended to favour greater empowerment of States. The rise of regional parties and coalition governments at the State and Union levels, greater economic liberalisation reducing State control and diminishing the importance of State investment in commercial undertakings, a very healthy tradition of fair non-discriminatory fiscal devolution through various mechanisms and compulsions of economic growth engendering a healthy competition for investment – all these factors are responsible for a more harmonious balance in Union-State relations. The empowerment of States has not weakened the Union; in fact the Union's role is better defined and more respected in recent decades as authority is tempered by leadership, cooperation and coordination. This rediscovery of the legitimate and effective role of the Union even as more powers are devolved on States is one of the happy features of our Constitutional evolution. Though the situation varies from State to State, overall, such a development is still in its infancy in the relationship between States and local governments. It has to be strengthened in the coming years by empowering local governments, while the State Government continues to have an important and significant role, appropriate to that level. In order to achieve this, the Commission has carefully considered the principles to be applied in the reform of local governance. It considers the core principles to be: application of the principle of subsidiarity in the context of decentralisation; clear delineation of functions of local governments vis-à-vis State Governments and among different tiers of local governments; effective devolution of these functions and resources accompanied by capacity-building and accountability; integrated view of local services and development through convergence of programmes and agencies and above all, 'citizen-centricity'.

Subsidiarity

The central idea of subsidiarity is that citizens as sovereigns and stakeholders in a democracy are the final decision-makers. Citizens are also the consumers of all services provided by the State. The citizen-sovereign-consumer must exercise as much authority as practicable, and delegate upward the rest of the functions which require economies of scale, technological and managerial capacity or collective amenities.

The Oxford dictionary defines subsidiarity as, "*a principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level.*"

The principle of subsidiarity stipulates: functions shall be carried out closest to citizens at the smallest unit of governance possible and delegated upwards only when the local unit cannot perform the task. The citizen delegates those functions he cannot perform, to the community, functions that the community cannot discharge are passed on to local governments in the smallest tiers, and so

on, from smaller tiers to larger tiers, from local government to the State Governments, and from the States to the Union. In this scheme, the citizen and the community are the centre of governance. In place of traditional hierarchies, there will be ever-enlarging concentric circles of government and delegation is outward depending on necessity.

Application of the subsidiarity principle has three great advantages in practical terms. First, local decision-making improves efficiency, promotes self reliance at the local level, encourages competition and nurtures innovation. The demonstration effects of successful best practices will ensure rapid spread of good innovations and there will also be greater ownership of programmes and practices by the local communities. Second, democracy is based on three fundamental assumptions: all citizens are equal irrespective of station and birth; the citizen is the ultimate sovereign; and the citizen has the capacity to decide what is in his best interest. Only when these principles are put in practice can a democratic system derive its full legitimacy. Subsidiarity is the concrete expression of these foundations of a democratic society. Third, once decision-making and its consequences are integrally linked at the local level, people can better appreciate that hard choices need to be made. Such awareness promotes greater responsibility, enlightened citizenship and maturing of democracy.

The Commission is of the considered view that a local government reform package must be informed by the principle of subsidiarity. Only then can citizen-sovereignty be real and meaningful and democracy will acquire content beyond structures and institutions.

Democratic Decentralisation

While subsidiarity should be the overarching principle in restructuring governance, in practical constitutional terms it can be applied only through effective decentralisation. It is in recognition of this, that the 73rd and 74th Constitutional Amendments were enacted in 1992. Most of the constitutional provisions relating to local governments are very similar to those pertaining to the States (SFC, SEC) with the significant exception that the Seventh Schedule of the Constitution remains unaltered.

As a result, while the local government structure and attendant institutions are created by a constitutional mandate, the actual functions to be devolved on local governments are the responsibility of the States. Therefore, effective democratic decentralisation from States to Local Governments should be the cardinal principle of administrative reforms. Such a decentralisation should be influenced by four guiding norms.

First, there should be a clear link in citizens' minds between their votes and the consequences in terms of the public good it promotes. We have a robust

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democracy with regular elections, constitutional freedoms and peaceful transfer of power.

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Second, decentralisation tends to promote fiscal responsibility, provided there is a clear link between resource generation and outcomes in the form of better services. People will be encouraged to raise more resources only when there is a greater link between the taxes and user fees levied and the services that are delivered. This is possible only when service delivery is locally managed to the extent feasible and the citizens as stakeholders are directly empowered to raise resources and manage the functions. However, for this link to be established effectively between resources and the outcomes, local government must be perceived to be fully responsible for the services so that they have no alibis for non-performance. Only then can fiscal prudence, resource mobilisation and greater value of the public money spent be integral to democratic governance.

Third, there is considerable asymmetry of power in our society. Only about 8 per cent of our work force is employed in the organised sector with a secure monthly wage and attendant privileges and over 70 per cent of these workers are employed in government at various levels and in public sector undertakings. This asymmetry of power is further accentuated by our hierarchical traditions combined with our colonial legacy. Any serious effort to make our governance apparatus an instrument of service to the people and a powerful tool to achieve national objectives needs to take into account these two cardinal factors plaguing our system – the asymmetry in power and the imbalance in its exercise.

Fourth, in centralised structures, citizen participation and ownership are illusory despite national citizen sovereignty. The closer the government process is to the citizen, the greater the participation, stakes and understanding of the issues. Therefore, if democracy is to be real and meaningful, the locus of power should shift as close to the citizen as possible in order to facilitate direct participation, constant vigil and timely intervention.

In the ultimate analysis, all governance processes are about fulfilling the citizens' aspirations and needs. Whatever be the structure of governance, we have to face two great challenges in the coming decades. The first is the fulfillment of human potential, prevention of avoidable suffering and ensuring human dignity, access to speedy justice and opportunity to all Indians so that every citizen is a fulfilled and productive human being. The second is the rapid economic growth realising the nation's potential and allowing India to play her rightful role in the global arena in order to protect the vital interests of present and future generations and become an important actor in promoting global peace, stability and prosperity. We need to sharply focus the State's role and fashion instruments of governance as effective tools in our quest for these national goals. Decentralisation is a potent

tool to counter the phenomenal asymmetry in the locus of power and the imbalance in the exercise of power.

Only in an effective and empowered local government can the positive power to promote public good be reinforced and the negative impulses to abuse authority curbed. Equally, ordinary citizens can hold public servants accountable in the face of the asymmetry of power exercised by the bureaucracy, only when such citizens who are directly affected by their actions are empowered to exercise oversight functions.

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Delineation of Functions

In a federal democracy, the roles and responsibilities of various tiers of government have to be clearly defined. In all federations, this is usually done through a constitutionally mandated scheme. It is no accident that every federal democracy has a written Constitution, clearly listing the subjects under the jurisdiction of each tier of government and the specific role assigned to it. India's Constitution too enumerates the subjects under State control under List II of the Seventh Schedule. Where a subject requires a federal and State jurisdiction it is included in List III and clear principles are enunciated defining the extent of authority of the Union and the States. However, in respect of local governments there are two complications.

First, since all local government subjects by definition are also State subjects, there should be clear delineation of roles of the State and the local government, in respect of each of the subjects/functions, otherwise needless confusion and undue interference by the State will be the inevitable consequences. It must be recognised that in several of these functions, States have a vital and legitimate role to play. For instance, while 'school education' should be a subject of devolution, the framing of the curriculum, setting of standards and conduct of common examinations should fall within the State's purview. Similarly, in healthcare, development of protocol, accreditation of hospitals and enforcing professional standards should necessarily fall within the State's purview and outside the competence of the local governments. Much of the confusion about devolution of functions to local governments has arisen for want of this role-clarity between the State and the local bodies.

Second, within local governments there is a need for clear functional delineation amongst the various tiers. For example, while school management can be entrusted to a Village Panchayat/parents committee, most staffing and academic matters would fall within the purview of the higher tiers of local government. Similarly, while a health sub-centre may be looked after by the Village Panchayat, the Primary Health Centre (PHC) should be managed by the Intermediate Panchayat, and the Community Health Centres and hospitals by

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the District Panchayat. By the same token, there is need to delineate the functions between a city/urban government and the smaller tier of a Ward Committee. The Ward Committee can be entrusted with sub-local functions like street lighting, local sanitation, management of local schools, management of local health centres etc. The Commission's approach is informed by this recognition that there is no omnibus approach to devolution of powers to local governments and that the details need to be evolved keeping in view the local circumstances and balancing of details of decentralisation with the basic principle of subsidiarity.

Devolution in Real Terms

The principles of subsidiarity and democratic decentralisation cannot be operationalised by mere creation of elaborate structures and periodic elections. Devolution, to be real and meaningful, demands that local governments should be effectively empowered to frame regulations, take decisions and enforce their will within their legitimate sphere of action. Such empowerment should be clearly and unambiguously defined by the Constitution and State legislatures. Even legislated empowerment remains illusory unless public servants entrusted with the discharge of responsibilities under the local governments sphere are fully and permanently under local government control, subject to protection of their service conditions. Only then is the responsibility of the local government commensurate with the authority. Finally, fiscal devolution to the local governments must meet two standards: the local government must be able to effectively fulfill its obligation; there must be sufficient room for flexibility through untied resources, to establish priorities, devise new schemes and allocate funds. Equally important, there must be both opportunity and incentive to mobilise local resources through local taxes, cess and user fees, subject to norms of financial propriety and accountability. While devolving funds to local governments, it needs to be ensured that issues of regional equity – inter-state as well intra-state – and *minimum entitlement of citizens across the country*, the rights guaranteed to citizens under the Constitution and the legitimate expectations of a better life and reasonable opportunity for vertical mobility to all children are similar across the country. Therefore, the devolution package to local governments must go beyond the per capita norms and should take into account certain benchmarks regarding quality of life and services.

However, real empowerment should go well beyond what the State gives in terms of power and resources. Giving effective voice to local governments to enable them to negotiate with the State on a continuing basis is equally important. For instance, the Upper House in many federal countries is created as the voice of constituent States and gives them negotiating power. Corresponding provisions relating to legislative councils in the State needs to be strengthened suitably to give a voice to local bodies.

Equally important is the building of capacity of local governments to discharge their functions effectively. Strengthening organisational and management capacity, constant training and human resource development activities, conversion of state agencies into expert manpower pools providing guidance and support on demand, strong federations, pooling of resources, talent and management practices, ability to attract expertise available outside government to meet the growing need for high quality human resources in public management are some of the crucial challenges in enhancing the capabilities of local governments.

Finally, real empowerment not only demands devolution and capacity building but strategies also need to be evolved to overcome the resistance of the state executives and governments as the compulsions of real politics often preclude the possibility of any serious measures to enable local governments to function as institutions of self governance.

In its Report on "Ethics in Governance", the Administrative Reform Commission had observed "*If the legislators are beholden to the executive, the legislature can no longer retain its independence and loses the ability to control the Council of Ministers and the army of officials and public servants*". An effective mechanism like empowered legislative committees is therefore needed to enhance the legislators' role to give them an opportunity of exercising positive power for public good. Appropriate mechanisms will also need to be devised to enhance the role of a legislator in keeping with democratic values and promotion of public good.

Convergence

In large, complex governance structures compartmentalisation is inevitable. But as governance is brought closer to the citizens, this fragmentation should yield place to convergence based on the recognition that the citizens' needs and concerns are indivisible. Even in an otherwise efficient and honest administration, isolated functioning of disparate government agencies and departments complicates the citizen's life immeasurably. Therefore, convergence must be a key principle in the organisation of local governments. There are following four broad areas of convergence which need to be addressed.

First, the rural urban divide in the intermediate and district tiers of local governments is a colonial legacy. At the primary level the needs of the rural population and the approaches required to address them are somewhat different from those of urban people. Also the occupational profile of the population lends itself to rural-urban categorisation. However, in the larger federated tier of exclusively rural local governments, as a result of this incongruity, new mechanisms like the District Planning Committee had to be created, and they never took

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roots. With rapid urbanisation and increasing need for peri-urban areas to be taken into account in city planning and development, there must be greater institutional convergence between rural and urban local governments.

Second, as earlier said, the parastatal bodies function totally independent from the local governments and are directly accountable to the State Government. Thus, the local governments are often divested of their important functions. Such proliferation of parastatals runs counter to the principle of subsidiarity and precludes effective citizens' participation in the management of these services. The citizen is compelled to deal with a multiplicity of authorities to access even the basic amenities and services. The local functions of all these authorities therefore need to devolve on local governments, even as institutional mechanisms need to be devised to benefit from expert guidance.

Third, the citizen must be enabled to interact with all service providers through a single window as far as practicable. Increasingly, all over the world, several disparate services provided by different agencies of government, are available to citizens under one roof.

For instance, the post office is a nodal agency for voter registration and many other services in some countries. In Germany, a local government office is the point of contact in obtaining a passport, though the actual service is provided by the federal government. Similarly, collection of tariffs, fees and taxes by various service providers can be at a common kiosk and all complaints and suggestions can be received at a common call centre.

Finally, as pointed out in subsidiarity, empowerment of stakeholders and local governments should be seen as a continuum. Wherever a group of stakeholders can be clearly identified, for instance, the parents of children of a school, they should be directly empowered to the extent possible, so that stake-holding and power-wielding are integrally linked.

However, stake-holder empowerment should not be seen as antithetical to local government empowerment. Both are part of the same quest for local governance based on subsidiarity. At the same time, the representative local government and the empowered group of stake-holders cannot function in isolation. Just as the tiers of local government have to function in close coordination, local government and empowered stake-holders' groups should work in concert. The larger functions of support, coordination and policy will be with the local governments, and the actual day-to-day management and service delivery will be the responsibility of stake-holders. This convergence between the empowered stake-holders' groups and local governments should be a key feature of decentralisation.

Citizen Centricity

The citizen is the heart of a democratic system. Therefore all governance institutions, particularly local governments should be judged by the satisfaction of citizens and the direct empowerment of people.

Since propensity to abuse authority is intrinsic to all authorities; and local governments are no exceptions, for local governments to be effective in fulfilling their desired objectives, a series of mechanisms need to be constituted giving voice to the citizens. Measurement of citizens' satisfaction as the consumer of public services is an important mechanism. Report cards, citizens' feedback at delivery and service counters, call centres and such fora for the citizens' voice to be heard and feedback to be counted, needs to be institutionalised in decentralised governance. In addition, social audit through credible community based organisations, civil society groups and prominent citizens would ensure citizen centricity.

Representative democracy is a necessary mode of organisation in government. While citizen sovereignty is acknowledged, it is impractical for citizens to participate in decision making in large structures. However, at the local community level, the citizen as stakeholder can directly participate in decision making, relatively easily. A Gram Sabha comprising all the adult residents of a village is a far more legitimate guardian of public interest. Similarly, in urban governance too, we need to create smaller structures for decentralised decision making with people's participation.

The most important form of citizens' participation is a community of clearly identifiable stakeholders in the delivery of a specific public service. For instance, parents sending their children to a public school, farmers receiving irrigation from a common source, producers selling their produce in a market and members of a cooperative are groups of clearly identifiable stakeholders who also need empowerment in consonance with the principle of subsidiarity.

The Commission has taken note of the debate on local governments versus citizens' groups. The Commission is of the considered view that empowerment of stakeholders and local governments must be seen as a continuum and that there should be no cause for conflict between stakeholders' groups and representative local governments. Effective empowerment of stakeholders accompanied by mechanisms for coordination with local governments is, therefore, a key principle to be followed.

1.5 NATURE AND FORMS OF LOCAL GOVERNMENT

Local Government or Local Self-Government is the Government of a locality. It is not the area of the State Government. It is an autonomous unit like the State or Central Government. It is the local will, not the will of the Centre or State,

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which is reflected through the Local Government. National Government is for the whole nation; hence it is big Government. By contrast, Local Government looks after the 'local' functions like water supply, local streets, garbage collection and disposal and similar other local heads. It is small but important Government for a local area, which can be a town or a group of villages.

The adjective 'local' stands for a small geographical area. Also, it means intimate social relations of the people in a limited geographical space. The other word, 'Government' stands for a public authority. In a democracy, Government may be at national level, state level and the Regional Government at the regional level. Below the regional level, there is the 'local' level where 'Government' can be legally constituted. This means, there are many Local Government units below the National and Regional Governments, which exercise authority and discharge a number of important local functions on the basis of statutory decentralisation.

Local Self-Government has three important features :

- (a) it is elected by the people of the local area;
- (b) it has the power to levy taxes and other fees, like any other Government; and
- (c) its functions and activities are clearly laid down in law so that within the scheme of legislation Local Self-Government enjoys a degree of autonomy.

Thus, the Local Self-Government is a statutorily constituted democratic Government with a degree of autonomy exercising jurisdiction over a limited geographical area. The Local Self-Government in a liberal democracy marks for decentralisation of power. So, it is considered as a means of enriching and deepening democracy by extending freedom of action to many localities. It was the view of John Stuart Mill that Local Government creates conditions for popular participation in governance, and in this process the system has great educative value for good citizenship in a country.

FORMS OF LOCAL SELF-GOVERNMENT

There are two common forms of Local Self-Government, that is Urban Local Self-Government and Rural Local Self-Government. We have Panchayati Raj Institution in the rural areas. In the urban areas - in the cities and towns - there are Municipal Corporations and Municipalities. According to the 74th Constitutional Amendment the Urban- Local Self-Government has been classified into three types, that is, Municipal Corporation, Municipal Council and Municipal Committee.

1.6 FUNCTIONS OF LOCAL GOVERNMENT

The functioning of a Government can be categorized into National, State and Local. Local Self- Governments are those bodies that look after the

administration of a area or small community such as village, town or a city. These bodies are appointed by the Government representing the local inhabitants, which raises its revenue partially through local taxation and other means. The Local Self-Government can be divided into various classes like Corporations, Cities, Town Municipalities and Town Panchayats on the basis of population.

The administration system has 3 levels : village, block and district. Panchayats operate at the village level. The Panchayats of India are the local bodies working for the welfare of the village. It constitutes of members ranging from 7 to 31. However, it can have members more than 31 but not less than 7. Panchayat is a form of Indian political system which combines five neighbouring villages known as *panch*. The primary units of administration in Panchayats are the gram panchayats.

The members of the Panchayat are known as "panches", who take decisions regarding the disputes among the villagers and villages. According to the Indian Constitution, Panchayats have the authority to work as organizations of self-government. Panchayats play a vital role in the administration of the rural areas of India.

Local Bodies are expected to have a profound impact on the performance of the economy of the country by utilizing local resources and tapping human potentialities to the fullest. In the present context of Indian economy, with massive urban growth and the economic liberalization, heavy responsibility is placed on urban local bodies. They are responsible for the improvement of the efficiency of programmes and services, to mobilize local resources and to provide coherent planning and delivery of the services at the local level. All municipal acts in India provide for functions, duties and responsibilities to be carried out by the municipal government. These are divided in two categories obligatory or discretionary.

OBLIGATORY FUNCTIONS

- Supply of pure and wholesome water;
- Construction and maintenance of public streets;
- Lighting and watering public streets;
- Cleansing public streets, places and sewers;
- Regulation of offensive, dangerous or obnoxious trades and callings or practices;
- Maintenance or support of public hospitals;
- Establishment and maintenance of primary schools;
- Registration of births and deaths;
- Removing obstructions and protections in public streets, bridges and other places;

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- Naming streets and numbering houses.

DISCRETIONARY FUNCTIONS

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- Laying out of areas;
- Securing or removing dangerous buildings or places;
- Construction and maintenance of public parks, gardens, libraries, museums, rest houses, leper homes, orphanages and rescue homes for women, etc.;
- Planting and maintenance of roadside and other trees;
- Housing for low income groups;
- Making a survey;
- Organizing public receptions, public exhibitions, public entertainment, etc.;
- Provision of transport facilities with the municipality;
- Promotion of welfare of municipal employees;
- Providing music for the people.

Compulsory Primary Education is the responsibility of the local bodies in a large number of states. The Municipalities elect the school-based members. Some of the functions of the urban bodies overlap with the work of para-statal agencies. The (Constitutional Amendment Act) CAA provides for the Twelfth Schedule listing the functions of municipal bodies. The functions of the municipality, including those listed in the Twelfth Schedule are left to the discretion of the State Government.

These local bodies have to be bestowed with sufficient powers, authority and responsibility to discharge the additional functions entrusted to them by the CAA. However, the act fails to provide any powers directly to the municipalities and it has left it to the discretion of the state government. Some of these functions mentioned in Twelfth Schedule of CAA are of highly technical nature and are likely to render municipal bodies ineffective. The CAA has a provision regarding devolution of powers and responsibilities. However, the devolution of powers commensurate with such responsibilities is left to the discretion of the concerned State Government.

Thus, local governments are required to provide for services irrespective of their administrative capacity to do so and have to face unexpected new terms of their own as a consequence of new sets of standards. In pursuing decentralization objectives, it is important to ensure that existing municipal structures are updated to undertake added responsibilities. Where, the administrative functions of State Government for development of urban infrastructure are transferred to the local level, it will become necessary to examine whether local government is capable of

handling such responsibilities. If such capacity does not exist or is inadequate, it needs to be created or strengthened.

1.7 DECENTRALISATION DEBATE

One of the important problems of organisations including that of public organisations is the issue of centralisation versus decentralisation. In fact, this is one of the dilemmas facing the government and the administration today. While on the one hand the compulsions of socio-economic planning, the requirements of national integration and the consideration of defence strategy, pull the administration towards centralisation, on the other, the political commitment for autonomy, greater participation by the people and the need to take democracy to grassroots pull administration towards decentralisation. We are thus confronted with contradictory pulls and pressures. To further illustrate, in the words of Avasthi and Maheshwari "the Planning Commission symbolises the trend towards centralisation, while 'Panchayati Raj' epitomises the trend towards decentralisation". In this section, we shall discuss the meaning of decentralisation, deconcentration, delegation and devolution, and the system of decentralisation in India in the pre and post-Independence periods. The future trends in decentralisation and functioning of rural and urban local bodies will also be explained.

DECENTRALISATION: MEANING

Decentralisation refers to a systematic effort to delegate authority at all levels of management and in all departments. This shifts the power of decision making to lower level under a well considered plan. Take the case of traffic police controlling movement of vehicles on road.

He holds a lower level position in the organisation yet he has lot of authority given to him. The senior concentrate on ways and means to improve traffic control. In case of business units, the heads of departments have the authority to take decisions on most matters relating to the functioning of their department. The top managers are confine themselves to policy decisions like product lines to be added, further investment etc.

Decentralisation has number of benefits. Firstly, it reduces the workload of the top level management. Secondly, it motivates the employees and gives them more autonomy. It promotes initiative and creativity. It also helps employees to take quick and appropriate decisions. In the process the top management is freed from the routine jobs and it enables them to concentrate on crucial areas and plan for growth.

It has been opined that dacentralisation refers to the physical location of facilities and the extent of dispersal of authority throughout an organisation. Hence,

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it is an arrangement by which the ultimate authority to command and the ultimate responsibility for results is localised in units located in different parts of the country. It is argued that assigning of functions and responsibility, for their efficient and effective performance, to the subordinates or sub-divisions is the essence of decentralisation. We may say that in a decentralised organisation lower levels are allowed to decide many matters and a few cases involving major policies or interpretations are referred to the higher levels of the organisation. However, in common phraseology the term decentralisation is interchangeably used with terms like deconcentration, devolution and delegation, though they have different connotations. Thus, decentralisation denotes dispersal of authority among the lower levels of organisation and its field offices.

Deconcentration, Delegation and Devolution

The word 'decentralisation' is often confused with delegation, deconcentration and devolution, which is not correct. The point is that all these words have their own meanings. For instance, delegation is not a transfer of authority but it is simply an assignment of authority to a lower body by a higher level of government. Delegation is merely a technique of administration or management while decentralisation deals with deep urgencies of democracy. Like delegation, deconcentration is also a technique of administration. Deconcentration denotes assignment of certain functions to the agent of the central or state government in the field. There have always been difficulties in governing the country from the centre and so the government is compelled to deconcentrate certain functions to its agents or officers in the field. Another synonymous term is devolution which is not very much different from deconcentration. The method of devolution is applied to the formally constituted local authorities while deconcentration is applied generally to the field agencies or staff. It is thus clear that delegation, deconcentration and devolution are simply the technical methods of efficient administration. The meaning and scope of decentralisation are much wider and deeper. It is a process of democratisation of political power and thereby aims at achieving democratic values in practice. Decentralisation aims at widening the area of people's participation in decision-making. Micro level political authority and autonomy through transfer of specific powers to people's representative institutions at the bottom.

To make the distinction more clear Panchayati Raj is an example of decentralisation. State governments in India demanding for more powers, amounts to devolution. The District Collector, being vested with authority over development departments in the district is an example of deconcentration. The Commissioner of Police delegating powers to permit holding of public meeting to the Assistant Commissioner of the concerned area is an example of delegation.

Development—Administration is basically oriented towards speedy socioeconomic transformation. Hence, throughout the developing world there is universal concern now to design new forms of administration to match the needs of development. Decentralisation has been looked at as a singularly useful mode of administration to deliver the public services from convenient local centres close to the clients' locality. Bringing administration to the doorstep of the citizen and establishing a direct relationship between the client and the administration have been the driving force behind decentralisation in most of the developing countries.

The urge for decentralisation has come from many sources. Firstly, it has been prompted by the need to deliver the basic public goods like food, housing, water from local units of administration as soon as possible. Secondly, most people in the developing countries live in rural areas which are away from the National Capital located in distant urban area. Administration has to 'penetrate' the rural areas and link these up with the nation as a whole. Thirdly, in many countries sociological diversities manifest themselves in ethnic, linguistic and religious differences. Administration needs to be decentralised in response to regional diversities. Fourthly, regional and local resources can be utilised for area development purposes, only if administration would move out to the regions and localities. Decentralisation, therefore, facilitates local planning and development with the help of local resources. Fifthly, decentralisation has its own value in political and administrative terms. Politically, local participation in development activities, with intensive responses paves the way for meaningful articulation of local demands. Planning, thus, becomes much more realistic and receives ready political support. From the administrative point of view, local capability to govern local areas increases through sustained participation in local decisionmaking. Decentralisation is expected to release local energies and enlist local support for development activities. In the process, the local community can steadily attain political and administrative maturity.

APPROACHES TO THE CONCEPT OF DECENTRALISATION

The different approaches to the concept have been clearly and profoundly presented by Fesler. Following his classification, the approaches can be grouped into four categories: the doctrinal, the political, the administrative and the dual-role.

The doctrinal approach seeks to transform decentralisation as an end in itself through a process of 'romantic idealisation'. The Gandhian concept of 'concentric circle' of power distribution and the idealisation of village community in Panchayati Raj have reduced decentralisation almost to a dogma and as an

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article of faith. Instead of treating decentralisation as a means to the achievement of some end-values, such idealisation tends to elevate it to the status of a hardened doctrine.

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The political approach underscores the essentially political character of decentralisation. Initiatives to decentralise, and willingness to pass on powers and functions to decentralised units, and to allow these units to actually operate within a framework of autonomy, are politically determined. Creation of field units of government, away from central headquarters, exemplify deconcentration. Decentralisation in the shape of devolution to local self-governing bodies marks an attempt to set up autonomous governments at the level of the locality. Field units of government like district administration are the long arms of the central (state) government. To create and maintain local government is thus a major political commitment. In the absence of such commitment, devolution to subnational governments, including self-governing bodies, will remain more in law than in practice. This leads to what Fesler has called 'illusory decentralisation'. Both Panchayati Raj and municipal government in India represent to a considerable extent this sort of facade devolution.

The administrative approach to decentralisation is motivated by efficiency criterion. Enhancement of administrative rationality becomes necessary. When field administrative units are set up through a process of deconcentration, the measure is considered appropriate for field level decision-making and prompt problem solving. In this process, administrative units might come up at many levels between the locality and the central (state) headquarters. With more and more demand for specialised functions, multiplicity of functional departments would appear at the field level. The administrative situation gradually presents a picture of polarisation between general area-based administrative demands and specific function-centred claims of particular functional departments. Currently, district administration in India is faced with this problem of area-function duality. Decentralisation in administrative terms may not therefore always guarantee 'clarity of authority and orderliness of operations'. To promote such operational principles, conscious attempts are needed to readjust from time to time the conflicting claims of area and functions in deconcentrated field administration.

Finally, the dual role approach, as Fesler puts it, is a kind of rehearsal of the area-function dichotomy in a new setting. Decentralisation is placed within a larger context of development and change, as distinguished from maintenance of status quo. Conceived in administrative terms, the dual role approach seeks to highlight the conflict in field administration between tradition and change. Most field administrative systems were evolved in an earlier era mainly to maintain the established order, to collect revenue and to keep things from going wrong. Almost all the developing countries that have inherited the colonial field system are seeking

to bring about speedy social and economic change. As a consequence there has been a radical change in the functions of field administration. To quote Fesler, "The intent is to change established ways of doing things so as to carry economic and social development forward rapidly.

This contrasts with the status quo orientation of a field system geared to maintenance of the established order and may conflict with the personal orientation of field generalists so chosen and trained as to identify themselves with the classes, families, and other groups who constitute the 'establishment'." Resolution of conflict between two different orientations in field administration calls for adaptation of decentralisation to changing circumstances. The theme is not unfamiliar to Indian administration in general and to district administration in particular.

TYPES OF DECENTRALISATION

Four different types of decentralisation can be identified, *viz.*, administrative, functional, political and geographical. Administrative decentralisation refers to decentralisation of authority to the lower officials in the administrative hierarchy of organisations. It may also mean decentralisation powers or functions to the subordinate units. Functional decentralisation implies that the functions are decentralised to the specialised units or departments like education or health. Political decentralisation involves that the political powers and functions concentrated in the hands of higher-level political organs are decentralised to lower level political organs.

We are all aware that Panchayati Raj agencies are units of decentralisation wherein political powers of decision making are decentralised from state governments to panchayats, samitis and zilla parishads. Finally, in geographical decentralisation, the powers and functions of headquarters decentralised to the field departments of the state government, which are further decentralised to their field officers at the regional and district levels. This facilitates quick decision-making keeping in view the local requirements.

SYSTEM OF DECENTRALISATION IN INDIA

A highly centralised imperial rule was gradually decentralised at the level of the provinces with the Government of India Act 1919 and the Government of India Act 1935. Under the Act of 1919, as a sequel to the Montague-Chelmsford Reforms, 'Dyarchy' was introduced in the provinces. This meant that certain departments were for the first time put in charge of elected ministers responsible to the legislature, and the remaining departments were kept in the charge of Government officials, the Members of the Governor's Executive Council. The

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Act of 1935 for the first time introduced a federal form of Government and conferred 'Provincial Autonomy' on the provinces subject to certain safeguards.

This process of decentralisation of powers from the central government to the provincial governments was deliberately pursued during British rule for a variety of reasons such as administrative convenience, political pressure generated by the national freedom struggle, and the need for political accommodation of the elite and the intelligentsia.

There was another kind of decentralisation effort noticeable during the colonial rule : the policy of setting up local self-governing bodies in urban and rural areas. It is this form of decentralisation at the grassroots level that continues to raise doubts and debates even today, and this 'decentralisation debate' has assumed considerable significance in recent times for two important reasons: first, poverty alleviation and social justice have become a major political agenda; institutional decentralisation, in this context, is being debated. Second, the Panchayati Raj institutions have been languishing in most states; absence of a constitutional guarantee has been diagnosed as the cause of Panchayati Raj decay. The mode of constitutional protection of Panchayati Raj became a debatable proposition since the proposal was first mooted by the previous Government.

Pre-Independence Period

The decentralisation debate during colonial rule can be traced to the famous Ripon Resolution of 1882. To train the Indians in the art of governance, to enable them to learn from experience and to open up avenues for political participation of the educated class, Ripon strongly advocated the cause of decentralisation of administration through the establishment of local self-governing institutions. The British administrators were not prepared to accept the Ripon thesis as they questioned the competence of Indians to manage local administration and feared a general weakening of field administration under a local self-government regime. The debate was essentially over the choice of values: democracy or efficiency. With the rising tempo of freedom struggle, the imperial policy had to however willingly concede Indian demands for self-government and participation in administration.

Post-Independence Period

The second phase of the decentralisation debate in post-Independence India was staged on the floor of the Constituent Assembly. Panchayati Raj was an important component of Mahatma Gandhi's vision of future India in which economic and political power would be decentralised and each village would be self-reliant economically. It was in accordance with the wishes of the Mahatma Gandhi that Article 40 of the Constitution of India was adopted stipulating that "the state shall take steps to organise village panchayats and endow them with

such powers and authority as may be necessary to enable them to function as units of self government."

Dr. B.R. Ambedkar, however, had a different view of the Indian rural society. He argued in the Constituent Assembly that the Indian social structure at the village level was hierarchical, oppressive and insensitive to change. In his view, it would be dangerous to give powers to the panchayats as he thought that would mean giving powers to the prevailing rural power structure which would work to the detriment of the harijans and the rural poor. Two contrasting views about decentralisation had thus surfaced in the Constituent Assembly; a visionary stand point of decentralisation and a realistic view of decentralisation.

Any scheme of decentralisation presupposes a harmonious society. As Dantwala has observed: "In an unequal society, democratic or decentralised political or planning mechanisms do not succeed in ensuring genuine people's participation." The Galidhian vision of village society is a normative model that serves the purpose of a guidepost. But the reality of rural life and the experiences of Panchayati Raj in India seems to have largely confirmed the belief of Dr. Ambedkar. It is interesting, in this context, to note the observations of the Asoka Mehta Committee on Panchayati Raj Institutions: "Panchayati Raj institutions are dominated by economically and socially privileged sections of society and have as such facilitated the emergence of oligarchic forces yielding no benefits to weaker sections."

The decentralisation debate has its roots at the conceptual level. The concept of Panchayati Raj has been far from clear and as the Asoka Mehta Committee commented: "Some would treat it just as an administrative agency; others as an extension of democracy at the grassroots level; and still others as a charter of rural local government."

The bureaucracy-democracy debate over decentralisation which is as old as the Ripon reforms of the late nineteenth century has been rehearsed in recent times as well. When it came to entrusting local developmental responsibilities, most state governments opted for their official field machinery and virtually bypassed the Panchayati Raj institutions. As the Asoka Mehta Committee reported, some of the state governments would postpone the holding of elections or supersede the Panchayati Raj institutions for one reason or the other. "The lukewarm attitude of the political elite at higher levels towards strengthening of the democratic process at the grassroots was generally the crux of the matter."

Recent Trends in Decentralisation

Even with our development planning experience of more than four decades, there is no sign of abatement of poverty and social injustice in the form of oppression of the harijans and the rural poor. One important reason for this state

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of affairs that has been widely acknowledged in centralised administration and planning and languishing popular institutions at the grassroots level. At the end of 1985, this point was clearly brought out by the G.V.K. Rao Committee on Administrative Arrangements for Rural Development (CARD). The Committee emphasised the importance of local initiative in local development and recommended revitalisation of the Panchayati Raj institutions. Research findings revealed that the developmental process had gradually been bureaucratised and divorced from the Panchayati Raj institutions leading to what has been aptly termed as "Grass without Roots". To quote one study :

"The basic reason for the failure of rural development and poverty alleviation programmes is the exclusion of the people from participation in the development process and the abandonment of the institutions of democratic decentralisation and the related electoral process."

The G.V.K. Rao Committee came out with a blue print of a decentralised system of field administration with Panchayati Raj playing the lead role in local planning and development. Another novel decentralisation plan below the state level has been advocated by Nirmal Mukherji through devolution of political powers to directly elected "district governments" in India. Such a decentralisation plan will of course virtually affect the Panchayati Raj structure from the district to the village.

The other committee to bemoan the languishing of grassroots democracy is the L.M. Singhvi Committee on Revitalisation of PRIs for Democracy and Development (1986). The Panchayati Raj institutions, as the Committee has observed "have become moribund and ... they have been denuded of their promise and vitality". To revive Panchayati Raj, the Committee recommended that "local self-government should be constitutionally recognised, protected and preserved by the inclusion of a new chapter in the Constitution".

This has since been achieved through the 73rd Constitutional Amendment, 1992, that accords Constitutional status to Panchayati Raj Institutions. At the same time, municipal bodies have been accorded Constitutional status under the 74th Amendment, 1992.

FACTORS IMPENDING DECENTRALISATION

Decentralisation is to be seen not only as a method or approach in administration, it has other dimensions also. To what extent there is actual decentralisation depends on a variety of factors : administrative, political, social and cultural. Administratively in a society where there has been a long practice of centralisation of power, those at the higher levels find it rather difficult to be mentally prepared to transfer powers to lower levels. Conversely, because of the long habit of always looking above for receiving orders there is inertia on the part

of the persons working at lower echelons. They would wait for an order from the above. In some cases, it has been found that even when power has been decentralised, there is a tendency to shift the responsibility of taking decisions to the higher levels, to play safe, so that, the onus of responsibility does not fall on them, if something goes wrong administratively.

Rules and procedures are also laid down for decentralisation of powers, but it is seen that in actual practice, things are not what they ought to be. There is always a method of getting around the system, so that the decisions are made from levels higher than that at which the decision should have been taken. Politically also we find that though legally and constitutionally, decentralisation might have been provided for and yet in reality in many cases decisions are being taken by the political executive even in those areas which may not fall strictly in his/her own domain.

Because of the hold of the political parties, and the practice of the local politicians being 'nominees' of the politicians at the state and national level, the very purpose of decentralisation gets defeated. Socially and culturally also if the society is paternalistic this concept of paternalism also gets transferred to the administrative structures. And this results either in the superior officer acting like a patriarch habituated to giving orders to the officials at the local levels or conversely the officials at the lower level resent every order, or decision or even suggestion on part of their superiors as undesirable imposition. The very spirit of decentralisation of power lies in the fact that we recognise that there are levels of decision-making and at each level we have personnel competent enough to take decisions at their level. The success or failure of decentralisation, therefore, to a very great extent depends on the mentality and attitude of the superior authorities towards their subordinate authorities; whether or not it is based on trust and confidence.

In reality, decentralisation is the cumulative result of decentralisation of *functions, finances* and *functionaries*. Mere legislative provision does not lead to decentralisation in actual life. There must be the genuine political will to decentralise.

1.8 CURRENT STATUS OF LOCAL BODIES

Local governments now function as the third tier of governance in the country. While the Constitutional amendments introduced certain uniformity in the fundamental structure of these bodies at the national level, being a State subject, State legislative Acts govern these bodies and set out their powers, responsibilities, service delivery mandates and obligations with regard to accounting, audit and oversight.

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In States, the local bodies work in close co-ordination with the Department of Panchayati Raj or Rural Development and the Department of Municipal Administration. At the Government of India level, Ministries of Panchayati Raj, Urban Development and Urban Employment and Poverty Alleviation and other relevant ministries formulate policies, sponsor and support programmes, co-ordinate activities of various state governments and monitor programmes implemented by local bodies across the country. Of course, the ministries can only influence and encourage these local bodies and not mandate any desirable practices or systems. In addition, the Planning Commission and the Central Finance Commission also provide policy support and make recommendations for growth, development and financing of local bodies.

Elections in local bodies have widened the base of Indian polity, with about 3.6 million directly elected representatives, with no less than 1 million women members, making it one of the biggest experiments in deepening of democracy and empowerment at the grassroots level. While the number of local bodies in the country is over 2.4 lakh,² the total revenue and expenditure of Panchayati Raj Institutions (PRIs) for 2002-03 was Rs. 24,010.52 crore and Rs.24,286.29 crore and the all India revenue and expenditure of Urban Local Bodies (ULBs) for the same period amounted to Rs.12,596.50 crore and Rs.13,997 crore respectively. However, the extent of fiscal decentralization which depends on the expenditure responsibilities and revenue assignments devolved to the lower tiers shows a declining trend. The total expenditure of local governments (PRIs and ULBs), as a proportion to the combined expenditure of the Union, State and local governments comes to about 5.1% in 2002-03 as against 6.4% in 1998-99. The own revenue (tax + non-tax revenue) of local bodies as a proportion of the combined tax and non-tax revenue of the union, States and local governments also declined to 1.9% in 2002-03 as compared to 2.7% in 1998-99. This is when we compare with the most advanced countries where the local governments normally account for about 20-35 percent of total government expenditure.

As in other democracies, decentralization in India has passed through teething troubles and resistance to reach a level of some maturity. The struggle between conflicting perspectives on governance and development strategy has characterized the growth of local governments in the country, with the process of decentralization making progress in a gradual manner. Today, after two constitutional amendments and affirmative legislation by States, which underpin decentralization, effective empowerment of the local governments has not taken place in the manner expected in the Constitutional amendments, which would endow them with the means to deliver results. However, despite the delays and bottlenecks, panchayati raj reforms have made progress in States with a history of grassroots level decentralization or where the reforms have received a degree

of popular support. It is a matter of 2PRIs: 243676 (Gram Panchayats 236350, Panchayat Samities 6795 and Zilla Panchayats 531) and ULBs: 3723 (Municipal Corporations 109, Municipalities 1432 and Nagar Panchayats 2182) some concern though that the gains made over the past decade are in the danger of being undermined by the trend of whittling down the power of panchayats and gram sabhas in some States through amendments to existing State Acts by strengthening the hands of political representatives and bureaucracy at the state level.

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1.9 EXECUTIVE WING OF LOCAL GOVERNMENT

In India the local government is the third level of government apart from the State and Central governments. There are two types of Local Government in operation: Panchayats in rural areas and Municipalities in urban areas. The Panchayats are a linked-system of local bodies with village panchayats (average population about 5,000), panchayat samities at the intermediate level (average population about 100,000), and district panchayats (average population about 1,000,000).

The Municipal Commissioner is the chief Executive Officer and head of the executive wing of the Municipal Corporation. All executive powers are vested in the Municipal Commissioner. Although the Municipal Corporation is the legislative body laying down policies for civic governance of the city, it is the Commissioner who is responsible for execution of the policies. The Commissioner is appointed for a fixed term that is mentioned in the respective state's statutes. However, his tenure in a corporation may get either extended or reduced. The Commissioner's powers are classified into two broad categories: those listed in the statute creating the corporation and those delegated by the Corporation or the Standing Committee.

EXECUTIVE STRUCTURE OF MUNICIPAL

The structure and composition of the municipalities vary widely. There is generally no accepted set of criteria with reference to urban agglomerations resulting in wide differences of definitions and structures between states.

The Constitutional Amendment Act (CAA) sought to bring some uniformity in the constitution of the municipal bodies by classifying them as follows :

- *Nagar Panchayat*, to be constituted in rural-urban transition areas. These have been conceived to properly channelize the growth impulses in such settlements and also to bring some sort of order in their growth and provision of service;
- Municipal Councils for smaller urban areas;

NOTES

- Municipal Corporations for larger urban areas.

Urban local government is not hierarchical. However, the Municipal Corporation, as an institution, enjoys a greater measure of autonomy than other forms of local government. It enjoys the power of dealing directly with the state government whereas the municipalities have no direct access to the state government and are answerable to the District Collector and Divisional Commissioner.

Municipalities and Corporations have deliberative and executive wings. In general, deliberative wings of Municipal Corporations comprise the Corporation Council, the Standing Committee and the Mayor, whereas the executive wings comprise the Municipal Commissioner, the Deputy/Assistant Municipal Commissioner, the Municipal Engineer and subordinate administrative staff.

Municipal Councils

A municipality is a politic and corporate body constituted by the incorporation of the inhabitants of a city or town. Normally, Municipal Councils cover smaller areas than the Municipal Corporations. The municipal acts of the states govern the Municipal Councils. The State Government can, by notification, propose an area, except a military cantonment, to be a municipality, define its territorial limits and make alterations in them. The Municipal Council; President, the Committees and the Executive/Chief Officer constitute the main components of the structure of municipal government. The Municipal Council makes laws that are called by-laws within the framework of the municipal act for the civic governance of the city or town. Generally, there is a provision for reservation of seats for scheduled castes and for women. The size of every Municipal Council varies from state to state; the municipal acts prescribe both the maximum and the minimum number of councilors.

The tenure of the Municipal Council varies from three to five years. The council elects, from among the councilors, a President whose term may be co-terminus with that of the council. In certain states Presidents are elected directly by the citizens. In a number of states the term of the President varies from one to three years and is not co-terminus with that of the council. The President occupies an important position in the municipal administration and enjoys considerable authority and power both in the deliberative and executive organs of the municipality. He convenes and presides over the meetings of the council and gives his rulings on all controversial matters. He also holds the power to take disciplinary action against offending councilors and can suspend or adjourn any meeting in case of pandemonium.

The President not only guides the deliberation of the council but also executes its decision as its chief Executive Officer. He is aware of day-to-day

administration and he is supposed to convey to the council the working of the administrative machine. He is also the chief spokesman and the link person with the government. The President enjoys power and exalted position but his power depends on the support of the majority. There is provision in the municipal act for setting up of committees to assist the parent body to perform its tasks. The Standing Committee is the most important of all committees. The powers and functions of the Municipal Council Committees are the same as those of the Municipal Corporation. The elected President being dependent on the council, the Chief Executive Officers face a lot of pressure and influences in exercising their executive authority. In most states the state government appoints the Executive Officer. In some states the council makes the appointment, but his or her independence has been confirmed by making it difficult his removal from office - generally by a three-fourth-majority vote.

NOTES**Cantonment Board**

Cantonments are predominantly military-occupied areas along with a sizeable civil population that necessitates the municipalization of its administration. The Cantonments are centrally administered areas, placed under the direct administrative control of the Ministry of Defence and the Central Government in contrast to other forms of local government, which are under the control of state government. The Cantonment Board is a special form of urban government, constituted under the Cantonments Act (1924). However, certain changes have been made with the Amendment of 1953. Cantonments are generally classified into:

- Class I cantonments in which the civil population exceeds 10,000;
- Class II cantonments in which the civil population is between 2,500 and 10,000;
- Class III in which the civil population is less than 2,500.

Class I and Class II Cantonment Boards consist of the Military Officer commanding the station (or his nominees), a first class Magistrate nominated by the District Magistrate, a health officer; an executive engineer; four military officers nominated by the Commanding Officer and seven people's representatives elected by the people. Class III Cantonment Boards consist of the Officer commanding the station, one nominated military officer and one elected member. In a Cantonment Board the role of the elected representative is restricted to a great extent. Generally, the Officer Commanding the station acts as the President of the Board if he is a member of the Cantonment Board. In every Board in which there is more than one elected member there is a Vice-President elected by the elected members from among themselves. The functions of the Cantonment Board are very much like the functions of a municipality. The functions entrusted to the

Board are both obligatory and discretionary. The income of the Cantonment Board is derived both from tax and non-tax revenues.

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EXECUTIVE STRUCTURE OF PANCHAYATS

The need for efficient and competent personnel in Panchayati Raj Institutions has been recognised from the beginning. Local Self-Government agencies have to implement several development programmes, which require technical personnel. They provide continuity in the policies and programmes of these local bodies because the political executives change periodically. Competent personnel are also essential to ensure non-partisan and objective decision-making.

There are two categories of personnel in Panchayati Raj, one is the state cadre officials placed under the control of Panchayati Raj Institutions viz., Block Development Officers (BDOs) and other technical officers from State Departments. Their recruitment, transfers, promotions and discipline rest with the state government. The second is the constitution of separate Panchayati Raj cadre. It is found in Maharashtra, Gujarat, Andhra Pradesh and Rajasthan. Broadly in Panchayati Raj, two types of officers can be identified viz., generalist and technical officers. Chief Executive officer (District Collector), BDOs, Village Level Workers (VLWs) come under generalist category. District technical officers like district level officers, and extension officers constitute the technical category. Another classification is state cadre official and local cadre officials. Chief Executive officer, BDOs, technical officers, extension officers, etc., belong to state cadre. They belong to one of the State level Departments. The State Government regulates their conditions of service. VLWs, school teachers and ministerial staff broadly constitute local cadre officials. They are appointed at the district level and are considered as employees of Panchayati Raj Institutions.

There is large measure of uniformity in the staffing pattern in the Panchayati Raj Institutions in the country. At the village level there is a secretary or an Executive Officer looking after the administrative work of the Panchayat. The VLW is appointed for a group of villages. He is mainly a multi-purpose functionary concerned with development programmes in the villages under his jurisdiction. At the block level, BDO acts as a Chief Executive Officer and coordinates the work of officers under him. Extension officers for each development activity are posted at the block level. They work under the administrative control of the BDO as well as the technical control of district level officers. This dual control has led to several problems at the block level. In Zilla Parishads, Chief executive Officers or District Development officer is the head of the Zilla Parishad. District technical officer assist him in the development work.

There are a number of personnel problems as different categories of

functionaries work in Panchayati Raj. They are selected by different agencies and their conditions of service and channels of promotion are different. Often their compatibility to the Panchayati Raj system is questioned. A number of state level officers are on deputation, they function as birds of passage without any commitment with the Panchayati Raj Institution. Frequent transfer of officers, increasing volume of paper work, inadequate opportunities for growth and advancement are some of the problems, which are effecting the functioning of Panchayati Raj Institutions. The Panchayati Raj staff exhibit a lack of unified pattern, unsatisfactory conditions of service and lack of effective training programmes.

DISTRICT COLLECTOR AND PANCHAYATI RAJ

He has become a pivotal figure in the implementation of development programmes. In many states, he is also designated as the District Development Officer. He is made responsible for both regulatory and development administration. The great influence that the collector wields in the district should be harnessed to the task of development. His development role has become a focal point after the initiation of development planning in India. Several programmes for the welfare and benefit of the down-trodden have been started by the government. Rural development programmes aimed at eradicating poverty and improving the living standards of the poor have gained significance after 1970s. As such, now the emphasis is on his leadership role in the extension and development activity of the district. He is the ex-officio chairman of the district rural development agency (DRDA). His role in rural development has also to be viewed in terms of his position in and relationship with the Zilla Parishads. This role has been changing and a balance has been resorted between the autonomy of the Zilla Parishad and the powers of the collector.

Again the 73rd and 74th amendments and the enactments on Panchayati Raj by various states in 1993 and early 1994 have changed the role and the responsibilities of the collector with regard to developmental activities.

1.10 SUMMARY

- Local government institutions have always existed in India in one form or another since ancient times. The present form of urban local government owes its genesis to the British rule. The initiation began with Samuel Laing, member of the Viceroy's Council, in the Budget Speech (1861-62) proposing that local services should be based on local resources. Lord Mayo's Resolution of 1870 introduced the concept of elected representatives in the municipalities. Lord Ripon is considered the founding father of urban local government as he implanted the concept of municipal authorities as units of self-government. His Resolution of 18 May 1882 on local self-

NOTES

government dealt with the constitution of local bodies, their functions, finances and powers and laid the foundation of local self-government in modern India.

- In December, 1977, a Committee on Panchayati Raj, headed by Ashok Mehta was appointed. The Committee considered inadequacy of resources, mainly responsible for failure of PRIs and, therefore, recommended, inter alia, measures for strengthening the financial resources of PRIs.
- There are two common forms of Local Self-Government, that is Urban Local Self-Government and Rural Local Self-Government. We have Panchayati Raj Institution in the rural areas. In the urban areas - in the cities and towns -there are Municipal Corporations and Municipalities. According to the 74th Constitutional Amendment the Urban- Local Self-Government has been classified into three types, that is, Municipal Corporation, Municipal Council and Municipal Committee.
- Decentralisation refers to a systematic effort to delegate authority at all levels of management and in all departments. This shifts the power of decision making to lower level under a well considered plan. Take the case of traffic police controlling movement of vehicles on road.
- The Constitutional Amendment Act (CAA) sought to bring some uniformity in the constitution of the municipal bodies by classifying them as follows : – *Nagar Panchayat*, to be constituted in rural-urban transition areas. These have been conceived to properly channelize the growth impulses in such settlements and also to bring some sort of order in their growth and provision of service; Municipal Councils for smaller urban areas; Municipal Corporations for larger urban areas.
- Article 243 B visualizes a three-tier PRI system. It provides that in every state there shall be constituted Panchayats at the village intermediate and district levels.

1.11 REVIEW QUESTIONS

1. Discuss the status of local self government during British rule.
2. Explain the philosophy and principles behind the institution of local self government in India.
3. What are the important functions of local government?
4. What do you understand by decentralisation?
5. What is the importance of decentralisation?
6. State the structure of local government in India.

1.12 FURTHER READINGS

Introduction

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NOTES

CHAPTER— 2

NOTES

OTHER IMPORTANT ASPECTS OF LOCAL GOVERNMENT

STRUCTURE

- 2.1 Learning Objectives
- 2.2 Introduction
- 2.3 Deliberative Wing of Local Bodies
 - Panchayat Institutions
- 2.4 Financial Resources of Local Bodies
 - Sources of Income of Municipal Government
 - Financing of Panchayats
 - Sources of Income of Panchayats
- 2.5 Control Over Local Bodies
 - Control Over Urban Local Bodies
 - Control Over Panchayati Raj
- 2.6 State-Local Government Relations
- 2.7 Summary
- 2.8 Review Questions
- 2.9 Further Readings

2.1 LEARNING OBJECTIVES

After studying the chapter, students will be able to :

- State the deliberative wings of local bodies (Urban Local Bodies and Panchayati Raj);
- Explain the sources of income for Urban Local bodies and Panchayati Raj;
- Discuss the instruments of control over Municipal Body;
- State the controlling instruments for Panchayati Raj.

2.2 INTRODUCTION

With the introduction of local self-governing institutions at grass-roots, new forces in politics emerged. These forces are predominantly traditional in nature. Panchayat of today are different from the 'traditional Panchayats' which had been functioning since long in the rural life of India. Local bodies of today are statutory bodies and are supposed to establish modern democratic institutions (deliberative wing, executive wing, president committee system, etc.) and practice (adult suffrage, code of conducting deliberative and executive business).

In this chapter, we will discuss the deliberative wings of Panchayati Raj and Urban local bodies too. We will also focus on the financial resources of the local bodies and also explain the relationship of local bodies with state government.

2.3 DELIBERATIVE WING OF LOCAL BODIES

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Deliberative wing is the General Body of the Municipal Corporation, comprising of elected members (councilors). Councilors are people's representatives and thus articulate the wishes of the population. The council is elected for a term varying between three and five years. The new Constitutional Amendment Act provides that every Municipal Corporation and every Municipal Council shall have the following two categories of councilors :

- Directly elected councilors;
- Nominated councilors.

The number of elected councilors is to vary according to the size of the population of the territorial area of the Municipal Corporation or the Municipal Council concerned. Nominated councilors are to be nominated by the elected councilors of the Municipal Corporations/Councils concerned. The nominated councilors shall be persons having special knowledge or experience in municipal administration.

MAYOR

The Mayor in the Municipal Corporation is a representative elected by the councilors from amongst themselves for a term of one year, which is renewable. The Mayor exercises administrative control over the secretariat of the corporation. Furthermore, some statutes specifically empower him, in case of an emergency, to direct the execution or stoppage of any work or any act. The Mayor in India is bereft of any executive authority. The indirect election of the Mayor combined with his short one-year tenure makes him more a figurehead than an active functionary.

CALCUTTA MODEL

The Mayor-in-Council form of city governance grew out of local government idealism with a view to making city government really local self-governing fully responsible and accountable to the people. It can better be described as Cabinet government that replicates the political system as it operates at the state and central levels. It supports union or integration with a cabinet in the form of the Mayor-in-Council drawn from the Corporation or Council and accountable and responsible to it. The system therefore provides the much-needed plural, political leadership, coordination of policy and administration and a clear focus of responsibility.

COMMITTEES

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Various Statutory and Non-Statutory Committees that are set up by the council do most of the work of the corporation. A Statutory Committee is set up by the statute which constitutes the Corporation, such as executive committee, standing committee, planning committee, health committee and education committee. Non-Statutory Committees include transport committee, women and child welfare committee etc. The number and composition of the committees vary from state to state. The most important committee, both regarding power and range of functions allotted is the Standing Committee of the Corporation. It acts as the steering committee exercising executive, supervisory, financial and personnel power. The Standing Committee consists of elected members varying between seven and sixteen through a system of proportional representation of councilors.

TYPES OF URBAN LOCAL BODIES

The new Constitution of India was enforced on January 26, 1950. Though the Constitution made specific provision for the establishment of Panchayati Raj institutions in Article 40 under the Directive Principles of State Policy, it did not make specific provision for the establishment of urban local bodies. The urban local government found mention only under Entry 5 of state list of 7th Schedule. This entry includes Local Government, that is to say, the Constitution and Powers of Municipal Corporations, Improvement Trusts, District Boards, Mining Settlement Authorities and other local authorities for the purpose of local self-government or village administration.

According by the constitution and powers of all local bodies are within the jurisdiction of state government. However, it should be noted that urban planning is indirectly included in 'Economic and Social Planning' which is mentioned under Entry 20 of the concurrent list. Its implication is that while powers and constitution of urban local bodies is the sole jurisdiction of state government, the urban planning falls within the jurisdiction of both the state and the union government.

The following types of urban local bodies are found in India :

1. **Municipal Corporation-** Municipal Corporation is established by the Act of state government for the big cities of states and by the Act of Parliament for the big cities of Union Territories. A corporation has three authorities. First is the corporation council headed by the Mayor, who is assisted by the Deputy Mayor. The councillors and Mayor are directly elected by the people. Council is a deliberative and legislative organ of the corporation. Second organ of the corporation are the standing committees to deal with various activities like health, education, public works and are empowered to take decisions in their respective fields. The third authority of the

Corporation is the Municipal Commissioner, who is a government officer and is responsible for the implementation of the decisions taken by the council and standing committees.

2. **Municipalities-** They are setup by the Acts of state legislature for the administration of small cities or towns. It also has three authorities. First the municipal council is the legislative branch of the municipality, and is headed by the Chairman, who in turn is assisted by a Deputy Chairman. The standing committees facilitate the work of municipality in various fields such as health, taxation finance etc.

The third authority of the municipality is the Chief Municipal Officer, who is appointed by the state government and is responsible for the general administration of the municipality. The municipality may be known by other names also such as Municipal Board, Municipal Council or Municipal Committee etc.

3. **Notified Area Committee-** This may be created either in a town which is fast developing or which may not fulfil the conditions for the creation of a municipality. It is known as Notified Area Committee because it is created through a notification of the state government published in the official gazette. It is not a statutory body and all its members and chairman are nominated by the government. It performs similar functions as performed by a municipality.
4. **Town Area Committee-** It is created by a separate Act of state government for the administration of small towns. It performs a limited number of functions like street lighting, drainage etc. As provided in the Act, it may be wholly elected or totally nominated or partly elected or partly nominated body.
5. **Cantonment Boards-** They are established to perform municipal functions for civilian population living in cantonment or military areas. Its noticeable feature is that it is created and works under the central Act of 1924 under the administrative control of Ministry of Defence. There are three types of Cantonment Boards depending upon the number of civilian population in the Cantonment Area. It consists of partly elected and partly nominated members. The members are elected for a three year term. The military officer commanding the cantonment station is the exofficio chairman of the Cantonment Board.
6. **Townships-** Townships are established by a public sector undertaking as its housing colony to provide civil amenities to its employees living in township. It has no elected members and its affairs are managed by a Town Administrator appointed by the public sector undertaking.

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7. **Port Trusts-** Such urban bodies are established by an Act of the Parliament to manage and protect ports and to provide civic amenities to the port area. It is headed by an official appointed by the central government. It has both elected and nominated members.
8. **Special Purpose Agencies-** The state governments establish some special purpose agencies to perform some specific functions of municipalities. They function as separate bodies not under the control of municipalities. They may be created either by an act of State Legislature or by an order of the executive. Some of these agencies are Housing Board, Water Supply Undertaking, Electricity Supply Undertakings, Urban Development Authorities etc

PANCHAYAT INSTITUTIONS

The Panchayati Raj system, as established in accordance with the 73rd Amendment, is a three-tier structure based on direct elections at all the three tiers : village, intermediate and district. Exemption from the intermediate tier is given to the small States having less than 20 lakhs population. It means that they have freedom not to have the middle level of panchayat. All members in a panchayat are directly elected. However, if a State so decides, members of the State Legislature and Parliament may also be represented in district and middle level panchayats. The middle level panchayats are generally known as Panchayat Samitis. Provisions have been made for the inclusion of the chairpersons of the village panchayats in the block and district level panchayats. The provision regarding reservation of seats for Scheduled Castes/Scheduled Tribes has already been mentioned earlier.

However it should also be noted here that one-third of total seats are reserved for women, and one-third for women out of the Quota fixed for Scheduled Castes/Tribes. Reservation is also provided for offices of Chairpersons. The reserved seats are allotted by rotation to different constituencies in a panchayat area. State Legislatures can provide for further reservation for other backward classes (OBC) in panchayats.

(i) Panchayats at Village Level

This is the basic or grassroots level of panchayati raj. The panchayat for a village or a group of villages includes (a) Gram Sabha, the symbol of direct democracy; (b) Gram Panchayat and (c) Nyaya Panchayat.

(a) Gram Sabha

Recognition to Gram Sabha, an institution of direct democracy, is an important feature of the 73rd amendment. Gram Sabha consists of all adult residents within a village or group of villages. Thus it is the only institution of

direct democracy in the country. Generally, two meetings of Gram Sabha are held every year. In these meetings, the Gram Sabha as the general body of the people hear annual statement of accounts, audit or administrative report of panchayats. It also recommends new development projects to be undertaken by panchayats. It also helps in identifying poor people of the village so that they may be given economic assistance.

(b) Gram Panchayat

The lower tier of the panchayati raj system in the country is the village level panchayat. It is known in most of the States as Gram Panchayat: The members of a Gram Panchayat are directly elected by the people. The number of members of a Gram Panchayat is fixed on the basis of village population. Hence, it differs from panchayat to panchayat. Election is held on the basis of single-member constituency. As already mentioned, one-third of the total number of seats are reserved for women; and some for Scheduled Castes and Tribes including one-third for women of Scheduled Castes and Tribes.

Chairpersons of Gram Panchayats are called by different names in different States as 'Sarpanch, Pradhan or President. There is a Vice-Chairperson also. Both are elected by members of the panchayat. Gram Panchayats generally hold their meetings once a month. Panchayats at all levels constitute committees for transaction of their business.

(c) Nyaya Panchayat

These are judicial panchayats and reminder of ancient village panchayat that settled local disputes. They are set up to provide speedy and inexpensive justice. *Jurisdiction of Nyaya Panchayat varies from State to State – one such panchayat is set up for five or more gram panchayats.* Their tenure is between 3 and 5 years, as determined by State law. Nyaya Panchayats generally deal with petty civil and criminal cases, and can impose fine upto Rs. 100 only. There are no lawyers to plead the cases in Nyaya Panchayat. Parties to the disputes argue their own cases.

(ii) Panchayat Samiti

The second or middle tier of the panchayati raj is Panchayat Samiti which provides a link between Gram Panchayat and a Zila Parishad. The strength of a Panchayat Samiti also depends on the population in a samiti area. In Panchayat Samiti, some members are directly elected. Sarpanchs of gram panchayats are ex-officio members of Panchayat Samitis.

However, all the sarpanchs of Gram Panchayats are not members of Panchayat Samitis at the same time. The number varies from State to State and is rotated annually. It means that only chairpersons of some Gram Panchayats in a Samiti area are members of Panchayat Samiti at a time. In some panchayats,

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members of Legislative Assemblies and Legislative Councils as well as members of Parliament who belong to the Samiti area are co-opted as its members. Chairpersons of Panchayat Samitis are, generally elected from among the directly elected members.

(iii) Zila Parishad

Zila Parishad at the district level is the uppermost tier of the panchayati raj system. This institution has some directly elected members whose number differs from State to State as it is also based on population. Chairpersons of Panchayat Samitis are ex-officio members of Zila Parishads. Members of Parliament, Legislative Assemblies and Councils belonging to the districts are also nominated members of Zila Parishads.

The chairperson of a Zila Parishad, called Adhyaksha or President, is elected from among the directly elected members. The vice-chairperson is also elected similarly. Zila parishad meetings are conducted once a month. Special meetings can also be convened to discuss special matters. Subject committees are also formed.

Ex-officio: A person who holds an office, not because he/she is elected to that post, but by virtue of the fact that he/she holds another office.

2.4 FINANCIAL RESOURCES OF LOCAL BODIES

Municipal corporations and municipalities raise their own resources from a variety of sources, as provided for in the respective municipal laws. Their own revenue sources are income from (i) taxes, (ii) fees and fines, and (iii) earning from municipal enterprises like land, tanks, markets, shops, etc. Besides these bodies receive grants from the State.

Property tax on land and buildings is the most important source of income of most urban local bodies. Other taxes levied by them are advertisement tax, professional tax etc. Octroi still remains an important source of income of municipalities in Western India. Now, the trend is toward abolishing this tax as it obstructs the free flow of traffic on highways. They also charge fines for breach of municipal rules and regulations. From municipal shops and markets and rest houses, municipalities often earn considerable sum of revenue. It is a general practice for States to give grants to their municipal bodies to improve their revenue position. State grants-in-aid may be on ad hoc basis; or, it can be on the basis of certain principles like size of population, slums concentration, location of town, etc.

Some of the taxes and rates collected by urban bodies are :— Property Tax; Water tax for water supplied; Seweraging Tax, Fire Tax; Taxes on animals and vehicles; Theatre Tax; Duty on transfer of Property; Octroi Duty on certain items

brought into the city; Education Cess (Tax); and Professional Tax. Some other sources of income are fines and fees such as Fees on Tehbazari on takhats and chabutras; licence fees – on cycle rickshaw, bicycles etc.; rent from municipal shops; and fines imposed for violation of municipal by laws.

SOURCES OF INCOME OF MUNICIPAL GOVERNMENT

In India, finance is the basic problem of urban governments. Adequate finances constitute the life-blood of the whole system of local government. Without sufficient finances, urban governments become mere subordinate units of state government and fail to cater to the civic needs of the community. Their income is derived from local taxation, enterprises, or the wealth of the citizens, located within the limits of municipal body. Direct taxation is common in municipal fiscal administration. In addition, they impose special levies, commonly termed as "betterment levies" charged for improvements on property made by them. Besides, they receive assistance from state and central governments for discharging their obligatory duties. International agencies through state governments also provide financial assistance for projects of urban development, such as, water supply, housing, roads etc.

Sources of income of urban governments may be grouped under :

- (i) Tax-revenue
- (ii) Non-tax revenue
- (iii) Grants-in-Aid, and
- (iv) Loans.

These sources are briefly discussed as below :

Tax-Revenue

The major proportion of income of urban governments flows from taxes. It ranges between two-fifths and three-fourths of total income. The main taxes are :

- (a) Octroi or terminal tax
- (b) House tax
- (c) Tax on trades, professions
- (d) Tax on dogs
- (e) Tax on advertisements other than those published in the newspaper
- (f) Bazar tax
- (g) Tax on vehicles
- (h) Tax on theatres
- (i) Toll tax.

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Non-tax Revenue

It includes receipts from rents of municipal property, interest on investments, profit from public utility undertakings like-water supply, passenger transport, electricity supply, fee for issuing licences or permits, fines realised for offences against municipal bye-laws, rules, regulations etc. For example in Punjab and Haryana this source of revenue fetches about 30 per cent of revenue. The national average of the proceeds from this source is a little above 30 per cent.

Grants-in-Aid

It is another important source of income of urban governments in India. Grants represent subsidies given by the state government in aid of certain services rendered by urban governments. Grants can broadly be divided into two categories, namely, recurring and non-recurring. The former are provided by the State Government to meet the gap in their recurring expenditure. The latter are given to municipalities to meet the initial cost of some specific projects such as water supply, school buildings, health centre etc. The amount of grant is determined on the basis of the matching formula, per capita income and expenditure etc.

Loans

Urban governments also meet their needs of capital expenditure such as purchase of land, heavy machinery and long-term projects by raising loans. Borrowings are regulated by the central law known as Local Authorities Loans Act, 1914. Loans are raised with prior sanction from the state government. In certain cases, the permission of the central government is also needed. The urban governments are permitted to borrow loans from banks, Life Insurance Corporation and other financial institutions.

All proposals concerning loans from open market or LIC are required to be cleared by the Reserve Bank of India. For all practical purposes, urban governments except municipal corporations have to depend largely upon loans from their respective state governments. Every loan has its own rate of interest, term, mode of repayment, measures of utilisation etc.

FINANCING OF PANCHAYATS

Ideally, as units of government, the panchayats should have full autonomy in deciding their priorities and determining the allocations to different programmes. In reality, however, the system of centralised planning followed over the last four decades severely constrains local autonomy. Not only is a substantial part of the outlay of a Five-Year plan committed to ongoing activities, but 'earmarking' a large proportion of plan provisions restricts the extent to which sectoral allocations can be altered. The situation was aggravated by the

enlargement, since the Seventh Five Year Plan, of Centrally Sponsored Schemes with tied funds and national guidelines.

There are broadly three sources of funds for panchayats :

- Own resources through direct taxation powers or income from owned or vested assets of a panchayat.
- Fees or assigned revenues like cesses/surcharges/share in taxes.
- Purposive or untied grants, of different types.

The only tier of the panchayats that has regulatory powers is the gram panchayat. Conceptually, the other two tiers play only extension and development planning/welfare roles. Working on this principle, prior to 73rd Amendment, it was argued by the PR Finance Commission of Karnataka in 1989 that the paradigm of the taxation role is regulatory and coercive and therefore does not go well with the development role, much less with welfare and extension roles. They recommended only the gram panchayats should enjoy taxation powers.

Limited Options

Insofar as options for making panchayats institutions of self government in matters of economic planning and development as envisaged by 73rd Amendment are concerned, it may be noted that panchayats are not allowed to borrow and there is a balanced budget constraint on them. Prior to 73rd Amendment, Karnataka was the first to try decentralised planning but was constrained by Central sectoral planning.

This left a very limited scope for discretion by panchayats. It was found by the PR Finance Commission of Karnataka in 1989 and later by a study team of Government of AP that 40 per cent of plan funds of the Union and the States put together account for what may be termed as 'district schemes' in almost all the States. The total discretion that panchayats had in selecting their own schemes was only 13-14 percent of the total Plan allocation to a district. It was also found that only a paltry 6 percent of the funds intended for district schemes were being channelised through panchayats. In Karnataka the total of 40 percent of funds intended for district schemes was channelised through Zila Parishads. After a great deal of relaxation in the planning system at the district level only 14 percent untied funds could be made available to the Zila Parishad. The earmarked schemes claimed 86 percent of the total funds.

Several scholars have argued in favour of untied funds for development to be granted to panchayats. It has been Stated forcefully that 40 percent of resources should be given from total Plan allocations for district schemes to the panchayats for spending as untied funds on schemes and activities of their choice as determined by a bottom-up micro and district planning process.

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Reliance on State Legislatures

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State Legislatures can grant powers to tax any of the tiers of panchayats. Though State Legislations have provided for granting powers to tax or assign certain taxes to panchayats, it is quite clear from a comparative chart that the size of the fiscal domain in all States is inversely related to the panchayat level. The largest number of charges and taxes are leviable at present by gram panchayats. Even where powers of levy are vested at Panchayat Samiti or Zila Parishad levels, actual collection is done by the gram panchayat and the revenue passed on; in some cases, these revenues are shared.

Concurrent powers of levy are sometimes assigned on the same base, or the Panchayat Samiti and/or Zila Parishads are empowered to levy a surcharge on any Gram Panchayat tax or fee. The common features of the fiscal domain of gram panchayats across the States need to be focussed on for buoyancy – improving measures of general validity. At the same time, taxes or charges peculiar to one or a few States suggest possibilities for introduction elsewhere.

Fiscal Transfers and “Gap-filling”

It has been said that gap-filling as an approach to State local transfers must be explicitly rejected in favour of other approaches more compatible with incentives for local taxes or fees. The levies by Panchayats are most often specific rather than ad-valorem because of the difficulty of valuation in the rural context, and are not indexed for inflation. The only segments of rural property which fall within the taxable domain of Panchayats as defined at present are buildings, non-agricultural land and non-motorised vehicles. The levies on buildings and land offer some possibilities for augmenting panchayat resources. There could be a user levy on agricultural pumpsets over and above electricity charges, since pump sets use ground water, a local common resource. Scope for new property based levies like this appears to be indicated by beneficiary willingness to pay in rural West Bengal.

The improved service resulting from transfer of management of tubewells from the State Government to panchayats is a pre condition for willingness to pay. A developmental charge on new construction, commonly levied only by Municipalities, has been tried out by Maharashtra which empowered gram panchayats to charge a betterment levy on lands which have benefited from schemes paid for from Panchayat funds.

Taxes and Levies

A variant of the betterment levy is a valorisation tax, where infrastructure projects are financed through prior collections from potential beneficiaries, with the concomitant involvement of these beneficiaries in the conception and realisation of the project. At present eight States do empower gram panchayats

to collect a special tax for construction of public works, on agricultural land and residential structures or on adult males. The tax on adult males is also payable through a labour contribution. This special tax could be applied in all States.

Project Specific

contribution of this kind meet with less resistance than recurring levies and confer on the local community a sense of ownership that ensures better maintenance.

User charges

Water and lighting rates are most commonly found across the States, usually at gram panchayat level and occasionally obligatory in nature. Where the facility has resulted from a scheme funded by Panchayat samitis or Zila Parishads they also levy charges in some States on water or lighting. But in all these cases, the levy is collected by the gram panchayat and shared with higher levels.

Surprisingly, empowerment to levy charges for street cleaning or for the maintenance of public or private latrines is less common and rarely obligatory. The right to levy taxes on fares, festivals and pilgrims is also not commonly assigned which is an obvious omission considering the strain these events place upon the sanitation infrastructure.

Some States also have an explicit charge for irrigation water although in other States such as Tamil Nadu, a charge on irrigation is incorporated in the land revenue. Panchayats are not commonly empowered to levy user charges on health and education except in Bihar, Haryana, Rajasthan, UP and West Bengal. It is debatable whether such a user charge on students does not come up against the constitutional guarantee of free education for all. The fee on weekly bazars and markets is the counterpart at Panchayat level of the sales tax of States. It is at present assigned to gram panchayats in ten of the fourteen General Category States.

Tax Sharing

A detailed tax wise examination of the provisions under present legislation in respect of both sharing of State level taxes and taxes leviable at Panchayat level is necessary to assist State Governments to provide revenue additionality for Panchayats. The other issue is major levies on rural property and common resources which together fall within the natural fiscal domain of local governments but are levied by State Governments at present. These are : land revenue on agricultural land, stamp duty on property transfer, and royalties from mineral and forest resources. Land revenue and stamp duty are commonly shareable with Panchayats under present legislation; forest and mineral resources rarely so. It has been demonstrated that a restructuring of sharing provisions and of tax design of the first two could lead to greater buoyancy of collections; and Panchayat

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shares of forest and mineral revenues from those State levies at present shared only with municipalities could help increase the resources of Panchayats. For now it is sufficient to note that transfer of staff and funds for staff costs, augmenting panchayat's own resources, and grant of untied funds for village plans/district planning are important issues requiring attention.

SOURCES OF INCOME OF PANCHAYATS

Panchayats can discharge their functions efficiently only if they have sufficient financial resources. For resources, panchayats depend mainly on grants from State Government. They also have taxation powers and have some income from owned or vested assets. They may get a share in the taxes, duties, tolls and fees that are levied and collected by the State Government. Let us now see what financial resources panchayats have to perform their functions.

(i) Gram Panchayat

In most States the power of levying taxes is vested in gram panchayats. House tax, tax on cattle, immovable property, commercial crops, drainage tax, sanitation fee, tax on produce sold in village, fee for supply of water to households, lighting tax are some of the taxes and fees levied by panchayats. Panchayats can also levy entertainment tax on temporarily stationed theatres, taxes on animals and non-mechanically propelled vehicles plied for hire.

Gram panchayats also receive funds as income from property owned by them as common grounds, jungles, cattle ground etc. The sale proceed of dung, refuse and carcasses (dead bodies of animals) is also retained by gram panchayats. They also receive their share in land revenue from the State.

(ii) Panchayat Samitis

Panchayat Samitis can impose tax on facilities provided by them as water for drinking or irrigation purposes, lighting arrangements, tolls for bridges maintained by them. The property of Panchayat Samitis includes public buildings, public roads constructed or maintained out of their funds and all land or other property transferred to them by the government. Panchayats receive income from the property vested in them. They also receive grants from the State Governments. Funds are transferred by Zila Panchayats or State Governments along with schemes to be implemented by the intermediate institutions of panchayati raj.

Toll tax is charged from those who use a facility. Thus, those who pass over a bridge may have a nominal amount of money as toll for the bridge.

(iii) Zila Parishads

Zila Parishads are also authorised to impose taxes. They may impose taxes on persons carrying on business in rural areas for six months, taxes on brokers,

commission agents in markets established by them, also tax on sale of goods in these markets. Tax on land revenue can also be imposed by Zila Parishads. When development schemes are entrusted to them, necessary funds are also provided. They also receive grants from the State, donations from charitable institutions, and may also raise loans.

NOTES

2.5 CONTROL OVER LOCAL BODIES

In spite of the extra ordinary powers vested with the central government, India has always been a federation. The transformation of the party system has produced certain substantial changes in the Indian federal system. The shift from the one party dominant system to a multi party system has again strengthened federalism in India. Regional political parties are in power in some of the important states of India since 1970s and regional political parties have become important constituents of the national government since 1996. It is quite evident that India has moved a long way from cooperative federalism to a competitive federalism. The country still have a strong central government, but it does not have the same clout as it once wielded in the days when the congress was the dominant party. India is now moving from administrative federalism toward multi level political federalism.

With the 73rd and 74th constitutional amendments, a third stratum of governance has been established in rural and urban areas in India. These local authorities have been given constitutional mandate to exercise powers, responsibilities and resources in their devolved areas of functional jurisdiction. They are closer to the people and democratically more accountable than the other two levels of governments. With these constitutional amendments the local governments moved beyond the exclusive control of central and state governments and act as autonomous institutions of political authority within the Indian federal system.

CONTROL OVER URBAN LOCAL BODIES

Urban local bodies are not sovereign bodies. As mentioned earlier, local government is a state subject and as such state government is empowered to legislate on various aspects of local bodies. It determines their structure, powers, functions, financial resources etc. In fact, urban local bodies are regularly controlled, supervised, directed and occasionally penalised by the State Government for their acts of omission and commission. In India, the forms of government control over urban bodies are many and varied. Such control is of four broad varieties, namely, (a) legislative, (b) judicial, (c) administrative, and (d) financial.

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Legislative Control

All the Urban bodies, with the exception of the cantonment boards, are established vide legislations enacted by the state legislature by the notifications of the state government. These statutes or notifications prescribe the composition and functioning of the urban bodies. Besides, the state government, through further legislations, can change their boundaries, determine the size and number of the wards and can even dissolve them. The minister for urban affairs/bodies can be questioned in the state legislature on various aspects of municipal administration. The members of the legislature can also bring affairs related to urban bodies to the notice of the government through call attention motions, adjournment motions, etc.

Administrative Control

Administrative control over urban bodies is exercised in the following ways: (1) The state government has the power to approve bye-laws and rules framed by municipal bodies and to annul their resolutions, if they exceed their limits. (2) The personnel of the urban bodies are under control of the state government for their appointment, transfers, conditions of service, disciplinary action etc. (3) It can conduct inspections of the urban bodies and issue suitable direction to them. (4) The urban bodies have to submit periodic reports to the state government on their functioning. (5) If a municipal body fails to discharge its duties within the fixed time, the state government can get that work done on its own but expenditure for which, will be borne by the urban body. This is known as the default power of the state government. (6) An appeal against the unjust and arbitrary behaviour of the municipal body can be made to the state government. (7) The state government can dissolve a local body. Earlier, it could be done at the discretion of the state government and, after dissolution, elections would not be held for as much as a decade sometimes. The Constitution 74th Amendment Act seeks to improve the situation. It states that, if the state government decides to dissolve a municipal body before the expiration of the fixed period of five years, then before the dissolution, the government will give to the municipality a reasonable opportunity for being heard. Elections for constituting a new municipality will have to be completed within a period of six months. This means that the municipal body can remain dissolved for a period of six months only. A municipality so constituted after dissolution will continue only for the remainder of the period for which the dissolved municipality would have continued had it not been dissolved. These provisions will hopefully ensure that municipalities are dissolved arbitrarily. (8) Before the passage of 74th Amendment Act, the state government could supersede and suspend a municipality. From now on, the state legislatures will not have the power to make amendments in any law which can result in supersession of dissolution of any municipality, before the expiration of

its normal term of five years. This is also a security against arbitrary action by the state government.

Judicial Control

If a common citizen feels that a municipal body has acted unjust causing him undue harm, or if his rights have been violated by the local body, he can appeal to the relevant court. The court provides him several remedies through which he can force a local body not to act in manner that may cause harm to him or to perform duties that it should have lawfully performed. Some such remedies are the writs of *Habeas Corpus*, *Mandamus*, *Quo Warranto*, etc. If the citizen has been wrongly harmed, the court may instruct the urban body to pay compensation. However, the judicial procedure is lengthy and costly and the Acts of such bodies prohibits judicial interferences in certain cases.

Financial Control

Municipal bodies are required to prepare their budgets in the forms prescribed by state government and the approval of state government is also required, if the money has to be reappropriated from one head to another. The state government also regulated the sources of income of these bodies in the following manners.

Control over Taxation

The government is empowered to exempt any person or property from the payment of any tax. Every resolution of a municipality increasing or decreasing or abolishing an existing tax, requires the approval of the state government and in certain cases, of central government as well. For example, in case of tax on profession, the Constitution of India had prescribed a limit of Rs. 250 per annum in 1949. In view of the price rise and other factors some state governments when demanded by local bodies, had to request the centre to revise the ceiling. The rate was, therefore, enhanced to Rs. 2,500 per annum in 1988 by the Sixtieth Amendment Bill of the Constitution. The state government is empowered to suspend or prohibit, or remedy a tax unfair in incidence or injurious to the interests of the general public. Besides, the state government can direct a municipal body to impose octroi on a particular item at a particular rate.

State government may allow urban bodies to add supplementary rates to the existing government taxes. For example, in India, when state governments had abolished octroi, they permitted the urban governments to impose a surcharge on the sales tax which is a state tax : Besides, a local tax may be administered by the government, although it is actually enjoyed by the urban governments. For instance, in Andhra Pradesh entertainment tax which is basically a local tax is imposed by the government but the entire proceeds are given to urban governments after retaining the collection charges amounting to Rs. 5 per

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unit of the collections. Similarly, from motor vehicle tax, which was formerly a local tax in India, certain percentage of the collections are made over to the urban authorities by the state governments.

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Control over Municipal Expenditure and Fund

The state government is empowered to regulate municipal expenditure by fixing limits on expenditure to be incurred on various items, laying down regulations and procedures for incurring expenditure. If the work involved exceeds a particular limit of expenditure, the urban bodies are required to obtain *administrative and technical sanction from the competent authorities* as determined by the state government. It can also require a municipal body to pay for any service. The purposes to which municipal fund can be applied are specified by the State Government through an Act and its application to any other purpose requires the government approval.

Control over Budget

The urban bodies are required to prepare their budgets in the manner and form as determined by the state government from time to time. The budget approved by the municipality cannot be executed without the prior sanction of the state government which in turn has the power to make alterations in budgetary proposals. As mentioned in the preceding section if municipality does not agree with the modifications made, the decision of the state government is final and binding on the municipality. In some states, the budget is not subject to the sanction of the state government. In such states the approval is needed only in those cases where municipalities are indebted. Besides, prior sanction of the state government is also needed for re-appropriation from one head to another head of the budget, that is, the money granted for education can be put to use for public works with government approval.

Control over Loans

As mentioned earlier, the borrowing powers of urban bodies are regulated by the central law known as the *Local Authorities Loans Act, 1914*. Before approving any proposal to borrow, the state government thoroughly examines the scheme, reviews the entire financial position of the urban local body, fixes the period of repayment, determines the mode of borrowing etc. For example, the *Uttar Pradesh Nagar Mahapalika Adhiniyam, 1959*, lays down the following restrictions :

- (a) No loan can be raised unless the state government has approved the purpose, amount, rate of interest, date of floatation, period of repayment and method of repayment of loans.
- (b) The period within which the loan is to be repaid shall, in no case exceed 30 years.

- (c) Without the prior sanction of the Government no part of the amount borrowed shall be applied to any purpose other than that for which it was borrowed.
- (d) No portion of the sum borrowed shall be applied to the payment of salaries or allowances of any municipal officer or servant other than those who are exclusively employed on the work for construction for which the money was borrowed.
- (e) No loan can be raised for the execution of any work other than a permanent work.

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Control over Grants

Grants-in-aid are the most effective instrument of state control over the finances of municipal bodies in India. The state government ensures that the grants are properly utilised and not misappropriated or diverted to unapproved purposes. The grants can be reduced, suspended, and withheld if the accompanying conditions are not fulfilled by a municipal body.

Control over Accounts and Audit

Accounting and auditing are important instruments of state control over municipal finances. The municipal bodies maintain accounts in the form and manner as prescribed by state government. As stated earlier, in Punjab, the municipal bodies are required to follow the Punjab Municipal Accounts Code, 1930, which lays down detailed procedures for all sorts of financial transactions. Any departure from the form and manner requires the sanction of the state government. Besides, the state government may at any time direct special examination and conduct audit of municipal bodies by Auditors appointed by the state government. The main aim of the state government control through an audit is to ensure that public money is properly utilised and no amount is paid for any expenditure without the proper authority and provisions of the funds in the budget.

CONTROL OVER PANCHAYATI RAJ

Control over PRIs is as essential as would be for any other public institution. Not only do PRIs need guidance at several steps, but also protection against vested interests. Financial control is also indispensable in order to ensure that public funds reach the right beneficiaries. Control is also necessary to maintain an optimum level of efficiency and economy and besides, through the system of control, there is a continuous interaction between the state government and the PRIs. This is done by the following four methods :

- (1) *Institutional Control* : This control is exercised through the constitutional provisions and enactments of the concerned state legislature. The acts of

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the legislature determine the size and territorial jurisdiction of the PRIs, their composition and electoral procedures, their functions, the methods of settlement of disputes in the PRIs, control over the staff and control over the property and documents of the PRIs.

- (2) *Administrative Control* : This implies the control exercised by the state government to check and regulate the day-to-day working and administration of the PRIs. The government can review, modify, or reject the proposals put forth by the PRIs, remove their members under certain circumstances through prescribed procedures, conduct periodic inspections, execute the no-confidence motions passed by the PR bodies and even supersede and dissolve these bodies. However, all these powers will now have to be exercised within the provisions of the Indian Constitution.
- (3) *Financial Control* : The Act setting up or governing the PR bodies in a state determines to a great extent, the sources of their revenue in terms of taxes, fees, loans and grants. As already indicated, the state government determines the general principles governing the framing of their budgets and lays down rules regarding the nature and forms of the accounts to be maintained. Through the office of the Examiner of Local Funds Audit, the accounts of the PRIs are audited and reports submitted to the government.
- (4) *Technical Control* : All plans and schemes prepared by the PR bodies have to be technically approved by the government. The state government officials provide technical guidance to these bodies. Various meetings of the PRIs are attended by technical officers who articulate the approach and desire of the government.

2.6 STATE-LOCAL GOVERNMENT RELATIONS

Policy making process is analytical and complex. There are various actors and agencies which perform their role in making and executing the policies. Different organs of the government at various distinct levels of their operations have specified tasks to accomplish through policies being enacted. The policies formulated at these various levels are made through different structures available. The Indian Constitution has divided the subjects into three categories or lists, these are known as the union list, the state list, and the concurrent list. The subjects included in the union list are the ones on which only the union government can make policies.

We know that in India there is government at three levels, that is, the union, state, and local levels. Regarding the first two, the provisions and structures for policy making are mentioned in the Constitution. The local government in India

does not have any separate Constitutional status. It functions as per the statutes enacted by the state legislature. Though there are distinct structures available at different levels for making policies, there are significant inter-governmental relations and intra-governmental relations also for making the policies. In this section, we will discuss the relation of state government with local self-governments.

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Elected Representatives : All elected as well as appointed officials of the government at different levels have a substantial role to play in the enactment of policies at their distinct levels. In most of the states, the local governments, as per state's legislative statutes are in existence at the city, town, block, and village level. Depending upon the population and revenue resources, there are municipal corporations in some bigger cities, there are municipal committees in other. Besides, Town Area Committees and Notified Area Committees are in existence at some places. At the rural level, there are village panchayats, panchayat samitis at the block level and zila parishads at the district level. But for panchayat samitis and zila parishads, the rest of the institutions have councils of elected representatives. These councils or bodies, depending upon the needs of the local constituents, areas, and the resources available, frame policies for the betterment of the people. The directives issued by the state governments and union government, from time to time, regarding any policy measures are taken into consideration by the elected representatives of local bodies and the policies made accordingly. By simple majority decisions regarding works to be undertaken are made in these elected councils.

Executive : The executive here means the permanent executive, that is, the bureaucracy operating at the local and also that at the state level which has dealings with the local bodies regarding works to be undertaken by the local bodies. The bureaucracy at the local level plays quite an important role in the priorities fixed and decided by the local bodies and also in the policies being made by the local councils.

At times it is felt that the local administration does not provide a substantial helping hand to the local bodies in making these institutions work effectively. The control being exercised by the bureaucracy at district and lower levels and over the local bodies is enormous and does not permit the local councils to work effectively.

The Indian Constitution has made a clear distinction of powers between the union and state governments for making policies at the union and state levels. Issues get translated into policies after being approved by the respective legislatures. At the level of the legislature, political executive, and permanent executive there

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are number of processes involved in policy making. Besides there are different ministries that perform important role in policy making and there are certain other agencies which take care of a number of important aspects relating to policy making. Some of the most important among these include the Planning Commission, National Development Council, Finance Commission, etc. Besides, there are some other institution and agencies as well, which play a crucial role in formulation of policies in the context of Inter-governmental Relations (IGRs).

2.7 SUMMARY

- Deliberative wing is the General Body of the Municipal Corporation, comprising of elected members (councilors). Councilors are people's representatives and thus articulate the wishes of the population. The council is elected for a term varying between three and five years.
- Municipal Corporation is established by the Act of state government for the big cities of states and by the Act of Parliament for the big cities of Union Territories. A corporation has three authorities. First is the corporation council headed by the Mayor, who is assisted by the Deputy Mayor. The councillors and Mayor are directly elected by the people. Council is a deliberative and legislative organ of the corporation.
- The panchayat for a village or a group of villages includes (a) Gram Sabha, the symbol of direct democracy; (b) Gram Panchayat and (c) Nyaya Panchayat.
- The second or middle tier of the panchayati raj is Panchayat Samiti which provides a link between Gram Panchayat and a Zila Parishad. The strength of a Panchayat Samiti also depends on the population in a samiti area. In Panchayat Samiti, some members are directly elected. Sarpanchs of gram panchayats are ex-officio members of Panchayat Samitis.
- Municipal corporations and municipalities raise their own resources from a variety of sources, as provided for in the respective municipal laws. Their own revenue sources are income from (i) taxes, (ii) fees and fines, and (iii) earning from municipal enterprises like land, tanks, markets, shops, etc. Besides these bodies receive grants from the State.
- In India, the forms of government control over urban bodies are many and varied. Such control is of four broad varieties, namely, (a) legislative, (b) judicial, (c) administrative, and (d) financial.

2.8 REVIEW QUESTIONS

1. Discuss the types of Urban Local bodies.

2. What are the relevant deliberative wings of Panchayati Raj?
3. State the sources of income for Urban Local Government in India.
4. What are the important sources of income for Panchayati raj in India?
5. Describe the controlling instruments for Urban Local bodies in India.

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CHAPTER – 3

PANCHAYATI RAJ

NOTES

STRUCTURE

- 3.1 Learning Objectives
- 3.2 Introduction
- 3.3 Democratic Decentralization
 - Functional Decentralization
 - Financial Decentralization
 - Administrative Decentralization
 - Political Decentralization
- 3.4 Panchayati Raj in India
- 3.5 Basic Structure of Panchayati Raj System
 - 73rd Amendment to the Constitution
 - Panchayats (Extension of Scheduled Areas) Act, 1996
- 3.6 Functions and Evaluation of Panchayati Raj Institutions
- 3.7 The State Government's Responsibilities
- 3.8 The Panchayati Raj Institutions in the Post - 73rd Amendment Era: The Case of UP
- 3.9 The Office of Collector : Evolution and Importance
 - Functions of the Collector
 - Collector and Panchayati Raj Institutions
- 3.10 Summary
- 3.11 Review Questions
- 3.12 Further Readings

3.1 LEARNING OBJECTIVES

After studying the chapter, students will be able to :

- State the important aspects of democratic decentralization and Panchayati Raj;
- Explain the relevance and features of 73rd Constitutional Amendment;
- Discuss the models of Panchayati Raj with special reference to UP;
- State the role of District Collector in general and in rural development.

3.2 INTRODUCTION

The concept of panchayati raj is not only based on the ancient Indian belief that "God lives in the Panch", or panch parmeshwar, but was very enthusiastically

propounded by Mahatma Gandhi. He believed in the power to all sections of people, and in grassroots democracy. That is possible only through village panchayats. Right up to the British period, panchayats played a very important role in the social life of the village and also resolved minor disputes among villagers. Under the British rule, panchayats lost the respect and power which they had earlier enjoyed because of the new system of courts, laws and revenue collection. Though in independent India one of the Directive Principles of State Policy in the Constitution directed the Union and State Governments to try to take steps to organise village panchayats and give them such powers and authority as may be necessary to enable them to act as units of self-government panchayati raj was not taken up seriously by the states. However, they are now given Constitutional status.

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3.3 DEMOCRATIC DECENTRALIZATION

There are four major dimensions of decentralization: (i) Functional, (ii) Financial, (iii) Administrative, and (iv) Political. We need to know a little more about these dimensions in order to understand the implications of decentralized governance better.

FUNCTIONAL DECENTRALIZATION

When some functions are to be transferred from the national or state level to the substate level, it is necessary that such functions must be selected carefully. A random transfer of functions will result in inefficient and undesirable discharge of those functions at the lower levels. Such fear arises because the competencies available at the lower level may not be adequate to do justice to those functions. Similarly, some powers will have to be delegated to the lower level to discharge those functions. *If these powers are not delegated along with the functions then there will be a mismatch between the two and the functions cannot be executed.*

This is important because one functional activity may be divided between state and sub-state levels of government. Take the example of education. There are different types of education: primary, secondary, higher, vocational, technical, adult, etc. For each type of education there can be different types of functions like day-to-day administration, location of a new school, curriculum design, teacher training, etc. So it becomes necessary that it must be clearly specified which of these services and functions are transferred to the given sub-national level.

The decentralization of function must be matched by the decentralization of necessary power. Such power is of three types: (i) policy-making power, (ii) financial power, and (iii) power over personnel matters. Each of these powers can be further subdivided. Thus policy-making powers are further sub-divided into

law-making and executive powers; financial powers into those concerning revenue and expenditure, and personnel powers into those relating to conditions of service, establishments, appointments, promotions, transfers, discipline, etc.

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FINANCIAL DECENTRALIZATION

Planning at any level without the necessary financial authority and resources is meaningless. In our country, like in other countries, most financial resources are mobilized by the Central government, which then distributes them to the lower levels.

The division of resources is done according to constitutional provisions. A statutory body called the Finance Commission, appointed every 5 years, decides these divisions. Recently a State Finance Commission has been stipulated for the transfer of financial resources from the states to the local bodies.

Different criteria are adopted for the allocation of development funds from the Centre to the sub-national levels. Some of the socio-economic considerations are the following: (i) area; (ii) population size; (iii) degree of relative backwardness, (iv) measure of tax effort, (v) special locational or social characteristics, (vi) commitment to major national schemes. These factors are taken into consideration with a view to providing relatively higher grants to relatively more backward states. The purpose behind this idea is two-fold : (a) from the point of view of fair play, the backward states should be given more to help them move upwards; (b) from the point of view of efficiency, if they are made economically strong through such help, then their dependence at the centre decreases in future.

Divisible and Indivisible Pools

Some states in India divided the total plan outlay into 'divisible' and 'indivisible' pools. Funds in the indivisible pool are earmarked for the state sector schemes, whereas funds in the divisible pool are distributed among the districts on the basis of a formula adopted by the state government concerned.

But simply earmarking funds for districts does not give the district planning bodies complete authority over the use of these funds. There is a real chance that most of these funds may be diverted to the implementation of departmental schemes under the control of departmental heads at the state level. The way out of this "departmentalism" is to keep some "untied funds" at the disposal of the district planning bodies to be utilized according to their plan.

We understand now that financial decentralization is of crucial importance for successful implementation of decentralized planning. We also realize that total dependence on transfers from top is not very helpful and some local mobilization of revenue is necessary. Otherwise, flow of funds may not be assured to meet the local needs through decentralized planning.

ADMINISTRATIVE DECENTRALIZATION

Panchayati Raj

Administrative decentralization is also known as *deconcentration*. It means deconcentration of functions and some powers from government departments and agencies to their field offices. However, the "command" remains at the top. Administrative decentralization involves taking a number of administrative actions, some of which are :

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- (a) Setting up offices at regional and local levels to move closer to the people;
- (b) Designating the decentralized functions for each level;
- (c) Making necessary delegation of powers;
- (d) Assigning adequate finances;
- (e) Posting adequately qualified persons through deputation or fresh recruitment;
- (f) Establishing work procedures and framing departmental rules and regulations for coordinated functioning; and
- (g) Providing technical guidelines to field officers and establishing a time-bound programme of activities to fit into the national planning process.

Such administrative decentralization will lay the ground work for democratic decentralization. The officials will not only acquire the necessary skills to execute the plan, they will have to build up an attitude favourable towards decentralization and people's participation. They are used to executing plans framed at the top and handed down to the lower levels. In the changed situation, they will have to learn to work with people's representatives who will have more and more say in the formulation of policy and plans.

POLITICAL DECENTRALIZATION

In its perfect form, the concept of decentralization becomes the same as democratic decentralization. Now all people take part in the planning process. When only the elected representatives of the people take part in the process, it is called "partial decentralization". When all sections of the population are empowered to take part in local affairs of the community, it is called "total decentralization".

There are three major components of political decentralization: Local autonomy, Devolution and Political Participation.

Local Autonomy

The idea of local autonomy is based on the belief that the local community knows best where its interest lies and how to achieve them. They should be enabled to take decisions and initiate action with the minimum dependence on higher authorities. Self-reliance and assertiveness are the key to such attainment by the local community.

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Devolution

Local autonomy will be primarily possible through devolution. Devolution simply means transfer of government powers, functions and resources to local authorities. Local authorities will be given the power to take decisions and at the same time accept responsibility for those decisions. They cannot pass the responsibility to the government to escape. Devolution has to be accompanied with the deconcentration, which we discussed earlier.

Devolution is different from delegation of power. When power is delegated, the ultimate responsibility still remains with the government. In this case the local authority is still under control of the government and in every way subordinate to it. Devolution is an orderly transfer of authority, resources and institutional capabilities to local authorities. Therefore, devolution in its true sense will not be possible in the absence of political willingness.

Devolution will enhance the capacities of the local authorities in the following ways :

- (a) More programme responsibilities and resources will be transferred from the government to the local authorities to match the legal duties and powers given to them.
- (b) They will be empowered to generate their own revenue to reduce their dependence on government.
- (c) The capacities of local institutions will be enhanced to make policies and administer.

Public Participation

The ideal of democratic decentralization is achieved through people's participation in the process of governance. This is made possible through the institution of local selfgovernment. Through the functioning of these elected bodies, people participate in the process of governance and learn to make democratic institutions stronger. They realize the importance of freedom and democracy more.

In India democratic decentralization has been identified with "Panchayati Raj". Although Panchayati Raj was established in the country soon after Independence, the Constitution did not provide for it in a proper manner. The state governments played around with this important peoples' institution according to their whims and selfinterest. Sometimes elections to these institutions were not held for long periods and they enjoyed very little power. This gap in the constitution has been filled with 73rd Amendment and the 74th Amendment. Now the Constitution envisages the establishment of Panchayati Raj institutions as units of local self-government in different states.

3.4 PANCHAYATI RAJ IN INDIA

Panchayati Raj has a long history in India. Panchayats are mentioned in Rig Veda, which is believed to have been composed more than 1000 years before Christ. The five members of the Panchayat of the village were known as Pancha Parameswar, or the five godly persons. Kings were respectful towards them. The Panchayat distributed land, collected revenue and settled disputes in the village. However, the Panchayats suffered a steady decline later under feudal and Moghul rules. A new class of feudal chiefs called zamindars came to function as a link between the king and the people.

PANCHAYATI RAJ UNDER BRITISH RULE

Under the British, the Panchayats started slowly losing their self-governing character. The authority of the state began to be felt in the villages directly. Special programmes like construction and maintenance of irrigation works, relief works, payment of grants-in-aid to schools were implemented by the state. Under a new judicial system, disputes arising in the village were carried to the courts outside the village. Thus the age-old functions of the Panchayat were carried to external agencies.

It was after the First War of Independence in 1857 that local-self government received a little more attention from the British Government. District Funds were set up in several states and were given the power to levy a cess on land revenue, education and roads. District and Taluka local fund committees were set up, too. But the funds were small and the village was hardly touched by the district committee.

Viceroy Lord Mayo's Resolution of 1870 is an important land-mark in the evolution of local-self government during the British Rule. It aimed at enlarging the powers and responsibilities of the governments of the Provinces and the Presidencies. Local public works, health services, sanitation, education could now receive more attention from them and from the local-self governments.

But it is Lord Ripon, who is regarded as the father of local-self government in India. He passed a resolution in 1882 to put into practice the intentions of Lord Mayo. He attached importance to both administrative efficiency as well as political education at the local level. The Ripon Resolution, however, focused on towns. It provided for a majority of elected nonofficial members and a non-official chairperson for the local board. The colonial administrators resisted it.

The Royal Commission on Decentralization, headed by C.E.H.Hobhouse, tried to revive the age-old institution of Panchayats by starting local-self government at the village level in stead of at the district level. The Commission recommended granting some powers to the Panchayats to enable them to perform

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their duties independently. They were entrusted with functions like village sanitation, control over ponds and management of schools. It also provided for some finance for the purpose independently.

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After the Montague-Chelmsford reforms, village Panchayats were established in a number of provinces. By 1925, eight provinces had passed panchayat acts and by 1926, six native states had also passed panchayat laws.

It was expected that local-self government would receive a boost with the introduction of Dyarchy, under the responsibility of elected ministers. But it was found that the Dyarchy ministers contributed very little to the development of local government.

In 1927 the Simon Commission was entrusted with the task of enquiring into the working of local-self government and suggesting measures for improvement. The Commission found the following major drawbacks in the working of local bodies: large size of an average district in India, inadequacy of financial resources, lack of public spirit among voters and the absence of control over the local-self government authorities by the provincial governments.

The popular ministries formed in 1937 undertook legislation to make the local bodies truly representative of the people. But unfortunately, they resigned with the outbreak of World War-II in 1939. From 1939 to 1946 the provinces were ruled by one man- the Governor. India became independent in 1947.

PANCHAYATI RAJ AFTER INDEPENDENCE

We saw briefly how the British tried to decentralize power to local authorities. You should note, however, that the aim behind this was not to decentralize democracy, but to facilitate colonial administration.

The Freedom Movement was concerned more with swaraj for the country than with *gram swaraj*. Mahatma Gandhi, of course, was a great advocate of *gram swaraj*, but not all the other leaders held the same view. For example, Dr. Ambedkar, who is widely regarded as the chief author of the Indian constitution, thought that "the village (was) a sink of localism, a den of ignorance, narrow-mindedness and communalism." He said that he was glad the Draft Constitution had discarded the village and adopted the individual as its unit.

Therefore, when the Constitution was adopted, Panchayati Raj institutions were placed under the Directive Principles of State Policy under Article 40. The Article says, "The state shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of local self-government." As is wellknown, the Directive Principles can not be enforced in a court of law. Thus, it was only expected of the state that it would foster the development of Panchayati Raj.

This constitutional weakness of Panchayati Raj institutions remained there for more than four decades. The 73rd amendment to the Constitution removed this weakness at long last. We will learn some more about that a little later.

During these four decades, however, efforts were being made to bring in democratic decentralization of power in the country by strengthening the Panchayati Raj system. Various committees were set up at different times to make recommendations in this regard. Some of these committees are briefly discussed below.

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The Balwantrai Mehta Committee (1957)

We have already been familiar with this committee earlier. It was set up to study the Community Development (CD) projects and the National Extension Service and make recommendations. The Committee strongly recommended the involvement of the community in the decision-making, planning and implementation processes for the success of the CD project. Some of the more important recommendations of the Committee are the following :

- an early establishment of elected local bodies and devolution to them of necessary resources, power and authority,
- the basic unit of decentralization was the block / samiti,
- the body was to be constituted for five years by indirect elections from the village Panchayats,
- the higher- level body, zilla parishad was to be an advisory body only.

The Panchayati Raj system in the country did not develop as expected because of resistance from politicians and administrators to share power and resource with local-level bodies and domination of local politics by the local heavy-weights.

The Santhanam Committee (1963)

This Committee was set up to look into the finances of the Panchayati Raj institutions. Some of the recommendations of the Committee were the following:

- panchayats should have special powers to levy taxes like land revenue and home taxes,
- all grants at the state level should be mobilised and sent in a consolidated form to the PRIs,
- a Panchayati Raj Finance Corporation should be set up to take care of the financial needs of PRIs.

Some of the recommendations of the Committee are being taken up by the State Finance Commissions now.

The Ashok Mehta Committee(1978)

This Committee was set up when the Janata Party government came to

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power at the Center in 1977 to suggest measures to strengthen the PRIs. The following recommendations were made :

- the district is a viable administrative unit for planning, coordination, resource allocation with the available technical expertise,
- a two-tier system is desirable with Mandal Panchayat at the bottom and zilla parishad at the top,
- there should be a four-year term for the PRIs,
- political parties should participate in elections,
- there should be both functional and financial devolution.

The G.V.K. Rao Committee (1985)

This Committee was set up to once again look into the various aspects of PRIs. Its recommendations were as follows :

- PRIs were to be activated and provided with all necessary support,
- PRIs at the district level and below should be given the task of planning, implementation, and monitoring of rural development programmes,
- the block should be the key level in the rural development process.

The L .M. Singhvi Committee (1986)

The two most important recommendations of this Committee were :

- local-self government should be constitutionally recognised, protected and preserved by the inclusion of a new chapter in the Constitution,
- political parties should not be involved in panchayat elections.

Although there was resistance to these recommendations from different directions, finally the Constitution was amended to make PRIs constitutional institutions.

3.5 BASIC STRUCTURE OF PANCHAYATI RAJ SYSTEM

The basic concept of Panchayati Raj is that the villagers should think, decide and act for their own socio-economic interests. Thus Panchayati Raj Act is related to village self-governance, where the people in the form of an organisation will think, decide and act for their collective interest.

Self-government allows us to decide about ourselves without hampering others interest. Whenever we talk about collective benefit one point is clear that there is no conflict between the villagers collective interest on one side and societal and national interest on the other, rather they are complementary. Where the Panchayats end their activities the state govt. takes them up. The state government plays their major roles.

We will now have a look at the basic structure of the Panchayati Raj system in line with the 73rd amendment to the Constitution. Some of the provisions of the new Act are mandatory in nature, which are to be followed by all the states. Some other provisions are discretionary in nature where the states are given some choice in their implementation.

Mandatory Provisions***Constitution of Panchayats***

According to the Central Act, there shall be a three-tier system of Panchayats in all states: at the village, intermediate and district levels. However, in states having a population of less than 20 lakh, the intermediate level may not be constituted.

Composition of Panchayats

All the seats in a panchayat shall be filled by persons chosen by direct election from territorial constituencies in the panchayat area. Such elections shall be conducted under the supervision, control and direction of the State Election Commission, comprising the State Election Commissioner appointed by the state government.

The Chairperson of the Panchayat at the intermediate level shall be indirectly elected by and from amongst the elected members of the Panchayats.

Reservation of Seats

Seats shall be reserved for both scheduled castes and scheduled tribes in every panchayat. The number of such seats shall be, as far as possible, in proportion with the percentage of their population to the total population. Such seats may be allotted by rotation to different constituencies in a panchayat. Again, one-third of these reserved seats will be further reserved for women from these castes and tribes. Similarly, in case of general seats also, one-third of them shall be reserved for women belonging to any class or category. Such seats will also be allotted by rotation to different constituencies in a panchayat. Such reservations will also apply to the offices of chairpersons on a rotation basis.

Duration of Panchayats

A Panchayat shall have a term of five years and if it is dissolved for any reason, fresh elections shall be held within six months from the date of such dissolution. In case the remainder of the period is less than six months, it shall not be necessary to hold any election for constituting the panchayat for such period. A panchayat constituted following the dissolution of its predecessor as above, shall continue only for the remainder of the period for which the dissolved panchayat would have continued.

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State Finance Commission

The Governor of a state is to constitute a State Finance Commission within one year of the Act coming into force and thereafter every fifth year. The Commission is to review the financial position of the panchayats and make recommendations to the Governor in the following respects :

- (a) the principles which should govern –
 - (i) the distribution of the proceeds of the taxes, duties, tolls, fees levied by the state between itself and the panchayats and the allocation among the panchayats at all levels their respective shares of such proceeds;
 - (ii) the determination of the taxes, tolls, duties and fees which may be assigned to or appropriated by the panchayats;
 - (iii) the grants-in-aid to panchayats from the Consolidated Fund of the states;
- (b) the measures needed to improve the financial position of the panchayats; and
- (c) any other matter referred to the Finance Commission by the Governor in the interest of sound finance of the panchayats.

The Central Finance Commission is also required to make recommendations to the President as to the measures needed to augment the Consolidated Fund of a state to supplement the resources of the panchayats in the state on the basis of the recommendations made by the State Finance Commission.

District Planning Committee

The provision for constituting the District Planning Committee was made under the Constitution (74th) Amendment Act, 1992. Accordingly, there shall be a District Planning Committee at the district level to consolidate the plans prepared by the panchayats and municipalities and to prepare a draft development plan for the district as a whole.

Discretionary Provisions

The subject Panchayati Raj institutions belongs to the State List in the Indian federal system. Therefore, the Central Act has left a large area for the state legislatures to fill in. Suitable provisions were to be made in the Acts passed by them for the purpose, keeping in mind the overall objectives spelt out in the Central Act. Such discretionary provisions are listed below :

1. Nomenclature of the panchayats at different levels.
2. Nomenclature of the chairpersons at different levels.
3. Size in terms of population and area for determination of panchayats at village and intermediate levels.
4. Powers and functions of the Gramsabha.
5. Composition of the panchayats at different levels: Provided that the ratio

between the population of the territorial area of a panchayat at any level and the number of seats in such panchayat to be filled by election shall, so far as practicable, be the same throughout the state.

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6. To provide or not for the representation of :
 - (a) the chairpersons of village panchayats in the panchayats at the intermediate level, and of the intermediate level panchayats at the district-level panchayat;
 - (b) the members of the Lok Sabha and the members of the state legislative assembly representing constituencies that comprise wholly or partly a panchayat area at levels other than the village level;
 - (c) the members of the Rajya Sabha and the members of the state legislative council where they are registered as electors.
7. The mode of election of the chairperson of a panchayat at the village level.
8. The manner in which the seats of the members of the panchayats at different levels shall be reserved for scheduled castes/tribes and women, provided that the number of seats shall be allotted by rotation to different panchayats at each level.
9. The manner in which the offices of the chairpersons at different levels shall be reserved for scheduled castes/tribes and women. Provided that the number of offices reserved shall be allotted by rotation to different panchayats at each level,
10. To provide or not for reservation of seats in favour of backward class in any panchayat or offices of chairpersons in the panchayats at any level.
11. To endow the panchayats at various levels with such powers and authority as may be necessary to enable them to function as institutions of self-government and to make provisions for the development of powers and responsibilities upon panchayats at the appropriate level with respect to :
 - (a) the preparation of plans for economic development and social justice;
 - (b) the implementation of schemes for economic development and social justice entrusted to them, including those in relation to the matters listed in the Eleventh Schedule of the Constitution.
12. To decide the taxes, duties, tolls and fees for which a panchayat is authorised and also lay down the procedure and limits for the same.
13. To decide limits and the conditions of the taxes, duties, tolls and fees levied and collected by the state government but assigned to the panchayats.
14. To decide the amount of grants-in-aid provided to the panchayats from the Consolidated Fund of the state.

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15. To authorise the panchayats at different levels to create a fund for crediting all money received by or on behalf of the panchayats and also for the withdrawal of such money.
16. To provide for the composition of the Finance Commission, the qualifications this shall be requisite for appointment as members thereof and the manner in which they shall be selected. The Commission shall determine their procedure and shall have such powers in the performance of their functions as the legislature of the state by law confers on them. The Governor shall cause every recommendation made by the Commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the state legislature
17. To make provisions with respect to the maintenance of accounts by panchayats and the auditing of such accounts.
18. To determine the conditions of service and tenure of office of the State Election Commissioner and to make provision with respect to all matters relating to or in connection with election to the panchayats. It is provided that the State Election Commissioner shall not be removed from his office except in like manner and on the like grounds as a judge of the High Court. This condition of service of the State Election Commissioner shall not be varied to his disadvantage after his appointment. The Governor, when so required by the State Election Commission, shall make available such staff as may be necessary for the discharge of the functions conferred on it.
19. To make provision with respect to all matters relating to, or in connection with elections to the panchayats.
20. To make provisions with respect to :
 - (a) the composition and functions of the District Planning Committee;
 - (b) the manner in which the office of the chairperson of the District Planning Committee shall be filled, provided that not less than four-fifths of the total number of members of the committee shall be elected by and from amongst the elected members of the panchayat at the district level and of the municipalities in the district in proportion to the ratio between the populations of rural and urban areas.

The Constitution (73rd) Amendment Act, 1992 was enacted on April 24, 1993. The State legislatures were required to amend their relevant Acts or bring out new Acts replacing the old Acts within one year. All the states have complied with the requirements by now.

The 73rd Amendment to the Constitution has greatly empowered the panchayats to take part in decentralized planning from the Gram Sabha level to the Zilla Parishad level.

Gram Sabha

All states have made provision for the establishment of the Gram Sabha in their respective Panchayat Acts. The scope and function of the Gram Sabha differ from state to state, but this is regarded as the primary institution to facilitate direct participation of the local people in the planning and development activities in the area. The Constitution makes it mandatory to establish the Gram Sabha at the village level. The Gram Sabha consists of all persons in the village registered in the electoral rolls.

According to the statutory provision in most states, it is the responsibility of the Gram Panchayat concerned to ensure that the Gram Sabha meetings are held at least twice a year. The Gram Panchayat members should inform the date, time and venue of the Gram Sabha meeting to community members well in advance. The meeting is generally convened by the chairperson of the Gram Panchayat known variously as Sarpanch, Pradhan, Mukhiya or President in different states. A Gram Sabha meeting can take place only when the required quorum of 10-20 percent is present.

The annual budget, proposals for taxation, and all development-related activities are supposed to be discussed and finalised in the Gram Sabha meeting. Selection of beneficiaries under poverty alleviation programmes through the Gram Sabha has been made mandatory.

Gram Panchayat

Under the 73rd Constitution Amendment, it has been left to the states to endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government. However, the states are required to see that the devolution of powers and responsibilities to panchayats contain provisions relating to —

- (a) the preparation of plans for economic development and social justice,
- (b) the implementation of schemes for economic development and social justice as may be entrusted to them, including those in relation to the matters listed in the Eleventh Schedule.

The Gram Panchayat has also been vested with financial and taxation powers. It shall levy and collect taxes on items specified under the Act. However, the Panchayat Acts passed by different states after the 73rd Constitution Amendment Act, 1992, do not reveal any uniformity in assigning functions to different levels of panchayats.

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The State Panchayat Acts stipulate the frequency for holding the gram panchayat meetings as well as the quorum requirement for the conduct of such meetings. The plan proposed by the gram sabha will be discussed and approved by the members of the gram panchayat in these meetings before being sent to the Panchayat Samiti. As mentioned earlier, two aspects of the plan must be ensured during such discussions :

- (a) creation of assets for the community,
- (b) generation of employment for the weaker sections.

Panchayat Samiti

The Panchayat Samiti (PS) is the elected body at the block level. The structure, powers and functions of these bodies are almost similar in all states in the country. It consists of members elected from the constituencies and MLAs from the area.

The Panchayat Samiti can constitute standing committees to plan and implement programmes in general administration, education, agriculture, communication, cooperation, etc.

The Panchayat Samiti carries out these important functions with the help of a secretariat of government officers, headed by the Block Development Officer, appointed by the government.

The action plans, along with the budgets, prepared by the gram panchayats, are sent to the Panchayat Samiti. After receiving the plans from all the gram panchayats under it, the Panchayat Samiti scrutinizes them in its meeting. The engineer of the Block is asked to provide technical sanction to the plans and budgets after detailed examination. The standardised designs and budgets are then sent to the Zilla Parishad.

A similar procedure is followed in case of the various development and poverty-alleviation schemes. Based on the recommendations of the Gram Sabha, the Gram Panchayat prepares a list of beneficiaries for various pension schemes, housing schemes, etc., and sends the list to the Panchayat Samiti. The Panchayat Samiti is also expected to supervise the development works undertaken by the gram panchayats and service delivery in the block area.

Zilla Parishad

The Zilla Parishad (ZP) is to control, coordinate and guide the gram panchayats and panchayat samitis within the district, coordinate and consolidate the plans sent by the panchayat samitis, coordinate the demands for grants for special purposes received from the panchayat samitis of the district, and exercise such other powers as entrusted to it by the state government.

The main function of the Zilla Parishad is to coordinate and approve plans and projects of lower levels of elected governments. With an endorsement from

the Gram Sabha, the Gram Panchayats forward their action plans to the ZP through the PS. The CEO of ZP and other officers under him examine the action plans and check them against funds available in the different schemes. *Since there are almost no free funds available in the system, action plans are matched with the schemes available.*

The main role in planning has to be performed by the Panchayat at the district level. Various high level committees have recommended the district as the most suitable unit for systematic planning below the state level. The people are familiar with and used to the district as a key administrative unit. In terms of area and population, it is large enough to make it viable to formulate a cohesive development plan. Reasonable administrative and technical capabilities are available at this level. Planning units have been installed in every district which can provide professional expertise in local level planning.

The district panchayat, *i.e.*, the Zilla Parishad, will have primarily the planning and coordinating role, while the intermediate level panchayats, *i.e.*, the panchayat samitis, will be primarily the implementing agencies. The gram panchayats will, in a limited way, be involved in programme implementation. Also, the zilla parishad will be responsible for the implementation of programmes whose area of benefits cuts across the boundaries of the intermediate level panchayats. On the other hand, the Panchayat Samiti and the Gram Panchayat will have the same relationship in plan formulation.

THE 73RD CONSTITUTIONAL AMENDMENT ACT, 1992

The 73rd Constitutional Amendment Act was passed by the Parliament in April 1993. The Amendment provided a Constitutional status to the Panchayati Raj Institutions in India and left no discretion with the State governments in several important matters pertaining to these Institutions. Before the 73rd Amendment was made effective, Article 40 of the original Constitution provided for a Directive to the government to take steps to organise village Panchayats and endow them with the powers and authority as may be necessary to enable them to function as the units of self-government. But, by mid-eighties it was realised that the said Directive was not sufficient to institutionalise Panchayati Raj in India.

The practice of Panchayati Raj as per the Directive Principles of the State Policy was not to the satisfaction of the policy makers. There were several reasons for this. One of the reasons was that no uniform pattern of Panchayati Raj was being followed by the State governments. While few States followed a two-tier system, the others followed a system of three tiers. Further, many States were not holding regular elections to the PRIs.

Since the elections to the PRIs were being held by the State governments themselves, their fairness and independence was seriously doubtful. Moreover,

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there were no standard guidelines with regard to delegation of powers to such institutions.

More important was the need to empower the people in the rural areas as well as the empowerment of women. It was observed that political power had remained in the hands of socially and economically influential people, with the poor man having little participation in political decision-making. The same was true in case of women also, whose percentage in the Parliament has remained between 4 to 7 per cent after independence. The political policy makers then began to think in terms of Amendment to the Constitution to empower the people in the rural areas, more particularly the women, and give a Constitutional status to the PRI, so as to bring uniformity in this regard in the entire country.

The Constitutional Amendment Act was passed in the year 1993 and the State governments were then required to enact revised Panchayati Raj Acts as per the provisions of the amended Constitution.

Before the impact of 73rd Amendment is assessed, it would be better to consider the provisions of this Amendment. Articles 243, 243A to 243-O were added as parts of newly inserted Part IX of the Constitution. The Amendment introduced across the board three-tier system of the PRIs at village Panchayat, Block and District levels. The electorates at Gram Panchayat level have been named as the Gram Sabha which elects the representatives to Gram Panchayat by way of direct election. Further, Article 243D provides for reservation of seats at all levels for Scheduled Castes (SCs), Scheduled Tribes (STs) and women. While the reservation for the SCs/STs is as per their actual proportion in population of the concerned area, it is provided that not less than one-third of the total seats in all the tiers will be reserved for women. The States are empowered to reserve the offices of the Chairpersons at all the three tiers. There is a move now to increase the reservation for women to 50 per cent.

The Constitution now provides that every PRI shall continue for a period of five years. The States have also been empowered to allow the PRIs in their respective legislative Acts to levy, collect and appropriate several tolls and taxes. With this the PRIs at all the tiers will be able to generate financial resources at local-level and make expenditure in the desired field as per locally-felt needs. The State laws may lay down the procedure to be followed, as well as the limits of such taxes/levies. The State governments may also assign to the Panchayats various taxes and duties collected by it. The State governments are required to appoint a State Finance Commission to review the financial position of the PRIs and make recommendations with regard to the distribution of net proceeds of taxes between the States and the PRIs, assignment of certain taxes exclusively to the PRIs and the grants-in-aid.

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Another set of important changes made in the Constitution pertain to the elections to the PRIs. To ensure free and fair elections to these institutions, the 73rd Amendment provides for setting up of a State Election Commission in every State and the State Election Commissioner is appointed by the Governor of the State concerned. With a view to ensure the independence of the State Election Commission, it is laid down that the State Election Commissioner can be removed only in the same manner and on the same grounds as the Judge of a High Court.

As per Articles 243G and 243H, the PRIs are entrusted with the responsibility of preparing micro-plans for economic development, beginning at Panchayat-level. These institutions are also responsible for implementation of schemes aimed at socio-economic development and exercise powers delegated in respect of 29 developmental items as prescribed in 11th Schedule of the Constitution. These items include: land improvement, irrigation, animal husbandry, fisheries, education, women and child development, etc. Most of the States have delegated these functions to the PRIs as per the spirit of 73rd Amendment and the PRIs are now empowered to function in these fields as per enabling provisions in the concerned Acts of the State governments.

Though reservation of seats for the SCs/STs is based on their actual proportion in the population, yet some States have also reserved seats for Other Backward Classes (OBCs). But there is no discretion with the States to reduce the reservation for women, which is prescribed to be not less than one-third of the total seats. The actual reservation for women in the PRIs ranges from 35 to 42 per cent in various States. As a result, people belonging to the backward and the vulnerable sections, including the women, have almost 50 per cent seats in the PRIs to themselves, which is expected to result in their actual empowerment.

The PRIs have been made responsible for preparing District, Block and Panchayat-level plans for ensuring economic development in their respective areas. The flow of funds for economic development would be based on such plans. With the power to levy several taxes at Panchayat-level, these provisions would empower the PRIs financially and make them self-reliant.

Most of the States have also taken necessary steps to enforce most of the provisions provided for in their own Panchayati Raj Acts. But there are serious problems in actual practice. Though in most of the States the PRIs are functioning as per the Constitutional provisions, yet it is seriously doubted whether the objective of empowerment of people at the grass root level has actually been achieved.

Salient Features of 73rd Amendment

The 73rd amendment to the Constitution enacted in 1992 made statutory provisions for the establishment, empowerment and functioning of Panchayati

Raj institutions. Some provisions of this amendment are binding on the States while others have been left to be decided by respective State Legislatures at their discretion. The salient features of this amendment are as follows :

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Some of the compulsory requirements of the new law are :

- Organisation of Gram Sabhas;
- creation of a three-tier Panchayati Raj Structure at the Zila, Block and Village levels;
- almost all posts, at all levels to be filled by direct elections;
- minimum age for contesting elections to the Panchayati Raj institutions be twentyone years;
- the post of Chairman at the Zila and Block levels should be filled by indirect election;
- there should be reservation of seats for Scheduled Castes/ Scheduled Tribes in Panchayats, in proportion to their population, and for women in Panchayats up to one-third seats;
- State Election Commission to be set up in each State to conduct elections to Panchayati Raj institutions;
- the tenure of Panchayati Raj institutions is five years, if dissolved earlier, fresh elections to be held within six months; and
- a State Finance Commission is set up in each State every five years.

Some of the provisions which are not binding on the States, but only guidelines are :

- Giving voting rights to members of the Central and State legislatures in these bodies;
- providing reservation for backward classes; and
- the Panchayati Raj institutions should be given financial powers in relation to taxes, levy fees etc. and efforts shall be made to make Panchayats autonomous bodies.

PANCHAYATS (EXTENSION OF SCHEDULED AREAS) ACT, 1996

The provisions of the 73rd Amendment do not apply to the Scheduled Areas. the states of Nagaland, Meghalaya and Mizoram, the hill areas the state of Manipur and the hill areas of district of Darjeeling (West Bengal). However, the provisions of the 73rd Amendment were extended to the Scheduled Areas as well by the Panchayats (Extension of Scheduled Areas) Act, 1996.

The provisions of the Panchayats (Estension of the Scheduled Areas) Act, 1996 have come into force on 24th December 1996. The Act extends Panchayats to the tribal areas of eight states of India, namely, Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa and Rajasthan. It intends

to enable the tribal society to assume control over their own destiny, to preserve and conserve their traditional rights over natural resources. The state governments were required to enact their legislations in accordance with the Provisions of the Act before the expiry of one year, *i.e.*, 23rd December 1997.

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SALIENT FEATURES OF THE EXTENSION ACT, 1996

The salient features of the Extension Act are as follows : (i) Every village shall have gram sabha consisting of persons whose names are included in the electoral rolls for the panchayats at the village level; (ii) Reservation for STs shall not be less than half of the total number of seats at all tiers of panchayats. Reservation of tribal communities shall be on the basis of proportion to their population. The chairpersonship shall be reserved for STs at all levels of Panchayats. In case some ST communities have no representation at intermediate or district level panchayats, the state government shall nominate such under represented STs. But such nomination should not exceed one-tenth of the total number of elected members of the panchayats; (iii) Every legislation on the panchayats in the Fifth Scheduled Area shall be in conformity with the customary law, social and religious practices and traditional management practices of the community resources; (iv) Gram Sabha shall be competent to safeguard and preserve the traditions and customs of the people, their cultural identity, community resources and customary mode of dispute resolution; (v) Gram Sabha is empowered to approve plans, programmes and projects for social and economic development, to identify persons as beneficiaries under the poverty alleviation and other programmes and to give certificate of utilisation of funds for various plans and programmes; (vi) Gram Sabha or Panchayat at the appropriate level would be consulted before making the acquisition of land for development projects and before resettling or rehabilitating persons affected by such projects. However, actual planning and implementation of the projects shall be coordinated at the state level; (vii) Recommendation of the Gram Sabha or the Panchayats at the appropriate level is mandatory for the grant of prospecting license or mining lease for minor minerals, and grant for the exploitation of minor minerals by auction; (viii) gram sabha and panchayats are endowed with powers to enforce prohibition or to regulate or restrict the sale and consumption of any intoxicant; ownership of minor forest produce; to prevent alienation of land; to manage village markets; to exercise control over moneylending; to exercise control over institutions and functionaries in all social sectors; to exercise control over local plans and resources for such plans, including tribal sub-plans; (ix) Planning and management of minor water bodies shall be entrusted to the panchayats at the appropriate level; and (x) State legislatures may endow panchayats with such powers and authorities, as may be necessary to enable them to function as

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institutions of self-government. The statutes shall contain safeguards to ensure that panchayats at the higher level do not assume the powers and authority of any Panchayat at the lower level or of the gram sabha. Hence, the cardinal principle of allocation of functions has been provided to a greater extent in the act itself; (xi) State legislatures shall endeavor to follow the pattern of the 6th Schedule of the Constitution while designing administrative arrangements in the panchayats at district level.

Thus, the Extension Act is an important step in enabling state legislatures to make laws for the tribals that ensure their control and rights over natural resources and conserve and preserve their identity and culture in a participatory manner through the institution of the Gram Sabha.

3.6 FUNCTIONS AND EVALUATION OF PANCHAYATI RAJ INSTITUTIONS

All panchayati raj institutions perform such functions as are specified in state laws relating to panchayati raj. Generally speaking the functions are as under:

(i) Functions of Gram Panchayat

Some States distinguish between obligatory (compulsory) and optional functions of Gram Panchayats while other States do not make this distinction. The civic functions relating to sanitation, cleaning of public roads, drains and ponds, public toilets and lavatories, primary health care, vaccination, supply of drinking water, constructing public wells, street lighting, social health and primary and adult education, etc. are obligatory functions of village panchayats. The optional functions depend on the resources of the panchayats. They may or may not perform such functions as tree plantation on road sides, setting up of breeding centres for cattle, organising child and maternity welfare, promotion of agriculture, etc.

After the 73rd Amendment, the scope of functions of Gram Panchayat was widened. Such important functions like preparation of annual development plan of panchayat area, annual budget, relief in natural calamities, removal of encroachment on public lands, implementation and monitoring of poverty alleviation programmes are now expected to be performed by panchayats. Selection of beneficiaries through Gram Sabhas, public distribution system, non-conventional energy source, improved Chullahs, bio-gas plants have also been given to Gram Panchayats in some states.

(ii) Functions of Panchayat Samiti

Panchayat Samitis are at the hub of developmental activities. They are headed by Block Development Officers (B.D.Os). Some functions are entrusted to them like agriculture, land improvement, watershed development, social and

farm forestry, technical and vocational education, etc. The second type of functions relates to the implementation of some specific plans, schemes or programmes to which funds are earmarked. It means that a Panchayat Samiti has to spend money only on that specific project. The choice of location or beneficiaries is, however, available to the Panchayat Samiti.

(iii) Functions of Zila Parishad

Zila Parishad links panchayat samitis within the district. It coordinates their activities and supervises their functioning. It prepares district plans and integrates samiti plans into district plans for submission to the State Government.

Zila Parishad looks after development works in the entire district. It undertakes schemes to improve agricultural production, exploit ground water resources, extend rural electrification and distribution and initiate employment generating activities, construct roads and other public works.

It also performs welfare functions like relief during natural calamities and scarcity, establishment of orphanages and poor homes, night shelters, welfare of women and children, etc.

In addition, Zila Parishads perform functions entrusted to them under the Central and State Government sponsored programmes. For example, Jawahar Rozgar Yojna is a big centrally sponsored scheme for which money is directly given to the districts to undertake employment-generating activities.

EVALUATION OF PANCHAYATI RAJ

The concept of grassroots democracy at both rural and urban levels has not flourished in the country. Some of the major reasons behind this failure are politicisation of administration, entry of criminal elements in the elected bodies, rampant corruption, caste and group division, priority to self interest over public welfare and electoral malpractices. The 73rd amendment seeks to radically alter the power relations in the villages by reserving seats for scheduled castes, tribes, backward classes and women. However, in the absence of proper education, training and economic independence, these groups are unable to assert themselves. Illiteracy poverty and unemployment are the major handicaps. Urgent steps need to be taken to effectively deal with these problems in order to facilitate participatory development. Though the provision for reservation of seats for women has been manipulated by their male counterparts – mostly their husbands – it has certainly empowered them to some extent. They are increasingly becoming aware of their rights and responsibilities and are asserting themselves in certain cases. This is definitely a very positive development.

The latest Constitutional Amendments have certainly broadened the financial resources of the local self-governing institutions. However they still remain starved of funds. Taxation powers have been given to them but they are unable to collect

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enough taxes. So due to scarcity of resources, panchayats are not able to fulfil their role as self-governing institutions or carriers of economic development in the countryside. Panchayats are subject to various controls by the State Governments. The State Governments are authorised to cancel their resolutions and even dissolve them. However the 73rd Constitutional Amendment has made it compulsory for the States to hold election of panchayati raj bodies within six months of their dissolution.

It is necessary that the people participate actively in democratically elected panchayats. This can be ensured through Gram Sabhas. Through Gram Sabhas, the people can question and demand explanation from panchayats. Gram Sabha can harmonise needs and priorities of people and also plan direction of village development. The Gram Sabhas can successfully play the role of securing democracy at the grassroots if they are endowed with sufficient authority.

The overall socio-economic and cultural development of rural areas depends on strong panchayats. Panchayats as the foundations of democracy at the grassroots can be strengthened only by reposing faith in them, endowing them with adequate administrative and financial powers and encouraging vigilance and active participation of the people.

3.7 THE STATE GOVERNMENT'S RESPONSIBILITIES

The State Government took the following steps to conform to the mandatory provisions of the 73rd Constitution Amendment Act.

- Three Tier Panchayati Raj System -
 - Gram Panchayat at village level
 - Kshetra Panchayat at intermediate level
 - Zila Panchayat at District level
- Constitution of State Election Commission and State Finance Commission.
- Division of Panchayats into territorial constituencies and one member directly elected from each ward.
- Not less than 1/3rd seats reserved for women.
- Panchayats have a mandatory term of five years.
- Any panchayat if dissolved before the expiry of its term, fresh elections within six months.
- Indirect elections of chairpersons of Intermediary and District Panchayats.

The State Government has ensured the following measures to strengthen the Panchayati Raj Institutions in the State :

- Transfer of funds, functions and functionaries, to PRIs.
- Powers and functions to Gram Sabha.

- Direct election of chairperson of a panchayat at village level.
- Reservation for OBCs.
- Determination of the taxes, duties, tolls and fees which a Panchayat can levy.
- Provision for maintenance of accounts and auditing of Panchayats.

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3.8 THE PANCHAYATI RAJ INSTITUTIONS IN THE POST - 73RD AMENDMENT ERA : THE CASE OF UP

Consequent to the enactment of the 73rd constitution Amendment Act Uttar Pradesh enacted appropriate legislations for setting up strong, viable Panchayats at village, intermediary and district level. After constitutional amendment first General Elections were held in the year 1995. Thereafter, second general elections were held in the year 2000. In the months of August, 2005 elections to 52,000 Gram Panchayat were completed and elections to 820 Kshetra Panchayat and 70 Zila Panchayats were held in October, 2005.

Status of elected PRIs representative in General Election 2005 in Uttar Pradesh is as follows :-

Name of the PRIs	No. of PRIs	ST		SC		OBC		General	
		F	M	F	M	F	M	F	M
Pradhan, GP	52000	43	16	5085	6964	13010	8233	7931	10694
Pramukh, KP	820	02	00	101	76	196	139	115	187
Chairman, ZP	70	00	00	12	04	39	09	11	04

Percentage of women elected Panchayati Raj Representatives is as follows :-

• GP Pradhan - -	51	GP Member -	38
• KP Pramukh -	53	KP Member -	37
• ZP Adhyaksh -	74	ZP Member -	40

At present the status of PRIs & elected representative in Uttar Pradesh is as follows :-

S. N.	Name of the PRIs	No. of PRIs	No. of Chairperson	No. of Members
1	Gram Panchayat	51977	51977	706600
2	Kshetra Panchayat	820	820	65004
3	Zila Panchayat	71	71	2631
	Total	52868	52868	774235

As per constitutional provisions and the provisions made in U.P. Panchayat Raj Act 1947 and U.P. Kshetra Panchayat and Zila Panchayat Act, 1961 the fourth general elections are due in 2010.

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DEVOLUTION OF FINANCES TO PRIs

Article 243 I of the Constitution provides for the Constitution of a state Finance Commission (SFC) to review the financial position of Panchayats and to make recommendation regarding principles governing –

- Distribution between the state and the Panchayat of the net proceeds of taxes, duties, tolls and fees leviable by the state,
- Determination of taxes, duties, tolls and fees that may be assigned to, or appropriated by the Panchayats,
- The grants-in-aid to the Panchayats from the consolidated fund of the state,
- The measures needed to improve the financial position of the Panchayat and
- Any other matter referred to the Finance Commission in the interests of sound finances of the Panchayat.

STATE FINANCE COMMISSIONS

The Ist Finance Commission recommended 3 percent of the total tax revenue of the State, the State Government increased it to 4 percent and transferred the funds to the Panchayat every year since 1997-98. Government also accepted the recommendation of IInd SFC and devolved 5% of the state net income from taxes to PRIs. The IIIrd State Finance Commission was appointed in Dec. 2004 constituted under the chairpersonship of Shri S.A.T. Rizvi that has submitted its report to govt., which is under active consideration of the government.

TRANSFER OF UNTIED FUNDS

So far an amount of Rs. 9321.89 crore and an amount of Rs. 4622.75 crore under Central Finance Commission since 1996-97 have been transferred to Panchayats in the State.

Year	Amount (in crore Rs.)	
	Under State Finance Commission	Under Central Finance Commission
1996-97	20.00	189.88
1997-98	255.00	189.88
1998-99	300.00	189.88
1999-00	328.00	189.88

2000-01	362.33	233.42
2001-02	382.00	233.42
2002-03	393.00	233.42
2003-04	550.00	233.42
2004-05	585.00	0.00
2005-06	675.00	585.60
2006-07	1174.66	585.60
2007-08	1444.99	585.60
2008-09	1438.19	585.60
2009-10	1413.72	587.15
Total	9321.89	4622.75

NOTES**UTILIZATION OF 12TH FINANCE COMMISSION GRANTS**

An amount of Rs 2928 crore has been sanctioned for the period 2005-10, by the GOI for PRIs to be utilized to improve the service delivery by the panchayats taking water supply and sanitation as first charge. Under the Pipe Water Supply schemes 41 schemes created under SWAJAL, 169 under Sector Reform Project and 60 by Jal Nigam, most of the schemes have already been transferred to Gram Panchayats. The operation and maintenance of these single village schemes is being done by concerned Gram Panchayats. It has also been decided that all the concerned PRIs shall collect 50% of the recurring cost as user charges in the form of water tax under the provision of Sec -37 of U.P. Panchayati Raj Act 1947. Apart from this about 16 lakh handpumps have also been handed over to Gram Panchayats since April 2002 and Gram Panchayats are maintaining these handpumps successfully.

Under the 12th Finance Commission grants following sanitation activities especially environmental sanitation works were taken up by the Gram Panchayats:

- Maintenance of drains including under ground drains for the proper waste water disposal.
- Solid waste disposal.
- Maintenance of H.P. Platforms, bathing platform, soaking pits etc.
- O&M of sanitary complex and school toilets.
- Cleaning of village drains.
- Maintenance of drinking water wells. Nature of works which major expenditure was done (G.P).

Article 243 (g) of the constitution provides for the devolution of functions, to PRIs and encompasses the list of 29 subjects in 11th schedule. In Uttar Pradesh so far 16 activities with the funds of 10 activities have been devolved to Gram

Panchayat. The Process of devolution is continued & more and more function are expected to be devolved to PRIs in future. The status of transfer of functions, funds and functionary is as given below.

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DEVOLUTION OF FUNCTIONS

Functions/ Powers –

- Operation & Maintenance of Rural Water Supply schemes.
- Poverty alleviation programmes.
- Basic education including mid day meal.
- Operation and Maintenance of rural market and fairs.
- Rural Sanitation Programme.
- Maintenance and Supervision of 'D' category Veterinary Hospitals.
- Welfare Programme for SC, ST and Other weaker sections – selection of pensioners and distribution of scholarships.
- Food and Civil Supplies- supervision of PDS throughout the state including Jan Kerosene Programme.
- Maintenance of assets created in Panchayat area Rural library.
- Youth Welfare program at village level.
- Rural Housing schemes- selection of beneficiaries.
- Verification of Inspection notes of CMOs & Dy. CMOs of CHCs & PHCs respectively, by Kshetra Panchayat Pramukhs and Gram Panchayat Pradhans respectively.
- Minor irrigation-selection of beneficiaries.
- Maintenance of assets created under sodic Land Reclamation Projects.
- Maintenance of seed stores, etc. to Kshetra Panchayats.

DEVOLUTION OF FINANCES

The Administrative cost of staff of Panchayats is met from the regular departmental budget. Funds are released to the Panchayats by individual line departments based on the schemes entrusted to them. Funds to run the poverty alleviation program of Rural Development Department, Funds for Scholarships of Social Welfare Department, Funds for midday meal of Basic Education Department and Funds to run the schemes of Panchayati Raj Department (like Rural Sanitation Programme, Construction of pavement and drainage, Rural Markets and Panchayat Bhawans) are being released to the accounts of Gram Panchayats.

Resources/ Funds

- Poverty alleviation programme.

- Rural Water Supply-Operation & Maintenance.
- Construction and maintenance of Rural Markets & fairs.
- Rural Sanitation Program.
- Social Welfare-Distribution of Scholarships.
- Maintenance of assets created under different schemes.
- Rural Library.
- Youth Welfare Program.
- Mid day meal.
- Maintenance of rural lamp posts [Electric lamp Post].

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FUNCTIONARIES

Gram Panchayat Adhikaris of the Dept. of Panchayati Raj and Gram Vika Adhikaries of the Dept. of Rural Development have been deputed as the Secretary to Gram Panchayat.

All departments related to the 29 subjects mentioned in the Eleventh schedule of the Constitution have been provided with the department-wise details of activities to be transferred to the concerned level of Panchayats, as identified and recommended by High Powered Committee appointed by the State Government in the year 1997 and have been asked to submit proposal accordingly. In this way state government is trying to devolve funds, functions and functionaries to the PRIs at appropriate level as per the provisions of the Constitution.

Functions handed over to Kshetra Panchayat

Functions and functionaries pertaining to Rural Development, Primary Health Centers, Veterinary Hospitals and seed stores are transferred to Kshetra Panchayats.

Empowerment of the Zila Panchayat

Chairman of the Zila Panchayat is also the chairperson of DRDA, FFDA & Sinchai Bandhu. Under the provision of UP Kshetra Panchayat & Zila Panchayat Act, 26 officers of various departments have been placed with the Zila Panchayat. Necessary steps are being taken to make the arrangement effective.

STATUS AND EMPOWERMENT OF GRAM SABHA

The present status of Gram Sabha in the State is as under :

- Article 243 of the constitution defines Gram Sabha as consisting of all persons registered as voters in the electoral roll relating to the village with in the panchayat area.
- Gram Sabha supervise the functioning of Gram Panchayat *e.g.*, examine the statement of accounts and audit reports, approval of plans, selection of schemes, its location and beneficiaries under it.

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- Gram Sabha is being strengthened as it is a perfect method of mobilizing community participation. While Gram Sabhas check the abuse of powers by the panchayat, they are supposed to act as watchdog to protect community interest and common property resources.
- Gram Sabha has also been given greater role in managing financial resources given to panchayats. The strengthening of Gram Sabha helps in process of social audit. Activities of various NGOs/CBOs working at the village level can be effectively monitored by insisting on their close cooperation with the Gram Sabha.
- Accountability, transparency in the functioning of PRIs is very important.

TRANSPARENCY AND ACCOUNTABILITY - RTI ENFORCED IN PRIs

To ensure greater transparency and accountability the State Government has taken following decisions also :

- Display of all vital information regarding receipt of funds under different heads, works done and money spent work wise, in the Panchayat office or any community building for the information of the public.
- Provision has already been made in the Panchayat Raj Rules for the inspection of all relevant records (Rule 79).
- Public Information Officer and appellate officer at each and every level of PRIs have been appointed by the Dept. of Panchayati Raj.

COMMITTEES FOR EXECUTION OF FUNCTIONS

Keeping in view the spirit of decentralization and proper functioning of Panchayats, 6 committees with 6 elected members of Panchayat with a President and not more than 7 special invitees have been constituted at every level of Panchayat.

<i>Name of Committee</i>	<i>Function</i>
Planning & Development Committee	To prepare development plans and execution of these plans.
Education Committee	Execution and monitoring of various programmes related to primary, upper primary, informal education and literacy programme.
Construction Committee	Monitoring and supervision of all types of construction and maintenance works.
Health & Welfare Committee	Monitoring of programmes related to Medical Health & Family Welfare.
Administrative Committee	Subjects related to management of

	Panchayat level functionaries of various departments. Monitoring of fair price shops.
Water Management Committee	Maintenance of tube-wells and monitoring of drinking water and sanitation programme.

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Role of different committees are becoming important day by day. Under the Rural Health Mission Program village Health Committees are being made effective for the implementation of the program at the village level. Under the Sodic Land Reclamation Project SICs have been merged with water management committee of the Gram Panchayat. Role of Water Management Committee is very important in case of water supply and sanitation programme. Similarly, the Education Committee is responsible for overseeing the distribution of scholarships to Scheduled Castes, Other Backward Castes, and students belonging to Below Poverty Line Households studying in Government recognized primary and upper primary schools.

DECENTRALIZED PLANNING

The State Government through the U.P. District Planning Committee Act, 1999 has activated the District Planning Committee as stipulated in Article 243 ZD of the Constitution.

As a first step in this direction, there is need to introduce the concept of integrated village planning. This is proposed to be carried out through a series of exercises in which local community including the Panchayati Raj members assess and analyze their own situation; explore alternatives and potential actions; develop an action plan for development and monitor progress against these plans. The plans so prepared for each Gram Panchayat are to be collated at the Block Panchayat and District Panchayat level and approved by the District Planning Committee. Likewise the urban local bodies will prepare their own plans and forward the same to the District Panchayat Committee which will be the final body to decide and approve the District Plan. The process is being followed for the preparation of Panchayat Plans under centrally sponsored Backward Region Grant Fund.

3.9 THE OFFICE OF COLLECTOR – EVOLUTION AND IMPORTANCE

The institution of Collector, created more than 200 years ago, is one of the most significant institutions transmitted by the colonial rulers to independent India's public administration system. He is the highest functionary of the District Administration in the country. Several epithets are used to describe this institution.

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"Annadata", "Maabaap", 'captain of the team', "eyes and ears of Government", are some of the common descriptions. He is also described as "the kingpin of administration", "the key-stone of the arch of district administration", "the area specialist", and more recently in more benevolent terms, as 'friend, philosopher and guide', "adviser, educator and helper", "the fulcrum of grassroots democracy", "the mainspring of development" and so on. Even after independence he continues to occupy a preeminent position at the district level and is the key functionary of the State Government. Keeping in view the importance of District Collector, this section highlights the evolution of the institution of the Collector; his role in district administration; and the constraints, which inhibit the performance of his functions.

EVOLUTION OF THE OFFICE

The office of the District Collector in India has a long history. Its origin is related to the concept of a territorial unit of administration. During the Mauryan period the kingdom was divided into convenient territorial units and each unit was placed under the charge of an imperial authority. The authority who was important to the District Collector during that period was known as 'Raja'. Though they were essentially revenue officers, they exercised judicial functions also. Rajukas collected land revenue, maintained roads, promoted trade and industry and carried out public works like irrigation. During the Gupta period they were called 'visayapathis', who were Heads of 'visayas', which were equivalent to the modern districts. The visayapathi was responsible for the general administration including collection of taxes and other revenues. They also commanded military force to maintain law and order in the visaya. The Mughal rulers followed the system of administration of Hindu Kings.

Under the Mughal system the 'circar', which is comparable to the modern district had three officers *viz.*, Amalguzar, Amir Zuazi and Faujdar. The Amalguzar was a principal revenue functionary of the circar and was responsible for the collection of revenue and proper utilisation of land. He also exercised certain administrative functions like punishing the robbers and some quasi-judicial functions like settlement of disputed claims on land.

However, he was basically responsible of the collection and management of land revenue. Though, during, Mughal period Faujdar enjoyed a dominant position in the district administration, Amalguzar performed all revenue functions. Thus, before the advent of the British, there were territorial divisions and officers of these divisions were responsible for realisation of land revenue. These revenue officials were generally invested with several power and functions. It was, no doubt, considered a feudal form of territorial organisation. The territorial gradation

of administrative areas more or less remained the same notwithstanding the changes that were brought about in the system by the British.

The British built on the oriental system and established the present system of field administration. The creation of a district as unit of administration and the appointment of the District Collector as Head of District Administration laid the foundation for stable administration in India. Granting of 'diwani' (civil administration) in Bengal, Bihar and Orissa to the East India Company in 1765 marks the beginning of British revenue administration in India. In 1769 the Company launched a scheme of English supervision over the local revenue collecting institutions. East India Company appointed covenanted servants as supervisors during 1769-70 in the districts of the diwani provinces. The supervisors were expected to report on the production and capacity of the lands; amount of revenues and other taxes levied; and manner of collection etc. They were expected not only to be concerned with revenue collection but also to have an overall knowledge of all the factors that affected the district. But the system failed and the company decided in 1772 to take over the entire executive management of public revenues. Accordingly, Warren Hastings issued a proclamation. On May 14th, 1772 the supervisors were appointed as Collectors. Thus, the institution of Collector was created for the first time in 1772 during the period of Warren Hastings. From then onwards collection of revenue became the most important duty of the company's civil servants. The office of the District Collector became an important institution of the British local administration. They were entrusted with the executive power of management and collection of revenue and other duties of enquiry and investigation.

From then onwards the Collector's role has gone through several changes that is period of strength, neglect etc. By the time India gained independence the District Collector had become an important functionary heading the District Administration.

FUNCTIONS OF THE COLLECTOR

The office of the Collector is an important institution transmitted by the British rulers to the Indian administrative system. He performs traditional revenue function as well as development functions. Throughout the country, the power and functions of the Collector, more or less, remain the same. Broadly, the Collector performs the following functions :

- Head of Revenue Administration;
- Head of Police Administration,
- Head of District Administration, and
- An agent of the Government.

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Revenue

The Collector started as a revenue functionary and he continues to be the principal Revenue Officer and Head of the Revenue Administration in the district. After independence, the importance of revenue administration has become secondary. The emphasis has shifted to Development Administration, though the revenue functions still remain with the District Collector. Besides collection of revenue, the Collectors are responsible for the collection of all other duties like takkavi loans and dues belonging to other Departments. Maintenance of land records and collection of statistics at the village level are some other functions of the Collector. He exercises appellate jurisdiction in revenue cases. The recovery of arrears of land revenue in respect of all Departments is the responsibility of the Collector. In the discharge of his revenue functions, many officers like the Revenue Divisional Officers, Tahsildars, Revenue Inspectors and Village Officers assist the Collector.

As the Head of the Revenue Administration, he is the kingpin of relief operations in the district. In emergency situation like floods and famines the Collector plays a very crucial role in relief operations. The Government takes decision regarding the quantum of relief and the manner of distribution mostly on the basis of assessment made by the Collector.

Law and Order

District Collector also functions as District Magistrate and is responsible for the maintenance of law and order in the district. After the separation of judiciary from the executive, the Collector is concerned with the preventive sections of the criminal procedure code. As District Magistrate, he is Head of the Police Administration of the district. In this function, Superintendent of Police who is the Head of police force in the district helps the Collector in discharge of his police functions. In all important matters, the Superintendent of Police takes orders from the Collector. There have been many instances of strained relations between the Collector and the Superintendent of Police. In certain situations, lack of understanding between the two affect the entire District Administration.

Head of District Administration

The Collector continues to be the Head of the District Administration. As District Magistrate, he is responsible for the maintenance of law and order. As chief revenue officer, he is responsible for the collection of revenues. He is also closely associated with several other Departments like Education, Industries, Cooperatives, Public Works, etc. In respect of Panchayati Raj, in several States, he has a very important relationship with the Panchayati Raj bodies. As a Head of the district administration, he plays a coordinating role between different

Departments like Revenue, Police and other Departments. The Collector supervises the working of municipalities. He has power to suspend the resolutions of local bodies, if they constitute a threat to public peace. He also Heads a number of official and non-official bodies in the district like the Road Transport Authority, District Employment Comm-tee, Welfare Committees, Red Cross Society, etc. The amount of time he spends on these activities depends on his personal interest.

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An Agent of the Government

He is looked upon as an agent of the Government at the district level. He hoists the national flag on Independence and Republic days. He has several protocol functions like meeting the Ministers and other important dignitaries. In emergencies like floods and famines, he can call upon any branch of the District Administration to undertake any specific work to provide assistance Census operations and conduct of elections to various democratic bodies from the Parliament to the Gram Panchayat is another important function. The Collector is also an agent of the Governor in respect of scheduled tribes' areas in some of the districts. There are other functions also with which the Collector is intimately associated like social security, pensions, excise, grant of licenses for arms, etc. The scarcity and rising prices due to public distribution system has become an important part of district administration. He is directly responsible for the distribution and control of all essential commodities and goods. He issues licenses for trading in foodgrains and other commodities. As Head of the distribution system, he is expected to ensure timely and equitable distribution of scarce commodities.

The collector presides over a large number of meetings like meetings of Coordination Committee, Development Committee, Irrigation Committee etc. These are excellent forums for the Collector to know the way policies are translated into action and to come into contact with the local people and understand their problems.

COLLECTOR AND PANCHAYATI RAJ INSTITUTIONS

After independence, the Collector has become responsible for the implementation of the development programmes in the district. As an administrator, he is expected to coordinate all the development programmes being implemented in the district. The Collector's role in development administration is more visible in case of Panchayati Raj Institutions. He is closely associated with these institutions either from within or outside. The advent of Panchayati Raj Institutions in India has brought about several changes in the set up of the district administration. This is particularly so in case of the role and functions of the District Collector. Balwantrai Mehta Committee recommended that the Collector should be the Chairman of Zilla Parishad. At the time of establishment of

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Panchayati Raj, critics argued that Collectors should not Head the democratic bodies, this would not be in consonance with the spirit of decentralisation. It would curb the democratic spirit. In practice, different types of linkages were established between the Collector and the Panchayati Raj Institutions in different States. In Rajasthan, for example, the Collector was made an associate member of Zilla Parishad without the right to vote. In Andhra Pradesh, he was made a full member of Zilla Parishad and chairman of all the standing committees. Later, however in Andhra Pradesh, the Collector was disassociated from Zilla Parishad. In Maharashtra, the Collector was kept out of Zilla Parishad. But, generally it is felt that the Collectors should have a large share of responsibility in facilitating the success of Panchayati Raj Institutions. Over the years, four patterns of the role of Collector, vis-a-vis Zilla Parishad have emerged. Firstly, the Collector is the chairman of Zilla Parishad giving necessary filling to the entire development efforts. Secondly, the Collector has been kept out of Zilla Parishad completely because of a feeling that it would burden the Collector, who is already over burdened. In some States, the Collector is made Chairman of the standing committees vested with power and decision-making. Finally, in some States, the Collector is a member of Zilla Parishad without right to vote.

The relationship between Collector and Panchayati Raj Institutions can be studied under different heads namely control over staff, power to suspend resolutions, power to remove officers, and power to suspend and dissolve Panchayati Raj Institutions.

In these areas, the role of Collector varies from state to state. The Collector has power to write confidential report and has authority to inflict various punishments, such power vary from state to state. Similarly, the Collector can suspend the resolutions of Panchayats. An association with these bodies will bring the Collector in intimate relationship with the people's representatives. This provides him an opportunity to understand the dynamics of Development Administration at the district level.

In practice, the role assigned to him varies from state to state as mentioned below :

- In Tamil Nadu he is the Chairman of District Development Council.
- In the States of Uttar Pradesh and Bihar he is entitled to attend the meetings of the Panchayat Samiti and its standing committees but without a right to vote.
- In Maharashtra and West Bengal he is kept out of the Zilla Parishad.
- In Andhra Pradesh, he is not only the member of the Zilla Parishad but also the Chairman of all the standing committees in whom executive authority is vested.

- In the States of Assam, Punjab and Rajasthan, the Collector is a non-voting member of the Zilla Parishad and he is associated in a purely advisory capacity. It shows that there is an unconcealed reluctance to have his involvement in the decision-making processes of rural democracy.

After 73rd Constitutional Amendment, the relationship of District Collector with Panchayati Raj Institutions (PRIs) has changed immensely. The Constitutional amendment and the enactment of Panchayati Raj laws by various States in 1993 has reduced the burden of the District Collector on development activities. This Act has given scope to the State Government to set forth the yardstick of the relationship of the PRIs and the Collector. In this context, some States have created the post of Chief Executive Officer and some States have opted for District Development Officer or Deputy District Commissioner. In the States like Rajasthan, the Collector is a nominated member of the District Planning Committee (DPC). Whereas, in some other States like Madhya Pradesh the Collector is the Member and Secretary of the DPC. Before these changes, District Collector in Madhya Pradesh had access to Rs.10 lakh for development works, which has now been hiked to Rs. 1 crore, making him more powerful.

However, in Andhra Pradesh the Collector as the Head of the District Administration continues to co-ordinate the development activities. In the capacity of an ex-officio member, he attends the meetings of Zilla Parishad and its standing committees, and participate in their discussions. He participates and attends the meetings but without the right to vote on the resolutions. The District Collector has the authority to suspend or cancel any resolution passed by these bodies; initiate action in the event of default; suspend the Chairman (ZP), the President (MP) and the Sarpanch (GP) and dissolve the Zila Parishad/Mandal Parishad/Gram Panchayat and any of the Standing Committees. It has been observed from the study on Maharashtra that District Collector has limited role to play in the PRIs. He has an important role in elections or reporting regarding resolutions, such as no confidence against office bearers.

The unique feature about the controlling authority assigned to the Collector in Tamil Nadu is that the District Collector has the overall controlling authority as the Inspectors of Panchayats in the district. The Project Officer/Additional Collector (Development) of the District Rural Development Agency (DRDA) assists him in implementing development programmes. The study conducted by the Task Force on Panchayat Raj reveals that except a few States like Karnataka, Kerala and West Bengal, bureaucracy is a dominant partner in decentralised governance.

The Administrative Reforms Commission recommended that all the development functions should be entrusted to the Zilla Parishad. The Collector should only be responsible for regulatory functions. In the context of transfer of development functions, the Committee felt, it would enable the Collector to devote

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more time and attention to his regulatory functions. This will help to improve the general administrative climate in the district. The Committee on Panchayati Raj Headed by Asoka Mehta also recommended the separation of development functions and entrusting them to the Chief Executive Officer. Thus, even after implementation of 73rd Constitutional Amendment Act, there is no uniform pattern with regard to the position of the District Collector in relation to the Panchayati Raj Institutions.

ADMINISTRATIVE SUPPORT

The Collector is assisted in his duties by a number of officers at various levels. Generally, there are two or three senior officers of Joint or Additional collector's rank. These officers look after the revenue, law and order, and developmental functions. The Collector in the Collectorate is assisted by Deputy Collectors. These officers look after different functions like revenue, law, relief, establishment and other duties. District technical officers like District Agricultural Officer, District Educational Officer, District Cooperative Officer etc. function directly under supervision of the Collector except in a few States where they work with the Zilla Parishad. The District is divided into Sub-Divisions. The Sub-Divisional Officers Head each Sub-Division. In some States they are called the Revenue Divisional Officers. The Collector provides guidance and leadership to the Joint Collectors and Sub-Divisional Officers. At the taluka and block level, there are Tahsildars and Block Development Officers undertaking revenue and development functions respectively. They have regular contacts with the people and are real executors of all Government Programmes. A large number of subject matter specialists function at the block level initiating and implementing specific programmes.

The Collector exercises control over the field officers through visits, inspections and review meetings. Through these techniques, he monitors the programme implementation and provides guidance to the field officers. His inspection and reviews not only give a bird's eye view to the Collector, but also enable the field officers to clarify their doubts about policies and priorities from the Collector. During his visits to the villages, he hears people's complaints about the problem of drinking water, water for irrigation, bad roads, poor housing, shortage of essential commodities, and inputs for agricultural operations, corruption and insensitivity of officers, etc. Based on these inspections and visits the Collector can assess the problems affecting the district and take the initiative to overcome them. This gives the Collector a clear understanding about the local problems apart from providing a personal touch to the administrative system.

An important role of the Collector is to bring about coordination between different Departments in the district. He acts as a catalyst for development. In

some States, all the district level officers are brought under the control of the Collector and in some they are outside. As highest functionary in the district, the Government looks towards him for providing the needed guidance and direction to the officers.

ROLE OF DISTRICT COLLECTOR IN DEVELOPMENT

With the dawn of independence India has embarked upon a new era of welfare state and community life. The Collector is the most appropriate person to look after developmental activities in the district.

The Balwant Rai Mehta team which made a study of Community Projects and National Extension Services recommended that At the district level, the Collector or the Deputy Commissioner should be the captain of the team of officers of all development departments and should be made fully responsible for securing the necessary co-ordination and co-operation in the preparation and execution of the district plans for community development.'

The District Collector's developmental duties comprise of :

- (a) dispelling of ignorance,
- (b) eradication of superstition,
- (c) spread of co-operative institutions and Panchayats,
- (d) increase of community projects and national extension schemes,
- (e) rehabilitation of refugees,
- (f) encouragement of awareness about rights and duties, etc.

The performance of these duties gives the Collector ample opportunities to come in contact with the people and to prove his worth as a public servant in the true sense. The Ministry of Food and Agriculture set up in 1963, a Working Group of Inter-departmental and Institutional Co-ordination for Agricultural Production under the chairmanship of Ram Subhag Singh to report on ways of ensuring speedy execution of agricultural production programmes and for effective co-ordination between the activities of agriculture, co-operation and other allied departments in the States and of the community development and Panchayati Raj institutions. The Group assigned a crucial role to the Collector. It made some very significant recommendations which are as follows :

1. The District Collector should be the Chairman of the Agricultural Production Committee of the Zila Parishad. If there is no Zila Parishad, such a committee should be formed with the district officers of the departments concerned with agricultural production and representatives of nonofficial organisations, as members, with the Collector as Chairman. The Committee should be responsible for co-ordination of the activities of all departments concerned with agricultural production. In particular,

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the committee should consider and approve a co-ordinated agricultural production plan for the district, assign specific tasks and responsibilities to the officers and institutions concerned, receive and review progress reports from them and remove any bottlenecks or difficulties.

2. The District Agricultural Production Officer should assist the Collector in coordinating the efforts of all the departments concerned with agricultural production at that level and should function under the overall direction of the Agricultural Committee. State heads of departments should continue to deal directly with their district officers as at present, but in matters relating to the work of the Agricultural Production Committee, they should communicate through the District Collector.
3. The District Collector should be effectively involved in assessing the work of district level functionaries. The Deputy Directors at the regional level should initiate the annual entries in the character roll of all district officers under their control and route them through the District Collector to the heads of department concerned.

Changing Role of the District Collector

The importance of the district administration can be realised from the fact that there is hardly any activity of the people which is in some way or the other not affected by the district administration. During the British period, people looked the district administration as their father and mother. The District Collector is the head of the revenue organisation. He exercises general supervision over the law and order machinery.

Though the position and prestige of the District Collector have changed and undergone several modifications, he is still the responsible head of general administration in the district and representative of the Government. He is the only officer in the district who can correspond directly with the Government.

COLLECTOR'S WORK: SOME CONSTRAINTS

The Collector has become an increasingly important functionary in district administration. Both in the regulatory and development functions, he has a very important role to play. In the performance of his functions, he faces a number of problems and constraints, which inhibit his work. Problems like frequent transfers, increasing workload, political pressures, crisis situations, and individual orientation of Collectors are a few which need to be examined in this context.

The Civil Servants need to have a tenure, which is long enough to understand the environment, establish constructive relationships, and to implement the development programmes. A well-accepted policy is to retain an officer in a particular place for a period of three to five years. Unfortunately, this policy does

not seem to be the practice in case of the Collectors. A few studies, conducted on this issue indicate that there are too frequent transfers inhibiting the proper performance of the Collector's functions. For example, in Rajasthan, the average tenure of Collectors was 14.2 months, which is not conducive to attain development objectives. This indicates that they are dislocated before they acquaint themselves with the problems of the district. Some of the Collectors have tenure of less than four months, and there are very few Collectors who enjoy three years of tenure. This type of frequent transfers apart from having a negative influence on the Collector would adversely affect district development administration.

Political interference and pressure is another area affecting work of the Collectors. Such pressures are generally brought to restrain the District Administration in cases of land acquisition by the Government or use of judicial support for their followers or issue of gun licenses or permits for scarce commodities like sugar etc. If the District Collectors concede the request, they are accused of partisanship; and if they resist the pressure, they are accused of being insensitive to the requests of the people's representatives. Quite often, resistance to pressures leads to politicisation of issues. This may even lead to transfer of the Collectors. This has an adverse effect on performance of the Collector as an agent of change. It also adversely affects their job performance.

The visiting dignitaries like the Minister frequently interrupt the Collector's work. Protocol requires that the Collector must receive and be available to have discussions with the visiting dignitaries. Thus, protocol duty is another area, which affects the Collector's work to some extent.

One complaint often made is that the Collector is over-worked. Though studies are few in this area. These studies revealed the varied nature of the workload of the District Collectors. An analysis of the work of Collectors in the former Bombay State indicates that the Collector spends 54 per cent of his time on correspondence, 26 per cent on tours, and the remaining 20 per cent on meeting the visitors, attending to protocol duties, attending meetings and hearing cases. In another study conducted by Jack Gillespie, it was shown that the Collectors spend 36 per cent of time on correspondence, 18 per cent on tours, 11 per cent on receiving visitors and the remaining time to other functions like attending meetings, protocol duties, job related social activities etc. It was also revealed that the Collectors spend on an average 70 hours a week for official functions. This means, about 10 hours everyday including sundays and holidays. This indicates the amount of pressure on his time and the increasing workload on the Collectors. These activities leave them with hardly any time for reflection or concentration on development activities.

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In the district, the Collector is responsible for the maintenance of law and order. In practice Superintendent of Police, who is the Head of the Police force, in the district looks after this function under the overall supervision of the Collector. Quite often, the people come to the Collector with the complaints about the partisan attitude of the police and their failures. The Collector's association is indirect and minimal after the separation of functions, that is judicial and executive. The relations with the police have always been very delicate and sensitive to the Collector. In recent years, police began to resent the control of the Collector in the maintenance of law and order. There have been cases of strained relations between the two. With increasing unrest in the rural areas, the role of Collector is becoming increasingly important in the maintenance of peace and tranquility.

Crisis administration is another important and a necessary function of the Collector. The crises may include communal disturbances, floods and famines, dacoity, terrorism, accidents and campus disturbances. These type of crises demand the Collector's immediate intervention. This affects their normal functions and the immediate casualty is neglect of development functions.

Finally the Collector who is committed to change in development process, chooses his own area and preference for work. Some officers focus their attention on welfare of weaker sections; others on health activities, and few concentrate on agriculture, Some of the Collectors concentrate on special programmes and activities of their choice. Thereby, giving secondary importance to the remaining functions. This also constricts their role and performance in general.

The District Collectors should try to overcome these pressures through better relations with the politicians; proper time management; and delegation of work to their subordinates. Some officers make use of the political executives at the district and State levels to iron out the problems in development administration and make positive use of their interactions with the politicians. There are others, who view the intervention as an unwelcome interference in their work and feel disgusted. The performance of the Collector, therefore depends upon his own inclination and orientation towards the development goals. It also depend on his capacity to make use of the environment in the district positively and constructively to undertake his functions. No textbook propositions can be made to overcome some of these constraints.

3.10 SUMMARY

- The decentralization of function must be matched by the decentralization of necessary power. Such power is of three types: (i) policy-making power, (ii) financial power, and (iii) power over personnel matters. Each of these powers can be further subdivided. Thus policy-making powers are further sub-divided into law-making and executive powers; financial powers into

those concerning revenue and expenditure, and personnel powers into those relating to conditions of service, establishments, appointments, promotions, transfers, discipline, etc.

- Administrative decentralization is also known as *deconcentration*. It means deconcentration of functions and some powers from government departments and agencies to their field offices. However, the "command" remains at the top. Administrative decentralization involves taking a number of administrative actions.
- The basic concept of Panchayati Raj is that the villagers should think, decide and act for their own socio-economic interests. Thus Panchayati Raj Act is related to village self-governance, where the people in the form of an organisation will think, decide and act for their collective interest. Self-government allows us to decide about ourselves without hampering others interest. Whenever we talk about collective benefit one point is clear that there is no conflict between the villagers collective interest on one side and societal and national interest on the other, rather they are complementary. Where the Panchayats end their activities the state govt. takes them up. The state government plays their major roles.
- The 73rd Amendment to the Constitution has greatly empowered the panchayats to take part in decentralized planning from the Gram Sabha level to the Zilla Parishad level.
- Chairman of the Zila Panchayat is also the chairperson of DRDA, FFDA & Sinchai Bandhu. Under the provision of UP Kshetra Panchayat & Zila Panchayat Act, 26 officers of various departments have been placed with the Zila Panchayat. Necessary steps are being taken to make the arrangement effective.
- After independence, the Collector has become responsible for the implementation of the development programmes in the district. As an administrator, he is expected to coordinate all the development programmes being implemented in the district. The Collector's role in development administration is more visible in case of Panchayati Raj Institutions. He is closely associated with these institutions either from within or outside.

3.11 REVIEW QUESTIONS

1. What do you understand by Administrative Decentralisation?
2. Discuss the important developments that took place for institution of Panchayati Raj in India.

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3. State the significant features of 73rd Constitutional Amendment Act.
4. Explain the salient features of Extension Act, 1996.
5. What is the role of district collector in the execution of functions of Panchayati Raj? Discuss.

3.12 FURTHER READINGS

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CHAPTER— 4

Urban Government

URBAN GOVERNMENT

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STRUCTURE

- 4.1 Learning Objectives
- 4.2 Introduction
- 4.3 Patterns of Urban Government
 - Evolution of Municipalities
- 4.4 Reforms Introduced by the 74th Constitutional Amendment
- 4.5 Functions of Urban Local Bodies
- 4.6 Financial Resources of Urban Local Bodies
- 4.7 Typology and Constitution of Municipalities
- 4.8 Local Government in USA
- 4.9 Local Government in UK
- 4.10 Local Government in France
- 4.11 Urbanization and Its Consequences
- 4.12 Urban Governance — Importance and Scope
- 4.13 Summary
- 4.14 Review Questions
- 4.15 Further Readings

4.1 LEARNING OBJECTIVES

After studying the chapter, students will be able to :

- Describe the structure of Urban Local government in India and compare it with the institutional set-up of UK, USA and France;
- Explain the features of 74th Constitutional Amendment Act;
- Discuss the status and functions of municipal government in India;
- State the importance and scope of Urban Governance.

4.2 INTRODUCTION

In India, numerous initiatives have been undertaken to strengthen local governments and to improve service levels in urban areas. Important among these are the enactment of a set of constitutional provisions, implementation of numerous urban development programs and adoption of various innovative practices.

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In this section, the form of urban local governments is described in the light of recent urban sector reforms. There are eight sub-sections in this section. The first sub-section provides a brief overview of the evolution of municipalities in India from the ancient times to the present period. In the subsequent sub-sections, the following key aspects relating to municipalities have been described: typology and constitution; legislation; duties; composition; management and finance practices. The concluding sub-section sums up the initiatives taken to improve the conditions at the local level.

4.3 PATTERNS OF URBAN GOVERNMENT

In our towns and cities, we have local government institutions that are called Municipalities and Municipal Corporations. An urban area is usually a compact and densely populated area. Municipal administration is necessary to provide basic civic facilities like water supply, drainage, garbage disposal, public health, primary education, construction and maintenance of roads and sanitation. As local level democratic government, the municipal institutions that are elected by the local people, raise taxes and collect fees and fines from the public.

They regulate city life by laying down regulations regarding buildings, road network and garbage disposal. There are many developmental activities undertaken by them like women and child development, slums improvement etc. Municipal government has made possible participative urban development and local management of civic facilities.

EVOLUTION OF MUNICIPALITIES

Historical records provide evidence of the existence of organised urban life in India since the ancient period. An officer was appointed to perform various functions related to city administration. Subsequently, local institutions were constituted. As centres of prominence grew, their management became difficult. A number of problems confronting local governments began to emerge, such as excessive official control, narrow franchise, meagre resources, lack of education and training, shortage of capable and committed persons, and inadequate control of local bodies over services. A need was felt to strengthen the local government institutions that would look after the day-to-day civic affairs in an efficient manner. A number of steps were taken from time to time in an attempt to reform local governments – decentralisation of authority, powers, functions and funds to lower levels of government; democratisation of local governments; providing greater autonomy; granting constitutional status; amendments in municipal Acts; etc. (Table 1). During the period of reforms, issues related to sharing of power between the officials and non-officials affiliated to the local government emerged prominently. A major achievement of the Indian Government in their endeavour

to strengthen urban local governments is the enactment of the Constitution (seventy-fourth amendment) Act during the year 1992.⁵ The Act provides for initiating reforms in the constitution, composition and functioning of urban local governments (Box 1) and empowers State governments to amend their municipal Acts accordingly. Since the enactment of the Act, most State governments in India have carried out the legislative reforms at local government level. In recent times, several attempts have been made to assess the impact of the seventy-fourth amendment Act provisions.

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Table 1: Evolution of Municipalities in India

Time Period	Developments
2300-1750 BC (Indus Valley Civilisation)	<ul style="list-style-type: none"> • Evidence of organised urban life – wide streets, market places, public offices, community baths, drainage and sewerage system.
Post-Mauryan	<ul style="list-style-type: none"> • Appointment of a chief executive officer to perform various functions related to city administration; responsible for city's sanitation, which included maintenance of drainage system and cleanliness of roads.
320-540 AD (Gupta)	<ul style="list-style-type: none"> • Towns administered by a council • Provision of having elected administrative officers
1526-1707 AD (Mughal)	<ul style="list-style-type: none"> • Municipal administration vested in <i>kotwal</i>, who was the city governor possessing powers and duties of the chief of city police, magistrate and prefect of municipal administration.
Between disintegration of Mughal Empire and advent of the British	<ul style="list-style-type: none"> • Anarchy and military feudalism in most parts of the country. • Local institutions perverted or weakened.
1642	<ul style="list-style-type: none"> • Sir Josia Child obtains a Charter from the British Monarch, James II, to set up a corporation at Madras.
1720	<ul style="list-style-type: none"> • A royal Charter issued for establishing a mayor's court in each of the three presidency towns of Madras, Bombay and Calcutta.
1793	<ul style="list-style-type: none"> • Governor-General in council empowered to appoint justices of peace for the presidency towns from among civilians and the British subjects, who were vested with the authority to impose taxes on houses and lands to provide for the sanitation of towns.

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1850

- By a Charter Act, the British establish local institutions in Bombay, Calcutta and Madras.

Up to 1863

- Act passed to permit formation of local committees to make better provisions for public health and convenience; Act provided for levy of indirect taxes to which people were accustomed.
- Local institutions in urban areas did not make much progress and were confined to about 20 towns.
- People had no opportunity to participate in the functioning of these institutions.
- Royal Army Sanitation Commission point out the fast deteriorating sanitary condition of towns all over the country.
- Government of India pass several municipal Acts for various provinces authorising governors to order the formation of a municipality in any urban area.

1870

- Lord Mayo's resolution released; provided for decentralisation of administration from the centre to the provinces; emphasised the idea of increased association of Indians in administration; indicated extension of municipal self government; encouraged the general application of the principle of election.
- Municipal Acts passed to enlarge municipal powers, extend election system and introduce the system of local finance, but the provision was little applied in practice as the district officers in those days were not sympathetic to the idea of extension of the elective principle.
- Municipalities established in every town of importance. However, these municipal bodies were completely under the control of the district magistrate and the town people were associated only for raising funds for the maintenance of police, conservancy and road repairs.

After 1870 and up
to 1880

- Social and economic changes experienced by the Indian society.
- Educated Indians demand more political rights and greater share in administration and public services.
- Principle of local self-government put into practice only in the cities of Calcutta and Bombay and in a few of the towns of Central Provinces and North Western Provinces.

Elsewhere, although a framework of local administration and local taxation existed, control was firmly in the hands of the servants of the government.

1882

- Lord Ripon's resolution released; advocated for establishment of a network of local selfgovernment institutions; reduction of the official element of not more than a third of the total membership; a large measure of financial decentralisation; adoption of election as a means of constituting local bodies.
- Municipal Acts passed; However, Lord Ripon's reforms achieved little success, since they were considered too radical.

1888

- Functioning of local governments for several years had some positive results. Presidency towns attain a system of responsible government. Under the Bombay City Municipal Corporation Act, 1888, the city council of Bombay was constituted of a majority of elected and nominated members. A 'standing committee' of the council, which had an elected chairman, was also formed to undertake the major portion of the work of the council.

1907

- Royal Commission on Decentralisation set up to enquire into the financial and administrative relations of the Government of India and the provincial governments and subordinate authorities.
- Commission recommendations similar to Lord Ripon's proposals.
- Municipal Acts of several provinces amended, but no real progress achieved.
- Local self government continued to be one of the functions of the district officer.

1914-1919

- National movement for independence gains momentum.
- 1917 Declaration released: associate Indians in every branch of administration; gradual development of self-governing institutions.
- Montague-Chelmsford reforms introduced to make local self government representative and responsible.
- Government of India Act, 1919 enacted; responsibility for local government transferred from the hands of the district officers to a department controlled by a popular

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Up to 1947

minister; franchise for election to local bodies substantially widened. In some provinces, the municipal bodies were given the power to raise or lower rates of taxes within the statutory limits. The popular ministers of provincial governments proceeded to establish elected councils and gave executive authority to the elected chairman.

- Laws governing local bodies enacted during the period 1917 to 1937 fail to prescribe an effective system for day-to-day management of municipal affairs; hardly any attention paid to the question of administrative efficiency and fixation of responsibility for the proper performance of municipal functions.
- Transfer of power from official hands resulted in *inefficiency*.
- Several municipalities superseded on the charges of *corruption and inefficiency*.
- India attains independence in 1947.

1950

- New constitution prepared; contained provisions for rural settlements only; a reference to urban local government observed only in two entries: (a) Entry 58 List II of the Seventh Schedule (the State List); and (b) Entry 209 of List III (Concurrent List).
- Constitution places local government, including urban local government, within the legislative competence of the States.
- In the absence of constitutional recognition and clear statutory delineation of their powers, functions and resources, urban local governments remain neglected; only few changes made in their structure and functioning.

Since 1949

- Numerous committees and commissions appointed by the Central and State Governments to study the functioning of urban local governments and to give recommendations for their improvement.
- Numerous seminars and conferences convened on various topics concerning urban local governments.
- Central Council of Local Self-Government set up in 1954 to examine the problems of urban local governments.
- Responsibility of urban local government transferred from one ministry to the other, namely Ministry of

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- Health; Ministry of Works, Housing and Urban Development (1966); Ministry of Health, Family Planning, Works, Housing and Urban Development (1967); Ministry of Works and Housing (1973).
- 1985
- Ministry of Urban Development established; assisted by several departments.
 - National Commission on Urbanisation set up to assess problems caused by urbanisation and to suggest measures to combat this phenomenon
- 1989
- Attempt to introduce the Constitution (63rd Amendment) Bill; also known as *Nagarpalika* (Municipality) Bill; contained provisions for strengthening of urban local governments.
 - Bill defeated in the parliament by a narrow margin of three votes.
- 1991
- Bill [named Constitution (73rd Amendment) Bill] introduced again by the Government.
 - Bill rejected and described as an encroachment on the rights of State governments.
- 1992
- Constitution (74th Amendment) Act finally accepted and enacted; contains provisions for (a) constitution of a uniform typology of municipalities; (b) composition of municipalities; (c) constitution and composition of wards committees; (d) elections and reservation of seats; (e) duration of municipalities; (f) powers, authority and responsibilities of municipalities; (g) constitution of state finance commissions, committees for district planning and metropolitan planning.
- Since 1992
- Most State municipal Acts amended.
 - Reforms underway in the structure and functioning of urban local governments.

Source: Report of the Committee of Ministers Constituted by the Central Council of Local Self Government (1963); Government of India (1966); Sachdeva, Pardeep (1993); Constitutional Provisions Relating to Village Panchayats and Municipalities in India (1999).

COMPOSITION

The Municipal bodies are constituted of persons chosen by direct election from the territorial constituencies in the municipal area. However, the Legislature

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of a State may, by law, provide for the representation in a municipal body of persons having special knowledge or experience of municipal administration, the members of Rajya Sabha, Lok Sabha and the members of Legislative Council and Legislative Assembly of the State, representing constituencies, which comprise wholly or partly the Municipal area and the Chairpersons of Wards Committees.

Empowerment of weaker sections of society and women by reserving seats for such groups is one of the important constitutional provisions of the Constitutional Amendment. The offices of chairperson are also be reserved for SC/ST and women. Thus at least one year, out of five year duration of Municipal Corporation of Delhi, the office of Mayor is reserved for a women, and one year is reserved for a Councillor of Scheduled Caste. It gives a term of five years to the municipalities and if any of them is to be dissolved, it must be given an opportunity of being heard.

To be able to understand the composition of urban local bodies, we give below a very brief account of **Municipal Corporation of Delhi**. This Corporation covers entire area of Delhi, except small portion of New Delhi, where seat of Union Government is situated. The Corporation has 134 elected members (Councillors). They are directly elected from single-member wards on the basis of universal adult franchise. Several seats are reserved for women and for Scheduled Castes. It is elected for 5 years. Besides, there are 15 persons nominated by the Delhi Legislative Assembly. The Corporation functions through various Committees – the standing committee being the most important. The political head of the Corporation is the Mayor, elected by the Councillor for one year. A civil servant, called the Municipal Commissioner is its administrative head. Most other Corporations are generally based on this pattern.

4.4 REFORMS INTRODUCED BY THE 74TH CONSTITUTIONAL AMENDMENT

The recommendations and suggestions of several commissions and committees appointed by the Central Government, from time to time, to improve the urban bodies resulted in the enactment of the Constitution (Seventy-fourth Amendment) Act, 1992. Earlier, State Governments were free to manage their local bodies as they wished. The Amendment made statutory provisions for the establishment, empowerment and functioning of urban local self-governing institutions. The main provisions of this Act can be grouped under two categories—compulsory and voluntary. Some of the compulsory provisions which are binding on all States are :

- (i) Constitution of nagar panchayats, municipal councils and municipal corporations in small, big and very big urban areas respectively;

- (ii) Reservation of seats in urban local bodies for Scheduled Castes / Scheduled Tribes roughly in proportion to their population;
- (iii) Reservation of seats for women up to one-third seats;
- (iv) The State Election Commission, constituted in order to conduct elections in the panchayati raj bodies (see 73rd Amendment) will also conduct elections to the urban local self- governing bodies;
- (v) The State Finance Commission, constituted to deal with financial affairs of the panchayati raj bodies also looks into the financial affairs of the local urban selfgoverning bodies;
- (vi) Tenure of urban local self-governing bodies is fixed at five years and in case of earlier dissolution fresh elections are held within six months;

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Some of the voluntary provisions which are not binding, but are expected to be observed by the States are :

- (i) Giving voting rights to members of the Union and State Legislatures in these bodies;
- (ii) Providing reservation for backward classes;
- (iii) Giving financial powers in relation to taxes, duties, tolls and fees, etc;
- (iv) Making the municipal bodies autonomous and devolution of powers to these bodies to perform some or all of the functions enumerated in the Twelfth Schedule added to the Constitution through this Act and/or to prepare plans for economic development.

In accordance with the 74th Amendment, municipal corporations and municipalities (municipal boards or municipal committees) are now regulated in a fairly uniform manner in all the States. However you must remember that local self-government continues to be a subject in the State List. Thus, the 73rd and 74th amendments provide framework for the States in respect of local government. Thus, each State has its own Election Commission which conducts elections to all local bodies after regular intervals of five years. Each State has its Finance Commission to regulate finances of the local bodies. Seats are reserved in the corporations and municipalities for Scheduled Castes and Tribes. One-third seats are reserved for women in all local bodies – urban and rural.

4.5 FUNCTIONS OF URBAN LOCAL BODIES

It is a common practice to divide the organisation of a corporation or a municipality into two parts : (a) the deliberative, and (b) the executive part. The corporation, council or municipal board or council consisting of the elected representatives of the people constitutes the deliberative part. It acts like a legislature. It discusses and debates on general municipal policies and performance, passes the budget of the urban local body, frames broad policies relating to

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taxation, raising of resources, pricing of services and other aspects of municipal administration. It keeps an eye on municipal administration and holds the executive accountable for what is done or not done. For instance, if water supply is not being properly managed, or there is an outbreak of epidemic, the deliberative wing criticises the role of the administration and suggests measures for improvement. The executive part of municipal administration is looked after by the municipal officers and other permanent employees. In the corporations, the Municipal Commissioner is the executive head, and all other departmental officers like engineers, finance officers, health officers etc. function under his/her control and supervision. In a large corporation such as Delhi or Mumbai Municipal Corporation the Commissioner is usually a senior IAS officer. In the municipalities, the executive officer holds a similar position and looks after the overall administration of a municipality.

Municipal functions are generally classified into obligatory and discretionary types. The obligatory (compulsary) functions are those that the municipal body must perform. In this category fall such functions as water supply; construction and maintenance of roads, streets, bridges, subways and other public works, street lighting; drainage and sewerage; garbage collection and disposal; prevention and control of epidemics. Some other obligatory functions are public vaccination and inoculation; maintenance of hospitals and dispensaries including maternity and child welfare centres; checking food adulteration; removal of slums; supply of electricity; maintenance of cremation and burial grounds; and town planning. In some States some of these functions may be taken over by State Government.

The discretionary functions are those that a municipal body may take up if funds permit. These are given less priority. Some of the discretionary functions are construction and maintenance of rescue homes and orphanages, housing for low income groups, organising public receptions, provision of treatment facilities, etc.

Municipal Corporations take up more functions than municipalities. There are corporations like Delhi, Mumbai, Vadodara, Pune, Ahmedabad which are known for their various city development activities in such areas as public transport, public parks and open spaces including municipal zoo, and even milk and electricity supply.

4.6 FINANCIAL RESOURCES OF URBAN LOCAL BODIES

Municipal corporations and municipalities raise their own resources from a variety of sources, as provided for in the respective municipal laws. Their own revenue sources are income from (i) taxes, (ii) fees and fines, and (iii) earning

from municipal enterprises like land, tanks, markets, shops, etc. Besides these bodies receive grants from the State.

Property tax on land and buildings is the most important source of income of most urban local bodies. Other taxes levied by them are advertisement tax, professional tax etc. Octroi still remains an important source of income of municipalities in Western India. Now, the trend is toward abolishing this tax as it obstructs the free flow of traffic on highways. They also charge fines for breach of municipal rules and regulations. From municipal shops and markets and rest houses, municipalities often earn considerable sum of revenue. It is a general practice for States to give grants to their municipal bodies to improve their revenue position. State grants-in-aid may be on ad hoc basis; or, it can be on the basis of certain principles like size of population, slums concentration, location of town, etc.

Some of the taxes and rates collected by urban bodies are :— Property Tax; Water tax for water supplied; Seweraging Tax, Fire Tax; Taxes on animals and vehicles; Theatre Tax; Duty on transfer of Property; Octroi Duty on certain items brought into the city; Education Cess (Tax); and Professional Tax.

Some other sources of income are fines and fees such as Fees on Tehbazari on takhats and chabutras; licence fees – on cycle rickshaw, bicycles etc.; rent from municipal shops; and fines imposed for violation of municipal by laws.

4.7 TYPOLOGY AND CONSTITUTION OF MUNICIPALITIES

A typology of municipalities exists in the different States of India. This is due to the varied character of urban areas. Before 1992, State governments were empowered to constitute four different types of municipalities, namely municipal corporations, municipal committees/councils, notified area committees and town area committees. Thereafter, the seventy-fourth amendment Act was enacted which provides for three types of municipalities – municipal corporations, municipal councils and *nagar panchayats* (Figure 1) – and most state governments classified local governments falling within their jurisdiction as per the revised scheme. Notified area committees and town area committees have been reconstituted as *nagar panchayats*. The attempt of the central government is to establish a uniform classification of municipalities throughout the country, which is based on the principles of democracy. Though all urban local governments have common objectives and somewhat identical characteristics, the method of their constitution in the extent of delegated functions, powers and resources available to them lends a distinct status to each category of local government (Table 2).

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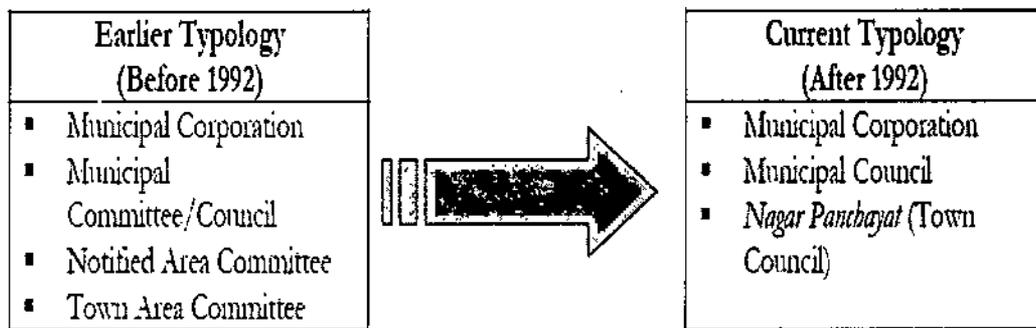


Figure 1: Changes in Typology of Municipalities

Table 2: Main Characteristics of Urban Local Governments

Type of Municipality	Rationale for Constitution and Brief Characteristics
Municipal Corporation	<p>Before 1992</p> <ul style="list-style-type: none"> • Established in metropolitan areas or big cities • Wider functions and larger powers than councils, enjoy more autonomy and have larger revenue resources. • Separation of deliberative from executive functions and vesting of all executive powers in an appointed authority who is independent of the elected body.
Municipal Committee/Council	<p>After 1992</p> <ul style="list-style-type: none"> • Constituted in "large urban areas"* • Most popular form of local government in urban areas. • Set up in cities and large towns. • Extent of State control is relatively larger than corporations.
Nagar Panchayat	<p>After 1992</p> <ul style="list-style-type: none"> • Constituted in "small urban areas"* • Constituted after 1992
Notified Area	<p>After 1992</p> <ul style="list-style-type: none"> • Constituted in "areas in transition from rural to urban"* • Set up by State government in medium and small towns. • Created for areas which do not fulfil conditions for constitution of councils but are otherwise important. • Also created for newly developing towns or areas where industries are being established. • All members including chairman are nominated by State government and not elected.
Town Area Committee	<ul style="list-style-type: none"> • Semi-municipal authority constituted for small towns.

- Members are either wholly nominated or wholly elected, or partly nominated and partly elected.

Source: Report of the Committee of Ministers Constituted by the Central Council of Local Self Government (1963); Government of India (1966); Sachdeva, Pardeep (1993); Constitutional Provisions Relating to Village Panchayats and Municipalities in India (1999).

Note: *A "large urban area", a "small urban area" and a "transitional area" are defined as such area "as the Governor may, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance of such other factors as the Governor may deem fit, specify by public notification" (Constitutional Provisions Relating to Village Panchayats and Municipalities in India, 1999).

The number of municipalities (i.e., municipal corporations, municipal councils and *nagar panchayats*) differs from State to State. It is obvious that States with a large number of urban areas have a higher number of municipalities. There are some States where municipal corporations and/or *nagar panchayats* do not exist. This is due to the fact that the urban areas in such States do not fulfil the conditions for the constitution of a particular type of local government.

Municipalities are constituted by the State government, which specifies the class to which a municipality shall belong in accordance with the provisions of the municipal Act. For this purpose, size of the urban population is the main criterion. However, in some States consideration is also given to other criteria, such as location of the urban area and the per capita income (Table 3).

Table 3: Criteria for Constitution of Municipalities in States Selected for Study

Name of State	Type of Municipality and Criteria		
	Municipal Corporation	Municipal Council	Nagar Panchayat
Haryana	Population of 300,000 or more	Population of more than 50,000 and not exceeding 500,000.	Population of not more than 50,000.
Rajasthan	Population of 500,000 or more	Population of more than 100,000 and not exceeding 500,000.	• Class II: Located at District Headquarter; population of 50,000 or more and not exceeding 100,000; per capita income of Rs. 200 or more.

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- Class III: Population of 25,000 or more and not exceeding 50,000; population of less than 25,000 and per capita income of Rs. 150.
- Class IV: Population of less than 25,000.

Source: Municipal Law in Rajasthan, Vol. II (2005: 549-50); The Haryana Municipal Act, 1973 (2005: 47); United Provinces Municipalities Act, 1916 (2004).

Note: In Rajasthan, Nagar Panchayats (also known as Municipal Boards) have been further classified as Class II, III, and IV municipalities; Municipal Corporations and Municipal Councils are referred to as Class I municipalities.

MUNICIPAL LEGISLATION

Urban local governments are governed by the provisions of the State municipal Acts. Every State has its own municipal Act. The State legislature is empowered by the central government to decide on the structure, functions and powers to be entrusted to the local governments. Although the content and format of various State municipal Acts is more or less uniform, there are striking differences in the provisions for devolution of powers, functions and funds to local governments since this is determined by the condition of both the State and the local government. The system is regulated by enactments passed from time to time by State legislatures. Furthermore, municipalities possess powers to draft local byelaws on various provisions for the furtherance of municipal administration. This is due to the fact that each urban area has its own distinct character. The byelaws are sent to the State legislature for approval. The municipal Act is, therefore, a comprehensive guiding legal document for the local government officials and the elected representatives, and byelaws are framed to further clarify the administrative procedures.

In every State, two different types of Acts are generally in use – one for the municipal corporations and a common Act for the municipal councils and *nagar panchayats*. In a few States where several municipal corporations exist, the legislature has framed municipal Acts especially for some corporations. The remaining corporations in the State are governed by a common municipal corporations Act.

Box 1: Powers, Authority and Responsibilities of Municipalities (Art. 243 – W)

Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow –

- (a) the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law

may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to :

- (i) the preparation of plans for economic development and social justice;
- (ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule;
- (b) the Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule.

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Twelfth Schedule

1. Urban planning, including town planning;
2. Regulation of land-use and construction of buildings;
3. Planning for economic and social development;
4. Roads and bridges;
5. Water supply for domestic, industrial and commercial purposes;
6. Public health, sanitation, conservancy and solid waste management;
7. Fire services;
8. Urban forestry, protection of the environment and promotion of ecological aspects;
9. Safeguarding the interests of weaker sections of society, including the handicapped & mentally retarded;
10. Slum improvement and upgradation;
11. Urban poverty alleviation;
12. Provision of urban amenities and facilities, such as parks, gardens, playgrounds;
13. Promotion of cultural, educational and aesthetic aspects;
14. Burials and burial grounds; cremations, cremation grounds and electric crematoriums;
15. Cattle pounds; prevention of cruelty to animals;
16. Vital statistics, including registration of births and deaths;
17. Public amenities, including street lighting, parking lots, bus stops and public conveniences; and
18. Regulation of slaughterhouses and tanneries.

Source: Constitutional Provisions Relating to Village Panchayats and Municipalities in India (1999: 13-14; 18-19).

COMPOSITION OF MUNICIPALITIES

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There have been significant changes in the composition of municipalities since their constitution. In the ancient period, municipal administration was in the hands of the ruling class or the ruling government and their subordinate offices and departments. Urban citizens were not happy with the prevailing 'centralised approach', which was characterised by excessive bureaucracy. It was gradually realised that because local governments were formed for the welfare of the urban citizens, it was necessary to involve them. This thinking paved the way for citizen's participation in municipal affairs. A select number of urban citizens are now chosen by holding elections to municipalities. For this purpose the municipal area is divided into several wards delineated on the basis of population. There is a contest for the seat/post of councillors in municipalities among the eligible voters at the ward level. One person from each ward is elected to the post of councillor. Elections are also held for the post of a mayor in municipal corporations and a chairperson (also known as a president/chairman) in municipal councils and *nagar panchayats*. The State government departments are responsible for the organisation of municipal elections. Besides the State government appointed staff and persons nominated by the State government, citizen's representatives have become a part of the local government. Whereas the appointed staffs are trained to handle their duties, citizens' representatives are more aware of the quality of life at the ward level. The effort of the government has been on maintaining a balance in the distribution of power between the officials and the non-officials and on establishing a democratic form of local government. To enable wider participation in municipal affairs, seats in local governments are reserved for some sections of the society (Box 2). In addition to the appointed, nominated and the elected functionaries, *ex-officio* persons are also affiliated to the local government. A typical composition of an urban local government is shown in Table 4.

Table 4: Composition of Urban Local Governments

Category	Type of Municipality	
	Municipal Corporation	Municipal Council/Nagar Panchayat
Elected Members	<ul style="list-style-type: none"> • Mayor; Deputy Mayor. • Councillors/Elected Ward Representatives. 	<ul style="list-style-type: none"> • Chairperson/President; Vice-President. • Councillors/Elected Ward Representatives.
Ex-officio Members	<ul style="list-style-type: none"> • MPs • MLAs • MLCs 	<ul style="list-style-type: none"> • MPs • MLAs • MLCs

Appointed Staff	• Municipal Commissioner	• Executive Officer
	• Subordinate Staff	• Subordinate Staff
Nominated Members	• Selected Citizens	• Selected Citizens

Source: State Municipal Acts.

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- (i) *Elected Members:* There is one seat of Mayor/President, Deputy Mayor/Vice-President in a municipality; there are as many councillors as the number of wards in a municipality.
- (ii) *Ex-officio Members:* MP – Member of Parliament; MLA – Member of Legislative Assembly; MLC –Member of Legislative Council.
- (iii) *Appointed Staff:* There is one position of Municipal Commissioner/Executive Officer in a municipality; the various sub-committees of a municipality are run by the subordinate staff in association with the elected members and the Municipal Commissioner/Executive Officer. Such staffs do not have the right to vote in the meetings of the municipality.
- (iv) *Nominated Members:* A certain number of persons having special knowledge or experience in municipal administration are nominated by the State government. Such members do not have the right to vote in the meetings of the municipality.

Box 2: Reservation of Seats in Municipalities (Article 243 – T)

- (1) Seats shall be reserved for the SCs and STs in every Municipality and the number of seats so reserved shall bear, as nearly as may be, the same proportion to the total number of seats to be filled by direct election in that Municipality as the population of the SCs in the Municipal area or of the STs in the Municipal area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Municipality.
- (2) Not less than one-third of the total number of seats reserved under clause (1) shall be reserved for women belonging to the SCs or as the case may be, the STs.
- (3) Not less than one-third (including the number of seats reserved for women belonging to the SCs and the STs) of the total number of seats to be filled by direct election in every Municipality shall be reserved for women and such seats may be allotted by rotation to different constituencies in a Municipality.
- (4) The offices of Chairpersons in the Municipalities shall be reserved for the SCs, the STs and women in such manner as the Legislature of a State may, by law, provide.

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- (5) The reservation of seats under clauses (1) and (2) and the reservation of offices of Chairpersons (other than the reservation for women) under clause (4) shall cease to have effect on the expiration of the period specified in Article 334.
- (6) Nothing in this Part shall prevent the Legislature of a State from making any provision for reservation of seats in any Municipality or offices of Chairpersons in the Municipalities in favour of **backward class** of citizens.

Source: Constitutional Provisions Relating to Village Panchayats and Municipalities in India (1999: 12).

MUNICIPAL MANAGEMENT PRACTICES

Municipalities follow various practices to discharge their duties. This subsection includes three important management practices which describe the manner in which municipalities function.

MUNICIPAL MEETINGS AND PROCEEDINGS

Decisions on various municipal matters, such as superintendence of municipal administration, planning for infrastructure facilities, approval of municipal budget, etc., are taken in the meetings of the local government. Meetings are held *periodically* during which resolutions are passed on the basis of voting.

Participation in municipal meetings is not restricted to any category of person and may include the elected, nominated and ex-officio members, and other appointed authorities/officers associated with the local government. Besides, every meeting is open to the public. However, decisions to accept or reject resolutions are taken only by the elected members (councillors, mayor/president) who possess powers for voting. For this reason, the elected members, who are representatives of the citizens in the local government, are important actors involved in the decision-making process.

Furthermore, accepted resolutions are implemented only under the supervision of the State-appointed municipal commissioner/executive officer, who possesses executive powers. The role of other participants is to provide assistance on various technical, financial and legal matters.

4.8 LOCAL GOVERNMENT IN USA

The United States Constitution established the Federal Government of the United States. At the time of the writing of that document, the separate colonies, that became states, had their own governments, which had grown out of smaller units. The many strata of government were preserved by the Constitution even as it allocated supreme power, such as the power to declare war, to Congress. In

fact, it gave practically all powers to the states except those that could, conceivably, work against the good of the whole.

In the early nineteenth century, the relative youth and ineffectiveness of many of the state governments, together with the urgency of precisely the sort of problems that we have come to think of local government as best positioned to address, resulted in the waxing of the latter's importance in the United States. The county government became the focal point of administration and for the dissemination of information. Indeed, the county is still the basic political category, although it has more power today, as a rule, in rural than in urban areas, where most local power is held by incorporated municipalities. Even so, the relationship between the state and local government, whatever the nature and style of the latter, is far from simple, with local governments in taut suspense between the need for a degree of independence in order to fulfil their function and their need for the wherewithal from the higher and broader levels of government to be able to do just that.

The development of the sense of locality, in the form of the county, as the entity with which citizens practically and emotionally identified, to some extent accompanied a growth in the feeling of the role of the state, rather than the nation, as the larger emblem of identity. An interesting point is that it was only after the Civil War that Americans began to use the term 'the United States' as a proper name that takes a singular verb.

In general, American local governments are modelled on the British system (going back to 'shires') of elected councils. The difference is that in the American system there is also a strong executive level. Local governments in the United States are either territorial or corporate. Examples of the territorial unit are some county governments and local school districts. A corporate government is one based on a charter, such as the state may grant to a city, town or village; these city charters are similar to constitutions, only (of course) on a smaller scale. Such charters are approved and authorized by the state, and they must not contradict state law.

A kind of exception to their necessary complete harmony with state realities is, perhaps, to be found in those cases where corporate governments have acquired some form of 'home rule', whereby they can change their own composition and laws, and the state government has no say in the matter. In such instances, however, state law is again the more puissant, and no conflict is possible. In other words, cities may adapt state laws to suit them, but not to the point of anything resembling opposition. The relationship, in terms of delegation of authority, is thus much more hierarchical between state and locality than it is between the federal government and the state.

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The increased involvement of the national government in the affairs of levels of government below it that resulted from Franklin Roosevelt's New Deal programs in the 1930s was not confined to the states. The new 'cooperative' federalism led to such developments as the 1972 General Revenue Sharing Act, whereby a proportion of federal income tax money found its way back to local, as well as state, governments. Numerous local governments, such as Buffalo, New York and Oklahoma City, now actually depend on federal funding. One bump on this road is turning out to be that the local targets specified by the federal government for particular grants may not be the ones that local officials consider correct or necessary. Such divergences in point of view often result in not an agreement to disagree, but an agreement on the need to cooperate. The aspect of the Constitution alluded to earlier – the one where any powers the federal government does not claim fall to the states – has meant, in recent times, in some ways, the growth of the independence of states and localities; local police may not, for example, be required by the federal government to perform minor administrative tasks.

What were at one time the relatively clear lines of demarcation between local and higher levels of government in the United States, then, have become much less sharply defined.

Currently, there are about 3,100 counties, most of them suburban or rural. There is no part of a state that is not also part of a county, except in states like Virginia, where a city may be independent – that is, not part of a county. There are cities like New York, that consist of more than one county: each of its five boroughs is one. French influence is in evidence in Louisiana, which has parishes instead of counties. Nevertheless, they are, to all intents and purposes, the same thing. There are no counties, only boroughs, in the far northern state of Alaska. A further refinement of complexity is in the doing-away-with of virtually all county functions in such states as Connecticut.

Forms of US Local Government

About eighty per cent of American citizens now live in large cities, suburbs of cities, or towns. People's needs – from police to sanitation, education to fire protection, housing and public transportation – are seen to, most directly, by city governments. There are, broadly speaking, three forms of it: the mayor-council form; the commission form; and the city or council-manager form.

In the mayor-council form, which is the oldest of the three, there is (not surprisingly) a mayor and a council consisting of a number of members, sometimes called aldermen. The structure is patterned on that of the state and federal governments. While the mayor is elected at large, the aldermen are sometimes elected, in other cases selected from wards or districts. The mayor is head of the

executive branch, presiding over council meetings, appointing chiefs of departments, perhaps with the council's approval, and is often the budgetary officer of the city. He can veto ordinances passed by the legislative branch, the council.

Two forms of mayor-council rule – the strong-mayor and the weak-mayor – have evolved, although they have the points already enumerated in common. The 'strong mayor' can appoint and remove heads of city departments; few officials, in that scenario, are elected. He is the preparer of the budget, and has power of veto. Throughout the 1990s, the strong mayor-council form of city government was most popular in cities where the form of government has been decided by the state, and declined in popularity in home rule cities (already mentioned), where the citizens of the city have and exercise the right under state law to decide their form of municipal government.

Where the mayor is a significant policy maker, an administrator may be given responsibility for daily operations. The legislature, in general, adopts the budget and general policy positions, passes resolutions with legislation, and audits the government's performance.

The mayor in the other kind of mayor-council city government, the 'weak' mayor, has more limited powers of appointment, removal and veto, and the elected officials and boards are more numerous. The council's more extensive legal powers preclude his being a chief executive in any truly meaningful sense.

The commission form of city government in the United States combines, in one group of usually at least three, and often five or seven, officials, the executive and legislative dimensions. It is also, sometimes, called the Galveston Plan, after the town in Texas where it originated in 1901 (and which has since abandoned it). All members are elected, and each commissioner is responsible for at least one city department. One of them is the chairperson and may be called the mayor, but he or she has no extra powers. Historically the commission form is regarded as an important manifestation of the impulse in the direction of efficiency through employment of experts, but others have seen that tendency in a negative light – as a movement depriving those without any particular 'expertise' – the working class, in other words – of their influence.

It has also been seen as a stage in the development of the city manager or council-manager form of municipal government: Commissions whose members all have different interests but equal powers have a predictable predisposition to unresolved disagreement. Bringing in a business manager was, and has increasingly been (the commission plan has rarely been initiated since the First World War), seen as the solution. The city manager has most executive powers, including those pertaining to law enforcement and service provision. He carries out the decisions of the elected council, who decide on ordinances and policy, and he,

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again, produces the city budget. He is thus not elected, but hired, and has no term of office, continuing in his or her role while it meets with the requirements of the council.

Yet other forms of local government in the United States include the town meeting, the representative town meeting, the township, the borough and the village.

Town meetings are largely a phenomenon of New England states. As often as necessary, but at least once a year, a town's registered voters meet, in open session, to elect officers, debate issues and pass laws. Practical issues such as taxes, budget and building and road construction and repair are decided. The board of officers are called 'selectmen', board of supervisors, town council, or something similar.

The representative town meeting is very like the town meeting system, except that, while all citizens may attend meetings and take part in the debates, the right to vote belongs only to the (large) number chosen to be representatives.

In a township, there is usually a mayor and three, four or five committee members, who are elected, and who hold all legislative powers not held by the mayor. An administrator may be appointed to discharge executive functions.

A borough's mayor and six members of council are elected, and the mayor only votes to break ties. The council is the legislature, and the mayor appoints officers. In a village, there is, usually, a board of trustees with five elected members, one of whom has mayoral powers.

Involvement of the Private Sector

Two significant problems of municipal government in the United States are where urban areas are divided among a number of different city governments (such as New York), and the diminishing of the tax base and finances of cities through the movement of the middle class to the suburbs. The inability of property taxes to maintain inner cities has led to greater reliance on other kinds of taxation, including sales and commuting taxes. In the past ten years, federal and state programs that stimulate investment in infrastructure by the private sector have resulted in major investment in American cities. Arrangements with strengthening collaborations between the private and the public sectors as their goal have been: credits for or exemptions from local sales and income tax; tax abatements; tax-exempt municipal bonds; and state funding for clean water.

The Transportation Equity Act for the 21st Century (TEA-21) of 1999 is the biggest infrastructure program in the United States, and it is about finding new ways for the private sector to access federal resources through innovative legislation, such as state infrastructure banks and revolving funds. The grant programs of prior decades have given way to private funding and greater local

government control; more than 250 funding programs have been made available for urban redevelopment and construction of affordable housing. Over \$100 billion has been marked for urban transportation by the TEA-21, while New York, receiving only \$200 million from the federal government for water infrastructure, has obtained \$460 million in loans. In the context of these developments, some think that the home rule system of city government in the United States is increasingly worth a closer look for the greater legal authority it confers on localities.

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4.9 LOCAL GOVERNMENT IN UK

Local government in the United Kingdom is a settled feature of the *constitutional architecture* and has long acted as an agency of the state in order to fulfil many of the functions required by central government to ameliorate social problems throughout the years. The need for a comprehensive system of local authorities arose alongside the expansion in the population of urban centres around the time of the Industrial Revolution, with the old administrative units of what constituted a 'local state' unable to cope with the demands placed on them, such as disease, sanitation problems, squalor and unemployment. From 1835 onwards, with the creation of municipal corporations in urban areas, the history of British local government became a legislative one. In 1888, another Act brought into being the two-tier system of counties and boroughs that still exists in most non-metropolitan areas to this day.

During the 1960s, a review established by the Labour government of Harold Wilson recommended the introduction of a unitary pattern of local government across England, though the party's exit from government in the 1970 election prevented its introduction. The Conservatives had faced internal opposition to the loss of county councils and the government indicated early on that it preferred an *evolutionary approach by introducing a comprehensive two-tier system of counties and districts from 1974 in the majority of England and Wales, and metropolitan counties and metropolitan districts in six urban areas of large population density.* The metropolitan counties and the Greater London Council were then abolished in 1986, with a further round of unitary local reorganisation taking place in 1996-98. A further round of reorganisation took place in April 2009.

Types of Local Authority

There are 27 county councils in England and these cover a further 201 smaller district councils. In addition there are 22 unitary authorities in Wales and 125 in England, mainly serving urban areas. In Scotland, Wales and urban England, with the exception of London, single-tier unitary authorities provide all

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local services, whereas non-metropolitan England is served by a two-tier system split between district and county councils.

The metropolitan districts assumed their current powers and status in 1986 following the abolition of the metropolitan counties alongside which they previously existed. Similarly the London Boroughs and the City of London Corporation assumed their current powers and status following the abolition of the Greater London Council that year. The first 47 unitary authorities in the English shires were created in tranches during the mid to late 1990s following the process undertaken by the 1992 Local Government Act and the Banham review.

Under the two-tier system, the lower tier is recognised as districts (or non-metropolitan districts), although some of these may have status as boroughs through old Royal Charters conferred upon them. This also applies to cities, although a number of boroughs have also been converted or upgraded to city status by virtue of having such status conferred upon them more recently. All local authorities have chairmen or mayors as ceremonial/civic figureheads; in some larger and older cities they may be styled Lord Mayor. Where an authority is called a district council it will have a chairman and where the authority is a borough or city council it will have a mayor (or a Lord Mayor).

Local government boundaries owe their current basis to local government legislation, though voluntary mergers are permissible under the law and the Boundary Committee for England is now responsible for the overall examination of local government boundaries and structures.

City status accords no extra powers in law and contrary to perception is not related to any single factor such as population size or religious significance, only the existence of a royal edict. Today city status is granted by the Crown acting on the advice of the Prime Minister, usually in connection with a specific event, though historically the decision to confer city status has centred upon the monarch.

England

As we have seen, one of the bedrock Acts governed English local government is the 1972 Local Government Act which introduced the two-tier system across England and Wales of metropolitan and non-metropolitan counties and metropolitan and non-metropolitan districts. For the purposes of local government in England today, **counties** is generally taken to mean the 34 administrative counties created in 1972 under the Local Government Act of that year. Of course, the English 'shire' counties themselves are deeply historical, being of Anglo-Saxon origin as 'shires' and the Norman 'counties' (as in ruled by a count) and while some historic counties no longer exist in an administrative sense they remain as ceremonial counties, each with their own Lord Lieutenant (as the monarch's

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designated local representative). Prior to this, the first administrative counties were created in 1889 and amended only in 1965 (in the case of Greater London) before the introduction of the metropolitan and non-metropolitan counties (see unitary section) in 1974 (as amended in 1985 with the abolition of the metropolitan counties and the creation of the London Boroughs).

Each of the 27 remaining non-metropolitan counties (also known as shire counties) has its own elected county council, elected every four years, headed by a leader and cabinet under the 2000 and 2007 local government Acts, with a chairman as its civic figurehead. The primary functions associated with counties are that of education (as local education authorities) and social services, though counties also play key roles in highways, waste disposal public transport, economic development and consumer protection. Counties were divested of their strategic planning function under the 2004 Planning and Compulsory Purchase Act, which placed this function under each regional assembly when sitting as the regional planning body to agree the regional spatial strategy. Counties continue to raise their own local finance through the 'precept' levied on billing authorities beneath them at district level.

Under the reforms enacted in the mid-1990s as part of the last round of local government reorganisation originally designed to introduce an entirely unitary pattern of local government across Britain, **unitary authorities** were created between 1995 and 1998 to undertake the roles formerly designated for counties, alongside the roles already undertaken by the districts. Unitary authorities had already existed in Greater London and the six former metropolitan counties in form of metropolitan districts following the abolition of the Greater London Council and the six metropolitan county councils under the 1985 Local Government Act. The Isles of Scilly Council as neither a county or district but created under the 1972 Act was technically a unitary but a *sui generis* one at that. The primary difference between metropolitan counties and non-metropolitan counties was that education and social services were the responsibility of the metropolitan districts and in Greater London education was shared between the Inner London Education Authority and the Outer London Boroughs. The new unitary authorities created between 1995 and 1998 resembled their predecessors but are not usually banded with them legally because of the different legislation required to establish them (though they are henceforth known collectively in this book as 'single-tier authorities'). As such, single-tier authorities currently discharge all services undertaking by councils in the remaining two-tier shire areas and are billing authorities in that they set and collect their own Council Tax.

The non-metropolitan **districts** (which may also be known as boroughs, see sections above) are the sub-county tier which were also introduced in the 1972 Act and have largely remained unaltered, save for those which became

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unitaries between 1996 and 1998 and in 2009. English districts in shire areas are largely responsible for environmental, waste, housing and planning services.

As the successor to the London County Council (1889-1965), the Greater London Council (GLC, 1965-1986) was conceived as a strategic tier of local government covering all-purpose London Boroughs, with some ad hoc joint arrangements in housing and education. Following the abolition of the GLC in 1986, its powers were dispersed between the boroughs (housing all, education in inner London), central government (transport) and some joint arrangements (planning and waste). The resumption of this strategic tier in 2000 following the 1998 referendum which paved its creation, saw the old GLC boundaries observed by the new Greater London Authority (GLA), which did not resemble its predecessor in terms of providing direct services, though the GLC similarly did not enjoy the indirect supervisory powers over the Metropolitan Police and London Fire Brigade that the GLA now does.

While the GLC sat as a conventional county style council of 92 seats, headed by a leader and overseen by committees, the governance model of the GLA is split between the office of the directly elected Mayor of London and the 25-member London Assembly which performs scrutiny of the mayor and provides some members of the functional bodies of the 'GLA family' (on more later). The Mayor of London is directly elected for four-year terms by voters across Greater London, the current mayor Ken Livingstone elected in 2000 and again in 2004 (the Conservatives' Steve Norris came second on both occasions). The system of election is the Supplementary Vote, where each voter expresses a first and second preference and if no candidate has 50 per cent or more first preferences then the second preferences of all candidates are reallocated to the two highest ranked candidates to determine the winner. The primary role of the mayor is to draft the statutory strategies of the GLA (including the overarching London Plan) and to set the budget for the core GLA and the functional bodies (the Metropolitan Police Authority, London Fire and Emergency Planning Authority, Transport for London and London Development Agency), as well as appointing members to these bodies. The mayor also appoints a Deputy Mayor from among the 25 members of the London Assembly. The Mayor of London should not be confused with the ancient office of the Lord Mayor of the City of London Corporation.

The 25-member London Assembly is elected alongside the mayor for a four year term under the Additional Member System. 14 members represent geographical constituencies based on pairings of London Boroughs while a further 11 are elected from a London-wide list. Parties may replace members from the list in the event of a resignation while the constituency section requires a by-election should this occur.

The local authorities created under the 1972 Local Government Act are designated 'principal authorities', though a historic and variable tier of around 7,800 sub-principal authorities also exists.

Scotland, Wales and Northern Ireland

The differences between English unitaries and their 32 Scottish counterparts which have existed since 1996 are largely titular, though by dint of the supervision of local government by the devolved Scottish Executive and the centuries old separate local government system there are some in relation to powers, duties and nomenclature that are too numerous to list. The role and structure of the 22 Welsh unitary authorities which have also existed since 1996 are identical to the English unitaries, though some style themselves as counties (Powys), county boroughs (Blaenau-Gwent) or joint counties and cities (Cardiff). While they may resemble English unitaries, the 22 councils are under the supervision of the devolved Welsh Assembly Government at Cardiff rather than the Department for Communities and Local Government in London.

Like Scotland, Northern Ireland has a different legal and constitutional relationship to the rest of the United Kingdom. Northern Ireland is currently divided into 26 district council areas, created under the 1973 Northern Ireland Constitution Act following the 1970 Macrory Review. As such, the 26 districts are responsible for largely street-scene, community and environmental services whereas education, social services and housing are administered either by province-wide agencies or nominated joint boards, under the supervision of the Northern Ireland Executive. The executive has recently agreed to merge the 26 districts into 11 enhanced local authorities.

4.10 LOCAL GOVERNMENT IN FRANCE

The decentralisation law of 2 March 1982 and the legislation completing it marked the Paris government's desire to alter the balance of power between the state and local authorities (regions, departments and communes). It gave far greater autonomy in decision-making by sharing administrative and budgetary tasks between central and local authorities.

Three Tiers of Local Government

In France there are three main tiers of local administration: the commune, department and region. These are both districts in which administrative decisions made at national level are carried out and local authorities with powers of their own. Legally speaking, a local authority is a public-law corporation with its own name, territory, budget, employees, etc. and has specific powers and a certain degree of autonomy vis-à-vis central government. In addition, there are France's

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overseas territories and regional bodies (*collectivités territoriales*) with special status (Paris, Marseille, Lyon, Corsica, Mayotte and Saint-Pierre-et-Miquelon).

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The Communes

The commune, which dates from 1789, is the lowest tier of the French *administrative hierarchy*. There are nearly 37,000 communes, many more than are found in the other countries of the European Union. In France the term commune is applied to all municipalities whatever their size – 80 per cent of them have fewer than 1,000 residents. This situation has led the government to encourage smaller communes to merge to form urban communities (*communautés urbaines*) or group together in *associations of several communes* (*syndicats intercommunaux*). In addition, the law of 6 February 1992 suggested new forms of co-operation to rationalise municipal administration by taking common interests into consideration. In reality, the closer links often go no further than pooling a few services and mergers are extremely rare, as both residents and local councillors often retain a strong sense of identity with their communes.

Like the department and region, the commune has a deliberative or decision-making body (*the municipal council*) and an executive (*the Mayor*), elected by the municipal council. The number of municipal councillors is proportional to the population. Elected for six years by direct universal suffrage, municipal councillors lay down guidelines for municipal policy, adopt the budget, manage municipal assets, notably primary school buildings and equipment, and decide how the municipal administration is to operate.

The Mayor has two hats, since he or she is both the commune's elected authority and the state's representative in it. As the commune's chief executive, the Mayor carries out the decisions of the municipal council. As the municipality's legal representative, the Mayor proposes and implements the budget, ensures the conservation and management of the commune's natural environment and built heritage and issues building permits. Mayors also have powers in their own right, being responsible for security and public health and having at their disposal the municipal administration, which they head.

As the state's representative, the Mayor is the registrar of births, marriages (at which he/she officiates) and deaths and is an officer of the police '*judiciaire*' and so entitled to exercise special powers in connection with the repression of crime under the authority of the public prosecutor. Finally, he/she is responsible for various administrative tasks including publicising laws and regulations and drawing up the electoral register. *Mayoral acts* are unilateral administrative acts, generally orders, whose legality is subject to a control by the courts when they are issued by the Mayor as the commune's chief executive and to the approval of

the Prefect (see below) to whom the Mayor is subordinate when acting in the capacity of the state's representative.

So the commune's own powers cover activities which affect its inhabitants' daily lives. Its economic and social brief, long limited to granting aid for job creation and helping needy families, has been broadened to enable it to play an important role in combating unemployment and social exclusion and engage actively in economic restructuring and development of new activities.

The Departments

There are 100 departments in France, 96 in metropolitan France and four overseas (Martinique, Guadeloupe, Réunion and French Guiana). Established in 1789, the department has developed from a partially decentralised local authority to one with full powers of its own (since 1982). It has played a prominent role in the country's administrative and geographical organisation.

The department essentially has competence in health and social services, rural capital works, departmental roads, and the capital expenditure and running costs of colleges.

The Prefects

For almost 200 years (1800 to 1982), regional department Prefects held the executive power in the departments, but the law of March 1982 modified their powers. Appointed by the government, the Prefect is still the sole person empowered to act on the state's behalf in the department. Prefects represents the Prime Minister and all the members of the government, has authority over the state's external services in the department and ensures the administrative supervision of the department's local authorities.

However, the law of 2 March 1982 conferred executive authority for the department on the chairman of the general council. The general council is the department's decision-making organ. It is made up of general councillors elected for a six-year term in a two-ballot uninominal majority poll. Each department is divided into cantons (France has 3,500 cantons) which serve as the constituencies for the election. Elected by the councillors for a six-year term, the chairman prepares the council's debates and implements its decisions, including decisions on budgetary matters. He or she represents the department at the legal level, heads the department's staff and services and, finally, as the person in charge of running the department, exercises certain police powers in the areas of conservation and departmental highways (without prejudice to the powers of the Mayors and Prefect in these areas).

The Regions

France has 26 regions, 22 in metropolitan France and four overseas. The latter have a special status, being at the same time departments and regions.

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Created in 1955 to provide a framework for regional town and country planning, the region became a local authority in 1982. Its main spheres of competence are *planning, regional town and country planning, economic development, vocational training, and the building, equipment and running costs of schools (lycées).*

The decision-making organ is the regional council whose members are elected for six years. They are assisted by an economic and social committee, which is a consultative assembly made up of representatives of businesses, the professions, trade unions and other employees' organisations, regional voluntary organisations, etc.

This committee must be consulted on the preparation and implementation of national plans, the establishment of the regional development plan and the major guidelines for the regional budget. The committee is also free to comment on any regional matter or, at the initiative of the regional council's chairman, any economic, social or cultural proposal. The regional council chairmen, elected by the councillors, are the region's executive authority. Their responsibilities are *identical to those of the general council chairman in the areas within the region's sphere of competence.*

So while basic principles and structures have not changed and there is a clear distinction between the spheres of competence of the different tiers, the decentralisation legislation did bring in some innovations, especially regarding supervision. Some degree of *ex post facto* monitoring of local government action is necessary in order to reconcile the fact that the authorities are self-governing with the need for coordinated action within a unitary state and ensure that the principle of equality of all citizens does not override the *general interests of the nation as a whole.*

The March 1982 law also made several changes concerning financing. Any transfer of state competence to a local authority must be accompanied by a transfer of resources (chiefly fiscal). In practice, local taxes have tended to rise. The reform also *extended the responsibilities of the communal, departmental and regional accountants, giving them the status of chief accountant directly responsible to the treasury.* Lastly, the 1982 law assigned to a new court, the regional audit chamber, responsibility for a posterior auditing of local authority accounts.

The process of decentralisation has profoundly altered local government in France. The new system is indisputably more costly than the old for the public purse and has led to some fragmentation of tasks and objectives, as local authorities act primarily in their own rather than the national interest. However, decentralisation is helping to ensure that tasks are carried out at the most appropriate level of responsibility in all sectors of public life, so bringing greater democracy to the country's administration and management.

4.11 URBANIZATION AND ITS CONSEQUENCES

Urbanization is a form of social transformation from traditional rural societies to modern urban communities. It is long term continuous process. The objective of this section is to understand the extent, trend and pattern of urbanization and also the consequences in the socio-economic context in India by using data from Census of India 1901-2001, NSSO etc. It is an attempt to outline urban growth process and its consequences which have severe implications on policy issues. Before attempting an analysis of pattern and trends in urbanization in India, it becomes imperative to trace the process of urbanization in India through history because what distinguished India most, from many other countries of the world is its long tradition of urbanization dating back as far back as about five thousand years, when Indus Valley Civilization saw the birth of the earliest urban settlement in human history. In India, the urban tradition continued throughout these centuries and during the ancient period of our history there were many well planned, big and beautiful cities in different parts of the country. In ancient and medieval times it was a cultural phenomena and many a times it happens due to political development because the rise and fall of new dynasties and kingdoms but in recent times, it is complementary of industrialization and socio-economic transformation, hence it becomes a socio-economic phenomenon.

Urbanization can be defined as “as a process which reveals itself through temporal, spatial and sectoral changes in the demographic, social, economic, technological and environmental aspects of life in a given society. Urbanization is a Progressive concentration of population in urban unit (Kingsley Davis-1965). These changes manifest themselves in the increasing concentration of population in human settlements, larger than villages, in the increasing involvement of the people in the secondary and tertiary production functions, and in the progressive adoption of certain social traits which are typical of traditional rural societies”. Urbanization is not only accompanies to industrialization but it is also interlinked with modernization and these three sometimes work in conjunction. The process of urbanization in developed countries has been very slow but steady and it has been accompanied by agricultural and industrial revolution, higher per capita income and high standard of living, whereas in developing countries the rate of urbanization is very fast and it is not accompanied by industrialization but rapid growth of service sector in the economies (Helen Macbeth & Paul Collinson-2002). In the counties of third world urbanization has not been accompanied by modernization as well as industrialization, i.e., a case of pseudo urbanization ‘or over-urbanization’. In most of the developing countries the modern process of urbanization is a recent phenomenon and it is still unfolding. As this process is still unfolding in the developing countries it is revealing special features. The study of different aspects of urbanization is very important in order to have a

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proper understanding of the urbanization phenomena as well as policies to deal with it.

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IMPORTANCE OF STUDY OF URBANIZATION

It is pertinent to identify the main issues which are concerned with the process of urbanization in India and other developing countries as well. These are—

- Economic
- Demographic
- Political
- Social and Cultural

Urbanization is considered to be an inevitable part of economic development. Urbanization has been viewed as an important actor in the areas of economic transformation, orchestrating the breakdown of the feudal order and taking societies to higher levels of social formation. Urbanization is intrinsically connected and irrevocably enlaced with the development process, as an essential strand in the contemporary economic system. At the same time some scholars argue that “urbanization is not merely the concomitant of industrialization but a concomitant of whole gamut of factors underlying the process of economic growth and social change.

Urbanization in India has been relatively slow during the last century the period as compared with many other developing countries. In India the definition of “Urban” remained more or less same for the period 1901-1951. However in the 1961 Census, several modifications were made and the definition of ‘town’ adopted for the 1961 Census was much more rigorous and further, this new definition was followed all over the country uniformly. From 1981 onwards while calculating the proportion of workers in non-agricultural activities, the workers in occupation of fishing, livestock, hunting, planting and orchards have been included in agricultural workers whereas such workers were included in the category of non-agricultural worker at the time of 1961 and 1971 Censuses. The Census of India recognizes all those settlements as urban which —

- Either have a statutory status like municipal committee/corporation/ notified area committee/cantonment board, estate office, etc.
- or fulfill all the following three conditions simultaneously;
 - (i) A population of more than 5000;
 - (ii) More than 75 percent of the male working population is engaged in non-agricultural activities; and
 - (iii) Density of population is more than 400 persons per square kilometer.

Besides, the Director of Census Operations/Union Territories are allowed to include, in consultation with the concerned State Government/Union Territory Administrations and the Census Commissioner of India, some places having distinct urban characteristics as urban even if such places do not strictly satisfy all the criteria mentioned above. Such marginal cases include major project colonies, areas of intensive industrial development, railway colonies, important tourist centers, etc.

The four main component of urban growth are —

- *Natural Increase*
- *Migration*
- *Boundary Change*
- *Declassification*

This analysis of urbanization leaves no doubt that Indian society is in a stage of massive urban transition. India's urban population is the second largest in the world, after China. Both, natural increase and rural to urban migration have contributed towards the urban growth in India. Component of urban growth (Bhagat, 1992) has attributed to mainly three components and the largest contributor is natural growth 41.7 percent during 1971-81 and 58.7 percent during 1981-91. Almost the similar trend has been found by (Pathak & Mehta-1995). It reflects the role of demographic momentum. Net migration and changes in municipal boundaries contributed about 39.4 percent during 1971-81 and it has reduced to 22 percent in 1981-91. By this we can say that urbanization in India is not only a migration lead but demographic factor has a strong say in deciding the urban population.

URBANIZATION IN INDIA: LEVELS AND TRENDS OF URBANIZATION

India has been predominantly rural in character throughout the ages, though a few urban centers have flourished from time to time. It was only in the late nineteenth and the early twentieth centuries that industrial cities grew in India. Urban population of India has increased from 25.8 million in 1901 to 62.4 million in 1951 and to 285.4 million in 2001, thereby showing more than ten fold increase in total urban population. The total urban population of India, according to Census 2001 is more than 10 percent of total urban population of the world. Most of the urban growth has been caused by accretion to the existing towns particularly the already large cities, while the pace of growth of new cities has been slow. However as compared to other developing countries, the urban spread in India is not that skewed and unbalanced, not it is characterized by any single city dominating the scene. Wide regional variation in urbanization is no less important a feature.

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Table - 5. Growth of Urban Population in India, Number of Towns & Percentage

NOTES	Census Year	No. of Towns	% of Urban Pop	Decennial Growth Rate of Urban Population	Annual Expo. Growth Rate of Population	Tempo of Urbanization
	1901	1827	10.84	0.00	0.00	0
	1911	1815	10.29	0.35	0.03	-0.51
	1921	1949	11.18	8.29	0.79	0.86
	1931	2072	11.99	19.12	1.75	0.72
	1941	2250	13.86	31.97	2.77	1.56
	1951	2843	17.29	41.42	3.47	2.47
	1961	2365	17.97	26.41	2.34	0.39
	1971	2590	19.91	38.23	3.21	1.08
	1981	3378	23.34	46.14	3.83	1.72
	1991	3768	25.71	36.47	3.09	1.02
	2001	4368	27.78	29.2	2.73	0.81

Source: Calculated from Census of India (1901-2001)

In the post independence period, the rate of growth of urban population in India has generally accelerated till 1981. It is only last two decades that it has shown a steady deceleration. The rates of urban population growth and urbanization have also shown a declining trend during 1981-91 and 1991-2001 period. This steady decline in the rate of urbanization at such a low level of urbanization is a matter of concern and needs attention from academicians, planners and policy makers.

Table - 6. Distribution of Urban Population by Size Classes

Census Years	Number of Towns by size class						Percentage of urban population by size class					
	I	II	III	IV	V	VI	I	II	III	IV	V	VI
1901	24	43	130	391	744	479	26.0	11.2	15.6	20.8	20.1	6.1
1911	23	40	135	364	707	485	27.4	10.5	16.4	19.7	19.3	6.5
1921	29	45	145	370	734	571	29.7	10.3	15.9	18.2	18.6	7.0
1931	35	56	183	434	800	509	31.2	11.6	16.8	18.0	17.1	5.2
1941	49	74	242	498	920	407	38.2	11.4	16.3	15.7	15.0	3.1
1951	76	91	327	608	1124	569	44.6	9.9	15.7	13.6	12.9	3.1

1961	102	129	437	719	711	172	51.4	11.2	16.9	12.7	6.8	0.7
1971	148	173	558	827	623	147	57.2	10.9	16.0	10.9	4.4	0.4
1981	218	270	743	1059	758	253	60.3	11.6	14.3	9.5	3.5	0.5
1991	300	345	947	1167	740	197	65.2	10.9	13.1	7.7	2.6	0.3
2001	393	401	1151	1344	888	191	68.6	9.67	12.2	6.8	2.3	0.2

Class I: Greater than 100,000 populations Class II: 50,000-100,000 population
 Class III: 20,000-50,000 population Class IV: 10,000-20,000 population
 Class V: 5000-10,000 population Class VI: Less than 5000 population

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Table -6 shows number of towns and percentage of urban population by size class of cities during 1901-2001. The pattern of urbanization in India is characterized by *continuous concentration of population and activities in large cities* (Kundu, 1983). Over the years it is found that there has been a continuous concentration of population in mega cities and decline in medium and small towns and cities. It is visible that number of cities by size class has increased in all categories except class VI. The share of all other cities except class I cities, has decreased especially class IV, V, and VI towns having less than 20,000 populations. The contribution of class I cities with population of 100,000 or more has gone up significantly and the share of class I cities has increased from 26 percent in 1901 to 68.6 percent in 2001, that is almost three times. This shows the increase urban imbalance and inequality in the distribution of population. Indian subcontinent has experienced very slow urban growth during the initial decades of twentieth century and only about ten percent of people were living in urban area in 1901 and it had increased to about twelve percent till 1931 which was almost marginal. But after 1931, urbanization got pace in the Indian subcontinent and during 1941-1951 the annual growth rate was about 3.47 percent which was very high. In 1951 about eighteen percent person of total population of India was living in urban areas. During (1931-1951) there was six percentage point increase in total urban population and one of the most important reasons behind this high growth of urbanization was to large exodus of people because of partition of the Indian subcontinent.

Some scholars attributed it to the vague definition of urban centers in the first Census conducted after independence. It was only after independence that urbanization started acquiring momentum. The growth rate of urban population was highest during the 1970s being 3.83 percent per year, which is highest during last century. The annual growth rate of urbanization has shown a declining trend during 1991-2001 it was only 2.73 percent which is lowest in the post independence era. In the first fifty years (1901-1951) of twentieth century total urban population increased about two and half times but in the second fifty years (1951-2001) total urban population has increased almost five times. Tempo of urbanization or the

speed of urbanization refers to the change in the degree of urbanization during a period of time. The highest rate of change registered during 1941-1951.

Table -7. Total Population & Urban Population (Trend from 1901-2001)

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Census year	Total Population (In million)	Urban Population (In million)	% of Urban Population to Total Population
1901	238.3	25.8	10.83
1911	252.1	25.9	10.27
1921	251.3	28.1	11.18
1931	278.9	33.5	12.01
1941	318.6	44.2	13.87
1951	361.0	62.4	17.29
1961	439.2	78.9	17.96
1971	548.1	109.1	19.91
1981	683.3	159.4	23.33
1991	846.3	217.6	25.71
2001	1027.1	285.4	27.78

Source: Calculated from Census of India (1901-2001)

The size of country's urban population has increased from around 11 percent in 1901 to 28 percent in 2001. Thus we see that there is more than tenfold increase in the country's urban population, the country's level of urbanization has increased by only about two and half times during past 100 years (Table -7).

In India the urban growth is lopsided because the regional distribution of urban population is very uneven. Six large states contribute about half of the urban population of India namely, Maharashtra, Gujarat, Tamil-Nadu, Karnataka, Punjab, and West Bengal. The level and growth of urban population in the recent decades has been concentrated mainly near some big cities of India and the main reason behind this is the concentration of most of economic activities near big metro cities. People come from rural to urban areas in search of job and better living condition.

Table -8. Level of Urbanization in Different State of India -1981,1991 & 2001

	% Urban 1981	% Urban 1991	% Urban 2001
India	23.34	25.72	27.78
Andhra Pradesh	23.32	26.89	27.08
Arunchal Pradesh	6.56	12.8	..
Assam	9.88	11.1	12.72
Bihar	12.47	13.14	13.36

Goa	32.03	41.01	..
Gujarat	31.1	34.49	37.55
Haryana	21.88	24.63	29
Himachal Pradesh	7.61	8.69	9.79
Jammu & Kashmir	21.05	23.83	24.88
Karnataka	28.89	30.92	33.98
Kerala	18.74	26.39	25.97
Madhya Pradesh	20.29	23.18	24.92
Maharashtra	35.03	38.69	42.4
Manipur	26.42	27.52	..
Meghalaya	18.07	18.6	..
Mizoram	24.67	46.1	..
Nagland	15.52	17.21	..
Orissa	11.79	13.38	14.97
Punjab	27.68	29.55	33.95
Rajasthan	21.05	22.88	23.38
Sikkim	16.15	9.1	..
Tamil Nadu	32.95	34.15	43.86
Tripura	10.99	15.3	..
Uttar Pradesh	17.95	19.84	21.02
West Bengal	26.47	27.48	28.03

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Source: Census of India, 1991, series-1, India general population tables, part-II-A(i) Census of India, Provisional Population Totals, Paper-2 of 2001 of States, Rural-urban Distribution.

India is a large country and hence regional differences in the urbanization are worth mentioning. According to Table -8 Maharashtra is the most urbanized state of country in 1991 but in 2001, Tamil Nadu has become the most urbanized state of the country. There is no very consisting pattern in the state wise differentials in percent urban during past two decades.

CONSEQUENCES OF UNBALANCED URBANIZATION

The consequences are more severe and it lead to The process of urbanization is preceding a pace without commensurate growth in industrialization and the rise in the level of overall economic development. Unplanned urban growth, for instance causes growth of slums and squatter settlements, varying affects on environmental degradation and increased burden on existing infrastructure. The general problems which are the by product of certain kind of urbanization characteristic of low income countries are :

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1. Shortage of houses
2. Critical inadequacies in public utilities viz, power, water, health facilities, sanitation etc
3. Deteriorating urban environment, urban unemployment, congestion etc
4. Acute poverty
5. Slums proliferation.

Shortage of Houses: The problem that perhaps causes the most concern to a majority of urban dwellers is that of finding an appropriate place to live in. According to Tenth Five Year Plan the nation needed twenty two million additional houses. Inadequate housing that forces more than fifty percent of our population in some metropolis to live in slums, all these severely decrease the quality of life and lower the well being of urban population (Approach Paper for 11th Plan-Govt. of India).

Critical Inadequacies in Public Utilities : Massive problem have emerged due to rapid growth of urban population without a corresponding increase in urban infrastructure like safe drinking water, preventive health services, sanitation facility, adequate power supply and provisioning of basic amenities. Minimum basic facility is also not available for many cities. The existing urban health services are under tremendous pressure to meet the demands of all needy people. The quality of life for the bulk of urban population involves many avoidable hardships. Poor urban infrastructure, congested roads, poor public transport, improper treatment of sewage, uncollected solid waste are the general feature of urban settlements. According to Urbanization report of World Bank only fifty eight percent of urban population of India has access to improved sanitation facilities.

Deteriorating Urban Environment: India is the world's fifth-largest producer of global warming gas and emissions (USA leads the race). The problem of pollution is more severe in big cities like Mumbai, Delhi, Kolkata and Chennai. In India, urban areas are more developed and industrialized than the rural areas, and this attracts still more people to the urban areas. Thus there is more pressure on facilities like transport services, housing and drainage facilities, as well as more production of other goods required by the urban population, which in turn results in the release of large amounts of wastes and pollutants. The rapid growth in urban population, which affects patterns of production and consumption, is a principal source of pressure on the environment. The environment has to sustain the basic human needs for survival and also the conversion of raw materials into products and services. Urban centers and mega-cities in particular cause many environmental problems like the declining and contaminated water supplies, accelerating atmospheric pollution, severely inadequate sanitation facilities and enormous quantities of solid and liquid waste for disposal. A common and general

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instance that can be cited here is the contamination of water and rising level of toxins in almost all major rivers of India due to heavy disposal of sewage wastes, excreta and chemical wastes. Due to large migration of population to urban areas the threat to the environment becomes inevitable and it not only leads to environmental degradation but also the increasing vulnerability to infectious disease and congestion.

Poverty: Poverty in India can be defined as a situation only when a section of peoples are unable to satisfy the basic needs of life. According to an expert group of Planning Commission, poverty lines in rural areas are drawn with an intake of 2400 calories in rural areas and 2100 calories in urban areas. If the person is unable to get that minimum level of calories is considered as being below poverty line. In the cities people are suffering from acute poverty and the living conditions is so poor that in one small room all family members are staying and this is common feature of people who are living below poverty line. The speed of population growth and levels of poverty in mega cities such as Mumbai, Kolkata, Delhi and Hyderabad pose immense infrastructural problems.

Percentage of Population below Poverty line-India

Table - 9. Comparison of Poverty Estimates Based on Mixed Recall Period

	1993-94	2004-05
Rural	27.1	21.8
Urban	23.6	21.7
Total	26.1	21.8

Source: 60th Round of NSSO Survey (CSO-Govt. of India)

Table - 10. Comparison of Poverty Estimates Based on Uniform Recall Period

	1999-2000	2004-05
Rural	37.3	28.3
Urban	32.4	25.7
Total	36.0	27.05

Source: 60th Round of NSSO Survey (CSO-Govt. of India)

Though the percentage of population below poverty line declined during subsequent period but still large number of population are below poverty line. Chronic poverty is the general phenomenon of people in urban slums. Existence of mass poverty is a reality in India and it is included in thirty poorest nations of the world. Poverty is more visible in mega cities as compared to intermediate cities. The divide with in the urban area is growing rapidly and inequality is more common in urban places.

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Slums Proliferation: Rapid urbanizations with lack of adequate housing led to proliferation of slums across cities. The pace of urbanization is not matched by adequate housing and other basic facilities and this resulted in rapid proliferation of slums and slum population. Resulting emergence of uncountable slums and slum dwellers across the mega cities need utmost attention from the government and policy making bodies. In 1981 about thirty million people were living in slums which increased to fifty-five million in 1991 and in 2001 the total number of people living in slum reached to about seventy five million and it is about twenty six percent of total urban population in 2001. In terms of slum population as a percentage of urban population Haryana, Andhra Pradesh and Maharashtra occupied the top three places. If we consider a specific case of the glittering metropolis of Mumbai it appears that 55% of the total population of 11 million is slum dwellers occupying about 12-85% of the city's total land area (Asha et.al). Data from a study by National Institute of Urban affairs (NIUA) reported that among the poorest cities were Kolkatta, Bangalore and Indore. More disturbingly, there was a gender divide in the distribution of urban poor in the slums: NIUA reported that 68% of this group consisted of women. Also notable is the fact that 6 million of this population is in the age group 0-6. It also reveals that the urbanization of the country has created the most brutal and inhuman living conditions of the people, with vast sections of the population living in squatter settlements (Krishna Veni et.al). People who are living in slums are under conditions of multiple deprivations. They tend to experience the highest rates of unemployment, under-employment, malnutrition, morbidity and mortality. Some other facts are that the crime and social unrest is high in the slum areas. In consequence, the long standing presumption that living conditions are better in larger cities than in the countryside is only true where efficient city management and governance occur (Brockhoff and Brennan 1998). Unfortunately, they are lacking in many countries included India.

CONCLUSION & POLICY IMPLICATION

According to the UN-HABITAT 2006 Annual Report, in regard to future trends, it is estimated 93% of urban growth will occur in Asia and Africa and mainly in two Asian countries, India and China. By 2050 over 6 billion people, two thirds of humanity, will be living in towns and cities.

With the country's growing population concentrating on less and less land and linking together more and more tightly in an expanding network of large cities, the well established geographical concepts of inhibited area, state population and population density are gradually becoming less meaningful and pertinent. The blind forces of urbanization, flowing along the lines of least resistance, show no aptitude for creating an urban and industrial pattern that will be stable, self-

sustaining, and self-renewing. Neither the blotting-out of the landscape nor the disappearance of the city is the climax stage of urbanization. Rather, it is the farsighted and provident balancing of city populations and regional resources so as to maintain in a state of high development all the elements (social, economic, and agricultural) necessary for their common life. In India policies towards urbanization have traditionally been negative and since independence no government has ever made any sincere effort to implement a uniform and coherent urban reform policy for better management of this concurrent issue. This must be changed so that the process of urbanization is regarded as a positive force in the development of the country. Policies concerned with urbanization and urban development must pay special attention to increase the access of the poor to urban incomes and amenities so that they also take advantages of urbanization. There should be a mechanism for sustainable urban environmental management so that the urban environment will be supportive to the needs of a rapidly increasing urban population. The urbanization is always a supportive force for economic and social development and it should be welcomed, indeed we must seek out creative and sustainable ways to accelerate it in the interest of both common masses and our environment.

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4.12 URBAN GOVERNANCE — IMPORTANCE AND SCOPE

The term 'governance' is given a variety of meanings by different users and has progressively become a component of aid-speak. Governance and government are frequently used interchangeably, suggesting that to some groups these terms mean the same thing. Paproski (1993) explains the concept of governance as the process of interaction between the public sector and the various actors or groups of actors in 'civil society'. The crucial distinction between government and governance is the notion of civil society, which can be defined as the public life of individuals and institutions outside the control of the state. Government, on the other hand, is said to consist of those agencies that make and implement laws. The terms governance and government in this review are thus not interchangeable.

Governance becomes controversial when it is introduced into development assistance conditionally as a process that should improve the delivery of goods and services. Governance suggests that there is, or should be, an 'action space' between government and civil society. The emphasis on 'good' governance in many situations would suggest that the present system of governance is wrong. Osborne (1992) suggests that asking for 'better government' is less controversial than 'good governance', because all parties see room for improvement. This view is shared by many authors concerned with public sector management. This literature, however, often excludes most of the community sector while embracing

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management techniques from the private sector as a means of improving the delivery of services. The Organisation for Economic Co-operation and Development (1991) through its drive for public sector reform, encourages the introduction of private sector skills that will improve performance of government departments. Little emphasis is placed on issues of equity and community participation.

In terms of urban services, there are two sides to the governance equation: firstly the production of services which is concerned with the technical question of how resources are put together to deliver services, and secondly, the representation of individuals and groups in civil society. Davey (1993) clarifies this by stating that it is generally agreed that service provision is when the organisation or institution involved is responsible for the quality and quantity of the service and ensures that it is financed and executed. The production of the service is more to do with the factors that go into delivering that service when the quantity and quality have been decided. Provision and production involve different levels of governance. Provision of services has historically been left to government (public sector), while recent developments have involved the private sector in production. Good governance is a lever for ensuring that the community sector has the opportunity to contribute to both provision and production.

According to the *Oxford Dictionary*, governance means "the act or manner of governing, of exercising control or authority over the actions of subjects; a system of regulations". This definition highlights the political dimension of the concept. The World Bank (1989) raised the issue of governance in the context of Sub-Saharan Africa and defined it initially as the "exercise of political power to manage national affairs". Over the past 5 years, the Bank has refined its definition of governance to "the manner in which power is exercised in the management of a country's economic and social resources for development" (World Bank, 1992). This is further clarified by Halfani *et al.* (1994), who state that governance, as distinct from government, refers to the relationship between civil society and the state, between rulers and the ruled, the state and society, the government and the governed.

Because governance is a process it is necessarily dynamic. Paproski (1993) emphasises this when he refers to governance as —

"a system of socio-cultural, political and economic interaction among the various actors of the public and private institutions of civil society. The character of the system varies and changes through processes involving the exercise of power and authority with the inherent aim of enforcing the legitimacy of the existing power and authority structures, particularly through selective delivery and distribution of goods and services to the individual and collective groups in civil society."

The main difficulty in locating the 'action space' between government and civil society mentioned earlier is the fact that most individuals and groups in civil society are only now receiving the recognition for their contribution to development in their localities. The historical fact that donor agencies and most organisations engaged in development assistance dealt mostly with governments confirms lack of adequate room for manoeuvre for other groups and individuals in civil society. The notion of governance is creating more 'action space' between government and civil society where the issues of transparent processes, accountability and community participation are taken more seriously.

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Having briefly discussed concepts and definitions of governance, a framework for the current review will be presented. As issues of 'good governance' have appeared on various agendas relatively recently, the next section addresses the question of why urban governance is important now. As this review is concerned with the urban context, the relationship between national and urban governance is then explored. In order to analyse the recent literature, four dimensions of governance have been identified: technical, political, institutional and cultural. These dimensions are used as a framework for reviewing the literature before a final discussion of how to analyse 'good governance' in any city.

WHY IS URBAN GOVERNANCE IMPORTANT ?

Issues of governance have emerged at key international meetings during the last few years, including the Cairo population conference in 1994. The group of 77 developing countries at the conference forced a deletion to references in the final text of the conference which linked expenditure to "good governance, transparency, and curtailing corruption", complaining that such conditions lacked dignity (*The Times*, 1994). This section considers the reasons why urban governance has become such an important issue. Development assistance became formalised with the formation of the Bretton Wood institutions in 1944. The International Monetary Fund (IMF) and The World Bank were established to help restore international trade and rebuild war-torn economies, mostly in Europe. The narrow definition of the functions of these key institutions did not, and to some extent could not, have foreseen the new war in the form of poverty, ravaging most developing countries. Griesgraber (1994) contends that the economic growth bias of the Bretton Wood institutions did not permit them to consider social reform, and argues that the whole definition of economics after 50 years has to be reviewed. The concept of 'good governance' has again opened up the discussion between those who, at the birth of the Bretton Woods institutions, argued from a more sociological perspective of development and those who argued from a more economic outlook and won. The current prominence of 'governance' in the literature of the IMF and World Bank marks a significant shift in the way the

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Bretton Wood institutions are beginning to approach development assistance. The definition of the term 'economic', Greisgraber (1994) suggests, has to be expanded to include issues that until recently were regarded as political or social issues and hence beyond the concern of multilateral institutions.

Urban governance has become important because urbanisation has become a powerful force in developing countries and is a development that has taken place quickly and comparatively recently in Asia, Africa and Latin America. Stren (1992) states that since the 1980s the importance of urban areas is being re-evaluated. Throughout the last decade there emerged three elements that Stren identifies as significant. The world shift in population from rural to urban areas; a re-evaluation of the economic importance of cities; and a reaffirmation of the *significance of local institution building for development*. The interest in governance for developing countries stems from the need for all those involved in development assistance (academics and practitioners) to rethink ways of bringing about improvement in the quality of life of the recipients of development assistance. In this review the wider issues of governance in development assistance are presented as a backdrop from which the process of governance in the operation of urban services in developing countries can be examined.

THE RELATIONSHIP BETWEEN NATIONAL AND URBAN GOVERNANCE

The previous sub-sections have emphasised that governance is essentially not only the judicious exercise of governmental authority, but an expansion of the notion of government itself to include other forms of collective decision making, formal as well as informal, participatory as well as representative, decentralised as well as centralised, and national as well as local. The relationship between national and urban governance entails many of the debates about decentralisation. These debates focus on the administrative and political dimensions of devolving power to individuals and groups in civil society. These two dimensions underpin the relationship between urban and national governance. A backdrop for this analysis comes from the acceptance of two trends which Boeninger (1991) describes as contemporary megatrends in development :

- (1) the rise of the market economy; and
- (2) the advancement of pluralist political systems.

The market economy approach to economic development is still dominant in most national development plans. This approach argues that economic development will assist, and has assisted, in bringing about social equity. The realisation that more pluralist political systems have been more successful in ensuring better participation of most sections of civil society has fuelled the notion that community groups should be given the resources to carry out development. Boeninger (1991) in contrast, suggests that governance should be carried out

mainly by the state. This established idea of the state as the most important actor in the process of development has to embrace more equitably the role of other actors in the process of development. The World Bank (1994) continues to demonstrate through its approach to development assistance that it prefers to deal with governments. However, there is a gradual shift towards a notion of the 'guiding state'. Many governments are seeking to adjust from a pattern of control and intervention to one in which the role of the government in the economy is to provide an enabling environment for both the private and community sectors. Governments are beginning to act more as facilitators.

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The state, as one of the actors in the process of governance, has to go beyond meeting the needs of the sections of the population it considers loyal, and begin to engage in what Midgley (1986) describes as "the participatory mode" of community participation. The private sector operates under completely different rules and to an extent will have to be involved in different ways in the process of good governance. Through better systems of procurement this sector could realise benefits that the current systems, such as the commission system, do not encourage. From the urban management perspective, Batley (1992) concludes that there appears to be a new convention that rejects the notion of government monopoly in the definition and solution of social problems. He asserts that, considering the resources most governments command, it would be more beneficial for government to begin to play a more analytical, political and managerial role than the technical role they have played in the past. This proposed new role demands skills that might lie latent in the public sector or require a rethink about the training programmes its employees undertake. The delivery of urban services can be considered as a vehicle for determining how the state, through good governance at national and local level, can distribute services more equitably.

Decentralisation of government functions and, more critically, the evolution of strong local government, can only be possible with the allocation of the necessary resources required to deliver urban basic services. Amos (1989) states that certain forms of decentralisation have been characterised by the central state devolving the responsibility of delivering services to local government when it has not ensured that this tier of government has the capacity to execute this task. The relationship between national and urban governance stems from the structures that underpin power and authority. Large cities, municipalities, local authorities and provinces are beginning to exhibit the capacity to generate enough income and attract skills to enable them to exist autonomously from the nation state. The reality for such 'local states' in developing countries is that the central state will not permit this to occur.

At the local (urban) level, decentralisation is seen to bring about good governance mainly through increasing popular decision-making and developing.

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Popular participation here is seen both as a desirable end in itself (a basic human right) and as an essential component of 'democracy'. It also means improving the operation of urban services, by making them more relevant to local needs and increasing local commitment and involvement in the provision of these services. There are a number of problems that governance must grapple with in association with this rationale. However, this review will not consider them in detail. What has to be appreciated is that it is essential to establish what sort of participation is intended in a particular situation. It is especially important to consider which individuals and groups are to participate and the degree of participation.

THE DIMENSIONS OF GOVERNANCE

The discussion below is based on three dimensions of governance as presented by Boeninger (1991): technical, political and institutional. The cultural dimension of governance will also be examined to emphasise the fact that governance is an iterative process and context specific.

Technical dimension

The process of operating urban services from a management perspective has traditionally been concerned with technical aspects. However, the evolution of ideas about how best to operate urban services has moved from concern with local government (public sector delivery), to urban management (incorporating the private sector's strengths), to the urban governance phase which acknowledges the community sector's role. This dimension of governance is defined by Boeninger (1991) as the constraints imposed by natural resources, levels of education, manpower skills and installed industrial capacity of any given society. The technical dimension of governance is biased towards the performance side of the governance equation and has been dominated by economic debates. Harris (1987) points out that the newly industrialised countries have technically been able to organise their economies to achieve impressive growth rates. Studies on how some of these nations have been able to achieve these growth rates are beginning to reveal other elements. In most cases the state, normally through repressive regimes, has been able to execute economic programmes that required considerable sacrifices by large sections of its population.

The United Nations Development Programme (1992) and Holmberg *et al.* (1993) make the point that the issue is not about how much economic growth, but what kind of economic growth. This brings into focus the issue of environmental sustainability. Most developing countries, and especially urban areas, cannot hope to sustain the same patterns of growth that have been associated with previous growth patterns of urban areas in developed countries. The energy resources required to sustain such growth and operation of services are limited. There is currently some convergence of understanding about technically how to

work towards sustainable development that permits both economic development and human development. The governance element of this debate is how developed countries and urban areas (high consumers) adjust and rethink their consumption patterns. The disparities in technology and information systems have widened between nations and regions to expose the inadequacies of urban areas to deal with problems of, for example, waste disposal. Clark (1991) argues, that environmentalism and economic growth are not natural enemies.

Green (1988) and Cornia *et al.* (1987) criticise the fact that the restructuring of a country's economy technically (getting things to work more efficiently) does not address the question of which groups bear the sacrifices in order to achieve the growth associated with structural adjustment programmes. This highlights the fact that within the technical dimension of governance, decision makers (internal and external) have a responsibility to address human development and ensure that there is a more equitable allocation of resources. Green (1988) suggests that these issues might not be considered as strictly to do with the technical dimension, but are directly related to a society's ability to harness its natural resources, improve the levels of education and human resource skills and installed industrial capacity. In examining the technical dimension of governance a clear balance must be struck to present development in a holistic manner that encompasses the needs of all groups in any given society. This dimension of governance reveals the imbalance between economic development and human development. This is magnified in an urban context in most developing countries and is reflected in the operation of services.

Harris (1990, 1992) argues that cities are engine rooms of economic growth, but does not go on to develop a position on human development in the urban context. Poor human development in terms of physical and mental ill-health has a large impact upon the economic productivity of the inhabitants of any nation.

Political dimension

The political dimension of governance is closely related to the technical dimension, in that one cannot consider in isolation economic and social policy of any society without developing an appreciation of the processes that guide decision-making. Potter and Thomas (1992) describe these processes as essentially power relations within and between political actors and institutions, including forms of power struggle. The World Bank (1994) attempts to draw a clear distinction between the political and technical dimensions of governance by stating that its mandate is the promotion of sustainable economic and social development. The Bank's Articles of Agreement explicitly prohibit the institution from interfering in a country's internal political affairs and requires it to take only economic considerations into account in its decisions. This approach, however, is counter to the 'just development' approach suggested by Clark (1991) which emphasises

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popular participation of all sections of any society. Paproski (1993) draws international organisations like the World Bank into the political dimension of governance by arguing that this involves arenas of international, national and local activities which underpin the various political regimes at all these levels. Questions of popular representation, accountability and empowerment are often based on class, caste, ethnicity or gender and should be analysed with these factors in mind.

Hirst (1993) in his debates on 'associative democracy', concentrates on the need to look at the problems of the overload of big government. He argues that in developed countries, where democratising and empowering civil society has attempted to place political responsibility and governmental tasks more in the hands of citizens, a mature democracy is required. His debate is relevant to urban governance in that it links the political and technical dimensions. Politically, most urban populations in developing countries are becoming active. Castells (1977) demonstrates that the concentration of wage labour in urban centres has historically provided the pool of organised groups who come together to collectively bargain initially for wages, then goods and services. Lowe (1986) and Shuurman and van Naerssen (1989) also raise the issue of the political awareness of urban dwellers in relationship to labour in their debates of urban social movements.

The political dimension of urban governance has to be examined within a social milieu that provides a setting in which the relationship of the state and groups in civil society allows debate and exchange of ideas without fear of persecution or discrimination. Good governance should attempt to bring this about through the tripartite arm of democracy, social and political development. Pinherio (1995) suggests transparency as a good basis for building confidence. Confidence is greatly underestimated as a principal ingredient for good governance: confidence on the part of governments to ensure that the state has legitimacy, and on the part of groups in civil society appreciating better procedures in the spheres of information and policies. The two megatrends of the rise of market economies and the advance of political pluralism meant that nation states now belong to a wider world community that is beginning to demand that the megatrends mentioned become the favoured solutions. The evolution of political systems in developing countries is not the topic of this section, but some appreciation of how most developing countries have evolved politically is essential if we are to relate this to governance. Landell-Mills and Serageldin (1991) explain how external influences (donor nations, multilateral agencies) partly shape the political dimension of governance, through pressuring developing countries to take on specific solutions or to bring about better participation in the political process.

Institutional dimension

Closely allied to the political dimension is the question of whether citizens enjoy the freedom to organise according to specific interests. Institutional pluralism can be seen as an important mechanism for diluting exclusive central political power (Ake, 1990). The recognition of the community as a distinctive sector has broken the old mould of the private sector versus the public sector as the two institutional camps. Korten (1990) explains that the accession of the community sector has presented new possibilities for groups in civil society who have in the past been marginalised because they did not fit into the established system of institutions. The literature on the institutional dimension of governance in developing countries is linked to governance in developed countries because this dimension, as Hirst (1993) argues, is where a mechanism can be created to make public regulation less remote, promoting the growth of relations based on cooperation and trust and, therefore, ensuring a flow of information and commitment on the part of all actors necessary to the pursuit of 'quality' in market economies. Most of the World Bank's (1994) experience is primarily in the institutional dimension of governance and the dimension is broken down into :

- Public sector management.
- Legal framework.
- Participatory approaches.
- Military expenditures.
- Institutions.
- Human rights.

The structural adjustment programmes offered by the World Bank throughout the 1980s to developing countries were indirectly processes of institutional reform (Messkoub, 1992). These attempts at institutional reform gave governments who were implementing these packages the legitimacy to modify economic and social institutions to the advantage of the private sector. The institutional dimension of governance addresses the failure of existing mechanisms to provide services equitably to all groups. Clark (1991) and Midgley (1986) both argue that the community sector has evolved into a sophisticated sector and to some extent combines practices normally associated with the private and public sectors in imaginative ways. Established institutions of the private and public sectors are changing gradually, but still present forces that attempt to keep the status quo intact through the forces of hierarchy, inertia, subversion, degeneration and corruption in the organisational sphere. While in the sphere of social relations, the established institutions resist change through social domination, tokenism, coercion, conflict and opposition. Most literature focuses on the reform of institutions rather than the creation of new ones. Public sector management is

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primarily civil service reform, public financial management, and public enterprise reform. Good governance as perceived by the World Bank (1994) through the reform of public sector management, is guided by a model of a smaller public sector equipped with a professional, accountable bureaucracy that provides an 'enabling environment' for the private sector. The objectives of this reform are effective economic management and sustained poverty reduction. Civil services reform has been characterised by retrenchment and cost containment under the banner of human resource management.

McAuslan (1993) demonstrates that the dynamic nature of the process of governance requires a legal framework that is flexible enough to accommodate change, yet relevant to the context of where this planned intervention occurs. The legal framework should right the present imbalance, which favours the elite in most urban development processes. Governance reform will be brought about *inter alia* through law reform. The World Bank (1994) has moved to provide legal training and judicial infrastructure in its broader packages of economic reform. The Bank realises that in order to secure more participatory approaches to the design and implementation of its projects, a legal framework that reflects the needs and abilities of broader civil society has to be encouraged to secure good governance.

Cultural dimension

Sen (1989) argues that economic and social progress are not the only objectives of development. Freedom from fear and arbitrary arrest, free speech, free association and the right to run for and hold political office can all be viewed as important elements in living a fuller and more meaningful life. With the concept of meaningful life comes the broader issue of culture as a specific dimension of governance. Good governance cannot be based on precisely the same foundations in all societies. It must be based on the distinct local culture and the unique history of the modern state and its institutions. The modern state is a product of a protracted evolution that began in Europe at the end of the middle ages. *Martin (1991)* argues that the state has become the only internationally recognised instrument for governing human society. In most developing countries, where arbitrarily created nation states were expected to step full grown into the modern world upon independence, the task of expanding production, allocating and distributing resources, and building social and economic infrastructure fell by default to the state.

The state does not operate in a vacuum. It operates, as *Martin (1991)* suggests, in an environment in which people share certain beliefs and values, compete for some objectives and associate for others, and differ in ideas about power and how it should be exercised. The rules by which any society comply are set by the central organ of the ruling power in that society, but are also contracted from

explicit or implicit cultural agreements about what is acceptable and desirable. The state cannot be separated from culture, nor governance be considered without reference to its cultural context.

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The definition of culture given by Leiris (1969) proposed that "Culture must be understood as including the whole of a more or less coherent ensemble of ideas, mechanisms, institutions and artefacts - explicitly or implicitly - guide the behaviour of people belonging to a given group". In pursuing what one society has agreed to be good governance, it must be appreciated that there must be some agreement as to what is considered 'good'. This will bring into sharp focus what that society is prepared to do to reach this objective. This initially might appear simplistic, but the notion of the 'ensemble of ideas' included in cultures essentially constitutes a code through which the ethical orientation of a particular society relates to its institutions and its structure of authority. This ensemble is not static or closed. Amselle (1990) illustrates that culture is best understood as a loose and evolving framework that establishes the bases on which groups act and interact in society. Cultures are dynamic and change in response to the external influences on them, and the interplay between groups in any given society. In other words, the quality of governance derives from one culture in the society to another, and from one period to another.

From the earlier sections, it was established that two megatrends have emerged and the one that concerns this section of this study is the capitalist economy. The cultural dimension of capitalist modernity finds expression in the urban. Many writers, including Tomlinson (1991) suggest that urbanisation is the cause of "capitalist modernity" which is producing a broad process of convergence in the cultures of the world. Tomlinson (1991) argues that at the centre of this development has been the culture capitalism or the cultural practice, as he explains it, of consumption or consumerism. This is further developed by Appadurai and Breckenbridge (1990) in a related argument that the real agency in the process is the producer, and international connected forces of production who use the seductive key of advertising together with other instruments such as armaments, clothing and new technology, to hook the consumer. Hall (1991) describes this homogenisation as a characteristic of what he terms global mass culture. A culture which is centred about the concentration of capital in the Western technology and Western techniques. Good governance, through the representation side of the equation, should to a certain extent present alternatives to this economic dominated mode of what various societies want and can have.

A characteristic of modernity is the process by which various spheres of life become progressively separated. Besides the division of labour at work, examples include the separation of domestic work or reproductive roles from productive role (home from work), church from state, law from morality, state from society.

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Good governance seeks to bring back the possibility of reconciling these separations through social policies. The state, in governance terms, should be closer to society through better representation.

Martin (1991) states that "If there is an indispensable and irreducible prerequisite for good governance, it would appear to be the need for all social and political actors to refer to - not necessarily to comply with - a shared ensemble of ethical values.

He poses five questions that should assist academics and practitioners working in the area of governance to incorporate culture as a specific dimension:

- (1) What do the people consider "good"?
- (2) How 'good' is the law?
- (3) What are the most effective and most representative types of social organisation?
- (4) How should those who seek good governance deal with the pervasive mistrust of state power?
- (5) What will serve as the basis of local ideas of accountability?

4.13 SUMMARY

- The Municipal bodies are constituted of persons chosen by direct election from the territorial constituencies in the municipal area. However, the Legislature of a State may, by law, provide for the representation in a municipal body of persons having special knowledge or experience of municipal administration, the members of Rajya Sabha, Lok Sabha and the members of Legislative Council and Legislative Assembly of the State, representing constituencies, which comprise wholly or partly the Municipal area and the Chairpersons of Wards Committees.
- Municipal corporations and municipalities raise their own resources from a variety of sources, as provided for in the respective municipal laws. Their own revenue sources are income from (i) taxes, (ii) fees and fines, and (iii) earning from municipal enterprises like land, tanks, markets, shops, etc. Besides these bodies receive grants from the State.
- About eighty per cent of American citizens now live in large cities, suburbs of cities, or towns. People's needs – from police to sanitation, education to fire protection, housing and public transportation – are seen to, most directly, by city governments. There are, broadly speaking, three forms of it: the mayor-council form; the commission form; and the city or council-manager form.

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- In France there are three main tiers of local administration: the commune, department and region. These are both districts in which administrative decisions made at national level are carried out and local authorities with powers of their own. Legally speaking, a local authority is a public-law corporation with its own name, territory, budget, employees, etc. and has specific powers and a certain degree of autonomy vis-à-vis central government.
- Urbanization can be defined as “as a process which reveals itself through temporal, spatial and sectoral changes in the demographic, social, economic, technological and environmental aspects of life in a given society. Urbanization is a Progressive concentration of population in urban unit.
- Urban governance has become important because urbanisation has become a powerful force in developing countries and is a development that has taken place quickly and comparatively recently in Asia, Africa and Latin America. Stren (1992) states that since the 1980s the importance of urban areas is being re-evaluated.

4.14 REVIEW QUESTIONS

1. Discuss the evolution of Urban Government in India.
2. Explain the dimensions of Local Government of UK.
3. What are the major consequences of urbanization?
4. State the important functions of Urban Local Bodies.
5. What is the significance of urban governance? Discuss.
6. Discuss the important dimensions of urban governance.

4.15 FURTHER READINGS

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