
UNIT 15 ORGANISATIONAL STRUCTURE OF URBAN LOCAL BODIES

Structure

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15.0 LEARNING OUTCOME

After studying this unit you should be able to:

- understand the historical evolution of urban local government in India;
- outline the organisational structure of urban local government; and
- discuss the urban local government in the wake of 74th constitutional amendment.

15.1 INTRODUCTION

Urban administration in India has attracted the attention of policy formulators, planners, administrators, sociologists and academia in recent few decades. Although the country has been witnessing a fall in growth in urban population, the concentration, the concentration of population in larger urban areas has resulted into an urban chaos. The uncontrolled, unplanned and haphazard growth of urban centres is leading to great pressure on urban services, mushrooming of habitations with inhuman surroundings, degradation in environment, polluted air, water and noise. The cities are becoming inhabitable decade after decade. The institutional mechanism has either failed to cope with the situation or become weak and inefficient. The people are more vocal and demanding but less responsible and civil. The irreversible trend of urbanization warrants sustainable interventions.

The first fifty years of Independence have faced ups and downs in the sphere of urban administration. The historic 74th Amendment to the Country's Constitution was a major policy directive enacted during the period. This harbinger effort is a turning point in the life and functioning of urban local government. The country at the time of attaining

Independence had about one tenth population inhabiting the urban centres. The rural dominance, hence clearly reflected in the Indian Constitution. The slow but steady increase in level of urbanization burdened the age-old urban infrastructure. This led the policy makers to constitute, time and again, various commissions and committees for strengthening the finances of urban local bodies. The decade of 1980's recorded tremendous discussions at different for an urban issues. A long but willing deliberation resulted into granting urban administration a place in the Constitution. The historical 74th Amendment to the Constitution in the country. In this unit we will be discussing the historical evolution of urban local bodies, its organisational structure and highlight the importance given in the wake of 74th constitutional amendment.

15.2 HISTORICAL EVOLUTION OF URBAN LOCAL GOVERNMENT

The concept of local self-government is based on the assumption that there are certain basic human needs having direct bearing on the lives of the individuals and the community as a whole. Such needs can be better fulfilled by a government to which the individuals and the local community have direct and easy access. These certain civic functions such as garbage collection, cleaning of streets, drainage, water supply, fire services and health services are entrusted to the democratically constituted local bodies. So, urban local government is of primary importance to the urbanities, as it's the closest, most accessible and most amenable to them. Municipal institutions not only provide for the basic civic amenities for the safety and convenience of the citizens, but also mobilize local support and public cooperation for implementation of various social welfare programmes. After independence and with the introduction of the Constitution of India enshrining the provisions of liberal democracy and welfare state, urban local governments are expected to assume an increasing role in the political and administrative set up of the country. And it has been realized that the urban governments have to be essentially recognized as an organ of promoting the grass roots democratic decentralized governance and providing not only welfare services for the urban local people but also for carrying out the task of urban government and planning. Urban government includes Municipal Corporation, municipalities, notified area committees, town area committees, cantonment Boards and Townships According to 1991 census, in order to be called as an urban area:

- 1) All statutory towns i.e, all places with a corporation, municipalities, notified area committee, town area committees and cantonment.
- 2) All other places which meet the following criteria;
 - i) a minimum population of 5, 000
 - ii) seventy five per cent of the male working population engaged in non-agricultural activity;
 - iii) a density of population of at least 400 per sq. km.

It may be noted that the term, corporation, municipality, notified area and town area are mere territorial concepts. It is the council which as a body enjoys the corporate status and acts in that capacity.

There was no such conception like that of Local Self-Government in ancient India in place of which the system of modern Local Self-Government has prevailed. Although it

is said that the origin of local government has very deep roots in ancient India. On the basis of historical records, excavations and archeological investigations, it is believed that some form of local government did exist in the remote past. In the vedas and in the writings of Manu, Kautilya and others, and also the records of some travelers like Megasthenese, the origin of local self government can be traced back to the Buddhist period. (**Mukherji 1958**). The local self government continued during the succeeding period of Hindu rule in the form of town committees, which were known as ‘ Gosthis’ and Mahajan Samitees’ (**Sharma, 1965**).

In ancient times, the Local Government was mainly concerned with the military organization and with the supervision and punishment of crime. The present day Local Government is principally concerned with the provision of public services (**Jackson 1945**), “Local Government in England and Wales, Hunt, Aylesbury). Thus, Local government is a local self government in the field of administration rather than in the field of legislation. Local authorities do not pass laws; they administer laws passed by some higher authority. Thus, from immemorial ideas of Local Self Government in India existed to a far greater extent than anywhere else in the world. These ideas and their beginning were landmark in the community life of the pre-historic creatures. These communities were the earliest form of social organization. The idea of cooperation and mutual goodwill were the unifying force of these communities. (**Venkatarangayya, 1960**).

Although, Local Self-Government existed in India in ancient times, in its present structure and style of functioning it owes existence to the British rule in India. Neither the system of village self-government that prevailed in earlier time nor the method of town government, which was then in existence, visualized the type of periodically elected representative government responsible to the electorate that had evolved in the west and was planned in India by the British Government. The ancient village communities were constituted on a narrow basis of hereditary privilege or caste, closely restricted in the scope of their duties-collection of revenue and protection of life and property were their main functions and were neither conscious instruments of political education nor important parts of administrative system. (**GOI**).

15.2.1 Pre-Independence Era

The history of local self government during British regime may be divided into following periods.

- 1) Up to 1882
- 2) from 1882 to 1919
- 3) from 1919 to 1935
- 4) 1935 to 1947

First Period (up to 1882)

As mentioned above the modern Local Self government in India is British creation. The local self- governing institutions as they exist today do not represent a process of continuous growth but are the product of convenience, which was found necessary by the British Government in the interest of administration. The first Municipal Council of Madras (Chennai) consisted of a mayor, alderman and the local people. The local body was authorized to collect taxes for the maintenance and development of the city. In 1926, the Madras Municipal Council was replaced by a Mayor’s Court which was, by and large,

a judicial organization. In 1793, the Charter Act was passed and the municipal administration was extended to three towns of Bombay (Mumbai), Calcutta(Kolkata) and Madras (Chennai)(**Tinker 1954**). It gave powers to the Governor- General of India to appoint justices of peace in these towns. The municipal administration was established in the district towns in Bengal in 1842. In 1870, Lord Mayo's Resolution came into force. In this resolution emphasis was given on the decentralization from the centre to the provinces. It was stated that Indians should be associated in the administration, and the municipal government was best for that purpose. (**Khaton, 1980**),

Second Phase (1882- 1919)

The effect on local self-government of the policy inaugurated by Lord Mayo was reviewed in 1882. Considerable progress was recorded since 1870, both in the number and usefulness of municipalities. But progress was found to have been more unequal in different parts of the country than varying local circumstances seemed to warrant. Thus till 1882, local self- government was functioning without the participation of Indians and therefore, it was neither, ' local nor ' self government'. In Lord Rippon's Resolution (1882) fuller scope for Local Self- Government was introduced. Under this approach emphasis was laid on the fact that Local Self Government in the final analysis was desirable as an instrument of political and popular education (**Khan, 1980**). Lord Rippon's Resolution is regarded as Magna Carta of Local government in India. According to Lord Rippon, local self-government was ' an instrument of political and popular education' (**Maheshwari, 1971**) Lord Rippon's Resolution introduced a new era in the constitution, powers and functions of municipal bodies which were greatly changed. The system of election for the municipal bodies was introduced with a limited franchise. Although the chairmanship was open to non-official according to the Resolution, this part of the resolution was not implemented and an official remained ex-officio chairman.

His successor Lord Curzon's influence attempted further to reduce the political education and reinforced the dominant position of District Officers and departmental experts. Lord Curzon was in favor of efficiency, centralization and officialisation. In 1907 -1909, the subject of Local Self- government was considered by the Royal Commission on Decentralisation as an aspect of administrative devolution. The Commission in its report clearly remarked that "local self-government has so far been a failure. " The Commission observed that local bodies should not only have the non-official majority and elected chairman, but generally elected members too. The recommendations of the Commissions were conservative in terms of administrative improvement rather than of national political aspirations. The principles of Lord Rippon's continued to regulate development of Local Self-Government until 1918. The recommendations of the Decentralisation Commission were not implemented due to some unknown reasons and were implemented at the time when Montague Chelmsford Reforms of 1919 gave a measure of autonomy to the provincial legislature. The administration of local self-government was taken out of the hands of the District Officers and placed under a department which was controlled by a popular minister.

Third Period (1919-1935)

The third phase in the history of Local Self-Government in India was ushered in as a direct outcome of the Montford Reforms. The Government of India Act, 1919 came into force in 1920. By this Act responsible government was established in the provinces by introducing the system of dyarchy or dual government. According to the report of the

Rural Local Self-Government Committee, “During this phase there was a further shift i.e., the question of local self-government of India in the resolution of 1918 in which it was suggested that the local bodies should be as representative as possible in order to give effect to the policy. In this period, a large number of amending legislation was passed on local self-government in every province. In 1930, the Simon Commission made a thorough study of the problems of local self-government in India. The Commission came to this conclusion that, “efficiency of the local self-government depends upon the control or pressure which is exercised by the provincial government. This period is notable for the final establishment of Local Self Government institutions to smallest unit of the rural areas i.e., village. According the report of the Rural –Urban Relationship Committee, “The central control for the approach was negative issue of directions to prohibit certain acts and suppression of the local bodies in the extreme cases. (Jackson, 1945)

Fourth Period (1935—1947)

The inauguration of provincial autonomy under the Government of India Act, 1935, was very important in the evolution of Local Self Government in India. According to the report of the Rural Local Self-government, “The passing of Government of India Act, 1935, and the introduction of Provincial Autonomy in 1937 gave a fillip to the development of Local Self –Government on popular basis.” The Govt. of India Act 1935 came into force in 1936, which replaced the dyarchical system of government and system of provincial autonomy was introduced. The functions of local self government were enlarged; their financial powers were actually curtailed. When the popularly elected ministries came in power in 1946, the problems of local self-government were studied afresh and various committees were constituted in order to improve the structure and working of local bodies. But the recommendations of these committees could not be implemented due to the resignation of popular ministries. The Second World War hampered the growth and development of local self-government in India.

15.2.2 Post- Independence Era

First Phase (1947-1985)

The advent of Independence opened a new chapter in the socio-economic reforms embodied in the Directive Principles of States Policy mentioned in Part IV of the Constitution, which resulted in a federal system of public administration, adult suffrage and the acceptance of the objective of a Welfare State to secure to all the citizens social, economic, political equality, and opportunity. With the end of the British rule there was self government at all the levels – Central, State, and Local. With the establishment of the democratic set up the basic emphasis of the Government changed from the maintenance of law and order to the promotion of the welfare of the community. With the full-fledged democracy in the country, after the independence, Local Government Institutions attained remarkable status and importance. Post independence era has witnessed development in the field of Local Government. Amended legislations were passed in all the states in order to democratize the constitution, for widening the functions and powers to raise finances of local bodies. With the coming of the Constitution into force in 1950, the local government entered into a new phase. The Constitution allotted the local government to the State List (No. 5) of functions. Since independence much important legislation for reshaping the local government were passed in many states. The constitution of local bodies was democratized by the introduction of adult suffrage and the abolition of communal representation.

The urban local self-governing institutions in the country which owe their genesis to Lord Rippon's Resolution of 1882 where for the first time an organized system of urban local bodies was constituted. By providing urban infrastructure, they are required to act as instruments of economic activity and engines of economic development. They are in fact required to promote a sound tradition of democratic way of life at the grassroots to bring about social development and to initiate and enhance economic development of strategic planning and administration. The multidimensional decline in urban local government highlighted the importance and urgency of reform in the system. As a result, post-independence era has witnessed numerous impressive attempts for reform at the level of urban government.

Second Phase (1985- 1992)

In this phase, the problems of urban areas as well as the structure and composition of Municipal bodies, their functions and duties and their resources were the subject of discussion and debate on various for a. As a consequence of this and the complexities as arisen of the growing urban population, for the first time the National Commission on Urbanisation was set up in 1985. The Commission gave detailed recommendations about the measures required for strengthening the management and administration of urban local government institutions in the country. The need for according an independent status to urban local government in India had also been considered. Based on recommendations of the Commission, the then Prime Minister organized and addressed a number of Nagar Palika Sammelans where officials and non-officials were invited to discuss the subject thoroughly.

As a result, three issues emerged. *They were: How to make the administration closer to the people? How to make the people participate in the administration? And how to make the administration accountable to the people?* These issues became fulcrum of the Indian Public Administration first time in Independent India. Keeping in view the growing importance of urban local bodies the Union Government introduced Sabha the Constitution (65th) Amendment Bill in 1989, which could not be passed and lapsed due to dissolution of Lok Sabha. Another Bill (72nd) was introduced by the succeeding Janta Party Government and met the same fate. Again another Bill (73rd) was introduced in 1991 and was passed in 1992. It was ratified by the majority of States and after the Presidential assent came into force with effect from April, 24, 1993 as the Constitution 74th Amendment Act, 1992.

Third Phase (1992 – onwards)

The 74th Amendment to the Constitution is a landmark in the history of Urban Local Government in the country. The Act provides for a constitutional status to urban local government institutions. It contains two types of provisions- mandatory as well as discretionary. Mandatory provisions were those which were compulsory to be adopted throughout the country. Such provisions included the uniform structuring, definite term, stability, reservation of seats for different segments of society, constituting the wards committees, District Planning and Metropolitan Planning Committees, Finance Commission and Election Commission. The local government being the State Subject, the discretionary provisions were left to the states to enact according to their needs and local situations.

The Act facilities the democratic decentralization, and stability to urban local government units is aimed to accomplish the objective of being administration closer to the people. The representation of weaker and other vulnerable groups of society ensures people's

participation in administration by way of managing their own affairs. The permanency if tenure of urban government destines the accountability of administration to the people. The administrative decentralization is practiced by setting up of wards committees in large towns. The constitution of Finance commission every five years not only takes care of the finances of these bodies but also widens the path of autonomy to this grassroots level government in the country. Interestingly, this is the first time that a planning body has been given a Constitutional status by way of providing the formation of District Planning Committee in every district. This new dispensation will have a fair reaching impact on the decentralized planning and will certainly give a fillip to the institution building efforts for shouldering the responsibility for plan formulation which is an important prerequisite for micro level planning” (**Singh, 1998**).

15.3 ORGANISATIONAL STRUCTURE

The first government in India was set up as early as in 1868 barely 88 years after the establishment of the East India Company—the place of honour being Madras. But it can not be said that urban/ municipal government has been a great success in India. This is all the more surprising when it is remembered that distinguished nationalist leaders like Dadabhai Naoroji, Ferozshah Mehta, Balgangadhar Tilak, Gopal Krishna Gokhle, C.R. Das, Subhash Chandra Bose and Jawaharlal Nehru had at one time or the other served in the municipal government, and second this level of government along with the rural part was transferred by the British rulers into the hands of Indians under diarchy introduced under the Government of India Act, 1919. The inauguration of provincial autonomy under the Government of India Act, 1935 gave further impetus to the development of municipal government in India. The Act abolished the system of diarchy and introduced popular government in the provinces.

After independence in the federal structure of the Indian polity, the matters pertaining to the housing and urban development have been assigned by the Constitution of India to the State Governments. The Constitutions (74th Amendment) Act have further delegated many of these functions to the urban local bodies. The constitutional and legal authority of the Government of India is limited only to Delhi and other Union Territories and to the subject which State Legislatures authorize the Union Parliament to legislate.

The Ministry or Urban Development is apex authority of Government of India at the national level to formulate policies, sponsor and support programme, coordinate the activities of various central ministries, state governments and other nodal authorities and monitor the programmes concerning all the issues of urban development and housing in the country. The following subjects are allocated to the Ministry of Urban Development in relation to urban local bodies:

- The constitution and powers of Municipal Corporations (excluding the Municipal Corporation of Delhi), Municipalities (excluding the New Delhi Municipal Committee), and other local Self-Government Administrations excluding Panchayati Raj Institutions.
- Water supply (subject to overall national perspective of water planning and coordination assigned to the Ministry of Water Resources), sewage, drainage and sanitation relating to urban areas and linkages from allocated water resources. International cooperation and technical assistance in this field.
- The Central Council of Local Self-Government.

- Matters of the Housing and Urban Development Corporation (HUDCO) relating to urban infrastructure.
- Collection and collation of information with regard to the urban local governments in the states.
- Urban Community Development.
- Improvement Trusts.
- Training of municipal government personnel.
- All-India Mayors' Conference.
- Advising the ministry of Home Affairs on matters relating to local governments in the union territories.

The urban areas consist of different types of municipal bodies constituted with reference to character, size and importance of different towns and the cities. The operation of municipal institutions are also largely influenced by the modes of community living and philosophical formulations besides the interaction between the political and socio-economic systems. Municipal Corporation, Municipalities, Notified Area Committees, Town Area Committees, and Cantonment Boards are the usual types of municipal bodies and while the first four types are created under State Municipal bodies and while the first four types are created under State Municipal Laws, the Cantonment Boards owe their origin to the Central Act called the Cantonments Acts, 1924.

Local Self – Government implies the management of local affairs such as water supply, drainage, primary education maintenance of roads etc. The goal to be aimed at is the betterment or welfare of every citizen. Local Self-Government is a system under which the people of locality possess a certain responsibility of public local affairs, and in the raising of money to meet their expenses (Jha, 1953). The emergence of Urban Government as a distinct Government unit is the result of the interplay of several factors-historical, ideological, and administrative. Historically, Local –self Government had preceded national government. Administratively, it is important that the civic services which any community would need for planned programmed and integrated in terms of region or area inhabited by them. It provides an extensive range of services to the people and performs functions of great variety and magnitude. Local –self –government ensures two-way communication between the State Government and itself. Desires and aspirations of the state government, and plans programmes of the State and central governments flow in the reverse direction.

15.4 THE CONSTITUTION (74TH AMENDMENT) ACT, 1992

Indian long history of urban municipal governance was characterized by some structural infirmities, which affected its performance. Municipal bodies were delegated limited powers. Their autonomy was restricted. The allocation of poor financial resources made them totally dependent on the state government. Inadequacy in the services provided by municipalities raised doubts in the public mind about their ability to efficiently discharge their civic responsibilities. State Governments are prone to taking the drastic step of superseding municipalities on grounds of manufacturing, and not following it up with election at an early date. Political considerations often dominated the decisions.

The 74th Constitutional Amendment Act 1992, brought about a radical departure from the past structure of local governance.

- Makes the Constitution of municipalities mandatory.
- Recognizes the third –tier of elected representatives below the center and the states.
- Requires direct election to a Municipality
- Reserves one-third seats for SCs/STs and also for women.
- Lays down a fixed tenure of five years for municipalities.
- Severely restricts the powers of the state government to dissolve municipalities.
- Requires the State Finance Commission to review the financial position of the municipalities and make recommendations to the Governor in regard to the taxation powers of the municipalities, revenue sharing and grants- in –aid.
- Requires the State Election Commission to conduct election of municipalities.
- Make the setting up of District Planning Committee metropolitan Committee mandatory.

The 74th Constitutional Amendment thus ensures the urban local Governments are not at the mercy of the State Governments. Government of India began to show interest in reforming urban/ municipal governance only since 1989. The revitalization of grassroots government became the concern of the Rajiv Gandhi Government since 1989. The Government led by P.V. Narasimha Rao came into power, drafted the Constitution (Seventy third Amendment) Bill, 1991 concerning Municipalities and introduced it in the Lok Sabha in September, 1991. The Lok Sabha and Rajya Sabha passed the Bill in December, 1992. After having it ratified by more than half the State Assemblies, the President assented it on 20 April, 1993 which is known as the Constitution (Seventy-Fourth Amendment) Act, 1992. This amendment became operative since April, 1993 which has been inserted in new part IX-A of the Indian Constitution relating to urban / municipal government (Nagarpalika) (**Maheshwari, 1999**).

Municipal Councils and Municipal Corporations are constituted in smaller urban areas and larger urban areas respectively. Demographic and other conditions, which are determining factors for constituting a particular type of municipality, differ a great deal from one state to another. The Governor determines the areas for different forms of urban bodies considering viz, population of the area, density of population, revenue generated by the local body, percentage of employment in non-agricultural activities and the economically important and other factors. The seats in the municipality shall be filled by direct elections except as provided below. For the purpose of elections, the territorial constituencies in a municipal area shall be divided into wards. Each ward has an elected representative in the municipality.

The member of the Lok Sabha (MP) and MLAs of State representing constituencies which comprise wholly or partly the municipal area concerned will be voting members in the municipality. The State Legislature is empowered to specify the procedure of election of the chairpersons of municipalities. This may be either by direct election or from amongst the elected members of the municipality concerned. As regards the Wards Committee, each municipality is divided into Wards. In the smaller and medium sized municipalities, the average population per ward varies from 1500 to 6000. In larger cities,

however, average Ward size may be fairly large ranging from a population of 30,000 to even two lakhs. This has led to a situation where the common citizen does not have ready access to his elected representative. The Act has provided for the reduction in the distance between the electorate and the elected and provision for the increased participation of the people in the urban local bodies. The Act further provides for the constitution of Wards Committees in all Municipalities with a population of 3 lakhs or more.

Two or more Wards can be combined to constitute a Wards Committee. The grouping has been left flexible to take into account the differing local conditions that may exist from city to city within a State. The composition, the territorial jurisdiction and the manner in which the seats to Wards Committee shall be filled, has been left to the State Legislature to specify by law. A member of Municipality representing a Ward within the territorial area of the Wards Committee shall be a member of that Wards Committee. In other words, such a member of a Municipality will act as an ex-officio member of the wards Committee. If a Wards Committee exists for one Ward only, the Councilor representing that Ward in the Municipality shall be chairperson of the Wards Committee. Where the Wards Committee consists of two or more Wards, one of the Councilors representing such Wards in the Municipality shall be elected by the members of the Wards Committees as the chairperson of the Wards Committee. The law enacted by the State may also provide for the constitution of Committee apart from the Wards Committee (like the Standing Committees, Zonal Committees). The chairperson of such committees will have representation and voting rights in the municipality concerned.

Regarding the reservation of seats the Act provides reservation for Scheduled Castes and Scheduled Tribes and women to ensure their representation/ participation at all levels of the municipal bodies. The proportion of seats to be reserved for SCs and STs in the municipal area to the total population of that area. The reserved seats will be filled by direct elections only. Not less than one-third of the total number of seats reserved for SCs and STs shall be reserved for women belonging to SCs and STs. The provision is mandatory. One-third of the total number of seats shall be reserved for women (This shall be inclusive of seats to be reserved for women belonging to SCs and STs). These reserved seats will be filled by direct elections only. This is also mandatory provision. The seats so reserved for women and for SCs/STs may be allotted by rotation in different constituencies in a municipality. This provision is optional. The State government decides on the manner of allotment of the reserved seats.

The State legislatures will provide by law for the reservation of the office of chairpersons for SCs/STs and women in municipalities. The extent to which reservation is to be made and the manners of such reservations will be decided by the state representatives of SCs/STs and women pertaining to the office of the chairpersons of municipalities to meet the spirit of the Constitutional Amendment. The State Legislatures are free to provide reservation of seats for any backward class of citizens in any municipality or office of chairpersons in the municipalities for any backward class of citizens, though this is an optional provision.

Constitution of Municipalities

The term of municipality is of five years from the date fixed for its first meeting. The election to constitute municipality needs to be completed before the expiry of its term of five years. The State government makes a provision in law relating to the super session or suspension of municipality. The State Legislatures have no powers to amend any law

resulting in suppression or dissolution of new municipality before the expiry of its five years. To this provision, the State government cannot take decision to suspend or supercedes the municipality arbitrarily. As regards the dissolution of municipality before the expiry of its term of five years, the State Government may decide to dissolve the municipality. The State Government before deciding such dissolution is required to give a reasonable opportunity to municipality to explain. If the municipality gets dissolved before the term of five years; the election to constitute a new municipality within a period of six months from the date of dissolution has to be completed. This means that the municipality can remain dissolved for a maximum period of six months. The Municipality which is constituted after dissolution will continue only for the remainder of the period for which the dissolved municipality would have continued, had it not been so dissolved. These provisions restrict the State Government to dissolve a municipality arbitrarily. Disqualifications for becoming a member of the Municipality are prescribed on the lines of disqualification prescribed for being an MLA. The age to contest election to the Municipality is 21 years whereas for MLA it is 25 years.

State Election Commission

In the 74th Constitutional Amendment Act, there is a provision of State Election Commission in each State/ Union Territory to be set up which conducts all elections to the Panchayats and Municipalities. The State Election Commissioner appointed by the Governor of the State, heads the Commission. The rules to govern the conditions of service and tenure of office of the Commissioner are determined by the Governor. The State Election Commissioner cannot be removed from office except in a manner similar to and on grounds similar to those by which a judge of the High Court can be removed from his office. The conditions of service of the State Election Commissioner cannot vary to his disadvantage after his appointment. The State Election Commissioner is given such staff by the Governor to carry out the functions of the State Election Commission.

Powers and Functions of the Municipalities

According to 74th Constitutional Amendment Act the function of municipalities would go beyond the traditional civic functions and are expected to play an important role in the formulation of plans for local development and the implementation of development projects as the programme including those especially designed for urban poverty alleviation. The list of function that has been laid down in the 12th schedule is as follows:

- i) Urban Planning, including own planning;
- ii) Regulation of land use and construction of building;
- iii) Planning for economic and social development;
- iv) Roads and Bridges;
- v) Water supply for domestic, industrial and commercial purpose;
- vi) Public health;
- vii) Sanitation, conservancy and solid waste management;
- viii) Fire Services
- ix) Urban forestry protection of the environment and promotion of ecological aspects;

- x) Safeguarding the interests of water sections of the society, including handicap and mentally retarded;
- xi) Slum improvement and up gradation;
- xii) Urban poverty alleviation;
- xiii) Provision of urban amenities and facilities such as parks, gardens and burial grounds, cremation grounds and electric crematorium; cattle pounds, prevention of cruel to animals;
- xiv) Vital statistics including registration of births and deaths;
- xv) Public amenities – street light, parks;
- xvi) Registration of slaughterhouses and tanneries.

The 74th Constitutional Amendment Act, 1992 empowers the Municipalities to function as effective institutions of self- government. The State Legislatures specifies by law what powers and responsibilities will be entrusted to the Municipalities in respect of the preparation of plans for economic development and social justice and the implementation of schemes as may be entrusted to them. The Legislature of the State may also by law give the powers and authority to the Wards Committee and other Committees to carry out the entrusted responsibilities.

The functions which may be entrusted to the Municipalities have been enlisted in the Twelfth Schedule of the Constitution. The State Legislature is free to choose from the listed functions or add to this list while deciding the functions to be carried out by the municipalities. The enlisted functions of the twelfth Schedule are as under: Urban Planning including town planning; regulation of land use and construction of buildings; planning for economic and social development ; roads and bridges; water supply for domestic, industrial and commercial purposes; public health; sanitation; solid waste management; fire services; urban forestry; protection of the environment; promotion of ecological aspects; safeguarding the interests of weaker sections of society including the handicapped and mentally retarded; slums improvement and up gradation; urban poverty alleviation; provision of urban amenities and facilities such as parks, gardens, and playgrounds and electric cremation, cattle ponds; prevention of cruelty to animals; registration of births and deaths, street lighting, public conveniences, bus stops and regulation of slaughter houses and tanneries. (Constitutional Provisions relating to Village Panchayats and Municipalities in India, Containing the Constitution (**Constitutional Provisions, 1993**))

Taxes and Finances

Regarding the taxes and finances of Municipalities, the State Legislature by law decides the matter concerning the imposition of taxes. Such law may specify: taxes, duties, which can be laid levied and collected by the Municipalities as per the procedure to be laid down in the State law. Taxes, duties, fees that can be levied and collected by the State government and a share passed on to the municipalities; grants-in-aid from the State government; constitution of funds for creating and withdrawal of moneys by the municipalities.

State Finance Commission

The position for setting up of the State Finance Commission guarantees financial autonomy to the urban local government institutions. The Governor of the State with a view to

reviewing the financial position of the municipalities constitutes the State Finance Commission within one year from the commencement of the Constitution (74th Amendment) Act, 1992 and thereafter the expiry of every five years. This Finance Commission is for both the municipalities and the Panchayats. The recommendations of the State Finance Commission covers: distribution of the net proceeds of the taxes, duties, tolls and fees leviable by the State; allocation of share of such proceeds between the municipalities at all levels in a state; determination of taxes, duties, tolls and fees to be assigned or appropriated by the municipalities, grants-in –aid to municipalities from the Consolidated fund of the State; and measures needed to improve the financial position of the municipalities.

The Governor may also refer any matter to the Finance Commission in the interest of sound management of the Municipalities finances for its consideration. The Central Finance Commission has also an obligation to recommend the measures needed to augment the resources of a State in order to supplement the resources of the Municipalities in the State on the basis of recommendations of the State Finance Commission. This will have a proper linkage among the finances of the local bodies, the State government and the Central government.

Distinct Planning Committee (DPC)

The Act empowers the State government to set up a planning committee at the district level in order to consolidate the plans prepared by the Panchayats and the Municipalities. The committee also prepares a development plan for the whole district. To constitute the District Planning Committee in every district is compulsory and mandatory for the State government. To have a democratic character of the DPC, there is a provision that not less than four-fifths of the total number of members of the committees should be elected from amongst the members of the Panchayats at the district level (Zilla Parishad) and of the municipalities in the district in proportion to the ratio between the rural and the urban population of the district. While preparing the Draft development Plan, the District Planning Committee shall take care of the matters such as common interest between the Panchayats and municipalities including spatial planning; sharing of water and other physical and natural environment conservation and extent and type of available resources, whether financial or otherwise.

Metropolitan Planning Committee

In order to develop metropolitan areas encompassing not only the main city corporation but also a number of local bodies both urban and rural surrounding the main city corporation, a proper development plan of the surrounding towns and villages needs to be prepared in association with the plan of the main city. The Act provides that Metropolitan Planning Committee should be set up in every metropolitan area having a population of 10 lakhs or more to prepare a draft development plan for the whole metropolitan area. This provision is mandatory. As regards its composition, not less than two-thirds of the members of such committees should be elected by the elected members of the municipalities and the chairpersons of the Panchayats in the Metropolitan area in proportion to the ratio between the population of the municipalities and the Panchayats in that area (**Ibid, pp.14-17**).

Village Council and Municipalities

The 74th Constitutional Amendment Act provides decentralized governance for the urban people of the notified urban areas of the state which enables the most active political

participation of all people of the urban areas. Article 243 ZC of the Constitution (74th Amendment) Act, 1992 relating to municipalities is not applicable to the Scheduled areas referred to in clause (1) (Sixth Schedule) and the tribal areas referred to in clause (2) of the Article 244 (Fifth Schedule) (**Bakshi, 2000**).

The 74th Constitutional Amendment ensures to hold elections to the municipalities within six months after dissolution. The provision has made obligatory on State governments to hold elections regularly. This is not mandatory in the case of village councils. The village councils have been denied to the devolution of financial resources, administrative responsibilities, political powers, development roles, planning and decision-making processes. Thus, the councils lack both political and financial decentralisation. Socio-economic development of the urban poor people is beyond the scope of the village councils. Briefly the village councils have failed to evoke local initiative and people's participation in development activities and bring about social and economic changes in the urban areas owing to a strong centralising tendency in the State. Such a process of centralisation is just not compatible with the principal of decentralisation of planning and decision making process.

The Village Councils Act provides for women to contest to the Village Council elections but does not provide for the reservation of seats for women. It thus, appears from the above points that both the village councils and the municipalities differ structurally and operationally. As the fact remains true, the councils stand no comparison with the municipalities to be set up under the provisions of the Constitution (73rd Amendment) Act, 1992 relating to the municipalities, whose ethos is devolution of political, administrative and financial powers. The Act institutes State Finance Commissions to augment their finances required to ensure that 'urban India' flourishes and leads the country forward to progress and prosperity (**Arora, 2001**). The Act has obviously brought about revolutionary and unprecedented changes in urban and local governments; the faithful implementation of the various provisions of the Act would ensure that Indian Urban Governments emerge stronger to serve the inhabitants of their respective areas.

Keeping in view the provisions of the Constitution (74th Amendment) Act, 1992 relating to municipalities based on democratic decentralised governance reflecting the spirit and substance of local government all over the world.

Only when the tiers of the constitution, the Centre, the State and the local self governing institutions will function with regularity and efficiency, the federal and democratic nature of the Constitution and polity will be preserved, otherwise the Constitution will become very much distorted in its contents and implementation. What is required is the 'will to make the municipalities a viable democratic institution and people centred governance on which real decentralised governance will thrive. Thus, the concept of new pattern of urban governance has come to be accepted as an extension of democratic decentraliation and pro people to the urban areas ensuring the accessibility of all sections of society, specially the poor is advantaged and women. These are invaluable virtues for any urban administration to cherish.

India has undergone a silent yet definitely significant political revolution, almost simultaneously with eloquent economic reforms, in the first half of the nineties of the century gone by. Relative importance of local governments vis-à-vis central government may be viewed as extension of same logic. The import of perpetual existence, ensured with the passage of 73rd and 74th Constitution Amendment Acts, 1992 in the Parliament may have yet to be

fully realized by over 30 lakh people's representatives, including 73, 000 in urban areas, of whom over 10 lakh are women, through about 2 lakh rural panchayat bodies and about 3700 urban municipal bodies.

The Constitutional Directives (Art 40) to the State (of India which means the Union and the unit States) to 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 self-government, was followed more in breach than in observance, notwithstanding that many unit states did good work in many respects. (**Mathew, 1996**). Urban local bodies that they were more fortunate that they were in place and they got mentioned in the state list of the 7th Schedule as item number 5 which reads: Local government, that is to say, the constitution and powers of municipal corporations improvement trusts, district boards, mining settlements, authorities and other local authorities for the purpose of local –self government or village administration.

Though Article 40 enjoins all levels of the Government to do their bit in organising village Panchayats and endowing them such powers as enable them to function as units of self-government. It was therefore, expected of the State Legislatures and the State governments to constitute and empower by the legislation the local bodies so that they could act as the units of self-government. While Municipal Acts and Municipal bodies were already in existence from the time before independence much in the same way as today with little more autonomy and few more core functions and relatively more funds in the 50's and 60's, the rural local bodies were generally at the district level or at most sub-district level though panchayat were desired by Royal Commission on Decentralisation (1907- 08) and provincial legislation poured in for Constitution of village Panchayats after Government of India Act, 1919.

A little before independence, after resumption of power by the Indian Leadership in 1946, most of the provinces remodeled their village panchayat Acts with a view to conferring more powers and functions. However, there was not much concrete until Balwant Rai Mehta Team (1959), constituted as a part of a larger Committee on Community Development and National Extension Service, suggested a democratic structure for people's participation to make the implementation of these programme more effective.

Reasoning why (urban) local bodies have become weak and are not able to perform effectively as vibrant democratic units of self –government , the Statement of objects and reasons made at the time of induction of the 74th Amendment Bill, mentions three facts: (i) Failure to hold regular elections, (ii) prolonged suppressions, and (iii) inadequate devolution of powers and functions. The Amendment sought to (a) put on a firmer footing the relationship between the State government and urban local bodies with regard to the functions and taxation powers and arrangement for revenue sharing, (b) ensure regular conduct of election and timely elections in case of supersessions , and (c) provide adequate representation for weaker sections like scheduled Castes, Scheduled tribes and women.

It is in this background that we were supposed to address in this piece on (i) functions transferred to Urban Local Bodies in the wake of 74th Amendment of the Constitution and (ii) adequacy of resources transferred to perform these functions. (**Chaubey ,2004**)

Basics of Local Governance

There are some set of Pancsheelas concerning the elements of 'self', 'local, and 'urban' which are as follows:

1) Principle of Democracy in Structure

Here, we underline an important axiom that people are not just interested in the product howsoever it is provided they very much wish to be a part of the process of decision making. It is not a matter about what is gained but also how what is gained is gained. It is no surprise that in recent general elections issues of local development found vocal expression. It means the members and chairperson of the local governing bodies should all be elected ones, no matter how the chairperson is elected. The matter whether we should have party-less democracy or party-based democracy should not detain us here. Local bodies that have to take care of several bodies and several levels, like district planning Committee and metropolitan Planning committee has to be as representative as possible. It means that the members of these bodies should be from amongst the elected representatives with selected people as support. Democracy believes that people have enough common sense to make decisions. Public decisions are too serious a matter to be left with the non-elected experts.

2) Principle of Autonomy in Functioning

Local governments have been subject to so many restrictions on financial side, world over, if not on functional side. There is mismatch between rights and duties. Duties cast upon them are much larger than rights they have over resources. **(Reagon, 1972)**. Even if the gap is bridged through transfers from the higher levels, it is often not as a matter of right but only in terms of grants and loans. Besides fiscal area, there are always some bodies to appraise / approve/sanction in the beginning, Inspection/ monitoring in the middle and audit at the end. Their tax efforts are circumscribed by so many limitations in terms of rates, procedures and ceilings. However functional autonomy has little meanings if there is not enough financial independence.

3) Principle of Fraternal Feeling

The Point is that we look forward to cooperate with fraternal units in larger interest of the total community even if we have to suffer temporarily a bit. If the units are not having the same capacities but the two units feel that both the units should enjoy the same level of consumption of certain goods, the resources may have to be transferred from the more prosperous to the less prosperous. While redistribution is a major responsibility cast upon the modern government, the units cannot continue to enjoy transfer of resources. The resentment from the more prosperous is likely to erupt. Some would point out its impact on efficiency too while others would point towards non-fiscal transfer of resources from one unit/ area/ jurisdictions to another. We should note that in all multi-habitation polities there will always be need for equity transfers from some units to others though the seta of habitations cannot continue to be the same.

4) Principle of Diversity in Preferences

As human beings, we are very similar and in very board terms our needs may be quite similar. But our geography, history and culture make us choose some very different goods. This may be true of public goods as well. We have long been suggested a division between national public goods and local public goods. We may note that many commentators point towards variation or differences in the seta of functions across different states, between rural and urban, and between different levels of municipal governments as if uniformity in itself is a desirable attribute in all cases. This confusion arises because of their impatience for summary statistics Diversity is too easily confused with disparity.

5) **Principal of Heterogeneity of Units**

Size of our States vary from 6 lakh to 16 crore, that of union territories varies from 70 thousand to 130 lakh and of cities, within the category of urban habitations, the range varies from a few hundreds to several millions. We may have a district of 2 lakh and also 20 lakh. Our States had taken due note of such diversity and their Acts could be seen as differential products. Our politicians and bureaucrats, while drafting and reviewing the amendment bills had wisdom to take cognizance of the fact and provided a lot of flexibility to the state legislatures in devolving or delegating functions to a particular category in their respective states.

In India there are around 3700 urban local bodies with 100 corporations, 1500 municipal councils and 2100 Nagar Panchayats, besides 56 cantonment boards—a kind of extra-constitutional body. The Fifth Schedule Areas in Assam, Meghalaya, Tripura and Mizoram have been excluded from the operation of the 73rd and 74th Amendments under State legislation. The Parliament has to first extend the provisions through legislation. While the Parliament has passed legislation in respect of rural local bodies in 1996, it has yet to act to extend the provisions of urban local bodies. As a result, in the states of Mizoram and union territories of Dadar and Nagar Haveli no municipal bodies exist. In Meghalaya, The Municipal Act is still under consideration. In Jammu and Kashmir and Sikkim, the Municipal Acts have been passed rather late. No place seems to have been declared urban in Arunachal Pradesh. In all these states, under popular demand or as a populist measure, some nagar panchayats, recently in Harayna, have been de-municipalized . **(Singh, 2001)** Elsewhere, which means in all large states, the Conformity Acts were passed before the deadline of June 1, 1996. Except Bihar and Pondicherry, municipal bodies have been constituted though there were cases of serious delays elsewhere for the first set of elections **(Sivaramakrishnan, 2000),**

Functional Domain of Municipalities

The amendments evolved a uniform pattern of local bodies across the country with little scope in detail, suggested some of the functions/ responsibilities/ tasks for devolution/ delegation, if already delegated, and exhorted the State Legislatures to endow the local bodies with such power, authority and resources as may be necessary for carrying out such functions. In respect of Schedule Fifth and Sixth Areas, the Parliament has yet to extend the provisions for urban local bodies.

Constitutional Position

Part XI of the Constitution deals with the relationship between the Union and the States and it has two chapters- Chapter I dealing with legislative relations and Chapter II, with administrative relations. Of the eleven articles dealing with legislative relations, Art. 246 delineate the legislative competence of the Parliament and the State Legislatures as regards the subject matters. The clause (3) of the article stipulates exclusive power to the State Legislatures to make laws with respect to any of the matters enumerated in List II in the Seventh Schedule while the Clause (2) stipulates co-extensive power to the State Legislature along with the Parliament with respect to any of the matters enumerated in List III in the Seventh Schedule. All subject matters related with local functions are listed in List II and III and traditionally local powers of raising resources (taxes, user charges and loans) are also listed in the List II. As the local bodies do not have any exclusive domain of their own. Their domain is co-extensive with and a subset of the state's functional domain.

Twelfth Schedule

Art. 243 W suggests that the Legislature of a State may, by law, endow the municipalities with such powers and authority as may be necessary to enable them to function as institutions of self government and further suggests that such law contain provision for the devolution of power and responsibilities upon municipalities- subject to such conditions as may be specified—with respect to (i) the preparation of plans for economic development and social justice and (ii) the performance of the functions and the implementation of schemes, as may be entrusted to them, including those in relation to the matter listed in the twelfth Schedule. Certain things should be clear. First, the article is not a statutory binding for the state Legislatures. Second, provision for devolution of power and responsibilities, with conditions, is indicative. Third, the Twelfth Schedule is only illustrative; all matters listed therein neither need to be devolved, nor are they suggested to be exhaustive. Fourth, the schedule indicates only the subject –matters of functions, not the functions themselves that could be entrusted. Fifth, powers, responsibilities and authority may be devolved by the law in anticipation of functions and schemes that may be entrusted to them.

Some Exercises on Functional Domain

All major States had Municipal Acts as well as Municipal Bodies much before they came into existence in the present form. (they have thus their foster parents) There might have been many Municipality Acts by which the municipal bodies were governed, partly because of reorganization of states in different phases. For example, there are four Municipal Acts in the State of Maharashtra (**Pethe, 2003**). While Andhra Pradesh had two. Some States only amended their existing Acts; others have them for the first time. Usually there are two Acts—one dealing with municipal Corporations and the other with other municipalities. This are now of three levels: Municipal Corporations, Municipal Councils and Nagar Panchayts. Some small states do not have any urban local bodies; others do not have any municipal corporations. Among the major ones, Kerela does not have any nagar panchaya while Maharashtra has only two. There are in existence cantonment boards as well, on which the Constitution is silent. As there has to be a division of local functions between different tiers of rural panchayts, the note has to be taken of the size of habitation in the legislations for different levels of urban local bodies.

Present Position of the Functional Domain

Based on the study of secondary sources, we come to the following general pattern. All major states have assigned to their urban local bodies the responsibility of (i) public health, sanitation, conservancy, and solid waste management (Item 6 of Schedule XII , item 6 of state List of Schedule VII); (ii) provision of urban amenities and facilities such as parks, gardens and playgrounds (Item 12 of Schedule XII, Item 18 of State List and item 20 of Concurrent List in Schedule VII); (iii) burials and burial grounds, cremations and cremation grounds and electric crematoriums(item 14 of Schedule XII, Item 10 of State List in Schedule VII); (iv) vital statistics including registration of deaths and births(Item 16 of Schedule XII, item 30 of Concurrent List in Schedule VII); and (v) regulation of slaughter houses and tanneries (Item 18 of Schedule XII Item 15 of State List in Schedule VII). While the last two are regulatory in nature, the middle one is a serious problem only in metropolis.

All most all the states have assigned to their urban local bodies the responsibility of (vi) urban forestry, protection of environment and promotion of ecological aspects (Item 8 of Schedule XII, Item 6 of State List in Schedule VII, major exception being Delhi;

(vii) water supply for domestic, industrial and commercial purposes (Item 5 of Schedule XII and item 17 of state List in Schedule VII), major exception being Delhi, Andhra Pradesh (in fact Hyderabad) and Madhya Pradesh; (viii) roads and bridges (Item 4 of Schedule XII and Item 13 of State List in Schedule VII), major exception being Uttar Pradesh and Delhi; (ix) cattle pounds and prevention of cruelty to animals (Item 15 of Schedule XII and Item 15 of State List and Item 17 of Concurrent List in Schedule VII), major exception being Andhra Pradesh ; (x) public amenities including street lighting , bus stops and public conveniences (Item 17 of Schedule XII and Item 5 of State List and Item 20 of Concurrent List in Schedule VII), major exception being Andhra Pradesh.)

With few exceptions, the states have assigned (xi) ‘ safeguarding the interests of the weaker sections of society, including the handicapped and the mentally retarded (Item 9 of Schedule XII and Item 9 of state List and Item 16 of Concurrent List in Schedule VII, and (xii) ‘ promotion of cultural, educational and aesthetic aspects’ (Item 13 of Schedule XII and Items 12 / 33 of State List and Item 25 of Concurrent List in Schedule VII). What is important is that many States have reservation on the items listed in the beginning in the Schedule XII. While Andhra Pradesh, Gujarat, Maharashtra, and Delhi have reservation in assigning the responsibility of urban planning and urban poverty alleviation. Uttar Pradesh joins the above mentioned States when it comes to assigning the regulation of land use and construction of buildings and Madhya Pradesh will join them in not assigning the responsibility of slum improvement and up gradation. Karnataka and West Bengal would join them in not assigning the responsibility of planning for economic and social development.

Constitutional Provision

The Act repeats the existing laws and practices. The Article 243 X stipulates that the Legislature of a State may, by law:

- a) authorize a Municipality to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedures and subject to such limits;
- b) assign to a Municipality such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;
- c) provide for making such grants-in-aid to the Municipalities from the Consolidate Fund of the State;
- d) provide for constitution of such Funds for crediting all moneys received, respectively, by or on behalf of the Municipalities and also for the withdrawal of such moneys there from, as may be specified in the law.

A redeemable feature of the 73rd and 74th Amendment Acts is the provision regarding constitution of State Finance Commission and its mandate and the direction to the Governor to cause every recommendation made by the Commission to be laid before the Legislature of the State. However, it is at the sole discretion of the Legislature to accept any of the recommendations. So far the experience is not very encouraging yet there is no point in getting dissuaded.

15.4.1 Municipal Finance in the Wake of the 74th Amendment

Financial Provision

Both 73rd and 74th Constitution Amendment Acts provide for State Finance Commission to recommend financial resources devolution to urban as well as rural bodies. The 73rd

Amendment Act under Article 243 (I) provides for a State Finance Commission for devolution of financial resources from the states to PRIs. The 74th Amendment Act under Article 243 (Y) makes a reference to the Finance Commission provided under Article 243(I) for looking into financial obligations of urban local bodies also. 74th Amendment Act provides for the constitution, by every state, of a State Finance Commission, within one year of the amendment and thereafter every five years, regarding the financial resources of local bodies. Unfortunately, the recommendations of the Commission are not binding on the respective states. But still the Municipalities blame the State Governments that they are not getting the required finances to run the urban body.

People's Participation

In spite of 74th Amendment visualizes the 'people's participation' as one of the main objectives, the people's actual participation in the Municipal affairs of the city is still limited. Major cause of this attitude is that the people look towards the Municipal bodies with inherent suspicion and take it for granted that their problems and grievances will not be taken care of .

Private Public Partnership

As most of the Municipalities are really the example of bad governance, as no private party is willing to shake hands with the Municipal authorities. Private parties also think that to push their project through the Municipal authorities is really time consuming and wasteful.

Professionalisation

Still it is a common precept in the Municipal governance that the 'garbage disposal' or 'making provision of basic amenities' don't require any 'specialization' and 'professionalisation' as such. In this way the Municipal Authorities were able to change the mindset of the people from the 'regulatory' to 'developmental' psychology which has further supported the professionalism.

Political Support

It has been the general experience that whenever large scale reforms are carried out. It leads to lot of resistance. Resistance comes from two quarters. First from the side of employees who don't want to mend their working styles and take the shelter of politicians. Second resistance comes from the people who have vested interests and have even the backing of the politicians. (**Dixit, 2004**).

15.5 CONCLUSION

The fifty years of urban government in Independent India have witnessed a tremendous shift. Urban government is faced with a variety of social, economic, political, psychological, ethical, and environmental complexities. The success and effectiveness of urban local self government depends upon the administrative and political willingness of the State Governments to accept these grassroots level government units as their youngest partner at the third tier of the federation. As a consequence to the 74th Amendment to the Constitution the democracy has been decentralized. The people have been granted active participation in grassroots administration. A new light has been added to urban administration. Thus urban administration in the country has a long history changing its nature from "local self government" to "local body". The focus transformed from "local self government" to "local government" and now to "good local governance". (**Singh, 2004**).

The Nagar Palika Central Legislation i.e., the 74th Constitutional Amendment has scattered spatially hundreds of small local governments through out India. Governments with their respective territorial jurisdictions have been formed. India has, thus, become a “federation of federations”. The 74th Amendment has not only constitutionalised the status of urban local government but also improved its life, structure, working and finance. In the view of M.A. Hussain “With a plethoras of legislations, ironically, the performance of urban local bodies instead of improving is widely to deteriorate further. The primary objective of evolving so many legislations was to give power to the people. Instead, a chain of bureaucracy would be created, which in its turn would create problems and dilemmas, inhibiting a smooth working of the much talked Nagar Palika Act.”

15.6 KEY CONCEPTS

- Public Private Partnership** : Joint efforts on the part of local governments and the business community to plan for, generate public support for, and pay for major social programmes or construction projects that will be mutually beneficial.
- Councils of Government** : Oversight bodies representing various localities to help coordinate local affairs.
- Distributive Policy** : Policy involving use of general tax funds to provide assistance and benefits to individuals or groups.

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15.8 ACTIVITIES

- 1) Discuss the revolution of local government in India.
- 2) Discuss the impact on urban local government in the wake of 74th constitutional amendment.