



FUNDAMENTAL ISSUE OF URBAN GOVERNANCES IN INDIA

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ABSTRACT

The rate of urbanisation in India as well as its continued rise presents huge problems to urban government. This article takes a look at the institutional characteristics and devolution mechanisms that are part of the federal framework. Within this framework, cities are expected to improve the quality of life for the people who live there and create an investment climate that is able to support rapid population growth. It argues that even though planned urbanisation is necessary for the industry and services sectors as well as for the rural rejuvenation, the lack of empowerment of cities is constraining their ability to translate the urban development agenda into action. This is a problem because planned urbanisation is necessary for all of these things. The article argues that institutional reforms are essential for reaching out to the private sector for the purpose of sharing the burden of financing urban infrastructure projects and ensuring that this results in improved service delivery. It also places an emphasis on the significance of reducing the deficit in urban infrastructure. The results of a pioneering national mission for urban renewal are analysed, together with the creation of additional national missions, in order to highlight the need of improving local level reforms and capacities for planning and administration.

keywords: fundamental, urban, governances

INTRODUCTION

The subcontinent was struck by a series of natural disasters of an exceptional severity in the year 2005. The tsunami that occurred in December 2004, the floods that occurred in Mumbai in July 2005, and the earthquake that occurred in Muzaffarabad in October 2005 have all caused significant destruction. There is, however, a bright side to these catastrophes for India. In comparison to the littoral states of the Indian Ocean, the authorities in the United States in the aftermath of hurricane Katrina, and the officials in Pakistan after the earthquake, our government did respond with some zeal and alacrity. The lifeless governance machinery, which is sometimes accused of extended periods of slumber punctuated only with regular activity in the form of extortion, has showed indications of life and utility in recent times. The one-day rainfall total of 1000 millimetres turned Mumbai, a city that is both above sea level and surrounded on all sides by water, into a floating city. From that point on, it was abundantly evident to everyone that Mumbai is a reflection of one of India's crises, due to the fact that people are being forced to move to Mumbai from remote rural regions where they are living in abject poverty and misery. This is without taking into account the urgent necessity of finding solutions to problems such as land management, housing, drainage, transportation, and civic amenities. In the meantime, politicians, who, for the most part, view people as vote banks rather than as living, throbbing human beings with ambitions and goals, are

always ready to turn to cheap populism. This is because politicians regard people as vote banks. As a result, issues escalate into crises, which ultimately lead to disastrous outcomes. The majority of our cities are literally bursting at the seams with population. In spite of the cliché that most Indians live in their rural communities, a demographic revolution that is occurring in the background is slowly altering the metropolitan environment. The percentage of the population living in urban areas has reached 43.9% in some states, such as Bhopal, where in situ urbanisation is predominate, meaning that villages and small towns are expanding rather than major migrations to bigger cities.

It is anticipated that by the year 2015, the country of India would have 34 cities with populations of 1.5 million people or more, four of which will have surpassed the mark of 10.0 million, and the city of Mumbai will have the biggest population concentration, with more than 27 million people. According to the results of Census 2001, the total number of urban settlements in the nation is 5161, and 385 million people, or 27 percent of the total population of 1027 million, live in urban areas. In 2001, there were 34 cities that had a population of one million people or more, and it is anticipated that number would rise to 40 by the year 2015. By the year 2025, it is anticipated that the urban population would have increased to 546 million. By the year 2030, urban areas will be home to half of India's population of over one billion people. The solutions to the problems that our cities face are quite obvious. It is common knowledge that enormous sums of money must be invested in many aspects of infrastructure, including transportation, water, drainage, sewage systems, and housing. In order to encourage value addition, the development of wealth, and the establishment of job opportunities locally, President Kalam makes the point that urban facilities should be created in rural regions. Technocrats such as Himanshu Parikh have advocated for a full assessment of natural water channels, as well as the revamping of water supply, sewage, drainage, and roadways to follow these water courses. Biman Patel and the other members of his team advocate for improved methods of urban planning and economical modes of transportation. The Konkan Railways have been working to improve the technology that are used for urban public transportation. Janaagraha's Swathi and Ramesh Ramanathan have been leading advocates for urban government reform and increased engagement of the general public. Each of these strategies is important, and it is necessary to combine them.

Structural Aspects of Urban Local Governments and their Constitutional Basis

Constitution of Ward Committees and Their Empowerment

The Constitution empowers the legislature of a state to enact the necessary provisions for the (a) delimitation of territorial area and composition of a WC; and (b) manner in which seats in a WC shall be filled. The Constitution also provides for the creation of Wards Committees (WC), which can consist of one or more wards within the territorial areas of a municipality with a population of three lakh or more people or more. WCs can be created within the territorial areas of a municipality. The purpose of Article 243 S is to require that municipalities with a population of 3 lakhs or more must have much smaller Ward Committees, each comprising of a smaller population of, say, 30,000 to 50,000, so that functions, which could be performed or conducted at the locality level, such as the maintenance of street lighting, garbage clearance, repairs and maintenance of local roads, etc., could be maintained at the ward level. Both the 73rd and 74th Constitutional Amendment Acts are working toward the goal of empowering local governments to govern themselves through the establishment of autonomous organisations. The purpose of expanded participation between the people and their elected representatives is to make it possible for the local population to take a more active role in the government of their cities. This is the logic behind increased participation. Comparable to the Gram Panchayat level of administration in a village, the Wards/WC level

is an extra layer of administration that sits between the higher levels of government and the people who live in the area.

Composition of the Ward Committees:

It is possible to establish a Ward Committee by having a member elected from each polling station located inside the Ward. There are typically 1,500 voters present in a polling station, and each voting booth serves a population equivalent to 2,500 persons in the surrounding region. There will be roughly 15 voting stations located inside the Ward, and as a result, it will be possible to form a Ward Committee that will consist of 15 members elected from these polling stations. Residents of the community that is included within the polling station's authority will be eligible to run for and be elected to positions as members at the polling stations. If, after being elected, members move to a location that is outside the jurisdiction of the voting station, they run the risk of being disqualified from serving in that capacity in the subsequent election. In a manner analogous to that of the elections for the Village Panchayat, the members of the Ward Committees will be elected by the residents of the area using either a straightforward method of local balloting and counting on the spot at each polling station, or the raising of hands, and the elections will not be based on any particular political party. The Councilor that was chosen to represent the Ward will serve as the chairperson of the Ward Committee and will be the executive officer in charge of the Ward. If the multi-member constituency system is chosen for Municipalities, there will be one Councilor in charge of each ward, preferably based on residence, and he or she will chair the Ward Committee. If the multi-member constituency system is not chosen, there will be no Councilors in charge of Municipalities.

Functions of WC:

There are several aspects of WC that are consistent throughout the majority of states. Conventional functions include the preparation and supervision of development schemes, the assistance in the collection of municipal taxes, fees, and rents, the maintenance of sanitation, water supply and drainage, street lighting, the upkeep of roads, markets, and parks, and the redressing of public grievances. However, there is a significant amount of disparity amongst the states in terms of the capabilities of the WCs to carry out their functions and manage their finances. The most inclusive and all-encompassing participatory preparations have been made in Kerala. In addition to their regular functions, the responsibilities of the WCs in Kerala include the recruitment of volunteers to work on social welfare programmes, as well as the provision of assistance in the identification of beneficiaries for the purpose of the implementation of welfare and development programmes. In the state of West Bengal, primary tasks of WCs include the identification of issues and the prioritising of those issues; the supervision of municipal works; the monitoring of unlawful constructions; and the recommendation of appropriate disciplinary actions. WCs in Bhopal are responsible for all of the responsibilities that are typically handled by municipalities. Aside from their typical activities, the WCs in Karnataka are responsible for the upkeep of health care services, the repair of slums, the issue of licences, birth and death certificates, permission letters for burial or cremation in the grounds, and a variety of other tasks.

Financial Powers of WC:

West Bengal, Madhya Pradesh, and Kerala are the three states that have delegated significant financial authority to the WCs. They have the jurisdiction to hire personnel, approve funding for local development projects and works, and suggest that the municipality take punitive action against persons who don't pay their bills. In the majority of other states, the functions of WCs are limited to advising capacities. In the state of Karnataka, there are strict regulations placed on WCs in order to grant administrative clearance to

construction projects (not exceeding Rs.1 lakh with respect to Bangalore City Corporation and not exceeding Rs.50, 000 with respect to other corporations in a year, subject to availability of funds).

Cities not empowered

Within the structure of the Indian federal government, Indian cities do not have the authority to take on the issues that come along with growing urbanisation. At the outset, the Constitution of India designated the respective state governments as the entities responsible for urban development. The 74th Constitutional Amendment was passed in 1992, and it formally recognised urban local bodies as the third tier of government. It also mandated that state governments transfer to local governments a set of specified functions under the 12th Schedule, assigning to them the responsibility for functions such as urban planning, including town planning; the regulation of land use and construction of buildings, roads, and bridges; the provision of water; public health; and sanitation and solid waste management. As a direct consequence of this, accountability is now placed squarely on the shoulders of urban local authorities, despite the fact that they do not possess either the financial resources or the expertise to plan and govern (a well-known problem; e.g., see Meloche & Vaillancourt, 2015). While the central government of India can only provide strategic leadership, state governments have a significant part to play not only in the transfer of functions, funds, and functionaries but also in the creation of a conducive environment through legislative and institutional change. This is in contrast to the fact that the central government of India can only provide strategic direction. Over the course of the past two decades or more, a number of responsibilities falling under the 12th Schedule have been transferred from the federal government to several of the state governments, but not all of them. Despite this, the majority of state governments continue to be responsible for a variety of extremely vital duties, such as town planning (Panagariya, 2014). Town planning is important because it has the potential to be a strong weapon for efficiently mobilising money to assist meet the expanding investment demands for urban infrastructure. This is one of the reasons why town planning is so important. In addition, certain states include a peculiar provision in their municipal legislation that stipulates that particular functions may be assigned to the local governments by the state government from time to time. This provision prevents unambiguous assignment because it states that specific functions may be assigned to the local governments by the state government. In addition to this, there has been very little movement toward the transfer of officials to the local governments. The majority of the time, municipal functionaries are really state government officials who have been transferred to certain cities by their respective state governments. Concerning funding, the 74th Amendment to the Constitution mandated the establishment of state finance commissions by the state governments. These commissions were tasked with outlining the guidelines for sharing or devolving a portion of the revenue collected by the state government to the local governments (Mathur & Peterson, 2006). It was anticipated that individual states would follow the lead of the Government of India in appointing highly reputed members and chairpersons to the Central Finance Commission, providing technical support to the commission, and accepting its recommendations. This was due to the fact that the Government of India has served as a model for state governments in India (Rangarajan, 2005).

On the other hand, state finance commissions did not live up to the expectations that were established by the Central Finance Commission. They have not confronted the political hostility to devolution that exists at the state level, and as a result, urban local governments have continued to be hampered by a lack of funding and are forced to operate with unfilled mandates. The most recent data that is available demonstrates a decline in practically all of the important financial metrics of empowerment for urban local governments in India, despite the fact that these levels were already rather low (Mohanty, 2016). Only

1.08% of the country's total gross domestic product (GDP) was contributed by total municipal revenues in 2007–2008, and this percentage continued to fall until it reached 1.03% in 2012–2013. In contrast, these percentages stood at 4.5% in Poland, 6% in South Africa, and 7.4% in Brazil respectively (Mohanty, 2016). In the fiscal year 2007–2008, municipal own revenues made up 53% of the overall municipal income. In the fiscal year 2012–2013, however, that percentage had dropped to 51%. Between 2007–2008 and 2012–2013, virtually the same was true for revenue collected from municipal taxes and revenue collected from property taxes. Another area in which India does badly is in ensuring that the transfers of money from state governments to urban local governments are predictable. The extent of disempowerment has reached a point where it is now the responsibility of the state governments in numerous states to pay the wages of the personnel working for urban local governments. In South Africa, the transfers are calculated and publicised at the time of the yearly budget, and over the period of time spanning from 2008–2009 to 2010–2011, local governments got income that fell somewhere in the range of 7.5 to 8.2% of the total revenues generated nationwide (Mohanty, 2016). In addition, the federal government provided grants and loans equaling 40–50% of the whole cost of infrastructure projects in big cities and 60–70% of the total cost in small cities. In China, local governments are permitted to keep 25% of the revenue generated by value-added tax. This translates to around \$4.5 billion in annual revenue for Shanghai, for example (Mohanty, 2016). In Nigeria, city governments receive 35% of the value-added tax, whereas in the Philippines, municipal governments receive 34% of the country's internal income (Mohanty, 2016). In addition to their being a lack of financial devolution, there is also a lack of financial autonomy in terms of both the collection of resources and the establishment of user fees to cover expenditures (Panagariya, 2014). This is a significant source of money for the local government, and urban municipal bodies are at the mercy of the state government because of this. Property tax rates and exemptions are normally established by the state government. In the run-up to state elections, there have been times when exemption limits have been increased and/or tax rates have been cut; for example, in the states of Punjab, Haryana, and Rajasthan. In addition to the need for reforming the property tax regime by establishing a property tax board and improving methods of assessment, valuation, and collection of property tax with the help of geographic information systems and other information technology (IT) tools, there is a general need to add a municipal finance list to the constitution. This list should specify taxes that are exclusively the domain of local governments. This need is in addition to the need for reforming the property tax regime by establishing a property tax board and improving methods of assessment, valuation, and collection. Typically, the state government is required to give its approval for any increase in user charges, even if the purpose of the increase is to pay costs associated with the delivery of public services. The local governments do not have the authority to effectively determine the fees that users are expected to pay. As was mentioned earlier, giving municipal governments responsibility for town planning could be a major instrument that urban local governments can use to unlock land value. This would allow urban local governments to engage in the business of land zoning and developing urban infrastructure within the context of a framework that allows for self-financing (Moonen, Moir, & Clark, 2014). Unlocking the potential worth of land may, in addition to producing cash, serve as an incentive for more effective use of land, which would lead to the development of more densely populated cities. However, the responsibility of urban town planning has not yet been delegated to urban local governments in the majority of states.

The recent discussions between the Government of India and the state governments on the adoption of a goods and services tax (GST), which needs a change of the constitution, have presented a fresh chance for financial devolution. However, as the political system in India makes its way through the final stretch to produce a constitutional amendment for the Goods and Services Tax (GST), there is little inclination on the part of state governments to devolve even a small part of the revenue from the GST to the third tier. This is

because the GST is expected to generate a significant amount of revenue for the central government (Ahluwalia, Kanbur, & Mohanty, 2014). The lack of necessary ability at the level of local government to adapt to the issues of urban planning and administration in the context of a fast changing urban scene is another significant obstacle that Indian cities must overcome. A plethora of brand-new functions, though not completely original ones, have recently been taken up by urban local bodies. E-governance, the formulation of a city development plan, a city mobility plan, a city sanitation plan, and satisfying the several standards that the Government of India has established for the delivery of services are among these. The experience that was gained during the period of 2005–2014 under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), which is a national mission for the renewal and rejuvenation of urban areas, made it abundantly clear that the lack of capacity at the urban local government level was a major constraint in planning and implementing the projects for urban development (see, e.g., Grant Thornton [2011] and the subsection on JNNURM later). The municipal cadres of the state governments will need to be developed, strengthened, and supported in their training in modern tools of urban planning and management, in financial management through accrual-based, double-entry financial bookkeeping and regular audits, and in the use of tools for e-governance. The High Powered Expert Committee on Urban Infrastructure and Services (HPEC, 2011), which was set up by the Government of India in 2008 under the chairmanship of the present author to determine the investment requirements over a 20-year period, 2012–2031, recommended a major capacity-building programme that involved institutional support through schools of urban planning and management. The purpose of the committee, which was chaired by the present author, was to determine the investment requirements over the course of the next 20 years. Both the central government of India and the individual state governments will need to put out significant efforts in order to increase the degree of capability possessed by urban local governments.

URBAN GOVERNANCE IN INDIA

India is the world's most populous democracy and the seventh-largest nation in terms of its total land area. It also ranks as the country with the second-highest population, with 1.2 billion people. The Constitution of India rules over India, which is organised as a federation and has a parliamentary form of government. Individual rights are upheld within the framework of a representative democracy within the context of a republic based on the Constitution. The concept of federalism in India refers to the division of authority between the central government and the individual states. India's structure of government, which has historically been referred to be "quasi-federal" with a strong centre and weak states, has become significantly more federal since the late 1990s as a result of changes in political climate, economic conditions, and social norms. The President of India serves as the country's head of state and is chosen for a term of five years through the electoral college system. The Prime Minister is the most powerful member of the executive branch and serves as the leader of the government. The parliament of India is bicameral, consisting of an upper body known as the "Rajya Sabha" (Council of States) and a lower house known as the "Lok Sabha." Together, these two houses make up the Indian legislature (House of People). The President of India, the Vice President, and the Council of Ministers, which is led by the Prime Minister, make up the Executive Branch of the Indian Government. It is a requirement that every minister who has a portfolio also be a member of one of the chambers of parliament. The 'Rajya Sabha' is a permanent body that is comprised of 245 members who serve periods of six years that are spaced out in a staggered manner. The majority of members of the "Rajya Sabha" are chosen through a process of indirect election by the legislatures of the states and territories.

They are present in numbers that are proportional to the whole population of their state. The 545 members of the "Lok Sabha" are directly chosen in a general election to serve as representatives for their respective constituencies for a period of five years each. There are a total of 28 states and seven union territories that make up India, which makes it a federation. Both the legislatures and the administrations of all of the states, as well as the union territory of Puducherry and the National Capital Territory of Delhi, are chosen through democratic processes. The remaining five union regions are under the direct control of the Center, which has selected administrators to oversee each territory. After that, each state or territory in the union is further subdivided into administrative districts, which are further subdivided into subdivisions, blocks, and eventually villages. The 'Panchayati raj' system of government is one of the very few examples of its kind in the world, and India is one of the very few countries that have it. Literally translated, "Panchayat" means "assembly" of "five (panch) knowledgeable and respected elders chosen and recognised by the local community," and "raj" means "governance" or "government." Historically, these gatherings were used to mediate disagreements between individuals and between communities. Gram (or village) panchayats serve as the fundamental administrative bodies of the 'Panchayati Raj' form of governance, which was developed in India. Panchayati raj is a kind of decentralised government that Mahatma Gandhi was an advocate for. Under this system, each community is in charge of its own affairs. Gram swaraj was the name he used to describe such a vision (Village selfgovernance). During the 1950s and 1960s, a number of state governments in a variety of states decided to adopt it. In addition to this, it was supported by the Constitution of India. When it comes to urban government in India, it was first created in the city of Madras (now known as Chennai) in 1687, followed by the cities of Calcutta (now known as Kolkata) and Bombay (now known as Mumbai) Municipal Corporation in 1726. The Constitution was amended for the 74th time in 1992, and as a result, three different types of Urban Local Bodies (ULBs) were established. These include:

- Municipal Corporation or Nagar nigam.
- Municipality or Nagar palika.
- City council or Nagar panchayat.

Within the context of the larger administrative structure, ULBs represent the third level of government. It is the system of government that is most directly accountable to the people. Therefore, the task of administering the plan at the local level, which is financed both by the state and by the federal government, has been delegated to the ULBs. There are three different kinds of ULBs, and they are all sorts of state government entities. Municipal Corporations are responsible for providing services to urban centres with populations of one million or more residents. Municipalities provide services to urban areas with populations of more than 100,000 people but less than one million, and city councils provide services to urban centres with populations of between 30,000 and 100,000 people. Municipal Corporations and municipalities are examples of bodies that are entirely representational (elected), whereas city councils are examples of bodies that are either totally or partially nominated. Once every five years, there is an election for the people to determine who will serve as their municipal government. In India, the state governments have given the local units of government (ULBs) various duties, both mandatory and discretionary, to do. The following are the primary purposes of discretion:

- public health (water supply, sewerage and sanitation, drainage, eradication of communicable diseases)
- social welfare (education, family planning, nutrition, recreation and public amenities).
- regulatory functions (municipal regulations, public land protection, birth & death registration).

- public safety (street lighting).
- infrastructure (inner city roads, service lines).
- development activities (markets, commercial complex).

In addition to the responsibilities that have been mentioned, the obligatory functions of the ULBs are as follows: to create an effective, responsive, democratic, transparent, and accountable local governance framework that promotes responsiveness and accountability; to provide responsive policy guidance and assistance to sub-national entities to strengthen the legal, fiscal, economic, and service delivery functions; to protect the environment; and to promote responsiveness and accountability. The scope of tasks that fall within the purview of ULBs might change depending on the legislative concordance of India's various state governments. Some of the states have adopted the 74th Constitutional amendment as their municipal act, while others have altered their municipal statutes in response to the 74th Constitutional amendments. Both approaches are valid. In general, development authorities, City Improvement Trust (CIT) perform development activities. These agencies also participate in financially lucrative projects such as commercial complexes, marketplaces, and the like. The actions that take place in the housing sector are started by the state housing boards. Therefore, in the vast majority of instances, the only responsibility that has been assigned to ULBs is that of providing urban services, such as waste collection and disposal, water supply and drainage, street lighting, the building and maintenance of roads, and so on. The local governments of the ULB level get significant financial support from the national government. The money is distributed in accordance with a variety of plans and programmes. In the context of a certain programme or scheme, the state government and each separate ULB are obligated to provide the remaining portion of the total funding amount. In most cases, the monies are distributed throughout the course of a fiscal year in the form of four separate instalments. The disbursement of the funds is contingent on the central government meeting a number of predetermined requirements. The most essential of them are the submission of "Utilisation Certificates" (UCs) for the previous payment and the requirement for the release of the cash that will be used for the subsequent instalment. The state government is required to send UCs within 15 days of the subsequent money release once they have been approved.

Table 1: Amount Allocated by Previous Finance Commissions (FCs) & Amount Drawn (Source: Ministry of Finance, Government of India)

Commission	Amount allocated				Amount drawn	
	PRIs**		ULBs***		PRIs**	ULBs**
	Indian Rupees (10million)	USD (million)	Indian Rupees (10million)	USD (million)	(%)	(%)
*FC-X (1995-2000)	4380.93	970	1000	220	66.46	83.39
*FC -XI (2000-2005)	8000	1770	2000	440	82.52	87.59

*FC – XII(2005-2009)	18000	4000	4500	990	92.58	89.43
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* FC – Finance Commission

**PRIs – Panchayati Raj Institutions.

*** ULBs – Urban Local Bodies.

REFORMS IN URBAN GOVERNANCE

The objective of achieving "inclusive growth" in India was the primary focus of the eleventh planning commission of India (2007–2012). The term "inclusive growth" indicates a fair distribution of resources, with advantages and opportunities accruing to all part of society, according to the fundamental meaning of the term itself. However, the distribution of resources must to be centred on the anticipated advantages over the short and long years, as well as the economic links between major populations and regions. The term "inclusive growth" refers to an economic strategy whose objective is to jumpstart a development process that will result in an all-around improvement in the quality of life of the population, with a particular focus on the plight of the underprivileged, the historically disadvantaged, the members of minority groups, and women. An environment in which the economy is significantly more interwoven into the global economy is required in order to accomplish the expansion. It is possible to enjoy certain benefits while also facing some difficulties. When seen in this light, decentralisation and devolution become the buzzwords for urban changes in India for a considerable amount of time. The 74th amendment to the Constitution of India, which decentralises the strategic level of government and fosters participatory democracy, was the fundamental building block for the urban reforms that were implemented in India. The following are some of the most important aspects of the 74th amendment to the Constitution:

- to provide urban local bodies (ULBs), which are given elected councils and make up the third tier of government after the state and the federal governments, constitutional status. The first two tiers of government are the state government and the central government.
- to facilitate the participation of women and members of socially disadvantaged groups through the allocation of reserved seats (one third for women, and for the scheduled castes & scheduled tribes, in proportion to their demographic weight in the population of the corresponding constituency).
- to transfer responsibility (for urban development) to the ULBs, particularly the provision of urban infrastructure and services, as well as the mobilisation of the necessary financial resources, which can be accomplished through the collection of taxes, the issuance of bonds, or the solicitation of private, national, and international investments.
- to enable the establishment of ward committees for the purpose of addressing local concerns. Ward committees are committees at the level of municipal constituencies that are comprised of elected members, municipal officers, and representatives from the civil society.

The main efforts to implement the Constitutional amendment is to achieve India's proclaimed target of 'inclusive growth' with decentralization of the municipal governance, financial regulations, bureaucratic and administrative transparency in rules and decision making process, civic body engagement, embolden women participation, municipal management and capacity building.

Decentralization of ULBs

Even though the Constitution's 74th amendment has been in effect for close to twenty years, the majority of states have not yet put any of the amendment's provisions into practise. This is primarily the result of a sluggish process of fiscal and administrative decentralisation that preceded the devolution of political power. The revisions do not explicitly delegate any functions or financial authority to the ULBs, preventing them from functioning as an independent institution of government. The Indian administration took the necessary steps to functionalize the institutional framework to foster ULBs and urban governance in order to achieve the ambitious growth that was coupled with the 74th amendment of the constitutional vision. This was done in order to achieve the vision that was contained in the constitution. The transfer of specific powers and municipal obligations, as well as the devolution of administrative, financial, and constitutional power to the ULBs, are all part of what is meant by decentralisation. Decentralization provides the local units of government (ULBs) with the authority they require to carry out democratic decision-making processes. In order to accomplish the objective of decentralisation, there are three distinct levels of procedure that are involved. First, there should be a movement of functional and financial decentralisation from the national government to the state governments, and then finally to the local governments. Second, the devolution of power from a ULB to the wards that it governs. Thirdly, decentralisation, which is inclusive of both community groups and many stakeholders in the society. When used to a local setting, the term "decentralisation" connotes the complete involvement of citizens.

Reforms of municipal finance

It has been noted, over the course of many years, that the money that have been designated for the ULBs have not been pulled and utilised to the fullest extent possible. The failure of state governments to provide UCs is the principal contributor to this predicament, and it is largely responsible for its severity. This incompetence on the part of the states may be linked to the fact that the ULBs do not maintain their accounts and have a lax attitude when it comes to the auditing of their accounts on a regular basis. Another factor is that it is difficult for state governments and ULBs to raise funds owing to budgetary shortfalls in their respective jurisdictions. Property taxes, utility bills (which include taxes on water), advertisement taxes, and other taxes are the primary sources of revenue for the ULB's own earnings, other than grants. The national government has implemented a number of changes in order to strengthen the municipal financial system.

- The Ministry of Urban Development and Poverty Alleviation found that the expenditure on ULBs in 2007-2008 was 1.54% of GDP, which is actually a decrease from 1.74% in 1998-1999. This information was discovered by the Ministry. They recommended to the government that the amount of money spent on ULBs should be at least 5% of the total GDP. During the period between 2005 and 2012, it is anticipated that all urban regions would require a total of 175 billion USD in funding.
- The Finance Commission (FC) placed a strong emphasis on the administration of their databases for their resources, operations, and financial performance indicators. The panel also found that improving appropriate administration would make it possible to conduct frequent audits of accounts and would contribute to the reduction of central funds that were not put to their intended use.
- The Financial Crisis Inquiry Commission also suggested conducting an investigation of the accounting heads that are used in the process of transferring funds to local entities.
- The removal of barriers in order to expedite the process of the state government filing a "Utilisation Certificate" in order to facilitate an easier flow of funds from the central government.
- A tax exemption for municipal bonds issued by ULBs in order for them to develop their own sources of revenue. The Ahmedabad Municipal Corporation was looking to collect INR 1 billion (about USD

222,000) from the capital market in order to partially finance a water supply project, therefore they issued Asia's first ever historic municipal bond.

- The federal government implemented a fresh push for the mobilisation of urban infrastructure by permitting state governments to participate in a pooled finance development fund (PFDF). Through proper capacity training and financial structuring, the Public Facilities Development Fund (PFDF) aims to accomplish its mission of facilitating the development of bankable urban infrastructure projects.
- The promotion of the National Urban Infrastructure Fund (NUIF) as an alternative to the Private Foreign Direct Investment Fund (PFDF) in order to facilitate funding for bankable projects. Due to the inability of ULBs to pay their debt obligation and a lack of experience to manage financially viable urban infrastructure projects, commercial banks are typically unwilling to lend money to urban local governments (ULBs). The NUIF will function as an SPV, which stands for "Special Purpose Vehicle," and it will be responsible for establishing the requisite degree of comfort among the financial institutions about repayments.

Recommendations:

1. There shall be a police station for every panchayat or group of panchayats containing a population of approximately 25,000 people, and they should be entrusted with functions such as traffic regulations, patrolling, controlling offences of a minor nature, prosecution of offences of a minor nature, public nuisances, etc., and they shall operate under the authority of the local government. 2. There shall be a police station for every panchayat or group of panchayats containing
2. The local courthouse and the local police station should be on the same physical premises.
3. The investigation of criminal activity is to be divided off into its own autonomous division that will operate as a quasi-judicial agency directly under the supervision of the legal system.
4. The division of the police that investigates crimes should be totally and indefinitely separated from the other divisions of the force, and there should be no promotions or horizontal transfers between the divisions.
5. The State level force will continue to be responsible for riot control, the security of state property, the security of significant citizens, and intelligence collection. This force will be answerable to the political executive and will be overseen by the overall legislative body.

CONCLUSION

Self-governance is the driving force behind effective urban governance. Consider the city of Shanghai. Everything, from transportation and water supply to law enforcement and the international airport, is under the jurisdiction of the local administration. The Mayor of India, Boris Livingstone, is in charge of all aspects of the city, including the police and fire departments. It is common knowledge that either Mayor Giuliani or his successor, Mayor Bloomberg, in carries with them a tremendous amount of authority and responsibility. Even in India hardly a single day goes by without the decisions of the Rajasthan of a city and his council being reported in the country's major newspapers. Compare and contrast this with our urban areas. How many of us are familiar with the identities of the mayors that serve in any of our cities? Who in our communities speaks up on behalf of the entire city as opposed to just a portion of it? Which organisation, exactly, is in charge of the way the whole city will develop in the future? Urban local governments are in many ways the most hospitable institutions to promote reform. This is due to the specificity of their functions, their own resources and budgets, constant public pressure creating demand for improvement, and a wide range of departments all functioning under the unified control of the elected

council or mayor. The current position and reality, however, is that the right hand is unaware of what the left hand is doing. This has resulted in a traditional system of alibis, in which everyone has the capacity to make our life difficult, but no one is held accountable for their actions.

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