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## **Institutional Aspects of Urban Governance**

ABHIJIT DATTA

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### I HISTORICAL BACKGROUND

An exploration into the urban institutional system within the political arrangements of governance reveals a close linkage between constitutional development and the growth of municipal institutions in India. Madras received its municipal charter as early as 1687 and municipal institutions outside the Presidency cities were created from 1842 onward; it was only after the 'Mutiny' of 1857 that the British began seriously to think about the large-scale municipalization of the country—partly to relieve the imperial exchequer—so that by 1870 there were about 200 municipalities throughout British India (Tinker 1954).

However, Indian enthusiasm in this respect was limited, in spite of the famous Ripon Resolution of 1882 that emphasized political education even at the cost of efficiency in local government. From the nationalists' point of view, local self-government was meaningless without political participation at the higher levels of governance; whereas the British officials in India resisted all attempts to free the local authorities from the apron-strings of district administration.

Following the Montagu-Chelmsford Report, under the Government of India Act, 1919, municipal institutions were finally released from the control of the district officers and the Indian political leadership became more enthusiastic about municipal affairs. However, with the grant of provincial autonomy under the Government of India Act, 1935, the interest of Indian nationalists in municipal affairs waned, and political participation in the provincial legislatures took the centre-stage of Indian politics. A similar shift of political attention at the national level took place after Indian independence in 1947, with adverse consequences for both federalism and local government in India. Politically, therefore, municipal institutions were important for a brief period of only 16 years between 1919 and 1935. Their political eclipse became complete with the rise of statism during the four-and-a-half-decades of the post-independence era, until the passage in 1992 of the constitutional amendments by the Indian Parliament, which accorded

constitutional status to local governments under a liberalized economic regime. As in the past, major reform of local government is still being initiated by the central government rather than by the States within which local governments operate under the Constitution.

## II GOVERNANCE IDEOLOGY AND INSTITUTIONS

### **Political Goals**

The political basis of urban institutions in India was rooted in English 'utilitarianism', reflected particularly in the writings of John Stuart Mill on 'local representative bodies' (Mill 1861). According to Mill, one of the main reasons for having local government was 'public education of the citizens'. The same thinking is traceable in the Ripon Resolution of 1882 which envisaged 'the small beginnings of the independent political life' through the introduction of local government to replace 'the more autocratic system'—the district administration.

Later, the Decentralisation Commission (1909) recommended the elimination of official control over municipal bodies. This was supported by the Montagu-Chelmsford Report (1918) which laid stress on the educative principle, and extended franchise and popular control in local bodies. It conceded that the origin of district administration in India was an imitation of the 'quasi-military' organization of the Moghul empire and as such was incompatible with the British concept of local government (U.K. 1918).

The same idea was elaborated by the Simon Commission (1930), which contrasted the British and the French patterns of local government. In the former, government is decentralized and local governments form a detached system; under the latter, government is deconcentrated and local governments are attached to the central government through its field administration. Second, under the decentralized system, local government has a will of its own; while under the deconcentrated variety, local government is informed by a single will of the state.

Prior to the 1919 reforms, local self-government in India essentially belonged to the continental variant (U.K. 1930). After the reforms, only municipal government in India was detached from the district administration and rural local government continued to function on the French type of local administration. According to a perceptive commentator, the contemporary confusion on the role of local

government in India stems from a lack of clarity about the concept of local government so precisely stated during the colonial era (Bhattacharya 1972).

Recently, a revival of interest in local government parallels a shift in the political ideology of the country, in the wake of economic liberalization initiated in 1991. Efforts to accord a constitutional status to local government started in 1989, but was finally legislated through the seventy-third and seventy-fourth Amendments to the Constitution in 1992—one for rural local government (panchayat) and the other for municipal government. Both the amendments are similar in conception, design and broad contents. The important aspects of the seventy-fourth Amendment are: (a) regular conduct of elections and limited period of supersession, (b) political representation and reservation of seats for the weaker sections, (c) proposed devolution of functions, and (d) arrangements for adequacy of finance through fiscal review, assignment of revenue authorities, and fiscal transfers. The bill also indicated the moribund nature of municipal affairs as follows:

In many states local bodies have become weak and ineffective on account of a variety of reasons, including prolonged supersessions and inadequate devolution of powers and functions. As a result Urban Local Bodies are not able to perform effectively as vibrant democratic units of self-government. (India 1991)

### **Institutional Reality**

The institutional reality of urban governance in India stands in sharp contrast to the lofty idealism of utilitarian philosophy. Colonial urban policy, as identified by Oldenburg, was designed to ensure the security and salubrity of the ruling class by an elaborate system of political control of all urban public institutions (Oldenburg 1984). These institutional objectives in the national capital territory of Delhi, which replicates the governmental arrangements in other urban centres of the country—albeit in a highly concentrated form—are summarized in Table 1. It will be noticed that the colonial authoritarian structure of urban governance is being continued even in the post-independence period. Such a form of governance is intolerant of any political opposition to the regime that is largely urban-based. Consequently, political power-sharing with decentralized urban institutions is resisted in a seemingly multi-level polity.

The only exception to the situation seems to be the management

system of Calcutta and Howrah municipal corporations with their cabinet-type municipal executives in the town halls and multi-party borough committees at the zonal level (Mukhopadhyay 1984, pp. 117–29). Whether this arrangement will survive in the event of different political parties controlling the state and municipal levels in Calcutta and Howrah remains to be seen.

### III INSTITUTIONAL STRUCTURE AND PERFORMANCE

#### **Typology**

Municipal institutions are set up in designated urban areas as defined by the census and also in areas of special importance as decided by appropriate government authorities. The census criteria for an urban area covers: (i) population size of 5000, (ii) population density of 400/per km<sup>2</sup>, and (iii) 75 per cent of the adult male population to be engaged in non-agricultural occupations. However, some state governments require an adequate level of potential income in the municipal authority to be created and also specify a higher level of population size.

On the other hand, there are no criteria to determine areas of significant urban characteristics such as temple towns, pilgrimage and tourist centres, rapidly industrializing areas and military stations. The small towns are covered under the discretionary criteria of urban settlement until these reach the required population threshold of about 10,000 for municipalization with fully elected councils. Again, when a municipal area reaches about 300,000 population it is generally considered fit for being accorded municipal corporation status. The distinction between a municipal council and a municipal corporation mainly rests in their different executive structure; and also in terms of their functional areas, tax powers and nature of state control.

The seventy-fourth Amendment now specifies the categorisation to be limited to three: (a) transitional urban areas will have town councils (*nagar panchayat*), (b) smaller urban areas would have municipal councils, and (c) larger urban areas would be covered by municipal corporations. The State governments would decide the criteria for different types of municipal institutions. In addition, it would be open to constitute industrial townships outside these three categories which need not be elected bodies. The position of the cantonments are left

Table 1. Public Institutional objectives in the National Capital Territory of Delhi

Colonial Public Institutions	Security		Salubrity		Control	
	Colonial	Post-Colonial	Colonial	Post-Colonial	Colonial	Post-Colonial
<ul style="list-style-type: none"> <li>• Cantonment Board (military station)</li> </ul>	<ul style="list-style-type: none"> <li>•To provide security to the ruling elite in the adjoining capital enclave democratic</li> </ul>	<ul style="list-style-type: none"> <li>•To assist civil power when requested, although poses threat to the native civilian government</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure the special health needs of the Indian troops and to keep them away from population</li> </ul>	<ul style="list-style-type: none"> <li>•Being continued, although the original objectives are no longer sustainable  cantonment</li> </ul>	<ul style="list-style-type: none"> <li>•To create a nominated local authority primarily for the civil area within the chairman</li> </ul>	<ul style="list-style-type: none"> <li>•Being continued as part of an all-India policy, now it is partly elected with an ex-officio</li> </ul>
<ul style="list-style-type: none"> <li>• New Delhi Municipal Committee (capital city)</li> </ul>	<ul style="list-style-type: none"> <li>•To create a capital city which is physically separated from the old city and is easily defendable</li> </ul>	<ul style="list-style-type: none"> <li>• Being continued, but road linkages improved</li> </ul>	<ul style="list-style-type: none"> <li>• A cordon sanitaire between Old Delhi and New Delhi created through open spaces and zoning restriction</li> </ul>	<ul style="list-style-type: none"> <li>•Being continued, although open spaces are getting reduced</li> </ul>	<ul style="list-style-type: none"> <li>•To create a nominated local authority for ensuring central control</li> </ul>	<ul style="list-style-type: none"> <li>•Being continued: now half of the committee members are nominated from the general public with an official president</li> </ul>
<ul style="list-style-type: none"> <li>• Delhi municipal Committee (old city)/Municipal Corporation of Delhi (entire territory, excluding the military station and the capital city)</li> </ul>			<ul style="list-style-type: none"> <li>• Municipal Committee created for the old city to levy local taxes and for providing local civic services</li> </ul>	<ul style="list-style-type: none"> <li>•Municipal Corporation with enhanced powers of local taxation and functions: territory wide services largely under the corporation</li> </ul>	<ul style="list-style-type: none"> <li>•Elected body control exercised by the Dy: Commissioner (district officer) under the central government</li> </ul>	<ul style="list-style-type: none"> <li>•Being continued but all administrative control exercised by the Administrator-government appointed municipal executive as in rest of India</li> </ul>
<ul style="list-style-type: none"> <li>• Delhi Improvement Trust (old city)/Delhi Development Authority, Delhi Urban Arts Commission (entire territory, but effectively excluding the military station)</li> </ul>			<ul style="list-style-type: none"> <li>• Improvement Trust to decongest the old city</li> </ul>	<ul style="list-style-type: none"> <li>•Improvement Trust replaced by the Development Authority to develop the territory</li> <li>•DUAC created to preserve the architectural and garden city character of the capital enclave</li> </ul>	<ul style="list-style-type: none"> <li>•Under the central government: public land ownership to strengthen planning regulations and exclusive land use in the capital enclave</li> </ul>	<ul style="list-style-type: none"> <li>• Being continued</li> </ul>

unaffected by the seventy-fourth Amendment. Two problems remain unsolved in this context: (a) the justification for executive differentiation between the municipal councils and the municipal corporations, and (b) the democratization of the cantonment boards in future.

Apart from municipal institutions, the Indian urban scene is cluttered up with a host of para-statal and departmental agencies dealing with urban services, in addition to the general regulatory activities through the police and district administration, so much so, that the substance of urban governance really lies with the State government, rather than in the municipal institutions. Jones explains this phenomenon from his case study of Indore city politics:

The bulk of the important decisions affecting the city's political destiny are made externally, at higher levels of politics. In fact, the governance of the city ..... is essentially by the state government. (Jones 1974, pp. 363)

TABLE 2. Jurisdiction and Ownership of Special Authorities within Metro-Areas

Function	Delhi	Calcutta	Madras	Bombay
1. Water and Sewerage	UT (L)	M (S)	S (S)	S (S)
2. Bus transport	UT (N)	M (S)	M (S)	L (L), S (S)
3. Suburban railways	UT (N)	M (N)	M (N)	M (N)
4. Electricity	UT (L,N)	M (S), S (S)	S (S)	L (L), S (S)
5. Town planning	UT (N)	M (S)	M (S)	L (L), M (S)
6. Area development	UT (N)	L (S), M (S)	M (S)	M (S), S (S)
7. Housing	UT (N)	L (S), S (S)	M (S)	M (S), S (S)
8. Slum improvement	UT (N)	M (S), L (S)	S (S)	S (S)
9. Telecommunications	M (N)	M (N)	M (N)	M (N)
10. Industries	UT (UT)	S (S)	S (S)	S (S)

SOURCE. Datta and Chakravarty (1981)

NOTE. Outside notation indicates jurisdiction, notation within brackets indicate ownership.

L – Local, M – Metropolitan, UT – Union Territory, S – State,

N – National



An example of jurisdiction and ownership of special authorities in India's four metro-areas is presented in Table 2. Admittedly, the metropolitan areas are somewhat atypical of the urban institutional scene. In the smaller cities and medium-sized towns the municipal institutions would be responsible for a much wider range of urban services, but for existence of improvement trusts and the functioning of state-wide para-statal. Likewise, the smaller towns would be covered by the district-centred para-statal and state functional directorates operating through the district administration. Two issues appear important in this context: (a) depoliticization of urban development, and (b) extension of State functional domain.

The colonial distinction between local development and maintenance that gave birth to the urban improvement trusts and municipal statutory functional committees, was actuated by an altruistic bureaucratic belief in depoliticized urban development. After independence, this idea received additional support from the ruling politicians at the state and central levels through the perpetuation of non-representative development and functional authorities on grounds of their constitutional prerogative. This is what is termed by an analyst as the 'sovereignty trap' in describing the Indian urban political scene (Norman 1976).

The absurdity of the idea was challenged thus:

The argument that the local government bodies are political institutions and, therefore, not to be relied upon might have been valid in the heyday of improvement trusts before Independence but smacks of absurdity in the present context. (Datta 1974, pp. 120)

It was also pointed out that avoidance of municipal politics will only overload state politics where the issues may not be relevant:

Even if municipal politics is avoided by creating special purpose bodies the new organizations will soon get enmeshed in another style or level of politics. The great problem in a vast metropolitan community is not to avoid politics, but to have an arrangement of government through which political forces find meaningful expression. (Bhattacharya 1978, pp. 40)

Growth of functional para-statal and departmental agencies for urban services is also due to the desire of State functional departments

to create their exclusive domain, which is insulated from general government control by patron-client relations between the parent department and its dependent agencies. The idea that these authorities are not hemmed in by bureaucratic procedures would be generating additional functional resources, would enable induction of 'experts' and would be 'autonomous' in taking decisions, are all myths of public institutional development. The real purpose seems to be to widen the power domain of special functional interests at the cost of general government at the State and field administration levels, thus creating subsequent problems of resource allocation, personal management and institutional co-ordination (Datta and Chakravarty 1981).

### **Municipal Functions**

Following the British practice, municipal bodies possess legally delegated specific powers and functions under the doctrine of ultra-vires (Dillon's Rule) limiting local choice and diversity. The German doctrine of 'general competence', on the other hand, allows local authorities to undertake any activity that is not expressly reserved for the higher levels of government under legal or constitutional provisions. The earlier municipal legislations contain a residuary clause allowing them to promote the state health, sanitation, education, culture, welfare or convenience of the inhabitants of the municipality" (e.g. Bengal Municipal Act, 1932, Section 108) that would virtually cover the entire range of state list functions enumerated in the Constitution (Datta 1982).

Although in a constitutional sense all local functions are concurrent in nature, the process of legal delegation was expected to create an autonomous local authority. In practice this has not happened in India as, even when functions are expressly delegated to the municipal authorities, the state governments intrude into the municipal domain through parallel legislations or executive decisions to operate in the same functional area ('sovereignty trap'). Only in regard to such minor functions as disposal of the dead, or maintenance of cattle pounds, have the states not as yet shown any active interest (Datta 1984). This implies that although the system of functional delegation formally follows the British practice 'the unlimited encroachment into the municipal domain by the states approaches the Soviet system' (Datta 1984, pp.21).

TABLE 3. State-Municipal Functional Allocation

Constitutional Entries (Schedule 7)		Actual Functions	Functional Allocation	
			Existing (Schedule 7)	Proposed (Schedule 12)
II/1	Public order	• Fire services	mS	7M
II/6	Public health and sanitation; hospitals and dispensaries	• Public health, sanitation, consrvancy & solid wastes management	Ms	6m
		• Regulation of slaughter houses & tanneries	Ms	18M
		• Dispensaries, primary health centres	Ms	-
II/10	Burials and burial grounds; cremations and cremation grounds	• Burials & burial grounds, cremations, & cremation grounds	M	14M
II/30	Vital statistics, including registration of births & deaths	• Vital statistics, including registration of births & deaths	Ms	16 M
II/11	Education	• Primary education	mS	-
II/13	Communications	• Roads & bridges	Ms	4M
		• City transport	mS	-
II/16	Ponds and the prevention of cattle trespass	• Cattle pounds	M	15 M
III/17	Prevention of cruelty to animals	Prevention of cruelty to animals	S	
II/17	Water, that is to say, water supply, irrigation & canals, drainage & embankments, water storage & water power.	• Water supply for domestic, industrial and commercial purposes	Ms	5M

TABLE 3. Contd.....

Constitutional Entries (Schedule 7)		Actual Functions	Functional Allocation	
			Existing (Schedule 7)	Proposed (Schedule 12)
II 19	Forests	<ul style="list-style-type: none"> <li>Urban forestry, protection of the environment and promotion of ecological aspects</li> </ul>	S	8M
II 28	Markets and fairs	<ul style="list-style-type: none"> <li>Markets &amp; fairs</li> </ul>	Ms	—
II 33	Works, land & buildings vested in or in the possession of the state	<ul style="list-style-type: none"> <li>Property vested in or in the possession of the municipalities</li> </ul>	Ms	—
III 20	Economic and social planning	<ul style="list-style-type: none"> <li>Planning for economic &amp; social development</li> </ul>	S	3M
III 23	Social security and social insurance, employment and unemployment	<ul style="list-style-type: none"> <li>Safeguarding the interests of the weaker sections of society, including the handicapped &amp; mentally retarded</li> </ul>	S	9M
		<ul style="list-style-type: none"> <li>Poverty alleviation programmes</li> </ul>	S	11M
II 33	Theatres and dramatic performances entertainments & amusements	<ul style="list-style-type: none"> <li>Promotion of cultural, educational &amp; aesthetic aspects</li> </ul>	mS	13M

SOURCE: Datta (1992a)

M – Municipal, S – State. Capital letter indicates major responsibility, small letter indicates minor involvement

In spite of the long list of functions contained in the municipal legislations, the major functions that the municipal authorities actually handle are: (i) public health and sanitation, (ii) water supply and drainage, (iii) public works and roads, (iv) primary education, and (v) health clinics and maternity homes. Other functions are relatively minor or incidental to these main responsibilities. The usual practice is to divide the state functions into various sub-functions and delegate

some of these to the municipalities, sometimes retaining their development component and delegating only the operation and maintenance tasks. It is also a common practice to divide municipal functions into obligatory and optional ones. In practice this has only an accounting significance for maintaining an active list of the obligatory functions, since it is impossible to lay down objective standards of performance of the municipal regulatory, house-keeping and civic functions (Datta 1992).

We now turn to the constitutional design and operative aspects of state-municipal functional allocation as detailed in Table 3. It will be seen that the municipal bodies derive their functions not only from the State list (list II), but also from the concurrent list (list III) of the Indian Constitution (7th Schedule). The 12th Schedule under the seventy-fourth Amendment seeks to widen the municipal operative sphere into three new areas: (i) economic and social planning, (ii) care of the weaker sections, and (iii) poverty alleviation. On the other hand, municipalities are not being encouraged to widen their human development activities, especially in primary health care, nutrition, elementary and primary education and personal social services. The main thrust of the 12th Schedule seems to be to re-orient the municipalities from their earlier preoccupations with public health and sanitation to water supply, roads, physical planning and environmental control and shelter-related activities—a bias originating from the Central Ministry responsible for drafting the functional list.

### **Territoriality**

Big city governance in India encounters two types of areal problems: (a) decentralisation of city services, and (b) performance of metropolitan tasks. In both these directions the seventy-fourth Amendment seems to have broken new ground. What distinguishes the seventy-fourth Amendment's approach to the areal problems of large cities is its recognition to relate these to the existing local representative municipal councils and the future emergence of joint authorities to tackle metropolitan tasks.

● *Decentralization in big cities:* The problem of decentralization of big city services arises from the differential access and distribution of community services within the city jurisdiction. In a sense, this is an extension of such differentials between the urban and peri-urban areas

outside the legal city boundaries. Within Indian cities, the central or core areas and the government enclaves (i.e. the civil lines) have traditionally been favoured by the affluent, and municipal services are primarily oriented to these areas owing to rate-payers or elite pressures. As a result, the rest of the city is left with sub-standard quantity and quality of civic services (Misra and Sarma 1979).

Historically, two contrasting approaches were adopted by Calcutta and Bombay to solve this problem. Calcutta always resisted extension of its boundaries to cover the undeveloped suburban areas where smaller municipalities could cater to the specific needs of their poorer constituents. Bombay, on the other hand, extended its boundaries first to its immediate suburbs and then to its extended suburbs. Thus the civic budget is divided between the core city, suburb and extended suburb having 'differential standards of municipal services, with differential taxation' (Datta and Chakravarty 1981). Over the years these differences have narrowed down; Calcutta has extended its boundaries in phases, and Bombay has stopped expanding.

The other problem of inclusion of large rural territory within a designated city area is usually faced when a municipal council is upgraded to a municipal corporation status. But nowhere the problem is as acute as in Delhi where at the time of its incorporation in 1958, nearly 75 per cent of its area was rural—even now about 50 per cent of its area is rural. To extend and upgrade the civic services to reasonable urban standards in the rural areas, the city corporation has to spend enormous sums, both in investments and maintenance for which it is not compensated after a brief initial period. The representation of rural interests within the city corporation also creates anomalies in city governance.

Various attempts have been made by the big cities in India towards decentralisation of urban services (Abhijit Datta; Bappaditya Chakravarty 1981). By and large, these attempts are mainly for bureaucratic deconcentration, rather than towards political decentralisation. Only in Delhi and Madras, attempts were made for involving ward councillors in the zonal or circle committees, but due to long spells of supersessions of Delhi and prolonged supersession of Madras corporations, these experiments could not be worked out. The only example now of big city decentralisation comes from Calcutta and Howrah since the 80s, as was referred to earlier.

The seventy-fourth Amendment has broken new grounds in this direction by mandating for creation of elected ward committees and

zonal committees in the larger cities (with a population of 300,000 and over) and representing their chairpersons in the city councils. In doing so, the elected ward councillors are given primacy in area-level decision-making. Whether this will lead to political conflicts between the town hall and the zonal committees (group of ward committees) remains to be seen. Even if it does, this may be the only way to solve the differential area interests within the larger cities between the core and its suburbs, and also between its urban and rural interests.

● *Metropolitan tasks*: Indian interest in metropolitan development really started in greater Calcutta where the city refused to extend its boundaries to cover the 30-odd riparian municipalities on both sides of the Hooghly river. Even before independence, the Rowlands Committee recommended that '...the Municipalities in the industrial area be amalgamated into groups which will be sufficiently influential and resourceful to ensure a high and uniform standard of municipal services on both banks of the Hooghly. We believe that such amalgamation would result in increased efficiency, and in economy' (Bengal 1945).

The same problem engaged the attention of the urban planners in the mid-sixties when the Basic Development Plan for metropolitan Calcutta suggested that as many as 11 special-purpose bodies be created for planning, water and sanitation, traffic and transportation, housing, slum improvement, area development in three locations, new bridges, parks and recreation and education (West Bengal 1966). The preference for such an array of special authorities was traceable to the State functional interests, and also to the bias of the foreign consultants. How these authorities would sustain themselves on the limited urban revenue base, in competition with the existing multipurpose municipal bodies, did not restrain the planners. Also, the political problems of resource allocation and inter-institutional co-ordination have surfaced in later years whenever such a non-political approach to metropolitan tasks has been attempted through bureaucratic institutions.

The institutional alternatives attempted in the context of metropolitan Calcutta adopted two main approaches, (i) single city approach, and (ii) special authority approach. Within these two broad categories, three more sub-categories were added: single city-annexation, consolidation and joint ventures; special authorities—local, state and metropolitan. The conclusions are worth recounting:

- In any reforms of metro-governmental dimension, a *de novo* restructuring of all public agencies and authorities functioning within the metro area is involved.
- The political climate must be favourable for such a move, both at the State and local levels.
- The benefits of such reform would outweigh the internecine institutional conflicts in the metropolis.
- Once the outline of governmental reforms are clear, the question of fiscal reforms could be taken up.
- In undertaking such reforms, the colonial system of administration, with its attendant tilt in favour of the bureaucracy, needs to be corrected to usher in a system of responsible and responsive political executive at the local and metro levels (Datta 1977).

Later, an examination into the working of the four metropolitan development authorities in India revealed that:

In the fields of urban development, creation of the metro-authorities does raise the expectation of a break from the colonial legacy, here too one could point out a number of strands that are the logical culmination of colonial experimentations and practices.... but almost invariably justified on grounds of national integration, expediency and constitutionalism. (Datta and Chakravarty 1981)

A recent advocacy of the metropolitan view, on the other hand, suggests that there is a need for a purposeful system of metropolitan management to generate data, undertake planning, provide area-wide services, and secure institutional co-ordination, through capital budgeting by a metro-authority (Sivaramakrishnan and Green 1986).

However, this view has come under the criticism that '..... for a "metropolitan" development programme to succeed it may be necessary to initiate a programme of strengthening municipal bodies through their direct participation in development, and deal with some of the critical area-wide problems only selectively at the higher levels of government' (Datta 1987).

Apart from Calcutta, the experience of other metro-cities on metropolitan development might now be briefly touched upon. In Bombay, the earlier policy of city limit extension has recently given way to the constitution of a number of municipal corporations beyond the city limits. As was predicted earlier, '..... the BMC is faced with



the choice of either disintegration or creation of other municipal corporations around its borders (Datta and Chakravarty 1981, pp. 40).

In Madras the suggested solution was:

Assuming that the city corporation area would be kept undisturbed, two possible developments might be envisaged: (a) the entire MMA might conveniently be covered by the revenue district of Madras, thereby making it possible for a single rural district council to function, and (b) the new towns being developed by the MMDA might be accorded the status of municipal townships. (Datta and Chakravarty *op. cit.*, pp. 38)

So far no attempt at local government reorganisation in the Madras metropolis has taken place; this is, in part, to protect the institutional status of the Madras metro-authority.

In Delhi the suggestion was:

If the MCD is shorn of its Territory-wide functions, its internal territorial disparities and contradictions become obvious. The rural areas under its control could be organized as a separate rural government unit. The rest of the urban area might conveniently be regrouped to create a number of homogenous and viable municipal authorities..... (Datta and Chakravarty *op. cit.* pp. 31)

Since local government recognition in Delhi is tied-up with the issue of its political status at its territory level, there is a reluctance to take suitable steps in this direction. It is known, however, that the central government would like to break up the corporation into a number of smaller ones, but without touching the rural areas within the proposed new corporations (Datta 1992b). On the other hand, the political party dominant at the territory level resists the break-up of the corporation for fear of losing the political primacy of the old city (like the city of London) and shifting the locale of political power to the official city (like the city of Westminster). Also, in Delhi, the corporation is the only fully democratic political institution in the entire national capital region and its demise would be opposed on political grounds.

The political aspects of city and metro-authority relationships in these four metro-areas are also instructive. In Calcutta, the metro-

authority went into limbo once the corporation got elected in the early eighties. In Bombay, the metro-authority could not extend its operative jurisdiction within the corporation limits owing to political opposition from the corporation; and in Madras the corporation had to be superseded in the early seventies for the metro-authority to function—an action that still remains to be rescinded. Only in Delhi were the metro-authority and the corporation created at the same time in 1958. The creation of the former was justified on grounds of huge financial outlay, its limited jurisdiction only in designated areas and its temporary nature (Datta and Chakravarty pp. 46). The subsequent working relations between the corporation and the metro-authority in Delhi reflect the political power struggle between the territory and the centre.

At this stage it is worthwhile to mention the provisions of the seventy-fourth Amendment on metropolitan planning and development. It has been provided that all metropolitan areas with a population of one million and over, will have a metropolitan planning committee to prepare a draft development plan, which has to be approved by the concerned state government. The composition of this committee requires at least 75 per cent of its members to be drawn from the municipal bodies and *panchayats* in proportion to their population size, and the rest to consist of representatives of the state and central governments. The authority to act on the approved plan, however, rests in the respective municipal bodies and *panchayats*. The approval process is a mere indication of the commitment of development finance for the plan by the state and central governments.

Therefore, metropolitan development and its subsequent maintenance will henceforth be locally-based, and the existing single-purpose, multipurpose, and district-centred development organisation will undergo a change. At the same time, the capacity of the municipal institutions will have to be strengthened before they are able to substitute the existing state-sponsored, special-purpose institutional setup. Meanwhile, one might predict the future emergence of joint authorities of the local bodies in a metropolis to substitute the existing development and other functional authorities; some of these might like to act as such joint bodies in future, but their accountability would have to be local rather than translocal. One thing, however, is certain, the institutional dinosaurs of India's urban Jurassic Parks will not be the same in the coming decade.

## IV ACCOUNTABILITY IN URBAN GOVERNANCE

**Upward Accountability**

The structural distinction between the British and the French systems of local government have been blurred in operational terms, particularly since the eighties. In reality there seem to be basically two types of local government: one, local government with sufficient autonomy as in all liberal democracies, and two, local government that does not possess effective bargaining power, as in the authoritarian regimes (Regan 1987). There is little doubt that in India local government belongs to the second category in spite of structural differences between its municipal and *panchayat* components.

With regard to centre-local relations in the Third World, three models have been observed: (i) the overcontrolled, (ii) the undercontrolled, and (iii) the perversely regulated (Dillinger 1993). However, their divisions are not so clear cut. For example, municipal institutions of the southern Indian states could be placed under the first category, while those in the rest of India could be placed in the third category, although in matters of unbridled municipal supersession the distinction becomes artificial. Also, the functional overlaps between the state and municipal governments in India would come under the second category.

The Indian variations in State-Municipal relations in institutional and functional terms, in law but more so in practice, could be exceedingly complex, as was revealed in a study of four states with varying attitudes of the state functional departments towards municipal institutions:

Regarding State-Municipal Functional relations, Tamil Nadu and Maharashtra exhibit the common features of an integrative administration, although the general frameworks of State-Municipal relationship in these two States are not the same. In West Bengal, the general framework is liberal; the formal nature of State-Municipal relationship is integrationist; and the actual nature of State attitude to municipal administration verges on a *laissez-faire* policy. Only in Gujrat the general framework of intergovernmental relationship and State-Municipal functional relations strike a unifying note. It will be interesting to observe how in one specific state the different state functional departments conduct their relationships with the municipalities (Bhattacharya 1972).

The suggestion to make a single state study of state-municipal functional relations was made on the lines of a similar study conducted earlier in Britain (Griffith 1969). No such study has since been undertaken in India.

In the wake of centralization of the municipal personnel system, the state machinery for municipal supervision has been strengthened in a number of states through the creation of municipal directorates. Such centralization has had the unfortunate consequence of weakening the role of the executive chairmen of the municipal councils and correspondingly allowing the state governments to control municipal affairs from within. Also, these directorates in some states have been delegated the governmental powers of municipal supervision and control—a power traditionally reserved for the minister in a parliamentary democracy (Bhattacharya 1969b).

With the transformation of the states' erstwhile local government departments into urban development departments, the housekeeping role of states *vis-a-vis* municipal authorities has assumed an anti-municipal stance owing to their conflict of interests. In such a situation, it might be desirable to revert to the earlier arrangement of locating local government supervision responsibilities in a state housekeeping department, as in the case of the central home ministry dealing with centre-state relations (Datta 1980). The differences in the functional lists under 11th and 12th Schedules would then disappear and a uniform policy towards local government might emerge. Whether this will result in the unification of the local government system, as advocated earlier (Bhattacharya 1969a), will depend on the future of district administration in the country (Datta 1989).

### **Local Accountability**

The degree of institutional autonomy of municipal authorities may be gauged by the extent of their accountability to the local electorate. From this angle, the official centred executive in the municipal corporations negates local accountability and, therefore, institutional autonomy. This was forcefully expressed by the West Bengal minister while piloting the new Calcutta Municipal Corporation Bill in the State Assembly which provided for a municipal political executive:

Sir, the first requirement in a democratic society is that government, whether central or local, would be accountable to the electorate. One wonders how a local government which exists in name only and whose major powers and functions are statutorily assigned to a non-elected individual, no matter how dedicated he may be, can pass the acid test of accountability. (Calcutta Corporation 1980)

Since municipal management structure was left untouched by the seventy-fourth Amendment, it is difficult to see how mere democratization of the municipal councils and ensuring regularity of their elections could ensure local political accountability. Strengthening of municipal finance through the finance commission mechanism would presumably improve municipal effectiveness in the provision of urban services, but this would not ensure sensitivity to electorates' needs.

An alternative to local political accountability is to permit market forces to operate in the provision of municipal services so that the consumers may ensure market accountability in terms of their revealed preferences (Paul 1991). However, such a market solution is possible only in respect of purely private goods provided by the municipal authorities—an extremely limited option in India. Most of the municipal services are either public or merit goods where only the delivery system could be altered through partnerships with non-governmental organisations or the private business sector. But if the major responsibility for the provision of urban services lies outside the municipal sphere this privatisation of major urban services must also start at the state level. Apart from solid wastes management, other municipal services are not quite suitable for such competitive ventures.

#### V CONCLUSION

The following conclusions may be drawn from this study:

In the first place, it seems that the colonial mind-set is still dominant in the post-independence period among the bureaucracy and in the State governments. They prevent substantive changes towards decentralization in urban public institutions such as, the cantonments, district administration, improvement trusts/development authorities, and states' functional boards. The impact of economic liberalization and the changes envisaged under the seventy-fourth Amendment are yet to be felt in the municipal sphere.

Again, it is necessary to understand the *raison d'être* of the 73rd and seventy-fourth Amendments even in a limited federation such as India which seeks to empower both the central and local governments to promote participative democracy at the grass-root level. In future, the States are likely to be sandwiches between conditional central assistance for local government and political demand for greater decentralization from the newly elected local representatives. Therefore, even if the scope and contents of the seventy-fourth Amendment are somewhat modest in terms of decentralization, the unfinished tasks are likely to be resolved in the local political arena. As a reaction, this will generate pressures for structural changes in Indian federalism as well.

Finally, formal urban institutional reforms need to be matched by corresponding changes of their instrumentalities, that is, in the colonial bureaucracy in terms of its structuring, accountability, and exit policy. Similarly, the introduction of management incentives in municipal governments may have limited success so long as the overprotected colonial bureaucracy does not operate in a competitive organizational environment at all levels of government.

In short, despite recent conferment of constitutional status to Indian municipal authorities, the prevailing ethos and instrumentalities of urban governance in India continues to reflect patrimonialism which is inimical to the emergence of a civil society within a decentralized polity.