

## **Metropolitan Governance in India**

Notes from a presentation by Dalbir Singh

### **Background**

- During 1901-2001 Urban population increased from 30 million to 300 million (28%) accompanied by radical demographic changes.
- With 5200 towns, India's metro cities (more than one million) grown in two decades from 23 to 35 and metropolitan cities (more than 10 million) from 4 to 7.
- Mostly metropolitan cities are agglomerations of many local bodies with independent jurisdiction within spatially contiguous urban growths.
- Interdependencies amongst urban and rural entities manifest in economic linkages among establishments such as commutation, social interaction, markets, sharing of environmental resources and infrastructure transcending individual spatial jurisdictions
- Functional and social linkages call for integrated planned development and coordinated delivery of urban services and complex organizational collaborations

### **Recent Initiatives towards Reform**

- Mediocre delivery of services by Municipalities because of population explosion and Rural to urban migration led to emergence of Urban Development Authorities in the 1980s as special purpose vehicles with different governance structure and mandate to enhance efficiency.
- However adequate emphasis was not laid down on creating coordinating institutions with a larger jurisdiction and to allow these organizations to take care of regional planning and development issues.
- Through Landmark 74<sup>th</sup> Constitutional Amendment, 1992, Urban Local Bodies received constitutional recognition as the third tier of governance providing political, functional and financial empowerment at the grass root level with specific jurisdiction on 18 items of welfare and developmental functions.
- Act also provided for formation of metropolitan committees for individual metropolitan areas comprising of two or more municipalities, District Planning

Committees and Ward Committees for Municipalities with more than 3 lac population.

- Recognizing the strategic importance of metropolitan cities as dynamic engines of economic growth, some states have responded positively to create, constitute, and function the MPC in the spirit of CAA, 1992.
- Scope also exists for improving metropolitan urban governance by establishing metropolitan authorities or by expanding the jurisdiction of already existing urban development authorities and by enhancing their role.

### **Governance Structure in Delhi**

- National Capital Territory- Population 17 Million (Area: 1483 Sq Km)
- Three Local Government Units: Municipal Corporation, NDMC and Cantonment Board
- Municipal Corporation: Est. 1957, Decentralized in 12 zones in 1963 (Covers: 94.2% Area and 97% Population), has 134 wards (Councillor elected for each) with Commissioner appointed by state government as Adm. Head. MCD has 39 committees for efficient functioning including 11 Ad hoc committees
- New Delhi Municipal Committee: Est. 1994 (Covers: 4 % Area and 2% Population) Services Federal Govt. Offices, Parliament and other VIP Areas. A totally nominated body chaired by an official appointed by Federal Government. It has on its committees 3 MLAs, 5 bureaucrats and two eminent citizens besides local MP as special invitee, constituted in consultation with Chief Minister of the State.
- Cantonment Board: Est. 1924. Covering 1.8 % area to service Defence Establishments.
- UT of Delhi **upgraded to state** in 1992 with legislature of 70 members but not at par with other states as **law and order and land jurisdiction under Lt. Governor**
- **Parastatals:**

**Delhi Development Authority** – most important parastatal with mandate to formulate master plans, acquire, hold, manage and dispose off land and other property for various development projects

**Delhi Urban Arts Commission** - nominated by Central Govt. for reviewing major development projects from spatial planning, architecture and heritage point of view

**Delhi Jal Board** – headed by CM; responsible for water supply

**Other parastatals** – Delhi Tourism Development Corporation, Delhi Transport Corporation (**Has record of running largest number of public transport vehicles on CNG mode in the world**), Delhi Finance Corporation, Delhi Minorities Finance Corporation and Delhi State Industrial Development Corporation

**Delhi Vidyut Board** – distributes electricity through private companies

**Delhi Metro Rail Corporation** – set up in 1996 with 50% equity each of Central Govt. and Delhi Govt. Great success story. In six years it has ferried more than one

billion passengers and connected three towns in adjacent states with 300 Km of track in record time.

- **Bhagidhari Scheme** – Govt-citizen partnership (UN Award in 2005 for Improving Transparency, Accountability and Responsiveness in the Public Service). Bhagidhari involves 2100 groups including NGOs and CBOs representing nearly 4 million people for activities such as Solid waste Management, Rainwater harvesting, Development of community parks, Greening and plantation, Gender Resource Centres and Social Audit of public services.
- **National Capital Region Board** – Est. 1985- 33,578 sq km (Haryana, UP and Rajasthan) to address effectively the problems of Delhi and suburban areas with regional perspective. It is enacted by federal law and includes chief ministers of participating states and representatives of Federal Government. The Board mobilizes and administers a fund which is given as loan for the execution of projects of regional importance.
- **Financial pattern** – Receives 65-70 million USD from consolidated Central Fund and 42-45 million USD assistance annually. Collects 2.5 billion USD from ST, excise, luxury tax and stamp duty (10% allocated to local bodies)

**Intergovernmental Relations – MCD** – internal roads, sanitation, primary education, health care and slum development. **Delhi Govt.** – secondary education and specialty health care, major roads and other development through line depts. and parastatals.

### **Governance Structure in Kolkata**

- First Corporation – Est. in 1876, Kolkata Corporation Act - Enacted 1980.
- Cabinet System municipal government with Mayor- in- council system.
- Corporation has 141 wards with a councillor elected by each. Mayor elected by councillors. He appoints a Dy. Mayor & 10 other councillors as members of Mayor-in-Council; Mayor is executive Head of Corporation.
- Commissioner (Bureaucrat) appointed by state Govt. but answerable to the Mayor.

### **Kolkata Metropolitan Development Authority (KMDA)**

- Formed under Presidential order – 1970. Statutory Plg & Development Authority for Kolkata Metropolitan Area (KMA).
- Oldest & second largest Metropolis covering 1854 sq km with 15 million population with first MPC in the country constituted in 2001.
- 41 Contiguous Urban Local bodies (3 Municipal Corporations & 38 Municipalities) & 100 rural bodies.
- A large number of challenging projects have so far been executed by KMDA covering different sectors of infrastructure. KMDA has been designated as the nodal agency

for implementation of the Federal Government's sponsored Flagship scheme 'Nehru Urban Renewal Mission'.

- KMPC – Provides for preparation of development plans for the Metropolitan area as a whole by Consolidating development plans of its corporations, municipalities & village Councils.
- 2/3<sup>rd</sup> of KMPC members (40) elected by members of 41 municipalities and around 100 chairpersons of Village councils, 1/3<sup>rd</sup> Committee (20) members made up of the nominated representatives of the Govt. of India, the State Govt. & organizations related to Urban Development & Infrastructure.
- KMPC provides a participatory & democratic platform for Metropolitan Planning which till 2001 was domain of experts & administrators.
- KMPC deals with critical matters such as formulation of Metropolitan vision, Capital investment and Metropolitan level advocacy.
- Responsible for preparing perspective plans (25 years), draft development plans (5 years) and annual Plan for Implementation.
- Corporations and Municipalities responsible for day to day services - water supply, sanitation - may also be entrusted with smaller developmental projects.
- Inter-municipal projects and large infrastructure projects of metropolitan significance are planned and executed by KMDA.
- KMDA receives grants from consolidated fund of India & also takes loans from financial institutions.
- KMDA & KMPC have evolved positive working relationship.
- During last two decades Kolkata Municipal Corporation with its Mayor in council system has stabilized and survived political changes.

### **Analysis of Indian Models**

Most Indian cities follow structure that has the features of Weak Mayor-in- Council System fabricated with Commissioner led Administration. This has cast a weak Mayor playing marginal role in shaping the city development, planning and operations. On the other hand, the commissioner, who is a civil servant appointed by the State Govt. can wield much greater power and control over city's planning, resources, development and operations. This inevitably results in a power tussle between the two, especially when the party ruling at State Govt. is different from the one that is ruling the city, as experienced for a long time in Mumbai, Chennai and Delhi. Kolkata's mayor-in-council model is an exception that has been working well so far, but it is yet to withstand the political antagonism between the tiers. The parastatals on which the Delhi Government heavily relies have been fairly responsive.

### **Current Challenges:**

- Inflexible & rigid bureaucracy :- There is critical need to simplify procedures & cut down red tape

- Galloping growth of population in cities
- Radical migration of population from rural segments to urban areas
- Critical need for harmonising equity and development.
- Need to shift the traditional rural bias of the Government & the planners by also developing adequate focus on urban/metropolitan governance
- Critical shortage of fundamental infrastructure
- Proliferation of slums in metropolitan cities
- Outdated laws and regulatory statutes relating to supply & utilization of land and housing.
- Poor access to micro finance and mortgage facilities for low income groups.
- Critical deficiencies of services in water supply, transportation and power segments.
- Lack of modern planning framework
- Lack of Coordination between multiplicities of civic agencies.
- Deterioration in urban environment affecting public health and productivity.
- Inadequate internal resource generation by the Local Bodies leading to dependence on upper levels of the Government.
- Lack of administrative & financial empowerment of urban local bodies.

### **The Way Forward**

To meet challenges arising out of swift urbanization and proliferation of cities and for appropriate innovative and creative planning, some planned management interventions are suggested as under:

- UIDAI (Unique Identification Authority of India) card will be a boon to distinguish migrants from the local inhabitants. It would decrease pressure of floating population.
- E-governance: With strong IT background, it is easy to switch over to e-governance for modern and transparent accounting and management systems which can be customized for better delivery of services and governance functions.

- PPP: Encouragement of public-private ventures particularly for infrastructure projects. Additional fiscal incentives for private players may be considered.
- Collaboration of Government with civil society /citizen groups and CBOs
- Development of satellite towns - Sub cities may be created on the periphery to reduce the burden of housing, medical and education facilities.
- Training and capacity building: Both Federal Government and State govt. Should facilitate upgradation of skills, using reputed institutions for capacity building.
- Strengthening of ULBs – The Federal Govt. through 11<sup>th</sup> Five-year plan has reaffirmed its commitment to inclusive growth through inclusive governance and accordingly has incorporated full chapter on governance and decentralization which lays emphasis on empowerment of ULBs.
- Nehru Urban Renewal Mission: To support reform driven fast tract development, to improve efficiency in urban infrastructure and upgrade fundamental amenities to the urban poor.
- Upgradation of Technology
- Comprehensive policy for use and management of urban Land.
- Even if another constitutional amendment is required to enforce devolution of power to the urban local bodies, the federal government should not hesitate to do so.
- Networking with NGOs, CBO's and private sector for planning, management and maintenance.
- People's participation in preparation of policies, perspective plan, development plan and annual plans should be ensured through elected representatives in the Municipal council/corporation and ward committees.
- Plans must have flexibility to provide for ever-growing and ever-expanding boundaries of metropolitan areas.

### **Debateable organizational issues**

- **The Mayor should be ceremonial or executive head of a city government:** There can be no accountability without authority; related to this is also the question of tenure. It varies from one year to five years in India.
- **Problem of multiplicity of authorities:** Tasks to be performed are highly varied, they require different actors and different structural formats. While some congruous functions can be grouped as municipal, many other services are inter-municipal and

metropolitan in coverage especially transport, electricity, rail and air connectivity etc.

- **How relevant and frozen are municipal boundaries?**- Spatial growth is inevitable with development of economy. So are agglomerations. Indian experience confirms that it is not possible to provide for governance through a single, unitary and comprehensive municipal framework.
- **Accommodation of interests of a provincial or a national government in metropolitan management:** No state government is willing to give up control of a metropolitan area. The fear of large cities leadership is perceived as threat to state and national leadership. There is reluctance by state governments to devolve control over a metropolitan area because of enormous financial and political clout that urban land and real estate operations carry.
- **How does one ensure proximity of citizens to elected representatives?** The composition of ward committees and the manner of their appointment are left to the state governments. Only in a few states ward committees system has been adopted.
- **Who should claim the metropolitan political turf?** There is persistent dichotomy because of conflict of vested power interests between the leadership of local bodies and members of parliament/legislative assemblies.

### Characteristics of Good Metropolitan Governance

- **Strategic vision:** Leaders and the public have a broad and long term perspective on good governance and human development, keeping in view the historical cultural and social complexities in which that perspective is grounded.
- **Participation:** Stakeholders should have a voice in decision making, either directly or through legitimate intermediate institutions that represent their interests.
- **Rule of law:** Legal frameworks should be fair and enforced impartially.
- **Responsiveness:** Institutions and processes try to serve all stakeholders.
- **Transparency & Accountability:** Decision makers in government, the private sector and civil society organisations are accountable to the public; as well as the institutional stakeholders.
- **Consensus orientation:** Broad consensus among several actors representing divergent interests and viewpoints.
- **Efficiency:** Optimum and sustainable use of resources.
- **Inclusiveness and equity:** To ensure that the most vulnerable do not feel excluded from the mainstream and costs and benefits of services are shared fairly.
- **Subsidiarity:** Services must be delivered by the most local level that has sufficient scale to reasonably deliver them.

### Important Metropolitan Governance Indicators

- **Decentralization:** Autonomy of financial resources, capacity of local government to raise resources from market without approval from high level of Govt. and power of local government to decide use of local resources and predictability of inter-governmental transfer.

- **Planning and predictability:** Openness of procedures for contracts/tenders for municipal services, annual budgeting, percent recurrent resources for Pvt. Sector/CBO, transparency of local taxation and consistency/regularity of local mayor elections.
- **Empowerment:** Existing participatory processes, group equity in participatory, planning and decision making, Legal entitlement to different assets to all categories of people, Self determination of groups in relation to resource management, addressing of gender issues and civil freedoms and incorporation of excluded groups in consultation process.
- **Effectiveness:** Consumer satisfaction (Service/complaints), clarity of procedures, regulation and responsibilities, capacity for delivery of services (including spatial coverage), and income and expenditure of local govt. per capita, legislated local government functions, access of public to stages of policy cycle, percentage of population benefited by services and equity in tax system.
- **Private Sector and Civil Society:** Extent of civil society organizations, interface between the local government institutions and NGOs/CBOs and effectiveness of social audit and monitoring.