

CHAPTER – I

SECTION – A

Introduction – Conceptual Framework

Although, local government did exist in India prior to British rule but representative urban local government owes its origin to the exigencies and requirements of the British rule in its structure and style of functioning.¹ The two dominant considerations that led the British to establish local government institutions in India were the administrative problems due to the large size of the country and paucity of finances of the imperial power. The interests of the East India Company were primarily commercial and the administration was dominated by these considerations. With the transfer of power to the Crown in 1858, India became a part of the British Empire and the administration of the country was oriented to further the interests of the British imperialism. This led to the political consolidation of the country and the establishment of a uniform system of law and administration, which in turn resulted in the growth of a huge and complex administrative machinery with a large number of departments. The Government had to shoulder responsibility in the sphere of public works and social services. Some administrative devolution also became imperative, as such a vast country could not be governed efficiently by a central authority. As a result of these developments, provincial legislatures were created gradually and local government institutions began to grow.² However, the immediate stimulus to the development of local institutions arose out of the post-mutiny financial embarrassment of the British Government in India. Money required for the development of roads, public works, health, education and other local amenities was hardly available. James Wilson, the then Finance Member, proposed financial decentralization and the responsibility for roads and public works was assigned to the Provincial Governments. The Provincial Governments in turn transferred the responsibility for running these services to local bodies.³

Owing to the abolition of income tax in 1865, the Imperial funds stood urgently in need of relief. It was, therefore, decided that the cost of town police must in future be directly borne by towns folk themselves. All the towns, subjected to the new responsibility were permitted to enjoy municipal institutions and the surplus funds after meeting the cost of town police could be devoted to education, local improvement and works. However, Sir John Lawrence's Resolution of 1864, proved to be vastly more effective in creating municipal institutions than the earlier actions of the Government of India. By 1870, every town of importance had a municipality. However, these municipal bodies were under the complete control of the District Magistrate and the town people were associated only for raising funds for the maintenance of police, conservancy and road repairs.⁴

The year 1870, marked a great development in the evolution of local government in India. Fuquoy states that, "it was, however, the scheme of financial decentralization introduced by lord Mayo's Resolution in 1870 that led to the first great step in local self-government not only in urban but also in rural areas".⁵ It was also stated that, Indians should be associated in the administration and the municipal government was best for that purpose. Mayo in his resolution desired that, "The central government should be relieved of its responsibility for providing funds for local purposes but its operative provisions made it necessary to develop municipal institutions".⁶ Mayo's Resolution could not fulfil the goals of local self-government and people's aspirations due to its non-representative character and ex-officio executive head of the local bodies.

The development of local government after 1870 was again conditioned by the socio-economic changes of the Indian society. The spread of English education and the impact of Western Culture resulted in changes in religious and social ideas and values. These changes brought in their train new concepts of social justice and political rights. The rule of law, security of private property, new system of education, commercial and economic growth and the entry of India in to the world market, led to cumulative changes in the social structure. New urban communities arose around the centres of industrial and commercial

activities. The social compositions of these urban centres were vastly different from that of the traditional towns and cities. In these new centres, the barriers of caste were shaken and the authoritarian and feudal basis of society slowly began to transform into a society based on social justice and equality. The educated Indians began to question the policies of British rulers and demanded more political rights and greater share in the administration and superior public services.⁷ The British government could, no longer, remain unaffected by the growth of the new social, economic, political philosophy and was compelled to provide an outlet for the raising aspirations and expectations of the people.

As a result of the above demands, the urban local self-governing institutions in India, in a new form born by the Lord Ripon's Resolution of 18th May 1882, when for the first time an organized system of urban local bodies was constituted in India. Ripon had transplanted this important democratic device at the local level in to the Indian urban settlements with an avowed objective of making them a forum and "an instrument of political and popular education". This objective later on paid rich dividends as a galaxy of very eminent political leaders like Gokhle, Bal Gangadhar Tilak, C.R. Das, Subhas Ch. Bose, Nehru, Dr. R. Prasad and many others emerged on the national horizon only from the municipal arena.⁸

Municipal bodies in India were designed by the British as the basic institutions for associating the Indians with the administration of the country in order to lend stability to the British rule. Lord Mayo's Resolution of 1870, encouraged the introduction of elected presidents of Municipalities with this end in view. The objective was changed to political education of the Indians in the art of governance at the lowest level of administration when Lord Ripon's Resolution of 1882 was adopted. This resolution wanted the government officials to "foster sedulously the small beginnings of the independent political life" and to exercise "administrative tact and directive energy" so that the period of expected failure of the local self-government institutions could be shortened. The Indians were to be entrusted in "all matters that have not for empirical reasons, to be retained in the hands of the representatives of Government".⁹

The intention of the Ripon Resolution failed in practice. As the Simon Commission observed, "the custom of the country, force of habit, apathy, and lack of desire to assume responsibilities among those elected together with the natural reluctance of an overworked official, desirous of efficiency, to consume much time in getting things done badly which he felt he could himself do well, combined to prevent real and substantial progress being made in political and popular education in the art of self-government."¹⁰ Prior to the reforms introduced by the Government of India Act, 1919, there was nothing like the British type system of decentralized municipal bodies with their own powers of self-government. Whatever municipal Government could be found at that time was an example of the French type 'deconcentrated' local administration. In that system municipal government was just one of the many activities of the District officer who was the official chairman of the municipalities in the district.

Ripon was succeeded by Viceroys who were not prepared to put political education above efficiency. Lord Curzon believed in centralized control, which reinforced the dominant position of officers and departmental employees. As a result, a rigid system of Supervision was created running from the municipality up to the Secretary of State. Such a system of official tutelage completely thwarted the growth of self-governing institutions and civic consciousness.

The recommendations of the Decentralization Commission of 1909, did not receive much attention and they were implemented only when the Montague-Chalmsford Reforms of 1919 gave a large measure of autonomy to the Provincial Legislatures. The responsibility of local government was taken out of the hands of the District officers and placed under a department controlled by a popular minister. The District officers ceased to be chairman of local bodies, though they were vested with powers of supervision over them. At the same time, the franchise for election to local bodies was substantially widened. In some Provinces, the municipal bodies were given the power to raise or lower rates of taxes within the statutory limits. The popular ministers of Provincial Governments proceeded to establish elected councils and gave executive authority to the elected chairman. The approach was more liberal and there was

a deliberate attempt to give the local bodies greater freedom from outside control. However, the government would sometimes issue directives prohibiting certain act and in extreme cases supersede the local body. Apart from this negative approach, no attempt was made to strengthen the administrative machinery of local bodies. The municipal bodies suffered from a mistaken notion of freedom from government control. The Provincial Government used to do nothing by way of helping or warning the municipal bodies, but the ministers were endowed with the powers of suspension and dissolution of municipal bodies, the Government was powerless in the face of misconduct calling for less drastic treatment. However, the popular ministers were sometimes afraid to make use of their powers through fear of political consequences.¹¹

The shortcomings in the system of urban local government have, in no small measure, been due to the inadequate planning and drafting of municipal laws. Almost all Acts were deficient in certain respects. Not much was done to assist the system of local government to grow and hardly any thought was given to the method of recruitment, conditions of service and training of the personnel. Relations of the Government with local bodies were limited to the control and supervision of the local bodies by the State Government directly or through District Magistrate. The Committee system, on which the local Government mainly depends, was never developed fully. The problems of augmenting the local finances and of evolving a basis of grants were left unresolved. No effort was made to assess the problems and implications of urbanization and the needs and requirements of the urban administration in a changing society. Nothing was done to infuse the local government with dynamic ideas and bring the administration in touch with the realities of the situation.

Local government is vital for securing the participation of the people in the task of nation building. Social and economic development on a wide front makes it imperative that the administrative responsibilities should be rationally distributed between the union and state Governments and local bodies. National

policies become meaningless if they do not have a local relevance and do not reach down to the local communities. Local authorities are the channels, which involve people in the planning process and stimulate popular participation.

From the above discussion, we can say that, the colonial rulers did not offer democratic, decentralized urban local self-government even in its narrowest sense in India. Whatever they offered was not urban local self-government for the following limitations:

Firstly, the urban local bodies had neither constitutional sanctioned nor strong statutory basis. As a result, its structure, powers and functions, relations with the state and financial autonomy was frequently changed with the change of the top administrator of the hierarchy.

Secondly, there was not any statutory distribution of powers between the state and the urban local bodies. The colonial rulers only delegated some local functions to the local bodies to get relief from the administrative and financial burdens, not to achieve the goal of decentralized development.

Thirdly, the urban local bodies under British rule in India was never democratic institution because of its limited franchise, non-elected official chairman.

Fourthly, municipalities never enjoyed financial autonomy, rather it was always under mountain financial control and constraints.

Thus, we can say about the urban government in India under British rule was not coronated on the principles of democracy – decentralization and development.

A lot of thinking has been done on the subject of local government in independent India and far reaching reforms and changes have been effected. During the country's struggle for freedom the municipal councils were mostly used as platforms for nationalist agitations. But the Constitution of free India has no place for municipal government as such, local government, rural as well as urban, has been mentioned as an item for legislation by the state government. Art. 40 of the Constitution lays down – “state shall take steps to organize village Panchayats and to endow them to function as units of self-government”.¹²

Legally speaking, therefore, municipal government was the creature of the state legislature. There was no hard and fast rule about the area, powers and functions, financial resources and autonomy of municipal government in India before the 74th Constitution Amendment Act 1992. All these depended upon the concerned State legislation and therefore, vary from state to state.

Municipalisation and Functions:

Municipalities were and are usually established in a particular area of human settlement when it is urbanized and fulfills certain conditions such as – (1) some minimum population and income; (2) density of population and (3) predominance of non-agricultural occupation pattern. A municipality might be upgraded in to a municipal corporation enjoying somewhat more freedom of action and higher income than a municipality. But there was nothing automatic of a municipality's graduation into a municipal corporation, it was entirely a matter to be decided by the state government.

So far as the size or area of a municipality, it was usually sought to be related to the type of function it would perform in an urban area. That is to say, the administrative capability, technological efficacy as well as financial viability of the municipal body was to be taken into consideration while delimiting its boundaries and assigning functional responsibility to it. But India's experience so far suggests that the area or size of a municipality hardly changed in response to the growing tempo of urbanization. The vast majority of municipal towns have had miniscule areas which had in many cases remained unchanged in spite of urban growth had taken place beyond their boundaries. The overspill or fringe areas of a municipal authority continued to grow in an unplanned and haphazard manner and assumed the dimension of a typical urban problem.

In regard to the powers and functions of municipal government again, there was nothing as inherent municipal functions. The general municipal functions may be group into five broad categories viz.- (a) public health and sanitation; (b) welfare functions; (c) Regulatory functions; (d) Public safety measures and (e) Public Utility functions.

This was a formidable list undoubtedly, but every municipality was not given necessary powers to perform all of those functions. There were wide variations of powers among the municipalities of various states of the Indian Union. Municipal governments enjoyed ultra vires jurisdiction and not general competence or residual power of sovereignty. The State government might intrude into municipal functional domain through executive decision, even where the municipal bodies were vested with legally delegated functions. The functional separation between the state and local governments was only notional. Secondly, in most of the states in India municipal functions were statutorily divided into 'obligatory' and 'discretionary'. This distinction did not mean that municipal bodies have to perform all obligatory functions satisfactorily before undertaking any discretionary functions. In practice such distinction was only notional.

There was a trend in respect of municipal functions towards centralization of certain services on grounds of technology, economy of scale and maintenance of a uniform and efficient standard of services. In most states in India functions like transport, electricity and fire fighting was either never given to municipalities or had been taken over by some functional agencies of the state government. In the last resort, the management of water supply, trunk sewers, main roads, primary education and community health services had been handed over to either the state directorates or special agencies of the state government. Such proliferation of authorities made horizontal coordination very difficult and urban planning was made complicated. Sometimes the argument for such transfer of functions had been advanced on the ground of incapability or inefficiency of municipal government. The misgovernment syndrome in urban areas had always proved to be a handy argument in favour of de-municipalisation of the management of certain local services without even looking into the reasons behind municipal misgovernment. In India before 1992 and even now a vicious circle seems to be operating in this respect, small size, limited functions, lack of administrative and financial resources of municipal bodies invariably led

to their inefficient performance and left them unreformed and then options were made in favour of new ad-hoc agencies.¹³

Municipal Executive:

The municipalities in India had more than one pattern of executive system and these may be broadly grouped under three categories — (i) The Tamil Nadu Model ; (ii) Maharashtra Model and (iii) West Bengal Model.

- (i) The Tamil Nadu Model introduced in 1933 under the Madras District Municipal Act 1920, in which the elected municipal chairman acted only as the presiding officer where as all executive powers were vested in a state appointed executive officer, called Municipal Commissioner, who derived his independent executive authority directly from the Statute. Kerala followed this model.
- (ii) The Maharashtra Model introduced under Bombay Municipal Borough Act 1925, in which a chief officer had to be appointed in each municipality but the elected municipal president was to keep watch over the financial and executive administration and supervise and control all municipal officers and all employees. Gujrat and Maharashtra followed this model.
- (iii) In the West Bengal Model, the entire executive authority devolved on the elected municipal chairman, a part time political executive, who inherited the position of the collector-chairman of the pre-Ripon period.¹⁴

No elaborate Committee System could develop in the municipal administration in post-independent India as was prevailing in Britain called British Model. Here again, there were three models -- (1) One Standing Committee comprising the municipal president, chairmen of the Subject Committees and a few elected Councillors. This model is known as Maharashtra

Model. (2) Only one Executive Committee constituted on the basis of proportional representation from among the Councillors and no subject committees. This is called Andhra Pradesh Model. (3) No Standing (Executive) Committee but a few Subject Committees with limited powers as prescribed in law. This is known as West Bengal Model.¹⁵

Since independence the overall trend was in the direction of appointing executive officers for the municipalities from among the ranks of the officers of the state cadre. In Tamil Nadu the executive officer statutorily enjoyed a prerogative of decision making in executive matters. In the year 1981, West Bengal introduced the system of deputing state government officers as executive officers, municipal engineer, health officer and finance officer to the municipalities under Governments' expenses. Formally speaking, these executive and other officers would function under the general superintendence and control of the president/chairman but there was nothing to prevent them from functioning as the eyes, ears and agents of the State Government. Concentration of bureaucratic power in the exercise of executive powers of municipal government was the unmistakable and centralizing trend in India.

The only solitary exception Mayor-in-Council form of executive was and is provided by the New Acts (1980) of the municipal corporation of Calcutta and Howrah in West Bengal. This experiment based on the model of Cabinet-type political executive, responsible to the elected members of the municipal corporation was expected to put an end to the fragmentation of executive authority and provided the much needed political leadership in the management of big cities in India.¹⁶

Municipal Personnel:

In the field of municipal personnel administration three systems, either exclusively or in various degrees of combination of the free were prevailing in India. These were -- (i) Separate system in which all its personnel were recruited and managed by the municipal government (Gujrat Model), (ii) Unified system in which a separate state wide cadre was created to serve only the municipal bodies

and the personnel were transferable from one municipality to another (U.P. Model) and (iii) Integrated system in which municipal administration was integrated with state administration in the matter of personnel management and the personnel, in rotation, served both municipal government and state government (Orissa Model).

But most of the states in India followed a mixed system in which – (a) certain technical/administrative personnel belong to a unified cadre whereas others may belong to an integrated cadre as prevailed in Tamil Nadu. (b) Some technical/administrative personnel belong to unified cadre whereas the rest of the personnel belong to separate cadre as was in Rajasthan and (c) Some personnel belong to an integrated cadre whereas the rest of the non-technical/non-administrative personnel belong to separate cadre (West Bengal Model).¹⁷

Various Committees and representative forums of municipal government till now favoured the idea of unified personnel system for higher executive and technical staff of the municipal bodies. ¹⁸ Only one Committee had frankly championed the integrated system for municipal personnel administration.¹⁹

The trend in respect of municipal personnel in India was very clear. Centralized recruitment and management of municipal personnel dilutes the concept of municipal government as a detached and decentralized system of urban government. It was true that the demand for municipal self-government per se was no longer valid in the traditional sense, but the introduction of a full-fledged centralized personnel in municipal administration may not help to create a high degree of institutional allegiance without which it becomes difficult to serve the civic population to its satisfaction.

Municipal Finance:

In respect of finance, the weakness of municipal government in India was proverbial. The devolution rules under the Government of India Act 1919, included a list of local taxes which were set apart to be levied by the local bodies exclusively, but no such list was there in the Act of 1935. The Constitution of

India also has not reserved any tax for the exclusive use by the local bodies. The Local Finance Enquiry Committee 1951 and the Taxation Enquiry Commission 1953-54, favoured the idea of reserving certain tax bases for the exclusive use by, or for the local government. Nothing concrete had been achieved towards this end and the fiscal base of municipal bodies remained very limited. There was not any major productive tax source to the municipal bodies.

The municipalities in India continued to depend heavily on property tax as their main source of revenue. This is a tax on lands and buildings, which is imposed on the basis of the annual rental valuation of such properties. Octroi was another tax imposed on the entry of goods into a local area on the basis of either weight or value of goods was another source of municipal revenue. Many national level Committees, including the Rural-Urban Relationship Committee (1966), did not favour the continuation of this tax. Two other minor items of municipal taxation were Vehicle tax and profession tax. Some tax bases which were earlier available to the municipal government have in course of time been transferred to the state government.

Properties owned by the Union Government could not be assessed and taxed by the municipal authorities because of a constitutional embargo.²⁰ The Union Government, however, paid some service charges, but that was not compensation for the loss of revenue suffered on account of that disability.

Apart from taxes, another major source of revenue for municipal government was the grants-in-aid given by the state government. In India, such grants were mostly ad-hoc and discretionary. These grants vary from year to year and there appeared to be no rational explanation of the variations in the relative sizes of the various grants. Codification of grants policy had been taken in Kerala, Gujrat, Karnataka, Madhya Pradesh, Tamil Nadu but the boldest attempt seems to have been made in West Bengal where the Municipal Finance Commission (1980-82) was given a very broad terms of reference to go into the entire problem covering all finances, revenue and capital, plan and non-plan. The West Bengal Municipal finance Commission has since recommended large resource transfer from the state government to the municipal bodies.²¹

Borrowing by the municipal bodies in India was subject to both statutory and administrative restrictions. Their borrowing powers were basically governed by a pre-independence central legislation (Local Authorities Loans Act 1914) and borrowing was allowed for certain specific purposes only, including repayment of existing loans.

Low collection of property tax proceeds, erosion of tax base and absence of grants policy have jointly produced one result --- heavy dependence of the municipal bodies on state governments' dole at the cost of local autonomy and sacrifice of self-government character.

From the above mentioned state-municipal financial relations it was found that, prior to the 74th Constitution Amendment Act 1992, Economic Theory of federalism was not followed in India. Because the said theory rests upon the justification -- (i) The existence of multi level governments in a federation; (ii) division of functions and financial resources between various level of government and (iii) provision of various types of federal financial assistance to reduce vertical and horizontal federal-state-local imbalances.²²

State's Control Mechanism over Municipality:

Municipal government all over the world were and are controlled by some higher level government in order to oversee that the grass-roots institutions do not transgress their legitimate sphere of action, cause any threat to peace and tranquility of the area, spend extravagantly in an unauthorized manner, suffer and disability in discharging their responsibilities. In short, the basic idea behind the scheme of state control over local governments including municipal bodies was to prevent them from acting cross purposes with higher level governments and to make them accountable to the local level.

The State governments in India possessed enormous powers over municipal bodies in connection with: (i) appointment or approval of appointment to higher posts; (ii) creation of new posts; (iii) contracts and estimates of higher value; (iv) sanction of budget; (v) formation of cadres of municipal employees; (vi) appointment and transfer of officers of different

cadres and (vii) framing or approval of rules, regulations and bye-laws. In some states, the state level directorate of local bodies bear the general responsibility of advising and controlling the municipal boards.²³ But the unique feature of state control was the power of state government to supersede or dissolve the elected municipal board. Municipal government in India, generally speaking, was made to depend on the state government even for its bare existence. The state government could use the punitive measures of control for any of the following reasons:

- 1) Incompetence to discharge statutory duties like collection of rates, preserving proper sanitary conditions, etc.;
- 2) Persistent default in performing duties;
- 3) Excess use or abuse of powers, especially financial powers; and
- 4) Frequent violation of the rules of business.

If the state government wanted to form its own 'opinion' at any time that a particular municipal board had been incapable of performing its functions, it could order either supersession or dissolution of the board. In case of dissolution, the Council's life was terminated and fresh election had to order, it was an appeal to the electorate against an allegedly incompetent municipal body. But in case of supersession, the elected authorities were removed and a nominee of the state government was appointed as the administrator to discharge the powers and functions of the board. Supersession was thus an amount to a denial of the people's right to be governed by their elected representatives. Usually, the procedure for superseding a municipal board included -- (a) framing of charges by the state government and calling for explanations from the board; (b) show-cause notice and (c) final decision at the level of the state government. The political executive at the state level enjoyed practically unlimited discretion in putting an end to the life of any elected municipal board because, the functional capability of a board could never be assessed objectively, persistent default was open to divergent interpretations and the 'opinion' of the state government could not be reversed by any court of law. The suggestion of a tribunal to go

into the details of the charges framed against a municipal body had not been found acceptable to any state government.²⁴

The Simon Commission (1930) described this power as the 'pole axe' whose existence it regretted. Since then the entire then Official Committees and Commissions expressed themselves against it. The U.P. Local Self-Government Enquiry Committee (1939) expressed itself strongly against supersession but did not object to dissolution when the municipal body concerned persisted in making default in performing its statutory duties in abusing or exceeding its powers or in increasing deadlocks, provided prior warning was given. The Rural-Urban Relationship Committee (1966) observed that "supersession, dissolution and action in default by the state governments should be applied rarely and as a last resort after all means of advice and persuasion have been exhausted."²⁵

What was most alarming was not the existence of the reserve power of supersession and dissolution but its liberal and palpably use in practice. Most unhealthy was the practice of mostly confining executive action against a defaulting municipal body to its supersession, not dissolution. Since dissolution required an early election, it was avoided. The decision to supersede any municipal body was ultimately a political decision taken at the cabinet level. Many research studies proved that, super sessions of municipal boards were most often decided on party political considerations. Such decisions were predominantly politicized and they revealed the punitive motive and vindictive attitude of the political executive at the state level and the dissolved or superseded municipal body.²⁶

An overwhelming percentage of the municipal boards in many states in India remained superseded for long time. In the middle of 1981, it was found that as many as 1700 municipalities out of a total of 2000 had no elected boards. In the mid of 1983, as many as 41 out of 67 municipal corporations remained superseded.²⁷

There had been a tradition of keeping the municipal bodies under the thumb of the state government and starving them of necessary financial resources and defining them as inefficient and corrupt institutions. As a result,

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local public opinion was hardly seen to agitate over the issue of municipal supersession, even though much political noise might be made over the loss of local democracy. Increasing state neglect, coupled with opportunistic intervention in municipal affairs, adequately underlined the political indifference to municipal government in India. The state governments had frequently postponed elections to civic bodies to suit the convenience of the party in power.²⁸

From the above discussion, it was found that, since independence the official attitude of governing the urban areas had been somewhat ambivalent and the approach was always been ad-hoc. As a result, municipal government had lost its appeal as a training ground for political and popular education of the people. It was generally looked upon as an institution for partisan patronages. In the Indian urban arena, the management of urban infrastructure had never been an exclusive jurisdiction of the municipal bodies. The pre-independence distrust of the municipal bodies and consequent reliance on city improvement board/trust continued. The response was the creation of specialized agencies both multi-functional urban development authorities and single purpose functional boards for water supply, sewage disposal, housing, slum clearance and so forth. All capital expenditures for urban development were being channeled through these non-representative bureaucratic ad-hoc boards and authorities. As a result, municipal bodies were not involved in the process of urban planning and development and these representative bodies were meant to function merely as service-oriented institutions mostly concerned with the operation and maintenance of a limited number of civic services. Although, the unrepresentative, bureaucratic agencies were given necessary funds and powers but they could not achieved much of a success. Much conflicts and contradictions developed between the bureaucratic and representative bodies and the bureaucratic organizations failed mostly because -- a) the regional planning practices were absent in India and there was not any national consensus on where the main focus of social change should lie and (b) ad-hoc urban

development schemes were drawn up and pushed through without the help of empirical knowledge about urban local economy and social priority.²⁹

With the rapid increase of new agencies, an uncoordinated administrative mess was created in the governance of the urban areas. In the Indian planning process there had always been a tendency to concentrate planning powers at higher level of government and neglected where it was most relevant. As a matter of fact, municipal bodies had never got in to the main stream of the national planning process. The Third Plan document for the first time recognized the urgency of meeting the future challenge of rapid urbanization and pleaded for involving the cities and towns in to the planning process. But no concrete assignment of functions and resources was made in that plan. Subsequently, in the 70s the Integrated Urban Development Programme (IUDP) and Integrated Development of Small and Medium Towns (IDSMT) were adopted as a part of urban development programme.

Sometimes, reforms of municipal government had been thought about, but all such thinking was related to structural organization than to the policy formulation and management processes. But at the end of the 20th century, no country is in a position to achieve and endure development without restructuring and reforming its policies with the changing world of globalization and structural adjustment policies.

In the changed scenario of the globe, decentralization should be viewed in the context of an emerging need to reconcile two contrary tendencies: globalization on the one hand and local self-governance on the other. The entire world is undergoing wide-ranging changes. A renewed North-South dialogue, democratic upsurges, the decline of authoritarian regimes, experimentation with new institutions, problems of ethnicity, religiosity and basic social identities etc. need redefinition and a political orientation. This need is being felt everywhere but more particularly in Asian Countries. There is a remarkable shift of interest and concern today in favour of giving concrete shape to the democratic upsurge and to local self-government institutions. There is a special reason for this. An immediate effect of globalization has been the impact of the world capital

market on centralized and decentralized governance, especially in respect of the making of vital decisions that affect the lives of the people.

Although, some degree of commitment to decentralized governance can already be seen all over the world, the emerging commitment however, should be seen as an end product of a given historical process. One has to perceive this commitment among the political parties and in their ideologies, in the upsurges among the people and their recognition of persisting disparities, underdevelopment, poverty, rural and urban disparities, centre-periphery problems and in their growing awareness of environmental concerns. It should also be seen in the context of political mobilization, the appalling conditions of women and the poor, in respect of poor literacy and growing urbanization and of growing incapacity, even unwillingness on the part of the state to solve problems. Because of those, the gap between macro and micro economic development continues to be accentuated.

A related problem in this regard is the lack of fit between institutional backwardness and popular awareness. During the 1960s, the benefits of economic development did not percolate down to the grass-roots level and even the radical measures adopted by regimes in 1970s could not handle and control the upsurges. The institutions that were created for promoting the necessary social and economic development have become almost moribund due to their dependent nature and inadequate ideologies. The alternative framework of policies formulated and implemented during the 1980s also failed and was unable to check the growing unemployment, economic disparities and other related problems. Coupled with all these, the authority structures and institutions and policies always depended on the national bureaucracy. The national planning system gave less importance to local levels. Hence the necessity arose to distribute power to the grass roots level institutions and committees, this in view of restructuring the nature of the state by evolving a structure where people themselves came to the centre of power and participated in the decision making on issues that affected them.

Decentralization soon began to be seen as an alternative system of governance where a 'people-centred' approach to resolving local problems is followed to ensure economic and social justice. The entire process would be for locating people at the centre of power so that they become the basic engine of the development process and not, merely its beneficiaries.³⁰

As far as the rationale of decentralization, merely setting up of governing structures would in no way promise effective decentralization. The commitment here needs to extend beyond to ensure the devolution of real powers and resources. Only then it would be possible to pursue a real democratic path.

There are certain important socio-economic correlates of decentralization. It is now realized that people should be empowered politically, economically and socially by ensuring them various rights so that they can participate in decentralized governance more effectively.

Thus, the entire process of decentralization should be seen as a means of effective democratic functioning. In such a process, social problems should be given due considerations, both in respect of building the necessary social prerequisites of national building and the removal of poverty and unemployment and in the context of resolving fundamental socio-economic problems faced by diverse communities. Decentralized governments should therefore, be seen as instruments of social and economic transformation.³¹

From the above analysis, we can say that the changed scenario of world politics, globalization, liberalization necessitates decentralization of powers and structural adjustment for all round development in a federal polity like India. Because, unlike Western federation, in India the term 'federalism' has a restricted meaning to embrace centre-state relations only. Accordingly, there has been a plethora of publications on centre state relations. However, there is no prevailing practice elsewhere and it does not follow from any constitutional limitations. In fact, the inclusion of local government at the sub-state level with the vortex of Indian federalism is a logical corollary of the concept of federal polity. From this the implication of untold tensions underlying at the grass-root level of federal polity can well be unfolded and highlighted.

There are essentially four types of governments: supra sovereign, sovereign-national, quasi-sovereign (federated) and infra sovereign. Supra-sovereign governments are relatively undeveloped. It is indeed the sovereign-national government being a unitary government, which exercises complete authority and power over all other units. A quasi-sovereign (federated) state divides the sovereignty between the national government and the governments of the major constituent geographical parts, so that each of them within its own sphere, is supreme and independent. One of these spheres which, in principle, is reserved to the state government is the local government. Thus the laws establishing and controlling the local government are generally state-laws. Local governments are, therefore, infra-sovereign geographical subdivision of a sovereign national or a quasi-sovereign state.³² Thus, by local government is generally meant a system of territorial units with defined boundaries, a legal entity, institutional structure powers and duties laid down in general and special statutes and a degree of financial and administrative autonomy. It is defined as the complex of elected authorities together with all the administrative machinery attached to it for the management of local affairs. Its institutions shall be under elective control. Hence there can be no self-government without the principle of election. Thus, democracy and local governments are linked together.³³

In spite of the apathetic attitude of the governments to consider the local self-governments as their counter parts, the preceding analysis of various exogenous and endogenous factors compelled the Government of India and policy makers to laid due emphasis on the problems and policies of local self-government. As a result, for the first time the 'National Commission on Urbanization' was set up in 1985, to find out the problems and inter-alia of urban government in India. In its report, the Commission first determined the urban development strategy then recommended the policies as follows:

- (1) The decay and degradation of services and the increasing pauperization of the existing urban centres should be immediately reversed.

- (2) According to the Commission, by the year 2001 anything between 14-15 crore extra people will have to be accommodated in urban areas. Of these at least 6 crore will accrue to the existing towns by way of natural growth. The capacity of the present urban settlements to absorb the natural growth has to be built up on a high priority basis.
- (3) Of the 600 towns, which are growing rapidly in terms of population, 329 have shown signs of fast economic growth also or have a potential for such growth in the future. The Commission recommends giving highest priority to these towns in future development.
- (4) The logic of developing more towns in urbanized districts is that, if economic activity gravitates to these towns, there would be a breakaway from the British system of concentrating wealth in just a few metropolitan cities. Similarly, the development of towns in highly rural districts, which are densely populated, would create new non-agricultural employment opportunities and encourage the siphoning off of the idle surplus labour of the rural areas into productive urban employment. This would localize migration within the region and by relieving pressure on an overloaded agricultural system would bring wealth to the villages.
- (5) The development of state capitals and other administrative centres, especially those in backward areas would diversify employment from just government service into industry, trade and commerce and other services. This would generate a growth – momentum in the backward regions.
- (6) The development of towns in agriculturally rich areas, investment in improving rural linkages of resource-specific towns located in the midst of industrial towns in backward area which have been developed in the recent past, would

strengthen the rural –urban continuum and pass on prosperity from relatively wealthy urban areas to the countryside which services them.

- (7) The Commission unequivocally recommends the abandonment of the policy of locating new industries in backward areas and its replacement by a policy of developing the towns identified on the basis of the criteria mentioned above. Instead of forcibly inducing investment in areas which are backward and have little infrastructure and in which the concessions are likely to be misused, the Commission recommends the development of the identified existing urban centres at intermediate and small town level so that entrepreneurial decisions may be taken in favour of these towns in preference to the overloaded large cities. Because the selected towns are located in 49 closely interrelated regions, their development would benefit the backward areas in a much better fashion than the mere development of a hundred totally new growth centres.
- (8) The Commission recommends that the share of urban development in the plan outlays should increase from the present level of about 4 per cent of the total outlay to 8 percent with half coming from the central sector.³⁴

On the basis of the recommendations and strategies of the National Commission on Urbanization and growing importance of the urban local governments, the Union Government passed the 74th Constitution Amendment Act 1992. The 74th CAA, aims at constitutional guarantees to safeguard the interests of urban local governments to enable them to function as effective democratic and self-governing institutions at grassroots level. It provides a constitutional form to the structure and mandate of the urban local bodies.

The objectives of the Amendment include decentralization of power and ensuring popular participation in planning management and delivery of civic services by providing the following provisions ³⁵—

- (1) Regular and fair conduct of municipal elections by statutorily constituted State Elections Commissions;
- (2) Limiting the state power to do away with democratically elected municipal governments;
- (3) Adequate representation to weaker sections and women in Municipal bodies through reservation of seats;
- (4) Constitution of Ward Committees in municipalities with a population of three lakh or more, with no bar on such committees in cities having lesser population, to ensure popular participation in civic affairs at the grassroots level;
- (5) Specification by laws, through the state legislatures, of the powers and functional responsibilities to be entrusted to municipalities and Ward committees;
- (6) Placing relationship of state governments and urban local bodies on firm footing with respect to local taxation powers and revenue sharing between states and local authorities -- through statutory State Finance Commissions, to be set up every five years; and
- (7) Involvement of elected representatives in planning at district and metropolitan levels.³⁶

The 74th Constitution Amendment Act 1992, envisaged that the governments of states and union territories would take initiative to pass new legislations or amend existing laws by 31st May 1994 to bring them in conformity with the Constitutional provisions. As a sequel of the 74th CAA, the Government of West Bengal, on 21st July 1993, passed a Bill, known as the West Bengal Municipal Act 1993. At present, the urban local governments in West Bengal are being constituted, functioning, supervising and financing according to the provisions of the WBMA 1993.

SECTION – B

Overview of Literature Relating to Municipal Development and Administration

The concept of 'Development Administration' is of recent origin. With the emergence of the Third World, development administration had become the focus of the scholarly interest all over the world. There is plethora of Literature on urban development and urban administration published in India and abroad. But most of the literatures were written and published before the 1990s. So, we are bound to concentrate on the earlier publications which may be noted in decade-wise as follows: -- (a) Books; (b) Journals; (c) Reports of the Committees and Commissions.

Books:

Tinker Hugh: During the fifties, there was much more interest in the study of rural phenomenon than in that of the towns. In the early sixties, the focus changed a little, and some studies relating to urban government were undertaken. A pioneering study on the evolution of municipal administration in India was -- 'Foundation of Local Self-Government in India, Pakistan and Burma',³⁷ by Tinker Hugh in 1954. This work revealed that local bodies could not perform their duties properly due to failures in British and Indian leadership and partly due to adverse factors like poverty, social influx and economic disorder.

Argal R.: In his work 'Municipal Government in India' (1955)³⁸ Argal aimed at studying municipal government in the former British Provinces in India and at interpreting the development and working of the municipal government.

Maass A.: (ed.) 'Area and Power: A Theory of Local Government' (1959)³⁹. Examined the relation between liberty, equality and welfare, as the basic value of a democratic society, and the location of the various powers necessary to these ends.

Singh Iqbal: In his book entitled 'Local Taxation in the Punjab' (1957)⁴⁰ comprehends every aspect of local taxation in the Punjab after giving the historical background. The pros and cons of important local taxes are discussed and a comparative study of local taxation, as it existed in the Punjab, Madras, Bombay, West Bengal and U.P and four foreign countries were added.

Alderfer Harold F.: In his book 'Local Government in Developing Countries'⁴¹ made a survey of local governments in almost all the developing countries of the world, including India, covering topics as organization and structure, national-local relations, finances, elections, administration, community development and metropolitan government and included detailed information on local government organization and practice in individual countries.

Nayak P.R. : 'Challenge of Urban Growth to Indian Local Government' in Roy Turner (ed.) India's Urban Future (1962)⁴².

In view of occurrence of a radical change in the life, problems and aims of Indian people after independence examined the structure and resources of the governmental apparatus which had to undertake these tasks and discussed the way in which the challenge was being met at the local level.

Sharma M.P: in his book 'Local Self-government in India'(1965)⁴³ deals with broad constitutional issues under six heads: Local Functions; Local areas and authorities; Constitutional structure of local bodies; Organisation of Local Services; Relations between the state and local authority; and local finance.

Banerjea Surendranath in his autobiography ' A Nation in Making'⁴⁴ (1963) discussed his role as the Minister-in-charge of Local Self-government of Bengal Province and in the enactment of Calcutta Municipal Act 1923, and Bengal Municipal Bill.

Venkatrangaiya M and Pattabhiram M. in their edited documentary book 'Local Government in India'⁴⁵ (1969) present a collection of important documents, resolutions, state papers and recommendations of Committees and Commissions which had shaped the system of local government since the beginning of the 19th Century.

Mohit Bhattacharya, M.M. Singh and Frank J Tyson in their book entitled, 'Government in Metropolitan Calcutta: a manual'⁴⁶ (1965) described succinctly and for easy reference the maze of Union, State and local government agencies, including special public agencies, operating directly or indirectly in the Calcutta Metropolitan District. Covered their jurisdiction, functions and responsibilities and their statutory relations with other agencies.

Backer Benjamin in his book "urban Government"⁴⁷ (1965) discussed the factors like reasons of city growth, internal and external relationships of the city management, personnel administration, health and welfare affecting the growth and development of municipal institutions.

Ali Asraf in his book 'The City-Government of Calcutta: a Study of Inertia'⁴⁸(1966) concluded that the city government was full of inertia and could not perform effectively even the basic civic functions.

Lynch, Owen M. in his study 'Rural Cities in India: Continuities and Discontinuities'⁴⁹ (1967), highlighted the value pattern in the affairs of the corporations.

Bhattacharya Mohit in his book 'State Directorate of Municipal Administration'⁵⁰ (1969), critically explained State-Municipal relations.

Avesthi A. in an article 'Urban Government in India: Some Reflections', in his (ed.) 'Municipal Administration in India'⁵¹ (1972) focussed attention on a few basic problems facing local government institutions, more specially, urban local bodies. These problems were discussed under the following heads – (1) Participatory local government; (2) Constitutional Status for local government; (3) Areas versus functional local bodies; (4) Locale of executive authority; (5) Inter-governmental relationship; and (6) Leadership and citizen participation.

Caiden in his book 'Dynamics of Public Administration: Guidelines to Current Transformation in Theory and Practice'⁵² (1971), called Development Administration a distinct theory, ideology and strategy.

Muttagi P.K. in his book; 'Urban Development'⁵³ (1976) stressed that varying forms of development activities in urban areas required well-coordinated tire, organizational set up having regional and local jurisdiction.

Castells M. in his famous book 'The Urban Questions'⁵⁴ (1977), explained the urban problems from the Marxist point of view. He explained the urbanization process as the logical outcome of the need for capital accumulation in capitalist societies.

Mishra Subhas Chandra in his article 'Development Administration in India', G. Horgopal in his article entitled. 'Development Administration – The Need for a New Conceptual Framework', B.P.Singh and S.P.Singh in their paper, 'Development Administration in India: Some Essential Prerequisites' in the (ed.) book 'Dimensions of Development Administration in India'⁵⁵(1984), analysed the meaning, context, crisis, agencies of change and also stressed that non-Western views were more relevant for the developing nations.

Khosla J.N in his article, 'Development Administration: New Dimensions' in the volume – Development Administration'⁵⁶ (1984), explained the meaning, concept, problems and distinction between the traditional public administration and Development Administration and the necessity of decentralization.

Goldsmith Michael in his book entitled, 'Politics, Planning and The City,⁵⁷ (1984), discussed the models of democracy, power and the nature of policy in the theoretical context relating to problems of the modern city. He examined the main themes and changes in the cities today by explaining them in the light of three important policy arenas – housing, planning and social services.

Several authors like James and Rao, A.R.Bhattacharya, M.Mukhopadhyay, M.Mukherjee, S.K Samaddar contribute some important papers related to various issues of the Municipal executive in the context of – (a) coordinate executive authorities in the municipal corporations, (b) single political executive in the municipalities and (c) democratization issue in the smaller municipal bodies in the volume, entitled, 'Municipal Executives in India'⁵⁸ (1985), edited by Abhijit Dutta.

Pinto David A. in his book 'The Mayor, The Commissioner and The Metropolitan Administration'⁵⁹ (1984), examined the complex relationship between the Mayor, The Commissioner and The Corporation in the context of the interplay of political forces.

Khan Jiauddin and **Singh Hoshiar** in their study on 'Leadership in Municipal Government'⁶⁰ (1984) examined the leadership pattern in Municipal government of Rajasthan and highlighted the relationship between the deliberative and executive wings and between municipal administration and citizens.

Kaushik S.L. emphasized on the interaction between the bureaucrats and the political leaders and between the elected representatives and the citizens in the book named 'Leadership in Urban Government in India'⁶¹ (1986). After a thorough survey regarding the role of elected members the author commented that the elected members could not even perceive their roles in the right perspective.

Mukhopadhyaya Asok in the book 'Municipal Government and Urban Development'⁶² (1984), made a case study of the reforms attempted in the field of urban development administration in West Bengal during the first six years of the Left Front Government.

In another book 'Municipal Management and Electoral Perception'⁶³ (1986), Asok Mukhopadhyaya conducted a research study based on sample survey of four Municipalities namely Bally, Kamarhati, Krishnanagar and Tamluk in the state of West Bengal.

Dutta Abhijit in his article 'Reforming Municipal West Bengal: Some Administrative Issues', T.K.Banarjee in his article, 'Municipal Finances of West Bengal: Some Issues', S.K.Dutta and Arunabha Bhattacharyya in their article 'Problems and Possibilities of Municipal Development – A Case Study of Bishnupur' in the (ed.) Volume 'Urbanization Migration and Rural Change, A Study of West Bengal'⁶⁴ by Biplab Dasgupta (1988), discussed the issues relating to organizational, financial, administrative and managerial aspects of urban development in West Bengal.

Sachdeva Pradeep provided us with a comprehensive and vivid description and analysis of the organizational structure and performance of municipal bodies in the book – 'Dynamics of Municipal Government and Politics in India'⁶⁵ (1991).

Inamdar R.N. in his book entitled 'Crisis in Urban Government'⁶⁶ (1991) explained both the decision-making mechanism and the process of decision making in Poona Municipal Corporation.

Kothari Rajni in his article, 'Issues in the Decentralized Governance', S.S. Meenakshishisundaram in her article 'Decentralization in Developing Countries'; P.C.Mathur in his article 'Political Dynamics of the Institutional Pendulum of Democratic Decentralization: An Overview'; Abhijit Dutta in 'Institutional Aspects of Urban Governance in India' and P.K.Mohanty in an article 'Municipal Decentralization and Governance: Autonomy, Accountability and Participation' in an edited book by S.N.Jha and P.C.Mathur entitled 'Decentralization and Local Politics'⁶⁷ (1999) explained the necessity of decentralization for development and the urban local bodies are the best to perform those decentralized development.

Mishra Girish K. in his book entitled 'Public-Private Sector interface and Harmonization for Urban Development'⁶⁸ (1997) discussed the process of urbanization and urban growth in India and its importance in the socio-economic development of the country. He emphasized that the urban government alone is not in a position to solve the urban problems and that is why public-private partnership is a necessary step towards urban development.

Articles:

Asirvatham E: In his article entitled 'The Role of Local Self-Government in a Democracy'⁶⁹ (1955) discussed the importance of Urban government in a democracy.

Chauhan D.N.S: In an article 'Relationship between The Rural and the Urban Local Bodies'⁷⁰ (1969) tried to show that, the local self-governing institutions had a vital role to play in a developing democracy like India. Rural and Urban are the two phases of Indian national life and the process of improvement of one can not be accelerated without taking into account the problems of the another. The paper explained the three types of relationship between the Panchayati Raj Institutions and the Urban Local Bodies i.e. organic relationship, Functional Relationship and Operational Link.

Noor Hussain Mir : In his article, 'Some Problems of Local Self-government'⁷¹ (1961), analysed the problems confronting the local bodies like finance, government control over local bodies; Executive must be made responsible to the local body; State and Central Government properties and services and the Municipality and provision of basic amenities and government aids were discussed.

Rosenthal Donald B: In his article, 'Factions and Alliances in Indian City Politics'⁷² (1966), indicated a close connection between State and Local Politics in India. Observed that the nature of state Politics is a significant parameter for an adequate understanding of local politics.

Gian Prakash: In an article, 'District Administration and Urban Local Bodies'⁷³ (1966), examined the place of local self-government in district administration in the contest of the powers of the District Magistrate. He emphasized the need for administrative machinery that can dovetail the programme of the urban local authorities with the rest of the district in the interest of coordinated development.

Sady, Emil J: In an article, 'Improvement of Local Government and Administration for Development Purposes'⁷⁴ (1962) made comparative approaches and results of two meetings: The Cambridge Conference on Local Government in Africa and the UNO'S Working Group on Administrative Aspects of Decentralization for National Development.

Gorvine Albert: In an article, 'The Utilization of Local Government for National Development'⁷⁵ (1965) viewed that, development should come from within the country. This paper attempted to indicate a new and different role for local government in national development and suggested recommendations for a new emphasis in the entire relationship of the local government to the national government.

Badhe G.S & M.V.Rao: In an article, 'Municipal Personnel System'⁷⁶ (1969) deal with organization, recruitment, caliber and training of municipal Personnel, systems like separate, unified and integrated for each municipality, municipal government in the state and in different states were also discussed.

Bhattacharya Mohit: In his article, 'Urban Local Government'⁷⁷ (1971), foresees the centralization of powers in the hands of the State Governments and the consequent decline of urban local self-government in the near future. And expected the emergence of a new concept of State-Municipal functional cooperation in this process, which would take away much of the traditional idea of local autonomy.

Khosla J.N.: In an article, 'Urbanization in the Developing Countries and its Consequences for Local Government'⁷⁸ (1970), advocated that, local bodies in developing countries did not have well equipped departments, qualified personnel and adequate financial resources to meet the local problems arising out of growing urbanization. Local authorities were the best agencies for undertaking local urban development works. The author argued the need of their radical reform to meet the emerging challenge of urbanization.

Van Putten J.G: Stated in an article, 'Local Government in the Seventies'⁷⁹ (1971), highlighted some of the signs which indicated the period of stagnation had come to an end and the local government was on the point of entering an era of renaissance.

Dev Raj: In his article, 'The Political Context of Municipal Management'⁸⁰ (1973), argued that, local government institutions function firstly as instruments of local democracy and secondly as agencies for management of public utilities and municipal services.

Dev Raj: In an another article entitled, 'Multi-Level planning and Local Government Structure'⁸¹ (1973), discussed the concept of multilevel planning and examined some plans at the local levels with their scope and perspectives. Concluded that, realistic planning and effective implementation depends on sound and viable local government.

Bhargava P.L.: In his article, 'Rationalization of Urban Local Bodies in India'⁸² (1971), viewed that, with the new objectives of democratic socialism, decentralization, development planning and welfare state, the importance of local self-government has come to the forefront. Decentralized government has manifold advantages.

Bhattacharya Mohit: In his article, 'Decentralization of Big City Government'⁸³ (1978), advocated that, the bigness of a city with a monocentric local government raises the problems of citizen-administration alienation. To eradicate the problems the writer stressed on the feasibility of establishing decentralized political units as lower-tier bodies in a two-tier city government was examined.

In another article, 'Comparative Local Government'⁸⁴ (1975). M. Bhattacharya expressed that outside the Communist world local government had been modeled in different countries on either the French or the British pattern. The indigenous forces had their influence in modifying the model, in India, the local government had its philosophical roots in the concept of decentralized democracy. The present political mood, however, seems to be to lighten central control.

Deva Raj in his article 'Municipal Government and the Democratic Process'⁸⁵ (1975), stated that, in a democratic society local government had to fulfill two objectives: (1) Development and Management of local socio-economic services and public utilities; and (2) providing a vital base for the Democratic structure. But the state Government gave the first objective on overriding dominance without a corresponding concern for the second objective.

Dutta Abhijit in his paper 'Human Settlement and Local Government in India 2000'⁸⁶ (1976), stressed in the first part the existing pattern of local government. In the second part, the lines of reforming the system through resolving the duality of field administration and local government and in the third part the problems of decentralization and citizen participation have been reviewed.

Dutta Bhabatosh: In an article. 'State-Municipal Financial Relations in West Bengal'⁸⁷ (1984), after a thorough check up of the Municipal financial resources and State grants-in-aid viewed that, there was no financial decentralization in the State and prescribed for tax-sharing between the State Government and Urban local bodies for decentralized development.

Banerjee Nirmala: In her article, 'The Federal, State and Municipal Governments: Can the Trio Meet?'⁸⁸ (1984), advocated for Central, State and Municipal Cooperation in respects of functional, administrative and financial development in a federal democracy like India.

Khan Md Akbar Ali: In his article entitled, 'Constitutional Status of Municipal Governments'⁸⁹ (1984), analysed the constitutional and legal status regarding the organization powers and functions and finances of Municipal bodies in India and concluded that, in no way these bodies were the unit of local self-government. He also suggested for reforms in the Municipal statutes to build these urban local bodies in a better position and an essential part of the Indian Federal Polity.

Roy J.N. in an article 'A Unified System of Local Self-Government in West Bengal'⁹⁰ (1984), argued that, under the present system centralization tendency was very acute for which it would be free from centralized control of the party and the government.

Dwivedi O.P. and K.M. Henderson: In their article, 'Development Alternatives: Alternative Administration'⁹¹ (1991), explained the various theories and models of development administration.

Bajpai P.K.: In his article, 'Peoples participation in Development: A Critical Analysis'⁹² (1993), analysed the necessity of peoples' participation in development and also prescribed the measures how peoples' participation can be ensured.

Bhattacharya Mohit: In an article entitled, 'Municipal Planning in the Perspective of 74th Amendment'⁹³ (1993), explained the major changes that took place through the 74th Constitution Amendment Act 1992, and how the Municipal bodies may be revitalized for municipal planning and development.

Siddique Noore Alam: In an article entitled, 'Decentralization Within the State: A Review of Theoretical Approaches'⁹⁴ (1996), analysed the normative and descriptive theories of decentralization within the state and claimed that none of these theories were absolutely acceptable, however, decentralization is a must for democratic development.

Mohanty I.N.P.: In his article, 'State-Municipal Relationship: An Analysis of Collaboration and Control in India'⁹⁵ (1991), explained the various mechanisms through which the States Control the municipal bodies. He also prescribed the methods through which the State-Municipal Collaboration may be achieved for local as well as national development.

Mohanty P.K.: In an article 'Capacity Building Issues in the Context of Constitution (74th Amendment) Act 1992'⁹⁶ (1998), analysed the various provisions of the Amendment Act and also suggested various norms for the upliftment of the urban local bodies.

Neogi S.K. in an article 'Role of Municipal Bodies in Urban Development Activities'⁹⁷ (1990), described the positive and negative roles of the municipal bodies and emphasized the necessity of an integrated planning at the local level with full involvement and support of the government.

Krishnanaiyer V.R. in his article, 'Socio-Legal Parameters of Urban Development;⁹⁸ (1993), examined the minimal socio-legal conditions to make urban developmental democracy a meaningful experiment.

Bhattacharya Ardhendu in his article, 'Public Private Sector Corporation in the Field of Urban Development'⁹⁹ (1993), suggested that private sector could be utilized in the field of Municipal Services, land utilization and housing, although entry of private sector in municipal activities needed certain structural amendments in existing states.

Raj Mulkh in his article, 'Sustainable Urban Development'¹⁰⁰ (1991), emphasized two basic principles affecting the management of human activities – one concentrating on development goals, and the other, the harmful impact on human activities on natural environment.

Nath Surendra in his article, 'Management Structure of Municipal Administration'¹⁰¹ (1990) discussed the present challenges to municipal management and to what extent the management structure could be strengthened.

Overview of the Recommendations Made by Various Committees and Commissions:

Relating to Municipal Finance, there has been no dearth of reports by Committees and Commissions. Since independence, Local Finance Enquiry Committee (1951),¹⁰² Taxation, Enquiry Commission (1953-54),¹⁰³ Zakaria Committee Reports (1963)¹⁰⁴ and Rural-Urban Relationship Committee (1966)¹⁰⁵ illustrate the point. The approaches of such Committee and Commissions had been different. A discussion on the approaches would be in order.

The Local Finance Enquiry Committee (1951) recommended for assigned revenue scheme only for strengthening Local finance. But Zakaria Committee (1963) insisted on better utilization of existing resources coupled with shared revenue of certain taxes and some state grants-in-aid scheme. Taxation Enquiry Commission (1953), suggested a number of tax sources to be exclusively exploited by local bodies. The Commission did not support shared revenue of taxes but felt the need for introduction of a rational grants-in-aid scheme. The approach advocated by Rural-Urban Relationship Committee (1966) was novel. In the first place, it suggested an exclusive list of local taxes to be exploited by the municipalities; second, it suggested a rational scheme for grants-in-aid keeping in view needs of municipal bodies and local autonomy; third, the Committee for the first time recommended that the finances of local bodies should be considered as a part of the overall public expenditure of the country, i.e. it sought to integrate local finance with state finance and ultimately with national finance.

In scheme of improving local finance, it is urgent that adequate resources should be given at the hands of municipal bodies. For this these should not be exclusive state transfers leading to erosion of local autonomy. The Zakaria Committee (1963), rightly stressed in the need for better utilization of the existing resources at the hands of the urban local bodies. The Rural-Urban Relationship Committee (1966) also thought it proper to recommend even

general purposes grant with springs attached (at least partially). In spite of all these it has been seen that the municipal bodies have become indolent in so far as exploitation of the existing resources; this has made them dependent on the State transfer which automatically led to inroad into local autonomy.

In keeping with the recommendations of Local Finance Enquiry Committee (1951), West Bengal Municipal Finance Commission¹⁰⁶ (1982), favoured with 'gap filling' approach in regard to resource generation of local bodies. The Commission had gone into the details of local finance and calculated the expected state transfer under the said approach. Notably, it did not recommend grants-in-aid scheme for urban local bodies. In 1986 the state government, however, introduced Revised Grants Structure (RGS) in order to extend financial support to the municipal bodies for maintenance of prescribed standard of a service or institution of a new service. From a brief study in the following it would reveal that the municipal bodies were gradually becoming more and more dependent on state transfer.

Table No – 1

Statement of Release of Plan & Non-Plan Grants to Municipal Bodies by the Municipal Affairs Department (1995-1998)

Year	Plan Grants (Rs.)	Increase in %	Non-Plan Grants (Rs.)	Increase in %	Total (Rs.)
1995-96	220941000	13734.75	2473700313	3205.46	2694641313
1996-97	1365016000	85340.59	2614275644	3393.30	3979291644
1997-98	1493304420	93370.56	2853456749	3712.90	4346761169

Source: *Urban West Bengal 1997-98, ILGUS, Calcutta, Salt Lake*

Table No - 2
Per capita Own source Revenue Income & Revenue
Expenditure of the Municipalities from 1995-98

Year	Name of the Municipality	Population in 1991 (Thousand)	Own Source Revenue Income (Rs. in 000)	Perception Own source Revenue Income (Rs.)	Revenue Expendi- -ture (Rs. 000)	Perception Revenue Expendi- -ture (Rs.)
1995-96	Cooch Behar	71000	8654000	121.88	20428000	287.72
1996-97			13279000	187.03	23105000	325.42
1997-98			13935000	196.00	27785000	391.00
1995-96	Medinipur	125000	10240000	81.92	22388000	179.10
1996-97			8774000	70.19	25276000	202.21
1997-98			10660000	85.00	29479000	236.00
1995-96	Baharampur	115000	6638000	57.72	24931000	216.79
1996-97			11027000	95.88	31780000	276.34
1997-98			1220000	106.00	28704000	250.00
1995-96	English Bazar	139000	11229000	80.78	21793000	156.78
1996-97			15869000	114.16	26354000	189.59
1997-98			17105000	123.00	27563000	198.00
1995-96	Raiganj	151000	3015000	19.96	11884000	78.70
1996-97			2474000	16.38	10862000	55.73
1997-98			3810000	25.00	16383000	108.00

Source: *Urban West Bengal, 1997-98, ILGUS, Calcutta.*

The Municipal Finance Committee¹⁰⁷ in 1993 however abandoned this approach and suggested for exploitation of local tax resources exclusively earmarked for them along with revision of grants-in-aid system.

There is the need for a symbiotic relationship between functions and finances at the municipal level. It is true that the state should make available adequate resources at the hands of municipal bodies; it should also see that the municipal bodies do not become indolent and depend on state transfer leading to dilution of local autonomy.

The above-discussed overview of the literature relating to urban development and administration were connected with multi-faceted dimensions of urban problems and probable solutions. But our main thrust will be concentrated on urban development and administration in the context of Democracy, Development and Decentralization in the said proposed study.

SECTION – C

Planning and Urban Development Policy in India

According to the Indian Constitution, Urban Policy and Urban Planning have been included in the list of state subjects; the state possesses the power to enact any legislation on urbanization and urban planning without proper amendment of the Constitution. Although, states were empowered to make policy in their jurisdiction, very few states had taken initiative in this regard and much of which existed as urban policy was framed by the Central Government. As a result, the central government's statement on urban policy as expressed in Five year Plans assumed importance as they reflected the general policies being followed by the central and state governments.¹⁰⁸

Urban Development Policy in India since Independence:

Urban development, unlike agricultural or industrial development, had not received the importance it undoubtedly deserved in India. While assessment of the economic needs of agricultural and industrial development was systematically calculated, urban development financing could not be said to have received a similar treatment. In fact, the First (1951-56) and the Second Five Year Plans (1956-61) did not give much importance on urban development due to preoccupation of the economic problems after partition. Both those plans only noted that urban growth was unplanned and haphazard and that more state/local authority was needed over building activity, land uses and land prices. In terms of real achievements, the institutional set up for the management of

urban administration and the creation of a pool of skilled professionals was laid down during the first two five year plans.¹⁰⁹ By the late 1950s there were discussion and controversy on whether the 'Community Development Approach' could be used among the urban people.

In 1958, the first pilot project in urban community development was initiated in Delhi with the help of the Ford Foundation. This was followed up in 1960 by another pilot project in Ahmedabad, the third in 1965, in Boroda and in 1966, in Calcutta.¹¹⁰

It was the Third Five Year Plan (1961-66) in which much thought was given to planned urban development. In this plan, the urban and regional plan to gather with Housing, Water Supply and Sanitation received about 14 percent of the total plan allocations.¹¹¹ The Third Plan mentioned the need for each city to mobilize its own resources to help to create better conditions for its citizens and emphasized on the need for and the potentialities of urban community development. Instead of earlier piecemeal infrastructural development policy, the Third Five Year Plan visualized urbanization as "an important aspect of the process of economic and social development" and linked up urban planning with the broader goals of economic development and "balanced development between large, medium-sized and small industries between rural and urban areas."¹¹² The Third Plan recommended some minimum directions, which were as follows:

1. Control of land values through public acquisition of land and appropriate fiscal policies;
2. Use and preparation of Master Plans;
3. Defining tolerable minimum standards for housing and other services to be provided for towns according to their requirements and also prescribing maximum standards to the extent necessary, and
4. Strengthening of Municipal administration for undertaking new developmental responsibilities.¹¹³

The above mentioned action plans marked a policy shift from a single purpose toward a more comprehensive urban planning and development. From the conceptual viewpoint, the Third Plan marked a watershed in perception and thinking on urban planning. The Government for the first time formulated an urban planning and land policy. In the light of policy direction, the Report of the Rural-Urban Relationship Committee recommended an administrative restructuring of local bodies as follows:

- a) as far as possible, new industries should be established away from large and congested cities;
- b) the concept of region-wise development should be accepted in the planning of big and heavy industries;
- c) the rural and urban components of development should be blended properly in community development projects or other areas within the district, and
- d) diversification of occupational pattern should be attempted in each rural areas in order to reduce the dependence on agriculture.¹¹⁴

In addition to the above mentioned directions, the Plan document suggested some major steps for controlling land values as a matter of high priority as follows:

- a) issue of notifications for freezing land values with a view to ensuring early acquisition of land by public authorities;
- b) acquisition and development of land by public authorities in accordance with the interim general plans was essential for preventing speculation. Acquisition procedure should be fast and legal procedures should be simplified as far as possible;
- c) allotment of land on a lease-hold basis, as a result a fair share in the increase in the value of land continues to accrue to the community;
- d) betterment levies and taxation of agricultural lands put to non-agricultural uses;

- e) capital tax on transfer of free-hold lands;
- f) tradition of vacant lands in developed areas;
- g) setting a ceiling on the size of individual plots and
- h) determination of appropriate norms of rent and regulation and control over rents.¹¹⁵

In regard to preparation of Master Plans, it was suggested that interim general plans for major urban areas should be framed to secure orderly development of towns and cities.

Matters relating to laying down of standards for housing and other services were concerned, the plan emphasized that certain minimum standards should be set for them to find out the solutions to the problems of mass housing and the elimination of slums.

In the case of strengthening of municipal administration the Plan emphasized that, at the local level municipal administration should be strengthened by increasing their resources and personnel and by enlarging their jurisdiction and functions.

The Fourth Five-Year Plan (1969-74) took a much more cautious policy in regard to preparation of development plans for metropolitan and other urban centres. The Plan suggested the policy of preventing future growth of population as well as reducing congestion of the metropolitan cities like Kolkata and Mumbai by phased dispersal of population. Future planning for other cities would aim at stabilization of population. New towns would be planned in the region for absorbing the spillover population. Special thrust was given on the following important problems:

- i) in the rapid growing cities the jurisdiction of corporation or municipalities should coincide with the boundaries of appropriate planning areas;
- ii) legal structure should be created for successful implementation of planning;
- iii) the administrative structure of the local bodies needed to be reviewed;

- iv) specific financial schemes on Water Supply, roads etc. had to be cast within the frame of a long term plan;
- v) a radical urban land policy had to be evolved to facilitate speedy and planned urban development; and
- vi) measures should be taken to solve the housing problems through proper planning and land policy.¹¹⁶

The municipal bodies, it had already been noted in the earlier plans, should be strengthened to speed up the process of urban development. To do so, the Union Ministry of Health and Family Planning constituted a Committee on Municipal Budgetary Reforms in 1974. Its recommendations were related to allocation of adequate resources, reorganization of administrative set up and provision of expertise and technical help to the Municipal bodies.

In spite of all such steps, the Fifth Plan noted that notwithstanding the growing awareness of the problems of urban development, the states lagged behind in taking comprehensive action for the adoption and implementation of master plans chiefly because of organizational and financial constraints at the local level. The broad objectives of urban development laid down in the Fifth Plan were :

- 1) to augment civic services in urban centres in order to make them useful for a reasonable level of living;
- 2) to deal with the problems of metropolitan cities on a more comprehensive and regional basis;
- 3) to develop the smaller towns and new urban centres to lower the pressure of urbanization on the larger metropolitan cities; and
- 4) to conceive and push through projects of national importance such as those relating to metropolitan areas of interstate projects.¹¹⁷

In short, the Fifth Plan stressed the need for a multi faceted strategy to tackle the complex problems of urbanization. The National Urbanization Policy Resolution 1975, prepared by the Town and Country Planning Organization,

Government of India identified some major areas of urban development as follows:

- a) evolving a spatial pattern of economic development and location of hierarchy of human settlements;
- b) securing optimal distribution of population between rural and urban settlements within each region and also among the towns of various sizes;
- c) securing distribution of economic activities in small and medium size towns;
- d) controlling and where necessary, arresting the further growth of metropolitan cities by disposal of economic activities, legislative measures and establishment of 'new counter magnets' in the region; and
- e) providing minimum level of services for improving the quality of life in rural and urban areas and reducing gradually the difference between rural and urban living.¹¹⁸

The above Policy Resolution spelt out a number of strategies for the realization of the above objectives. Admittedly, each urban centre could perform several functions for a size of population threshold. These centres were needed to be hierarchically arranged along-with interlinkages. The functions of cities and towns had to be augmented by removing the weaknesses of infrastructures for stimulating growth. Within this broad framework, urban centres had been classified in the following manners:

- a) Metropolitan cities with population of one million and above.
- b) Class-I cities with a population of 100,000 to 1 million.
- c) Medium size towns with a population of 50,000 to 1 lakh.
- d) Small towns with a population of 5000 to 50000.¹¹⁹

After such classification, the Policy Resolution provided action programmes for guiding the pattern of urban growth. In the first place, metropolitan cities needed proper planning to guard against unregulated urban growth in future. Secondly, it emphasized the concept of region-wise planning

frame. Strong economic infrastructures should be created in these cities to attract new industries. Further, growth foci had to be identified, so that these centres could be capable of absorbing much of population burden of the metropolis. Besides, attempts to enforce a more rational use of scarce urban land in the largest cities continued. In the Fifth Plan period the Urban Land (Ceiling and Regulation) Act 1976, was passed. The Act aimed to impose a ceiling on the ownership of vacant land in urban agglomerations so that lands would be available in the open market. But there had been great difficulties in its implementation and ultimately, this Act achieved the opposite it made urban land more scarce.¹²⁰

Until the Sixth Plan, Planning in India was limited to economic planning at the national level and physical planning at the urban settlement level. There was a lack of spatial planning in the country and it had not ranked as a priority item in the national urban policy. It was only in the Sixth Plan period that emphasis on such spatial planning was given in urban policy by launching a scheme of Integrated Development of Small and Medium Towns (IDSMT) in the population range of 20,000.¹²¹

On the basis of strong recommendations of a Task Force, which completed its Report in 1977 on the problems of small and medium towns, the Government of India formally declared a National Urban Policy in the Sixth Plan by initiating the scheme of IDSMT.¹²² This scheme was launched in 1979 by selecting about 236 towns in the population range of 20000 to 100000 and giving them a financial back up to the tune of Rs. 1.07 Crores per town. This policy aimed at slowing down the growth of metropolis and to increase the rate of growth of small and medium towns. In these towns, emphasis would be given on the provision of infrastructural and other essential facilities. The medium towns could be developed as growth centres where agro-based industries and small-scale industries could be located to cater to various needs of the rural population. The small towns at the bottom of the hierarchy should grow as service centres of rural hinterlands. The centres would provide inputs for agricultural production in the surrounding areas.

The Sixth Plan emphasized on decentralization observing that a National Urbanization Policy should include specific consideration of regional problems and funds should be allocated to the development of small, medium and intermediate towns. Such funding of smaller urban places are enduring till now. Though the stated objectives were appropriate in tackling the problems of urban economic concentrations, the Reports already received unfortunately indicate a very little achievements.¹²³

However, with the initiation of the Seventh and Eighth Five-Year Plans, some new features emerged in the urban development arena in comparison to the earlier ones in India. Though, both the Plans continued to emphasize on the policy to divert the investment into small and medium towns, they followed a different stand from the previous Plans on the questions of the role of the state in urban development.¹²⁴

The Seventh Plan (1985-90) stressed the need for greater devolution of funds to urban local bodies for the revitalization of civic bodies and for greater 'community participation'. It was recognized that the development of infrastructure like electrification, water supply, local roads, sewerage and garbage collection was absolutely necessary. The objective of locating infrastructure in towns and new growth centres would be partially to slow down the population explosion in metropolis and big cities. It was noted that, there should be 'more private initiative and investment in urban development' because 'the delivery of basic public services to everyone is simply not feasible without such an approach.'¹²⁵ Further, it was also noted that Government's fund were limited, given the poverty in rural areas and therefore urban local bodies would themselves would mobilize additional resources.

Thus, it was clear that certain steps had been taken to minimize urban problems in India. But the results were not very satisfactory. Local bodies were woefully short of resources both for maintenance of existing services and for making the capital investment necessary for development. To overcome the urban problems, during the Janata government, a 'National Commission on Urbanization' was created for a thorough investigation of the urban problems in

India. The Commission in its Report in August 1988 observed that, urbanization could materialize only if the cities were economically viable and capable of generating economic growth in a sustained manner. Instead of remaining isolated centres of economic activity, with minimum linkages with the rural hinterlands, the cities must become vibrant centres, making the best use of natural and human resources in the region where they were located. With these observations, the Commission made the following recommendations:

- a) a policy of selective discrimination in favour of Class-I cities other than metros;
- b) a massive programme of containment and decentralization in existing metropolitan and large city agglomeration;
- c) a complimentary crash programme of accelerated infrastructural development of fast growing, medium sized cities;
- d) priority development cities of medium category for the purpose of generating urban development;
- e) enlargement of the medium sized city network through accelerated development of next lower urban centres;
- f) locating public sector industrial development as far as possible in relationship to existing small towns to enable the development of a system of mutual dependence;
- g) establishment of multi-industry townships rather than single-industry townships; and
- h) diversification of the economic base of existing new towns and the recognition of their urban management system to enable them to emerge as viable regional centres.¹²⁶

Both the Seventh and Eighth Plan represented a different approach from earlier ones in their emphasis on urban employment generation. As a result, a new programme known as 'Nehru Rozgar Yozana' was launched at the end of the Seventh Plan in 1989. In the Central Government budget on urban development plan, largest allocation of all items was given to this scheme for the fulfillment of this new programme in the Eighth Plan. However, the Eighth Plan

declared that 'financing of metropolitan development should in principle be through internal resources and self-sustaining in nature'.¹²⁷ Observing the weak urban local bodies the Plan urged for strengthening the regulatory and organizational base of urban local bodies.

The first serious attempts to grant constitutional status and to make the urban local bodies as unit of self-government were made during the Seventh Plan period. For the first time on August 7, 1989 a Bill was introduced in the Parliament but it failed to pass the Rajya Sabha especially due to the misgiving of state governments which saw it as a means of central/union interference into their jurisdiction. After some modifications, the Bill was reintroduced for ratification as the 74th Amendment Bill. This time the Bill was passed and became the 74th Constitution Amendment Act 1992. The said Act came into force in March 1993. The basic objectives and fundamental features of the said Act have already stated in the earlier section of this Chapter. The 74th Constitution Amendment Act 1992 on Municipalities is a first major step to ensure adequate Constitutional obligation so that democracy in Municipal Government through decentralization is established. It is a pointer to the determination of the state to bestow power to the people to plan for themselves and participate in the decision-making process.

SECTION – D

Democracy, Development, Decentralization: A Review of Theoretical Approaches

From the beginning of the 1970s, decentralization has been the subject of increasing scholarly attention. This is not surprising given the widespread popularity of decentralization policies across the globe, especially in developing countries. Indeed, decentralization has come to be regarded as an important vehicle that can promote democracy and development and as such it has become an important component of development strategy in most developing countries. Although, there were endogenous pressure for policy reforms, the main impetus for the adoption of decentralization in the developing countries sought for

donor agencies and a host of theorists who deployed a catalogue of arguments in its favour. Decentralization is also supported in terms of the managerialist arguments of 'efficiency' and the political arguments of 'good governance'. On the other hand, there are a large number of intellectuals who are cynical about decentralization and doubt its relevance in promoting development in the third world. Thus, decentralization has become a subject of theoretical debate and of much controversy, especially over the last decade.

Before we proceed with the detail debates that characterize the recent literature on decentralization, it is necessary to provide a working definition of 'decentralization' since different writers have used the term with reference to a variety of organizational structures. Here the term decentralization is used to mean decentralization within the state apparatus, i.e., the transfer or handing over of different degrees of authority by the national government to state institutions at lower levels. Such a transfer of authority may take place either to administrative institutions as in the case of decentralization when a government ministry delegates authority to its field level officials, or to political institutions as in the case of devolution, when the national government transfers authority to elected governments at lower levels. The extent of authority that the government transfers to lower level agencies depends on the form of decentralization that it wants to pursue.¹²⁸

Serious intellectual discourse on decentralization began in the early 19th Century and gained renewed impetus during the 1970s and 1980s out of which have evolved a number of theoretical perspectives on the subject. For analytical convenience, we divide them into two broad categories, i.e., Normative Theories and Descriptive Theories.

Normative Theories:

The classical liberal democratic theorists of politics were the first to make a strong case for decentralization, stressing its possible benefits at national and local levels. They advocated decentralization policies that highlight local government as the institutional vehicle for political education training in

leadership, political stability, equality, responsiveness and more effective public accountability. This approach is commonly known as “democratic decentralization” and is explained in the writings of de Tocqueville, Mill, Laski and Wilson.¹²⁹ Much of these writings on local government emphasize a theory, which is essentially political with its implicit contention that local government is beneficial to the political health of a nation. Implicitly, these writers assumed that the economic health of a nation is dependent on its political situation.

From this classical liberal democratic notion of local government has emerged a most recent school of thought in the writings of Maddick, Cheema and Rondinelli, Mawhood, Conyers, Nellis, Uphoff and Esman, Bryant and White, Montgomery and agencies such as the United Nations. However, in contrast to classical political theory, this recent school is more developmentally oriented and highlights the importance of decentralization for social, economic and political change in the Third World. These theorists have advanced a host of arguments in favour of decentralization, which may be summarized as follows:

Firstly, decentralization is regarded as a necessary condition for improving the planning and implementation of development. It is believed that, decentralization brings government officials closer to the citizens, thus allowing them to obtain better quality information about local needs and priorities than central agencies. Such information in turn serves as a base for the formulation of more appropriate and feasible development plans and projects. Thus, decentralization permits plans to be ‘tailor made’ for specific areas using detailed and up to date information on local conditions.

Secondly, decentralization serves as a mechanism to promote local participation in planning and implementation of development projects. Peoples’ acceptance of and commitment to project activities are considered crucial for successful implementation of projects and for their sustainability. Rondinelli argues that, decentralized government is needed to institutionalize the participation of citizens in development planning and management.¹³⁰

Thirdly, it is argued that decentralization helps to mobilize local resources for development purposes. Decentralized local institutions through their

knowledge of local resource availability and the terms on which these resources can be secured are in a position to mobilize them for local development efforts. If local people feel that it is their money being spent, they will exert more control over expenditure and demand that resources are used efficiently.

Fourthly, decentralization is also justified as a means for better coordination. It is maintained that by giving power and authority to local bodies, decentralization helps to minimize misunderstanding and possible disagreements on different issues and provides a base for harmonizing and integrating development activities undertaken by diverse government organizations. Decentralized local institutions are also likely to provide a better system of supervision and monitoring of ongoing projects by directly involving local people who do some checking themselves. Even after implementation, maintenance of projects outputs are better performed by local agencies than the central government, which is unable to easily monitor the breakdowns.

Fifthly, decentralization leads to greater government accountability and makes the government more responsive to the people at the grassroots levels. In decentralized systems, local people have better access to representatives and officials and can demand explanations as to what they are doing. Maddick states that, "the local government official working at local levels is more vividly aware of his political accountability than the central government servant, whose responsibility is more remote, the local government has his master at his door step".¹³¹ Thus, decentralization is likely to improve the volume and quality of government services and minimize dishonesty and corruption in the administration and management of services at the local level.

Sixthly, the developmentalists argue that, if development means the eradication of poverty, inequality and material deprivation, it must involve and mobilize the poor. Decentralization is one of the best ways to achieve this as it helps the poor to get involved in politics and that political involvement strengthens their material position. It helps develop confidence and competence among the poor to 'pull-down' benefits from locally managed development projects, which would otherwise be siphoned off by local elites.

Lastly, decentralization is highly valued for its perceived role in maintaining political stability, a pre-requisite to development. By allowing better representation to all social groups to articulate their needs, decentralization contributes to greater equity in the allocation of government resources and reduces the likelihood of social tensions developing. Thus, it helps to maintain political stability and national unity. It also contributes to national political development through political education and training in political leadership. They maintain that by virtue of decentralization people learn the rudiments of democratic political activity at the local level. Such an education ultimately enriches the central government as better-trained politicians emerge from the grassroots.

Political scientists and public administrationists made detailed case for decentralization on the one hand, economists came forward with their own arguments on the other. The extensive literature on the economies of 'public choice' has paid considerable attention to decentralization and come to regard it as an important mechanism for effective public service provision. Based on the belief that, "an individual will locate himself where local public goods provided coincide with his own preferences".¹³² The public choice theory contends that decentralized government is better able to reflect the needs and preferences of a particular individual or community. It is argued that "under conditions of reasonably free choice, the provision of some public goods is more economically efficient when a large number of local institutions are involved than when only the central government is the provider.... a large number of providers offer citizens more options and choice".¹³³ It is believed that concentration of services create numerous problems and reduces consumer satisfaction. Decentralization helps to minimize many of the problems and contributes towards efficient and responsive delivery of goods and services to the people.

Theorists, idealists and practitioners in management all favour decentralization for better managerial performance. Though management theorists are largely concerned with decentralization in private organizations but their arguments are equally relevant in government bureaucracies and public

sector organizations. Handy states that, managers within decentralized organizations are more committed as they have more command.¹³⁴ According to him, the greater job satisfaction leads to enhanced motivation and creativity.

Thus, normative theorists of decentralization have justified their positions in political, administrative, economic and managerial grounds. But a number of weaknesses in their arguments manifested as follows:

- (i) The liberal political theorists and developmentalists consider the value of decentralization from a normative perspective and consequently failed to point out the importance of the context within which decentralization takes place. Presently, there is a growing realization that different forms of decentralization will produce different results.
- (ii) The normative theorists have looked at 'power' from an extremely narrow perspective failing to perceive the distribution of power beyond the conventional voting rights. In reality, the distribution of power among different groups and classes in most societies is highly unequal, which leads to differential access to services and benefits. The normative theorists display little appreciation of this.
- (iii) To the normative theorists state is seen as benevolent institutions that promotes public interests and maximizes social welfare. But many modern scholars contend that the state is not a neutral and benevolent arbiter, rather an instrument of the dominant classes who manipulate state power and policies to perpetuate their socio-economic dominance over the rest of the society.

Given these limitations the liberal and developmentalists approaches appear to be inadequate in explaining and understanding decentralization policies.

The Public Choice School suffers from both theoretical and practical problems. It assumes that, individuals have equal access to information, there is no monopoly power and no public goods, which is hardly the case in the real

world situation. Public choice theory is also contested over the issue of externalities between areas.

The Management Theory offers much more than the relatively simplistic liberal democratic and public choice literatures. Morris and Leonard have developed the notion of an organizational analyst who can step back and analyze options. But this may be possible on some aid-financed projects only. In reality, in most circumstances such analysts are at best lone actors in a set of social, political and institutional interactions. This leads to more descriptive theoretical approaches to the study of decentralization and development.

Descriptive Theories of Developments:

Recently the normative values of decentralization have been strongly criticized by a number of scholars who consider these theories as rhetorical and full of disguised ideological overtones. The writings of Fesler, Samoff, Hyden, Smith, Rakodi, Slater and others have developed a new approaches to the study of decentralization, which owes its conceptual roots to the works of famous political economists like Marx and Gramsci. Contrary to the liberal and developmentalist approach that decentralization has inherent qualities to promote development in the Third World, these scholars argue and try to demonstrate with empirical evidence that in the developing countries decentralization has rarely facilitated development. Heaphey opines that decentralization is "an obstacle to development".¹³⁵

Descriptive theorists view decentralization policy as potentially parochial, inegalitarian and consistent with the privileges and exploitation built into local and national power structures. They believe that, decentralization serves as a facade to maintain or strengthen, in one way or another, the position of those who hold power. They observe that despite all rhetoric, decentralization programmes introduced during the 1970's and 1980's in Zambia, Tanzania, Uganda, Kenya, Nigeria and Ghana were all intended to serve the unspecified goals of the regimes in powers.¹³⁶ Therefore, the critics view decentralization as a tool cynically deployed by the holder of political power to maintain their control and perpetuate their interests.

Addressing towards the political economy of developing countries, these theorists view that decentralization can hardly promote the welfare of the poor. They say if power remains concentrated in the hands of a narrow elite group, decentralization is likely to empower these elite groups rather than the common people. In such situations decentralized local institutions will be captured by local elites for the continuation of their dominance in various spheres. This was exactly what Caiden and Wildavsky have warned of. They note that decentralization makes projects more vulnerable to pressures from local elites and when responsibilities is dispersed, these elites benefit.¹³⁷

Under the foregoing situation, the popular justification for decentralization that it promotes grassroots participation has faced critical scrutiny. Today it is maintained that decentralization in itself is no guarantee that power is actually transferred to the people, nor does it necessarily mean increased peoples' participation. Rather it may mean that control has shifted from a national centre to a regional centre, which in its turn spawns a new bureaucratic elite that could guard more jealously their vested interests than their central predecessors.¹³⁸ Mullard argues that decentralization often "creates new political elites with no forms of public accountability".¹³⁹ According to him, decentralization creates areas which are less democratic. He points out that 'hiving off' government services to ad-hoc bodies, voluntary organizations and private sector agencies that represent a form of decentralization does neither empower people nor democratize, rather it means that local communities and local authorities have less control over the providers of such services than previously. Thus, local government is weakened and local communities are disabled. Similarly, Griffin views that, greater decentralization does not imply greater democracy.

While most of the counter arguments are made from the political perspective, there are also counter arguments from the technical or managerial point of view. Critics argue that, local authorities may deprofessionalize decision-making so that critical technical matters are not given sufficient consideration. Local authorities may be less competent and more corrupt than central agencies.

They view that the proposition of public choice theory are hardly valid in developing countries where proliferation of administrative arrangements at local level can bring about deterioration in the quality of administration as the number of officials with less education, narrower outlooks and hardly any experience are employed.¹⁴⁰

Contrary to the developmentalist's argument that decentralization leads to equitable development, radical critics view it as "a means for capitalist accumulation". To them, decentralized governments are not only elitist and inegalitarian, but it also performs a vital role in reproducing some of the conditions required for capitalist accumulation. Rakodi shows how the system of decentralization in Zambia has been used as a means for facilitating private accumulation, patronage distribution and social control.¹⁴¹ Slater takes the neo-Marxist perspective of political economy and denies the liberalist claim that decentralization leads to equitable development. To him the peripheral states are characterized by debt crisis, which has further accelerated social polarization and re-emphasized the realities of external dependence and thwarted any attempt at self-sustaining development.¹⁴²

In addition to the political economy approach, one more approach to decentralization is currently emerging in the literature, mainly through the writings of Rhodes. Based on his analysis of the sub-central government in the UK, this new perspective is gaining ground although there has been very little application of this approach.

Thus from the above analysis despite the fact that these critics come from different ideological positions. They all see the notion of 'power' to be the key issue in the analysis of decentralization. Their main thrust is that 'power' is inequitably distributed among different groups and that it is something for which people compete. It is also clear that, rather than focusing on what should be the benefit of decentralization or what is claimed in the statutes, most of these theorists focus on what is happening in practice. They commonly illustrate their arguments with detailed case studies and empirical evidence.

On the other hand, in the normative approach, decentralization has been transformed into an 'absolute good', the descriptive approach dismisses any such value by arguing that it is not an absolute good in its own right. Those contributing to the later approach are of the opinion that whether decentralization can enhance democracy, participation and development depends on a number of factors and their interplay on different fronts. Thus what emerges from their arguments is the importance of case specific, location specific and country specific factors in determining the form and the outcomes of decentralization policies. They also emphasize the fact that decentralization is a political process; it does not in a vacuum, rather it involves interactions of various socio-economic and political factors. Therefore, it should be seen as a part of the process by which dominant classes including those at the local level articulate their interests through state policies and institutions.

Not the gulf between the norms and realities, goals and achievements of decentralization in developing countries even its most enthusiastic advocates have retreated from their earlier positions.¹⁴³ The case for 'cautious optimism'¹⁴⁴ is, indeed an attempt on their part to take on board some of the counter case criticisms. Being narrow in its focus and weak in its empirical evidence, even this appears to be inadequate in explaining an understanding the policies and practices of decentralization in most developing countries. At the same time it should be noted that, while the importance of the political economy approach is well recognized, it is not without limitations. The biggest limitation of this approach is that, it is basically explanatory rather than prescriptive in nature. It has presented a 'discourse' pointing out the fundamental problems of the normative approach, but fails to provide any guidance to developing countries about what alternative structures or policies should be taken to achieve their developmental goals.

The foregoing analysis of theoretical perspective show that, theorists have conflicting views about applicability and developmental potentials of decentralization in the Third World. In the normative approach, decentralization is regarded as a necessary condition for better governmental services and for an

accelerated development at the grassroots level. While this approach looks at the value of the decentralization solely from a normative point of view and overlooks contextual issues at the role of political factors in decentralization, the political economy view highlights the apparent failure of the normative model to grasp the dialectics of decentralization in the Third World. Those contributing to second school tend to show that decentralization serves as a vintage point for the power elites to use and abuse it for their own narrow interest. Although the value of this school is generally accepted in some cases such analysis may be too extreme in that it does not recognize any positive outcomes of decentralization.

Thus, neither school of thought – the optimists or the pessimists has offered complete superiority. The normative theorists have to recognize the gap between the rhetoric and the reality of decentralization and ask themselves the question – can decentralization achieve the stated goals on its own? If not, what modifications are to be made in order to ensure that decentralization is beneficial for democracy and development? On the other hand, the political economy theorists must go beyond their criticisms and suggest an alternative model that can enhance popular participation and development at the grassroots level. They must take it explicit whether this can be done by some alterations in political and administrative structures or by radical social changes. It is, therefore, clear that an understanding of decentralization policies and their impact can be hardly be complete if both normative as well as descriptive approaches are taken into consideration.

SECTION – E

In the context of the 74th Constitution Amendment Act 1992, West Bengal Municipal Act 1993, overview of available literature in the field of urban development – administration and theoretical approaches of democracy, development and decentralization, we shall try to find out how far the goals of decentralized development has been achieved in West Bengal and more

specifically in the four Municipalities in North Bengal under two districts. Jalpaiguri and Alipurduar from Jalpaiguri District and Cooch Behar and Tufanganj from Cooch Behar District. However, we shall try to find out the answer of the following research questions:-

- 1) How far the Municipal 'Autonomy' and 'Self-Government' has been ensured by the West Bengal Municipal Act 1993?
- 2) To examine the organization and role of the 'Ward Committees' in the decentralized planning and development and peoples' participation.
- 3) To critically examine the emerging pattern of fiscal and functional relations between the State and Municipalities in West Bengal after the 74th CAA and WBMA 1993.
- 4) To examine measures undertaken by the Municipal and State authorities for augmenting administrative efficiency in the Municipal level.
- 5) Has IDSMT (Integrated Development of Small and Medium Towns) been able to produce the goal of regional development and resource mobilization?

SECTION – F

METHODOLOGY

The present study is primarily based on a combination of historical analytical and empirical methods of investigation. For the purpose of data collection, both primary and secondary sources were tapped. Information has been collected from official records, documents, available published and unpublished literatures including reports of Committees and Commissions. Use of Social Science Survey method, administration of questionnaires in the field situations has been adopted as far as practicable, for collection of perceptive

supplementary data and verification of research questions. Besides, as this work is related with human responses the author met personally many persons of repute for their kind information and personal knowledge to explore the concealed past of relevant urban centres. Episodic records like manuscript, brochures and pamphlets have been critically investigated to explain the origins and reasons for a particular event, episode or period.

(1) Sample Frame:

For the purpose of survey and fieldwork, the study included three categories of respondents – Councillors, Municipal Officials and the Citizens or the beneficiaries.

- (a) **The Councillors:** The universe of the study was severely limited being the ideational map of 77 Councillors including Chairman, Vice-Chairman, members of the Chairman-in-Council, elected to the four municipalities who take part in the policy making process of urban development. Barring two independent candidates all the Councillors competed in the electoral fray under the banner of mainly 7 political parties – Congress (I), Trinamul Congress, Communist party of India (Marxist), Forward Block, Communist Party of India, Revolutionary Socialist Party and Bharatiya Janata Party.
- (b) **The Officials:** Among the officials, the sample included Executive Officer (where available), Office Superintendent, Overseers; Sanitary Inspectors, Water Superintendents, some departmental heads who have some connection with developmental activities at the urban level. Under the present Municipal Act, the State Government provides four key officers viz., Executive Officer, Engineer, Finance Officer and Health Officer in each Municipality. But it was found that most of the municipalities except Executive Officer in Jalpaiguri, no such officers have been posted in other three Municipalities under study. Further, it was common complaint on the part of the officials in almost all the municipalities that, Municipal governments were

running with shortage of staff. In this respect, it was found in Alipurduar Municipality, which was running with only 70 staffs in place of 149 sanctioned posts. Some officials again, were not available, as they were busy in fieldwork. Under the circumstances the sample officials were limited to total 40, taking 10 from each municipality through purposive sampling method.

- (c) **The Citizens:** The last category of respondents is the citizens, who are directly affected by urban development programmes and policies. They constitute the critical evaluators of the outcome of the policies and programmers and the rationality there of and the large were found to impair the effective implementation of the policies and programmes. Keeping this in mind a sample of 210 citizens from the four Municipalities was interviewed. Sample was drawn from the Electoral Rolls of last Municipal Elections on the basis of systematic random sampling procedure. This procedure was adopted in order to avoid bias in the selection of the citizens for the study. The samples of the citizens were drawn from total 21 Wards of the four Municipalities. In the selection of the Wards, the purposive method was adopted to cover Developed, Medium Developed and Less-Developed Wards in all the Municipalities under study. Besides, interviews on the basis of questionnaire, informal discussions were also arranged with the intellectuals, Deputy Director of Local Bodies, Reporters, Ordinary Citizens, Taxpayers etc. at the urban level.

(2) Interviews:

The author employed the interview technique for collection of data. Open interviews had been arranged with the different categories of respondents for collecting information on crucial aspects of the functioning of municipal institution. Generally, interviews lasted for one hour, but some respondents took more time. Though the author tried to make prior appointments with the

respondents for setting up interviews, it was not always possible to follow the schedule. The author found no difficulty in setting up interviews with the municipal officials but elected representatives were not always available in spite of prior appointments. Some of them had little time and frequently went out of the town for official and personal purposes. However, the mission was successful after repeated endeavours.

Before getting down to the schedules, a number of queries had to be answered as to the authors profession, address, intention in conducting the survey, the sources of finances etc. Although, most of the respondents welcomed the subject of the study barring few respondents were sceptical about the functioning of municipal institutions. Further, the question of utility of such research work was questioned by a few officials. They expressed that such type of research work was valuable only when Government took interest in the findings of the study and did something positive to improve things.

Generally speaking, most of the respondents replied to the questions in the schedules frankly in a friendly atmosphere. In course of these interviews, the respondents also gave some relevant and useful information in addition to the questions in the schedules. Some obliged with valuable data and documents about Municipal Government and its functions.

(3) Data Processing:

The data processing was done manually. After collection, data were codified, processed and tabulated. The data were organized through constructing frequency tables. The frequency tables were then analyzed, interpreted and presented in graphic form using the statistical techniques of histogram, bar chart etc. Besides, the statistical techniques of calculating percentages, ratios, means were also used for analyzing and interpreting the data. Statistically relevant scales – mostly three point Likat Scale – were used for measuring the attitudes of the three categories of respondents on the various parameters of urban governance and development. Finally, some of the questions of the schedules administered to the three categories of respondents were open-ended and as such elicited,

varied responses. These responses constituted vital part of the present study because here the respondents were free to answer the questions in their own way without being confined to structure responses. Thus, utmost care was taken to categorize those data and put the relevant contexts so that research questions could be answered and explained objectively. Though no formal statistical tool was used to draw inferences by way of correlating various variables, a modest attempt has been made to draw inferential explanations to a number of issues and questions relating to urban governance and development by relating different variables to each other and observing their consequences. Needless to say, the entire exercise of data processing, analysis and interpretation was done in such a way as to ensure minimization of buyers and maximization of reliability with economy in procedure.

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