

Urban Local Governance in Rajasthan and Role of Parastatals

Rajasthan City Mayors' Learning Platform Phase-II



CUTS 
International

Urban Local Governance in Rajasthan and Role of Parastatals

Rajasthan City Mayors' Learning Platform

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Abbreviations

AMRUT:	Atal Mission for Rejuvenation and Urban Transformation
BJP:	Bhartiya Janata Party
CAA:	Constitutional Amendment Act
CART:	Centre for Action, Research Training
CEO:	Chief Executive Officer
CUTS:	Consumer Unity and Trust Society
DLBs:	Directorate of Local Bodies
DPC:	District Planning Committees
IAS:	Indian Administrative Service
JCTSL:	Jaipur City Transport Service Limited
JDA:	Jaipur Development Authority
JDC:	Jaipur Development Commissioner
JMC:	Jaipur Municipal Corporation
LPCD:	Litres per Capita per Day
MDGs:	Millennium Development Goals
MPC:	Metropolitan Planning Committees
PHED:	Public Health and Education Department
PWD:	Public Works Department
RAS:	Rajasthan Administrative Service
RCMLP:	Rajasthan City Mayors' Learning Platform
RHB:	Rajasthan Housing Board
RIICO:	Rajasthan State Industrial Development & Investment Corporation
RUDSICO:	Rajasthan Urban Drinking Water Sewerage & Infrastructure Corporation
RUFIDCO:	Rajasthan Urban Infrastructure Finance and Development Corporation
RUIDP:	Rajasthan Urban Infrastructure Development Project
RUSDIP:	Rajasthan Urban Sector Development and Investment Programme
RWAs:	Resident Welfare Associations
SDGs:	Sustainable Development Goals
SPV:	Special Purpose Vehicle
SWM:	Solid Waste Management
TAF:	The Asia Foundation
TOD:	Transit Oriented Development
UITs:	Urban Improvement Trusts
ULBs:	Urban Local Bodies
UMTA:	Urban Metropolitan Transport Authority
UN:	United Nations

Preface

The Constitution (74th Amendment) Act, 1993 that was enacted in 1993 completed its 25 years in 2018. The salient features of 74th CAA were constitutional recognition of Urban Local Bodies (ULBs), devolution of 18 functions under 12th Schedule of the Constitution, more financial autonomy with provision for setting up a State Finance Commission and provision for ward committees and 'area *sabhas*' to bring governance closer to the people. Today even after 25 years of its enactment, it has not been implemented in letter and spirit. It has not proved as fortunate as rural self-governance in India.

'Rajasthan City Mayors Learning Platform' (RCMLP) is a project supported by 'The Asia Foundation' (TAF) and implemented by CUTS International, to address the issues of ULBs fighting with lack of resources and lacunae of policy through a collaborative effort of all stakeholders including heads of ULBs i.e. Mayors. It has created space for Mayors and other public representatives of ULBs to discuss the common issues in spheres of urban local self-governance (LSG) towards improvement on sharing and learning basis.

This report is an attempt of systematic presentation of important aspects as well as findings marked during the implementation of the project, seeking practical solutions of the problems of urban LSG which may revive and brighten the lives of the unknown millions of urban India.

In this regard, we take this as an opportunity to express our sincere thanks to TAF for its valuable support to find out the basic faults in the alignment of different ULBs coexisting on the parallel lines of urban development.

We are very thankful to the honourable Mayors of all the seven Municipal Corporations in Rajasthan for their munificent sharing of experiences and frank expression of opinion about the scenario of urban development and LSG in Rajasthan with CUTS-CART team.

We are also very grateful to the councillors and ex-councillors for their support and cooperation. This study could not have been substantial without support of agencies like Jaipur Development Authority, Public Health and Engineering Department, Public Works Department, Rajasthan Urban Infrastructure Development Programme, Directorate of Local Bodies, Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Ltd.

In the end, we would like to thank and express our sincere gratitude to all outside and within the organisation, especially to my colleagues of RCMLP team – Amar Deep Singh, Satyapal Singh, Aakansha Choudhary and Kunwar Dheer Singh, without whom, this study would not have been possible.

July 2018

George Cheriyan
Director, CUTS International

Executive Summary

The 74th CAA incorporated provisions for devolution of certain powers and functions to third tier of governance structure, i.e. ULBs. The responsibility of local economic development and social justice has been devolved to ULB, which is an elected body of representatives at the ward level. The councillors reduce the gap and distance between citizens and government as is elected from amongst the residents of ward itself.

The 12th Schedule of the Constitution lists the specific 18 functions under economic and social development that are best devolved to ULBs. The institutional structure of ULBs is not uniform across the states or metropolitan areas, and is complicated with political and administrative problems. The size and criteria of these ULBs are decided by the state legislature as they are set up under an Act of the state legislature, for example, Rajasthan Municipal Act, 1959 latest amended in 2009, defines the role and responsibilities of all 191 ULBs of state.

But apart from these three levels, there is another level which is in between the state and the local level and is known as the Parastatals. This was created in somewhere in 1960s and envisioned as the parallel agency to local bodies but away from local politics and directly under the state government. If one look at the governance structure of any state in India, there are various departments, sub-departments and agencies under the state government to look after governance and administration, planning, urban development and housing, industries, infrastructure, power and energy, transport, water and sanitation and other areas. These multiple agencies have defined functions which are mostly overlapping and plans cannot be executed without their coordination.

The study conducted under this project has taken the case of Rajasthan to map multiple agencies working in the sphere of urban development in Rajasthan and how they are affecting the development of cities; and especially the role of ULBs as envisioned in 74th CAA. Though most of the representatives, such as Chairman of ULBs and members agree to the need for having these specialised agencies for city development but at the same time, they do not deny the lack of coordination and decreasing the role of ULBs in presence of these agencies.

These agencies fall under the purview of the state government and have zero accountability to both the people and elected municipal government in the city. This gives them the freedom to work parallel to ULBs in the city. Rajasthan has seven municipal corporations, 34 municipal councils and 150 municipal boards. Parallel to

these are more than 15 development agencies, with overlapping functions working for the development of the city but accountable to the state government.

Even after 25 years, it seems that the state is not ready to devolve powers and mainly finances to ULBs in Rajasthan which is severely affecting the role and status of ULBs in development. Today, municipal corporations are seen as agencies mainly involved in keeping the city clean and sanitation but other functions of 74th CAA are given to other agencies either evolved with the specific Act or notifications by the state government. The everyday highlight in media about clashes between Municipal Corporation and Development Authority in Jaipur shows what happens when two parallel agencies with overlapping functions exist in the city.

The Model Municipality Act, 2003 by Central Government and Rajasthan Municipality Act, 2009 by the state government have intentionally left scope or gaps to advantage the state government and make ULBs puppets in its hand which needs urgent attention and rectification. The current status of Chairman of Municipality in city governance structure needs immediate attention and steps should be taken to devolve more powers and authority. This can be done either by another constitutional amendment or by initiative of State government by amending the Municipality Act of the state. The existence of dual authority in the Municipality where political head and administrative head exist as parallels also needs a change with supreme authority in the hands of Mayor of the city.

While the report covers certain recommendations which push for more powers to elected local bodies in Rajasthan, the initiatives by ULBs to come forward and become accountable to people who elect them cannot be undermined. During the course of study, it was found that different municipal corporations, such as Jodhpur, Ajmer, Udaipur and Bharatpur have taken initiatives to strengthen their role in city administration and development. The capacity building of elected corporators, councillors and members of any form of Municipality needs urgent attention for smooth functioning of the governance system in the state.

The report also carries opinions and suggestions received from participants from *NITI Aayog*, National Institute of Urban Affairs (NIUA), various parastatals in the Rajasthan, councillors, resident welfare associations (RWAs), civil society organisations (CSOs), etc. who participated in '*National Conference on 25 Years of 74th Constitutional Amendment Act*' organised in Jaipur as part of this project.

A '2011 Revision of the World Urbanisation Prospects' report by United Nations in 2012 said that India will witness the largest increase in urban population in next four decades followed by China. The rapid pace at which the population living in urban areas is increasing demands for a matchable increase in provision of jobs, energy, housing, water and infrastructure in advance for a sustainable urban development. India needs new approaches to tackle challenges of urbanisation, which is a global phenomenon. This is why it figures in the Sustainable Development Goals (SDGs) that replaced the Millennium Development Goals (MDGs) in 2015. Goal number 11 says: Make cities and human settlements inclusive, safe, resilient and sustainable. To confront and adapt to this change, our country needs a governance structure which is flexible and adequate to fulfill the growing demands. India has a three-tier planning and governance structure after the introduction of 74th Constitutional Amendment in 1992 and the three levels are: National, State and Local.

Role of Urban Local Bodies

The 74th CAA incorporated provisions for devolution of certain powers and functions to third tier of Governance structure, i.e. ULBs. The responsibility of local economic development and social justice has been devolved to ULB which is an elected body of representatives at the ward level. The elected representatives reduce the gap and distance between citizens and government being elected amongst the residents of ward itself. The 12th Schedule of the Constitution lists the specific 18 functions under economic and social development that are best devolved to ULBs.

The institutional structure of ULBs is not uniform across states or metropolitan areas, and is complicated with political and administrative problems. As ULBs are set up under an Act of the State Legislature, hence the size and criteria of these ULBs are decided by it. For example, Rajasthan Municipal Act 2009 defines the role and responsibilities of all 191 ULBs of state. The purpose of urban local governance is to create effective, responsive, democratic, transparent, accountable governance framework, according to a rational structure which promotes responsiveness and accountability.

The Fourth Level: Parastatals

But apart from these three levels, there is another level which is in between the State and the Local level and is often known as the Parastatals. This was created somewhere in 1960s and envisioned as the parallel agency to local bodies, but away from local

politics and directly under the state government. For example, Delhi Jal Board looks after supply and treatment of water within Delhi city. The Parastatals have their own capital and decision making powers, and none of the members are elected representatives of the people. These are involved in city planning and development works, including land acquisition. They are multiple in number which varies from state to state, and have defined functions either backed by an Act or a notification by the State Government.

The development of city includes not just development of physical infrastructure but deals with several other functional areas, which include town planning, land use, construction of buildings, economic and social development, roads, highways, bridges, water supply, sanitation, public health, solid waste management (SWM), etc. As mentioned above, apart from three-tier structure defined in Constitution of India, the existence of fourth level of multiple parastatals complicates the governance structure of the city. The functions of ULB in the city often overlaps with functions of these parastatals resulting in challenges related to powers, authority and coordination between multiple agencies.

Rajasthan City Mayor Learning Platform

CUTS International in partnership with The Asia Foundation (TAF), is implementing urban governance intervention in Rajasthan since August 2012 using social accountability approaches. During implementation of the project, it was found that there is lack of resources and delegation of powers to ULBs, with policy-related issues which need to be taken forward through a collaborative effort of all stakeholders including heads of ULBs, i.e. Mayors.

To address the need, CUTS with the support of TAF initiated 'Rajasthan City Mayors' Learning Platform' with the objective of creating space for Mayors to discuss common issue of ULBs towards improvement on sharing and learning basis. Under this project, Mayors' conferences, knowledge enhancement workshops for officials and exposure visits were organised. This platform is being used to discuss larger issues of urban local governance. Mayors are providing regular feedback and suggestions for future action plan under the forum.

It is often reported that efficiency and effectiveness of ULBs are not matching with growing demand of cities. ULBs are facing deficiency of resources due to lack of financial autonomy and delegation of powers as was envisaged in 74th CAA. Parallel to ULBs, Rajasthan State government formed multiple urban development agencies, such as Jaipur Development Authority (JDA), PWD, Public Health Engineering Department (PHED), Rajasthan Urban Sector Development Investment Programme (RUSDIP), Rajasthan Urban Drinking Water Sewerage & Infrastructure Corporation Limited (RUDSICO), etc.

Moreover, the functions of ULBs and development agencies are overlapping and there is lack of coordination resulting into poor efficiency of urban bodies. In Mayors' conferences organised by CUTS, Mayors of Rajasthan put forth concerns regarding implementation of various infrastructure projects in Jaipur where more than nine agencies are working. The lack of coordination and cooperation between multiple agencies affect effective delivery of services, therefore, it was suggested to bring all agencies under one umbrella.

Another concern was raised regarding the implementation of 74th CAA in Rajasthan, where powers and functions are not clearly defined, while at the same time, some of the cities in South India are leading by setting an example. The participants expressed the need for an assessment of governance framework in Rajasthan in order to highlight challenges and issues.

The urban development agencies, which are parallel bodies to ULBs, do not have any elected representatives, but are headed by bureaucrats who are responsible to the state government. The different structures of these two parallels have led to indirect dissolution of provisions of 74th CAA, which is one of the major reasons for delay in services.

This report focusses on mapping the presence of various development agencies in addition to ULBs in Rajasthan in relation to few specific functions/sectors, such as urban transport, urban planning, water supply and SWM. We aim to assess the functions and financial autonomy of development agencies in comparison to Municipal Corporation to get a fair idea of how far the 74th CAA has succeeded in the state of Rajasthan.

There are many stakeholders in the governance of the city like Chairman of ULB (political head), CEO-cum-Commissioner in ULB(administrative head), elected representatives of ULBs, representatives or bureaucrats from state formed prastatals, representatives of concerned Ministries and Departments of the State government and most importantly the citizens who are directly affected by the governance structure. It was important to get the views of all the stakeholders to form a holistic understanding of the subject and compile the findings in the form of this report.

An exploratory or formative research design was taken up in order to achieve new insights or ideas to improve effectiveness of urban local governance through assessment of role of urban development agencies in Rajasthan. This kind of design is appropriate in case of studies like these where there is little knowledge available about effect of multiple urban development agencies in overall functioning of city governance. It also gives us opportunity to understand different aspects of existing issues on the basis of collected facts and build on our hypothesis for future research on the subject.

Methodology

Qualitative methods of research were used through semi-structured open-ended questionnaire for multiple stakeholders as listed above. This gave the flexibility to learn about city specific issues and discuss in detail while interacting with Mayors, Deputy Mayors and Commissioners of seven Municipal Corporations of Rajasthan. Considering the roles of different agencies and stakeholders interviewed during the study, the nature of questions was tweaked keeping but the context was kept same. It was done get diverse perspectives of interviewees on the subject and issues without any biased bend for any one agency.

There were two major objectives of the study:

i. Study on functioning of urban development agencies and ULBs in Rajasthan

Secondary data on existing municipal bodies and parallel agencies in the state was analysed for mapping of existing urban development agencies in Rajasthan. Primary data collection through qualitative interviews with elected representatives, government officials and area experts to understand the hierarchy was also done using semi-structured questionnaires.

Functions and financial autonomy of urban development agencies, such as Jaipur Development Authority (JDA) was assessed under study in comparison to Jaipur

Municipal Corporation (JMC). The JDA and JMC were taken as base of the study as Jaipur is the capital of the state and JDA and JMC run parallel to each other when it comes to urban development. This case can highlight the scenario in other districts having parallel development agencies and municipal corporations/municipalities.

This part included study of various acts, such as Rajasthan Municipalities Act, Jaipur Development Authority Act, Rajasthan Urban Development Policy and other related documents in relation to Constitution (74th Amendment) Act, 1992 and analysis of budget sheets and annual reports. Semi structured qualitative interviews were conducted with people associated with development agencies and ULBs to understand issues and challenges, and with common citizens to analyse their understanding of governance structure and expectations with the governance.

The case study of Karni Nagar in Jaipur was taken where the citizens are faced difficulties due to lack of services like proper roads, lights, water etc. just because the JDA and JMC were engaged in power tussles and blame games. There might be several such cases in the state where multiple agencies and lack of coordination hampers the development affecting the time and cost of development projects.

ii. Mayors' Conference cum Dissemination of study

After the completion of analyse of primary and secondary data collected during the study, a Multi-stakeholder Mayor Conference cum Dissemination platform was organised in the form of "National Conference on 25 Years of 74th CAA". The representatives from Niti Aayog, Delhi; NIUA, Delhi; ULBs in Rajasthan; various prastatals in Rajasthan; Elected representatives; RWAs and CSOs were invited. The findings of the study were shared with the participants through presentation and comments and suggestions were taken on the subject which are incorporated in the report further. The event brought all the stakeholders on a common platform and opened a constructive discussion on progress of 74th CAA in India and particularly the state of Rajasthan, the various issues, challenges and at the same time various suggestions of improvement of city governance also came to light. This helped to build a holistic understanding of the subject taking in views of all the stakeholders at the same time.

Sampling

Non- probability sampling design which includes purposive or judgment sampling was considered as the best way to pick up samples. Purposive sampling was chosen as it is based on the presumption that with good judgment one can select the sample units that are satisfactory in relation to one's requirements. A common strategy of this sampling technique is to select cases that are best representatives of the population in which one is interested, assuming that errors of judgment in the selection will tend to counterbalance each other. As most of the interviews were conducted with Mayors and

Bureaucrats, it was decided to focus just on seven cities with municipal corporations of Jaipur, Jodhpur, Bharatpur, Udaipur, Ajmer, Bikaner and Kota respectively. The team visited these cities and interacted with Mayors, Deputy Mayors and Commissioners.

Though the term 'Local Self-Governance' originated during British times, the existence of systematic local administration in India is traceable to the pristine factors of the indigenous scheme of local administration found with literary and epigraphic evidences since the ancient times. In the form of *Sabha* (Assembly of elders) and *Samiti* (Assembly of people) of Vedic India, *Shreni* (Guilds) in Mauryan times, and *Ur* and *Mahasabha* in Chola-administration, India always enjoyed from the earliest dawn of her history a singularly complete system of local self-governance.

India presents the rare and remarkable phenomenon of the state and the society co-existing apart from, and in some degree of independence of each other, as distinct entities, as independent centres of national, popular and collective life and activity. This near-about perfect mix of state and local community made them independent organisations, with distinct and well-defined structures of local administration. Later, during the flow of time, these local institutions declined under the onslaught of Islamic feudalism, and were revived under the British rule.

Local Governance during British Rule

The idea of local self-governance in modern context took its initial shape during by setting up of different Municipal Corporations in Presidency towns. To resolve the chaos created due to different unorganised and irregular cesses in Madras a Municipal Corporation was created in Madras by a royal charter issued on December 30, 1687 by King James II. Next in the series was the Hyderabad Municipal Corporation established in 1869, by the Nizam rulers of Hyderabad state followed by Calcutta Municipal Corporation, with the passing of the Calcutta Municipal Consolidation Act 1876 and Bombay Municipal Corporation established by Bombay Municipal Corporation Act in 1888 (Though Calcutta and Bombay Municipal Corporations are fundamentally created in 1726 only).

In terms of development of Local Self-Governance, the landmark significance lies in Lord Ripon's Resolution of 1882 which recommended the system of elections for the board members, empowerment of boards with the management of local sources of revenue and the state control on LSGs be exercised from within rather than from outside. But under Lord Curzon, Governmental administration became growingly centralised and touched new heights during 1894-1904 and 1904-1905 leading to unrest among the people. 'The Royal Commission on Decentralisation' was appointed in 1907 under the Chairmanship of Sir Henry William Primrose to inquire into the relations existing for financial and administrative purposes between the Central

Government and the various provincial governments in India as well as between the various provincial governments and their subordinate authorities. Amongst many its important recommendations were to set-up *panchayats* for rural areas, 'Municipalities' for urban establishments, introduction of system of election in local bodies and their financial autonomy.

In 1916, Congress and League concluded a scheme of reforms, known as the Lucknow Pact. It made wide-ranging demands for greater self-government and other areas of significance. The Montagu-Chelmsford Report, 1918 was drafted, the modified version of it was embodied in the Government of India Act of 1919. This Act specifically made provisions for lowering the franchise and increase the elected element in local bodies. It also introduced partial self-government to India's nine provinces in a system called 'diarchy', whereby elected representatives controlled the departments of agriculture, sanitation, education, etc.

Till 1935, Laws governing local bodies enacted till this point of time failed to prescribe an effective system for regular everyday management of Municipal affairs. The Indian Governance Act of 1935 abolished diarchy in the provinces and introduced the 'provincial autonomy' in its place, which meant that provinces were allowed to Act as autonomous units of administration in their defined spheres and local self-government was declared a provincial subject. Nehru expressed this appropriately in a nut-shell by saying, "all breaks-no engine".

Local Governance after Independence

In the post-independence era, the concern for local self-governance found a symbolic expression in the supreme law of the nation- 'The Constitution'. It was laid down under Article 40 that "state shall take steps to organise village *panchayats* and endow them with such powers and authority as may be necessary to enable them to function as units of self-governance". This provision unknowingly made the term 'local self-governance' nearly synonymous to '*village-panchayats*' and local self-governance in urban scenario was left in oblivion. However, an atmosphere of national independence allowed local government bodies to bloom.

Till 1992, in comparison to the impressive improvements marked in rural local self-government, the development of urban local government has been quite slow. During this period, in midst of deficit of legislative will, the development in the field of urban local self-governance can be traced with the implementation of Five Year Plans and in the formation of different committees to address the subject. It was the Third Five Year Plan which took strong explicit note of the significance of urban local self-governance and quotes, "In the next phase of planning, as many towns and cities as possible, at any rate those with a population of one lakh or more, should come into the scheme of planning in an organic way, each state mobilising its own resources and helping to

create conditions for a better life for the citizens". But the concept somewhere was lost in the coming years one can say that in seven different Five Year Plans from 1952 to 1990, the needs of urban areas were moderately addressed, but nothing substantial was done for the development of the mechanism or the system of the municipal governance in the country. In the same period, there were multiple committees appointed which directly or indirectly dealt with the subject of urban local governance and strengthening of municipalities.

Despite all these scattered efforts and exercises concerned towards development of urban LSG nothing much substantial was done for a uniform and organised progress on the subject before 1992, when 74th Constitutional Amendment was passed.

65th Constitutional Amendment Bill as background for 74th Amendment: In August 1989, Rajeev Gandhi government brought 65th Constitutional Amendment Bill, to solicit municipal bodies being vested with necessary powers and removing their financial constraints to enable them to function effectively as units of local government. Though passed in Lok Sabha, it was defeated in the Rajya Sabha in October 1989 by a narrow margin of three votes.

On September 16, 1991, P V Narsimharao government again introduced the Bill in form of Constitution (73rd Amendment) Bill and was passed as the Constitution (74th Amendment) Act 1992. It ensured adequate constitutional obligation, so that democracy in Municipal governance of the country is stabilised. It devolves a Constitutional status on urban local governments, thus on principle, urban LSG is being formed as per the Constitutional process and state laws subject to that process.

Constitution (74th Amendment) Act Provisions

- Constitution of Municipalities (namely, Municipal Corporation, Municipal Council and *Nagar Panchayat*) in every Indian State
- Constitution of Wards Committees within the territorial area of a Municipality, to ensure people's participation in civic affairs at the grassroot
- Regular and fair conduct of municipal elections by statutorily constituted State Election Commissions; no provision for supersession of municipal governments for more than six months
- Adequate representation of weaker sections (i.e. scheduled caste, scheduled tribe, backward class) of the society and women in municipal governments through reservation of seats
- Specification by law, through the State Legislatures, of the powers (including financial) and functional responsibilities to be entrusted to municipalities and wards committees

- Constitution of State Finance Commissions, once in every five years, to review the financial position of municipalities and make recommendations on the measures needed to improve their financial position
- Constitution of a District Planning Committee at the district level and a Metropolitan Planning Committee in metropolitan areas of every state, for the preparation and consolidation of development plan

The State of Rajasthan is divided 33 districts grouped into seven divisions. Each of the districts is divided into sub-division consisting of *Tehsils*¹, *sub-tehsils* and villages.

Table 1: Divisions across Rajasthan

Divisions in Rajasthan	
Ajmer	Ajmer, Bhilwara, Nagaur and Tonk
Bharatpur	Bharatpur, Dholpur, Karauli and Sawai Madhopur
Bikaner	Bikaner, Churu, Sri Ganganagar and Hanumangar
Jaipur	Alwar, Dausa, Jaipur, Jhunjunu and Sikar
Jodhpur	Barmer, Jaisalmer, Jalore, Jodhpur and Pali and Sirohi
Kota	Baran, Bundi, Jhalawar and Kota
Udaipur	Banawara, Chittorgarh, Dungarpur, Rajasmand, Pratapgarh and Udaipur

In Rajasthan, urban local bodies or municipalities are called municipal boards, councils and corporations. There are a total of 191 ULBs in Rajasthan including:

- Seven Municipal Corporations (*Nagar Nigams*): Ajmer, Bharatpur, Bikaner, Jaipur, Jodhpur, Kota and Udaipur
- 34 Municipal Councils (*Nagar Parishads*)
- 150 Municipal Boards (*Nagar Palikas*)

Municipality shall be filled by persons chosen by direct election from the territorial constituencies known as wards.

Each Municipality has three authorities:

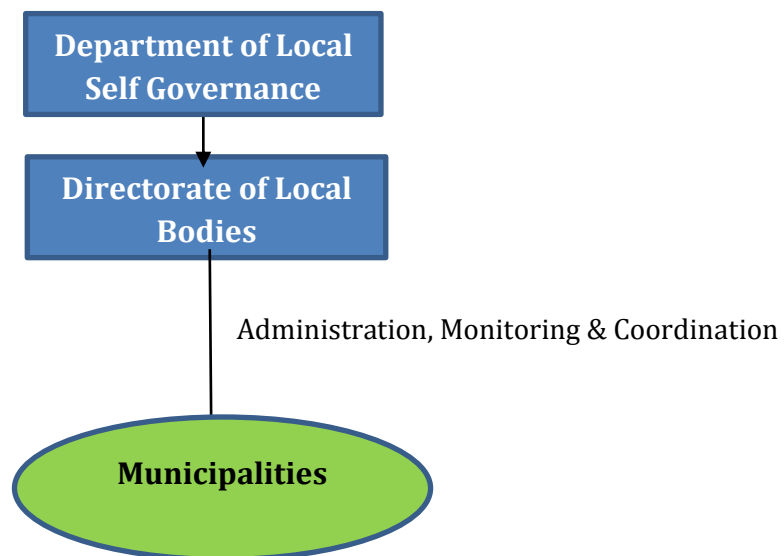
- **The Council:** Deliberative and Legislative wing, consisting of councilors directly elected by people. It is headed by Chairman.

¹ **Districts** are most frequently further sub-divided into smaller administrative units, called either tehsils or *talukas*, depending on the region. Each district includes one or two cities (or large towns), a few smaller towns and dozens of villages.

- **The Standing Committees:** To facilitate working of council. They deal with public works, taxation, health, finance, etc.
- **Chief Executive Officer:** CEO is responsible for day-to-day administration and is appointed by the State Government.

The Department of LSG is the controlling Department of all municipalities for all administrative purposes. It also performs monitoring and co-ordination function at the state level for all the 191 municipal bodies of the state. This Department has a directorate known as Directorate of Local Bodies (DLB) to look after the day to day functioning of all these ULBs. The Director of DLB is appointed by the state government.

Figure 1: Existence of Municipality in Rajasthan



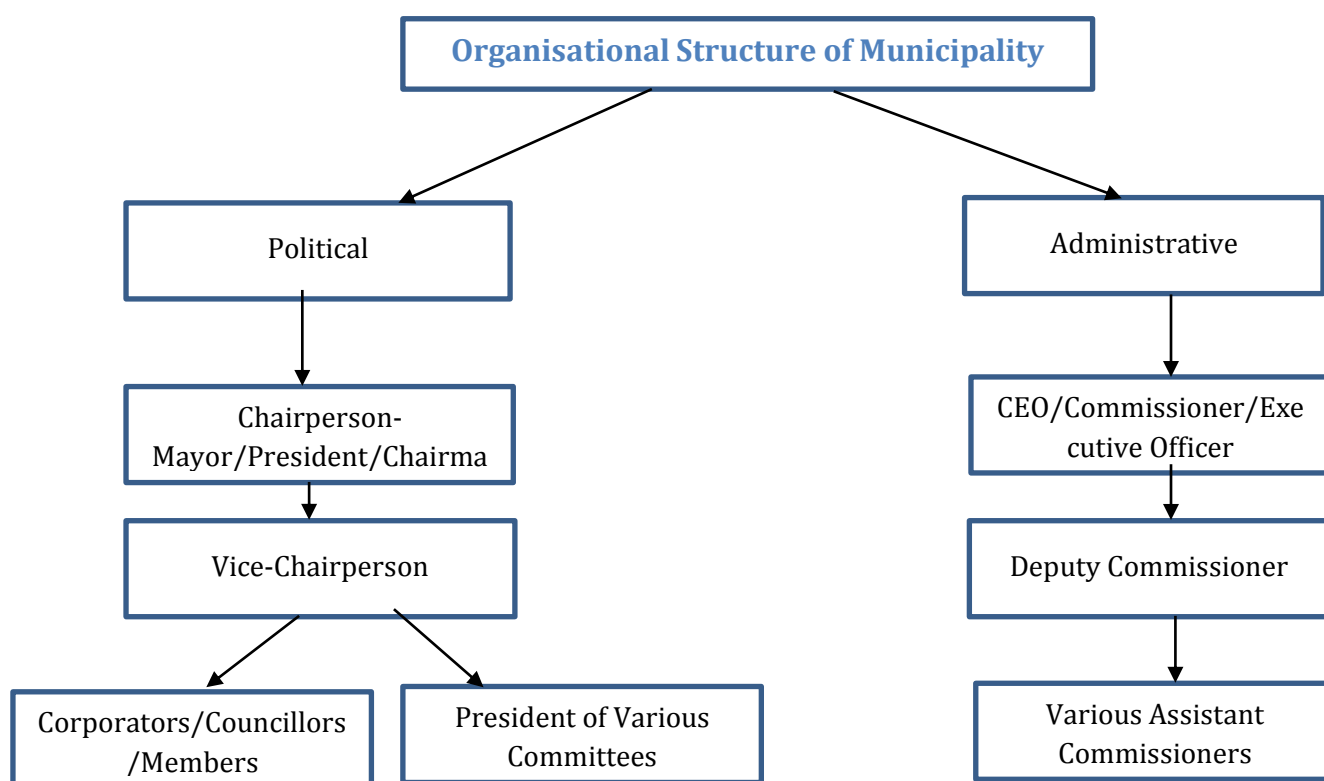
4.1 Structure of Municipal Governance

Municipal Corporation: According to Rajasthan Municipalities Act, “In every larger urban area, there shall be established a Municipal Corporation and every such Municipal Corporation shall be a Corporate body by the name of the Municipal Corporation of the city by reference to which the Municipality is known and shall have perpetual succession and a common seal and may sue and be sued in its corporate name”. Based on this provision, Rajasthan has seven Municipal Corporations as listed above with Chairman known as Mayor.

Like other states, the governance structure of cities in Rajasthan is also divided into two sections: Administrative and Political (Figure 2). In case of Municipal Corporation, the Chief Executive Officer-cum-Commissioner is the Administrative head and chosen by

the State Government. The Mayor is the Political head of corporation elected either directly by the citizens or indirectly by elected corporators². The corporators are directly elected by the citizens through elections conducted by State Election Commission and represent a ward in the city. For example, the Jaipur city is divided into 91 wards and each ward is represented by an elected corporator in the Municipal Corporation.

Figure 2: Organisational Structure of Municipality in Rajasthan



Municipal Council: “In every smaller urban area, there shall be established a Municipal Council and every such Municipal Council shall be a body corporate by the name of the Municipal Council of the city by reference to which the Municipality is known and shall have perpetual succession and a common seal and may sue and be sued in its corporate name”. Rajasthan has 34 Municipal Councils with President as the elected head and Commissioner as the administrative head.

² A corporator is an elected member of the Municipal Corporation. Though, in Rajasthan the corporators are popularly known as councillors.

Municipal Boards: “In every transitional area, there shall be established a Municipal Board and every such Municipal Board shall be a body corporate by the name of the Municipal Board of the place by reference to which the Municipality is known and shall have perpetual succession and a common seal and may sue or be sued in its corporate name”. At present, the number of Municipal Boards is 150 in Rajasthan pointing at the increasing trend of urbanisation.

4.2 Parastatals- Multiple Agencies, Overlapping Functions

The Rajasthan Municipality Act, 2009 clearly says, “Provided further that having regard to the cultural, historic, tourist or other like importance of an urban area, the State Government may, by notification in the Official Gazette, exclude such area from the Municipality and constitute, or without excluding such area **from the Municipality constitute in addition to the Municipality, a development authority** to exercise such powers and discharge such functions in the said area as may be prescribed and notwithstanding anything elsewhere in this Act, may, in relation to such area, delegate, by notification in the Official Gazette, such Municipal powers, functions and duties to the said authority as it may think appropriate for the proper, rapid and planned development of such area”.

By including a clause as stated above, the state government takes over the power of Municipality to govern and develop an area directly and hands over to a parallel development authority constituted by it. That is why various development agencies, such as development authorities, boards, corporations and SPVs came into effect. If one looks at the case of Rajasthan with respect to urban infrastructure and services enlisted in 74th CAA, there are several agencies bestowed with overlapping functions, working to fulfill these tasks with their defined roles. The major urban development agencies working in Rajasthan are as follows:³

- Urban Development and Housing Department (UDH)
- Urban Development Authority (Jaipur, Jodhpur and Ajmer)
- Urban Improvement Trusts (UITs)
- Rajasthan State Industrial Development & Investment Corporation (RIICO)
- Rajasthan Housing Board (RHB)
- Town Planning Department
- Special Purpose Vehicle (SPV)-Smart Cities
- Jaipur Metro Rail Corporation (JMRC)⁴
- Public Works Department (PWD)

³ The 74th CAA incorporates roles of ULBs in areas of poverty alleviation, social development, public health etc. which are concerns of other department and respective agencies in the State. This list deals with agencies mostly in infrastructure, land use and planning in the city

⁴ Only Jaipur in Rajasthan has Metro Rail facility at present

- Public Health and Engineering Department (PHED)
- Rajasthan Urban Sector Development Investment Programme (RUSDIP)
- Rajasthan Urban Drinking Water Sewerage & Infrastructure Corporation Limited (RUDSICO)
- Transport Department
- Traffic Police
- State Pollution Control Board (SPCB)

Apart from these, The Heritage Authority and Council and Urban Metropolitan Transport Authority (UMTA) along with other authorities are also proposed to be added to the list. In case of Jaipur, Jaipur City Transport Service Limited (JCTSL), city bus service operated by RSRTC is an SPV formed with equal partnership of JMC and JDA in the year 2007.

To understand the role of these multiple authorities, the report has tried to map out their existence with reference to selected services for better clarity of their roles and need.

4.2.1 Urban Planning

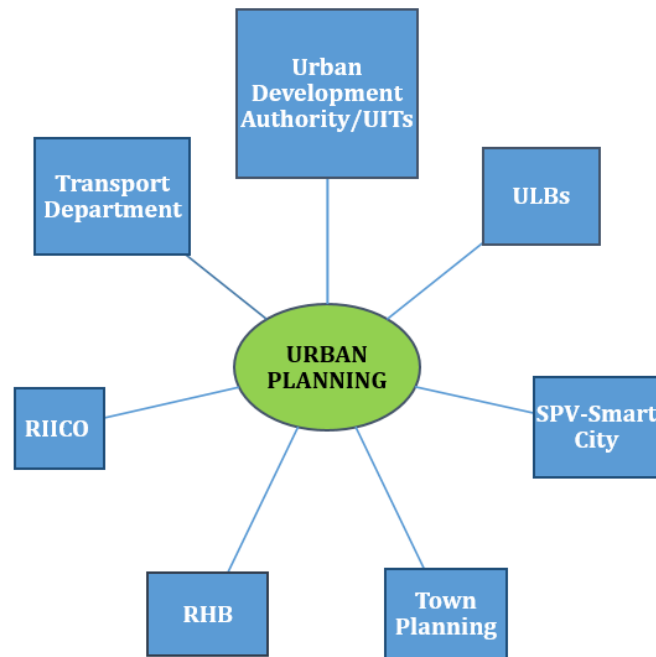
The first function of the 18 enlisted functions in 74th CAA for ULBs is urban planning including town planning. Urban planning involves the idea of inclusive city with a standard of living with involvement of political will and public participation. It is process of integrated land use planning, social inclusion, economic planning and proper infrastructure including transport, water supply, electricity, etc.

In Rajasthan, the function is performed by Town Planning Department under Ministry of Urban Development and Housing, Government of Rajasthan which prepares physical development plans, schemes, master, regional, zonal and village plans.⁵ Urban planning is a very important part of the city which shall take into consideration local aspirations of citizens as end users of land, participation of community, with elected representatives and decision makers.

The important role played by elected representatives of local bodies to make an inclusive city fulfilling aspirations of citizens cannot be ignored at any point. This is an important function of ULB as per 74th CAA. The planning process in the hand of Town Planning Department, though takes into consideration the technical expertise of people involved but somewhere excludes their involvement and participation. The agency involved in planning is very different from the agency looking after its implementation and enforcement.

⁵ Rajasthan Urban Development Policy, 2017

Figure 3: Different Agencies Involved in Urban Planning of Rajasthan



As shown in the Figure 3, while the Town Planning Department plays the main role in urban planning giving its technical inputs in framing master/regional/zonal plans, the implementation of these plans involves major efforts of ULB and development authority of the city. At the same time, the coordinated efforts of agencies like Housing Boards, RIICO, RUDSIP, RUDSICO, PWD, PHED, Transport Department and now SPV for smart cities cannot be ignored for an inclusive planning process. Rajasthan Urban Development policy takes into consideration the challenges related to existence of multiple agencies in the process and states, “Planning is a comprehensive exercise done at various levels from national, state, regional, urban and zonal areas. Often the plans are not in consonance with each other and results in overlaps and conflicts. The problem arises because of lack of mechanisms for coordination between different agencies involved in the planning process and planning agencies being different from those

involved in enforcement”. Another, challenge with planning process is the developer of land (private or public) works in silos and ignores to link development with existing infrastructure of the city leading to unplanned development and related issues of services like water, electricity, transport, roads, etc.

4.2.2 Urban Water Supply

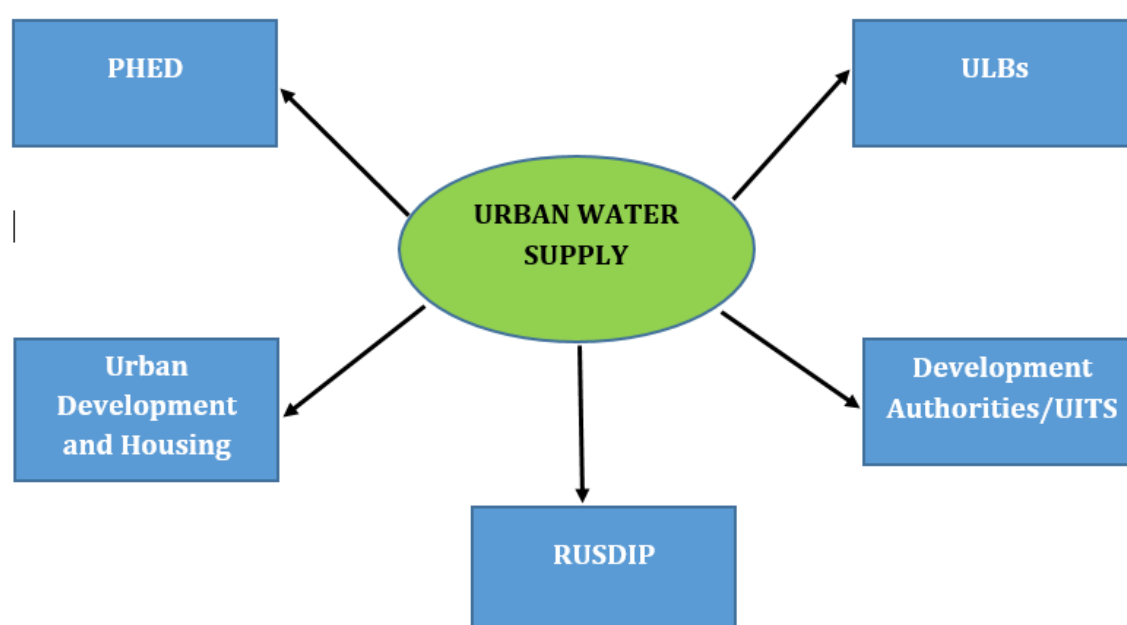
The water supply in the city often marks the quality of life, health and wellness of people. According to 74th CAA, the Municipalities should work towards provision of water supply for domestic, industrial and commercial purposes. As per WHO, every dollar invested in drinking water and sanitation reaps up to eight dollars of profit,

which highlights the importance of the subject. In Rajasthan, coverage of water supply is 82 percent including tap treated water at 75 percent. According to Rajasthan Urban Development Policy, 2017 the responsibility of operation and maintenance of selected urban water supply schemes has been transferred to ULBs as envisioned in 74th CAA. Though the policy speaks a different angle, but still the PHED is the main entity responsible for planning, designing, and building, operating and maintaining urban and rural drinking water supply in the state.

The existence of multiple agencies confuses the citizens who approach ULBs as the accountable institutions while the decision making and planning is in hands of State Government controlled PHED and other agencies.

The Urban Development policy states, that to provide 100 percent coverage of 135 LPCD treated tap water to all households through 24*7 piped metered connections, all ULBs and water utilities have to work together to come up with a common roadmap for covering entire population of the state. This plan, if executed, can give a positive result where ULBs are given the status, power and responsibility it deserves to work in an accountable manner to provide better supplies to citizens.

Figure 4: Multiple Agencies working for Water Supply in Rajasthan



4.2.3 Solid Waste Management

Waste management is one of the core functions of ULBs. Apart from 74th CAA enlisting it as function of ULBS, Municipal Solid Waste Management Rules, 2016 also allots these ULBs the task of preparing a SWM plan with time line and its implementation, segregate, adopt 3-Rs⁶, material recovery, processing/disposal of waste, levy user fee and spot fine. The State pollution control boards are given responsibility to monitor, issue authorisation and regulate the implementation.

This is the only function where ULBs are given the charge and authority with least involvement of multiple agencies. Though, it may be positive but this has also made ULBs known just of cleaning the city and given the backseat to other services and functions it should be responsible for, in turn, reducing the role of ULBs in development of an inclusive city.

4.2.4 Urban Transport

Urban transport is broad term for all modes of transport in the city and the required infrastructure for its mobility. In 74th CAA, ULBs are given two related functions of provision of roads and bridges and second looking after public amenities including street lightings, parking lots, bus stops and public conveniences. Urban development and transport networks cannot be separated and go hand in hand.

The inadequate transport network in the city can be blamed directly to lack of planning with involvement of transport experts and need of citizens leading to congestions and unsafe roads. Even policymakers have realised that lack of transport plan in the land use planning is the root cause of transport problems in the city.⁷ If one looks at role of different agencies involved in transport related issues of Rajasthan, it again points to the need of coordinated effort by these multiple agencies with overlapping functions. These multiple agencies not only delays execution of projects but make it confusing to fix the responsibility leading to unending blame games.

⁶ Reduce, Reuse and Recycle

⁷ Rajasthan Urban Development Policy, 2017

Figure 5: Multiple Agencies working for Urban Transport in Rajasthan



The existence of multiple development agencies parallel to ULBs is justified on the basis of their expertise and technical skills required for city development projects. The elected representatives come from diverse backgrounds and may or may not have technical knowledge required for city planning and development. The Central and state governments also work with the help of these experts in the form of engineers, planners, policy experts, bureaucrats, etc. But at the same time, one needs to introspect that this group of experts works at the direction of Centre and state governments and not parallel to it, as happens in the case of local governments. To better explain this case, example of Jaipur is cited where two major agencies working for urban development are: JMC and JDA.

Box 1: Dispute between Jaipur Mayor and Commissioner

During March 2018, a tug-of-war between the Mayor and the commissioner of JMC, provided enough content to create news headlines when, Mayor released an order that, for execution of any work in JMC, all the concerned officials should conduct a round table meeting and take appropriate decisions as well as actions for the fulfillment of the task. The same order was cancelled by JMC Commissioner against a new released order by him. This ignited a series of brushing-off each other's orders, which, media named as 'Round the table conflict of JMC'.

Source: <https://www.patrika.com/jaipur-news/big-dispute-between-mayor-commissioner-1-2766906/>

4.3 Case of Jaipur: Coexistence of Municipal Corporation and Development Authority

Jaipur is probably the first planned city of modern India. Its features of beautiful architecture, planned growth and cosmopolitan character have endowed it with uniqueness in India's urban setting.⁸ Jaipur being capital of Rajasthan is the focus of the socio-economic and political life of State making it the ideal case for understanding the urban governance structure of Rajasthan.

JMC was established in the year 1994 under Rajasthan Municipality Act 1959. JMC is responsible for maintaining the city's civic infrastructure as well as carrying out associated administrative duties. The administrative head of the Municipal Corporation is the Commissioner from Indian Administrative Service (IAS) or Rajasthan Administrative Service (RAS). Jaipur city is divided into eight zones comprising 91 wards and each ward is represented by an elected member. The major functions of JMC are city cleanliness, solid waste management, maintenance of gardens/circles/dividers, street lights, bio-medical waste, fire-fighting, slaughter house, flood control, encroachment removal, stray cattle management, community toilets, community halls, sewer maintenance, parking lots, development works, advertisement, sale of land, and licensing. As mentioned above, the administration, monitoring and coordination of municipality is under DLB, which means, JMC also works with prior approval of DLB, i.e. State government. If JMC wants to levy new tax or fee for revenue generation it needs approval from DLB. This itself dilutes the autonomy and power of JMC to take decisions without the involvement of the State Government. Within the JMC (or any other municipality), the presence of administrative wing headed by the CEO/Commissioner appointed by the state government acts as the parallel power to the elected body. If we look at the organisational structure (see Figure 2), the political and administrative wings are different and parallel, which somewhere demeans the institution of elected body in the presence of state appointed officials who are accountable to the state government and not to the local government. This often leads to disputes and power tussle between the parallel wings of the same body (see Box 1).

JDA is a body constituted under Jaipur Development Authority Act 1982 as a statutory vehicle to implement the urban development of Jaipur as envisaged by the Department of Urban Development and Housing, Government of Rajasthan. The board oversees the overall functioning of the Authority with Urban Development Minister as the Chairman and State Minister of urban development as the Vice Chairman. The Chairman of JMC (Mayor), *Zila Pramukh* of *Zila Parishad*, Jaipur District are also members of the board apart from heads of various other agencies.

⁸ <http://jda.urban.rajabasthan.gov.in/content/dam/raj/udh/development-authority/jda-jaipur/pdf/MDP/Vol1.pdf>

When compared to JMC, the organisational structure of JDA is dispute free and simple as both the executive and administrative wings are headed by Jaipur Development Commissioner (JDC) who is an IAS appointed by the State Government. There is proper hierarchy in JDA with JDC as the head with complete decision making powers, unlike the case of JMC. There are no elected members in JDA.

JDA was established with a mission of planned, holistic and inclusive development of Jaipur which is fast emerging as a metropolitan city with 725 villages and 3000 sq. km area under its jurisdiction.⁹ Jaipur region is situated in north eastern part of Rajasthan. According to Master Plan-2025, Jaipur region comprising area under JDA includes Jaipur city, Amber, Sanganer and towns and settlements of Bassi, Shivdaspura & Chandlai, Bagru, Chomu, Achrol, Jamwa Ramgarh etc. The JMC area is divided into walled city and the rest of JMC area. The institutional arrangement for development and use of land is divided between the JDA and JMC.

JDA is responsible for planning of the Jaipur region, the function originally listed for Municipality under 74th CAA. JDA is an important agency concerned with land use in the city. The main functions of JDA are urban planning (including the preparation of master plans), carrying out surveys for the purpose, formulation of plans for the development of Jaipur region and participation with any other authority regarding this, execution of projects, undertaking housing activity in Jaipur region, to acquire, hold, manage and dispose of property, and to perform functions relating to urban renewal, environment and ecology, transport and communication, water energy resource management and regulating the erection of buildings, among others.¹⁰

JDA is the authority for planning and implementation of the city development plans and infrastructure for the notified JDA area, which includes the JMC area. If land is required by JMC for carrying out its functions, or is required by the state government, the state government may place such land at the disposal of JMC or any department of the state government, subject to suitable terms and conditions. There is also a Land Acquisition officer on deputation, who acquires land on behalf of state government for JDA and after acquisition transfers it to JDA.

JDA has the task of preparing master plan for the city. The arrangement is the JDA develops new lands with the requisite infrastructure, such as water supply, sewerage, and roads and when the capital cost is recovered, transfers these areas to the JMC for their operation and maintenance. The developed colonies/projects are transferred to the JMC by JDA is when 70 percent of the colony is occupied by habitants by which time capital cost presumably would have been recovered.

⁹ <http://jda.urban.rajabasthan.gov.in/content/raj/udh/jda---jaipur/en/home.html>

¹⁰ Sridhar, K. S., & Reddy, A. V. (2010). State of urban services in India's cities: Spending and financing. Public Affairs Centre.

JMC works within defined city limits while the area under jurisdiction of JDA included JMC along with nearby satellite towns and villages. The functions of JDA and JMC are often overlapping and the two agencies are seen at loggerheads every now and then in the city media. One of the major dispute areas between two is lack of coordination and sharing of funds, which affects services to residents in the city (see Box 2).

Box 2: Clash between JDA and JMC in Jaipur

JMC and JDA: Concerns of Accountability

JDA developed 500 residential colonies and handed over to JMC. The JMC did not issue lease deeds to residents giving excuse that it was waiting for JDA to issue the notification without which it cannot move forward. The residents became the victims as without lease deeds in hands they could not reap the benefits of *Shehari Jan Kalyaan Shivir*. When the matter was highlighted in media, JDA issued the notification and JMC started issuing lease deeds thereafter. In the same episode, JMC and JDA clashed over funds when JMC asked for Rs 650 crore for maintenance of colonies which was refused the JDA.

Source: <https://timesofindia.indiatimes.com/city/jaipur/finally-jmc-to-issue-lease-deeds/articleshow/58813539.cms>

Lack of Funds: JMC, JDA at loggerheads over upkeep of Jaipur roads

JDA and JMC refused to upkeep the major roads in the city due to financial issues. JDA refused maintenance of 60 feet and wide roads in JMC periphery while JMC also expressed helplessness due to paucity of funds. JMC had sought Rs 536 crore from the state government for upkeep of residential colonies that were transferred for maintenance. In another instance, JMC also urged to direct the JDA for transferring records of empty plots and properties whose short term lease is over as JDA took possession of land under JMCs' jurisdiction whose short term lease was over.

Source: <https://timesofindia.indiatimes.com/city/jaipur/jmc-jda-at-loggerheads-over-upkeep-of-city-roads/articleshow/61908206.cms>

CASH 22 JMC vs. JDA

JMC has rolled out huge outstanding against the JDA pertaining to several transactions. An outstanding of more than Rs 1,350 crore makes JDA the biggest defaulter at municipal audit books. "The JDA is liable to pay JMC a percentage in royalty on all revenue generated from auction of property within the urban areas. However, this has never been paid by JDA and the total due amount under this head stands to Rs 536 crore", said Mayor Ashok Lahoti. "In addition, the authority has also transferred over 700 colonies to JMC in 2017 and is liable to pay JMC for development works at these", he added. There also exist differences in log books of two sides, the JDA claim to have spent a couple of Rs 100 crore in development works on behalf of JMC, this also is unacceptable to the latter.

Source: <http://www.dnaindia.com/jaipur/report-cash-22-jmc-vs-jda-2556616>

Ahead of polls, JMC gets into 'development' mode

With elections round the corner, development finally becomes a priority for the JMC. The JMC is all set to undertake construction and maintenance works to the tune of Rs 300 crore. Of this, Rs 200 crore comes in the form of loan for which the state government provided guarantees. It has ensured that each of the 91 councillors in the city gets an amount of Rs 3 crore for the maintenance work - which is one crore more than Rs 2 crore that are provided to legislators every year as MLA funds.

Source: <https://timesofindia.indiatimes.com/city/jaipur/ahead-of-polls-jmc-gets-into-development-mode/articleshow/64608460.cms>

As already mentioned, JMC and JDA have overlapping functions leading to disputes between the two and challenge of fixing the accountability. JDA being the state directed agency enjoys the freedom from expectations of citizens who approach the JMC for all the issues. Also, the presence of parallel agency without accountability to citizens and directly reporting to state government demeans the Constitutional status given to Municipalities. The issue of funds between JDA and JMC can be better understood if we glance through the budgets (expenditure and receipts) of last few years of both the agencies.

Table 2: Comparing Receipts and Expenditure of JMC and JMC

Year	JMC (in Lakh)		JDA(in Lakh)	
	Receipt	Expenditure	Receipt	Expenditure
2011-12	53248	43193	56881	69732
2012-13	64491	51576	91429	90399
2013-14	77462	69734	110399	110248
2014-15	68395	55878	192730	179971
2015-16	109209*	105212*	178719	174064
2016-17	140762**	136765**	142000*	141800*

* Revised Estimates

**Budget Estimates

If one looks at the receipts of JMC and JDA from the year 2011-12 (see Table 2), both are very close to each but as the year progresses, receipts of JDA are around 160 percent of JMC receipts (revised estimates) in the year 2015-16. The massive progress of JDA in comparison to JMC can be attributed to lack of revenue sources of JMC and huge availability of land bank with JDA which it develops and sale to earn the money.

Additionally, JDA is authorised to levy development charges, land conversion charges, building permission charges, etc. which also acts the important source of its revenue. JMC on the other hand, do not have any power to levy any tax or charges prior to the approval of state government despite of the fact that Rajasthan Municipal Act gives power to municipalities to levy taxes. JMC is partly dependent on its own funds and rest is in the form of grants. The revenue of JMC suffers with inefficient revenue system and high dependency on grants and loans.

On the expenditure side too, though the JMC and JDA are parallel agencies with overlapping functions, the expenditure by JDA is much more than JMC. This can be understood by the huge investment in infrastructure done by JDA, but at the same time, the maintenance of these developed projects is handed over to JMC which needs funds to successfully implement its task. The shortage of funds is one of the major concerns with regard to financial devolution in relation to 74th CAA.

Figure 6: Comparing Annual Receipts of JMC and JDA

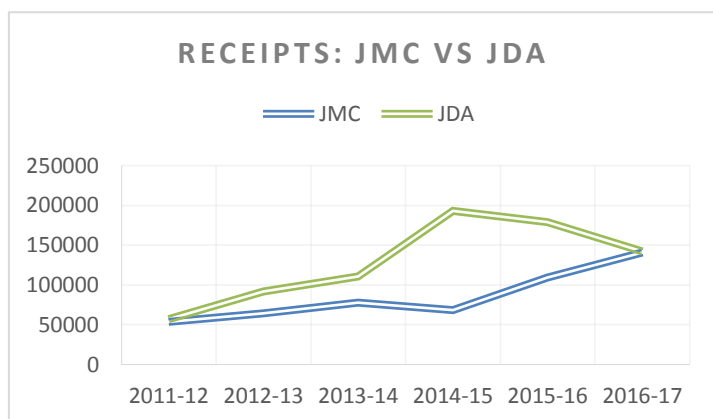
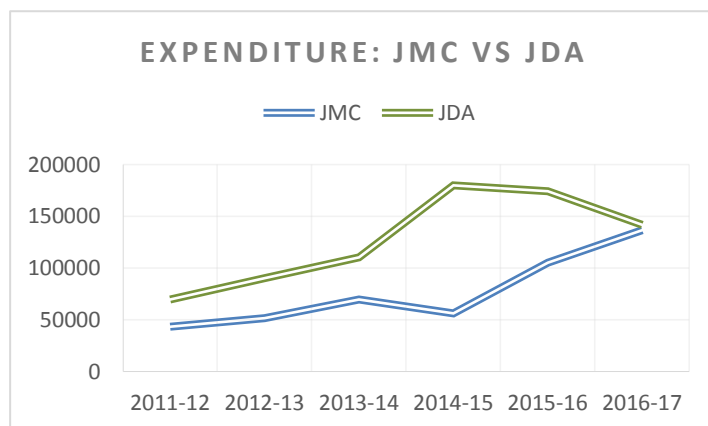


Figure 7: Comparing Annual Expenditure of JMC and JDA



4.3.1 Case of Karni Nagar, Jhotwara, Jaipur

Karni Nagar (Jhotwara, Jaipur), a colony developed by a registered housing cooperative society in 1985, has no such signs of reasonable development taken care by state, even today, after more than 30 years of its establishment. Currently, the area comes within ward number 14. The line of struggle of the residents of the locality even for the basic amenities dates back to the year 1993 when they filed for approval of the colony from JDA. It was the time when Rajasthan State Electricity Board just laid down the main electric line in the area and the individual electricity connections were provided on individual payment basis, as per the provision that time.

The colony got approved by JDA in 2003. Other than this (laying down the electric main line), no efforts of development were made by state or state owned agency within this area. At the time of approval JDA took the 'amenity charges' but never developed any. Even the water supply was managed by a private bore-well for more than two and a half decades, in between 1985 to 2013. According to the President of the RWA of the area, slight signs of development were seen during 2008-2013. With efforts made by the then councillor of the ward number 14 Mohini Kanwar in 2011, JDA first time developed street roads ever since its development in 1985 as well as approval in 2003.

Besides, this was also the last time when the street roads of the colony were taken care by any state agency. Because after that, in between 2011-13 the Government of Rajasthan ran a campaign named *Prashasan Shehron ke Sang* (Government with Cities) during that a standing order to transfer all JDA approved colonies to be transferred from JDA to JMC. In accordance with this, around 650 colonies were immediately transferred to JMC by JDA within a period of three months and *Karni Nagar* was one of these colonies. Again after this transfer, the development of *Karni Nagar* entangled even more in the complex co-existence of multiple development agencies, for even its basic amenities.

Street roads made in the year 2011 were never attended by JDA because according to them, the area was transferred to JMC. JMC argued that all the development work was to be done by JDA and when the transfer of colonies taken place no development work was properly done. JDA also never took care of the maintenance of street roads made by them even within the lock-in period of three years, therefore, JMC has no provision or budget for such unattended works. Both the urban agencies with their respective arguments, *Karni Nagar*, which is more or less in the same condition till date since its establishment, seems to be a fit case of an urban locality left on its vicissitudes for development, due to complex co-existence as well as contentions of different multiple agencies working in the same field.

As mentioned earlier, the brief research had two parts: First, mapping of multiple agencies in Rajasthan and their effect on functioning of Municipalities and second, to understand the challenges in local governance of the city directly from stakeholders. The team captured views, challenges, and opportunities with regard to local governance and implementation of 74th CAA, with the help of semi-structured interviews with Mayors, Deputy Mayors & Commissioners of seven Municipal Corporations, councillors, bureaucrats in multiple parastatals and subject experts. This chapter summarises findings of interactions with several stakeholders during the project period.

Response from the Elected Representatives

1. **Improper implementation of 74th CAA:** Most of the Mayors and other elected public representatives of the municipal corporations found that 74th CAA is not properly implemented in spheres of urban LSG in Rajasthan. While there are 18 functions under their sphere but sanitation and related works stand at priority with most of the Municipal Corporations in Rajasthan. Most of the chairpersons and public representatives other than Udaipur Municipal Corporation (UMC) found themselves not equipped with adequate powers and resources in comparison to duties and responsibilities allotted to them. They were more dependent on the state government, even for petty decisions. There are several other agencies working to serve urban regions apart from municipal corporations, i.e. development authorities of respective cities/UITs, PHED, RHB, RUIDP, etc.
2. **Parastatals are Inevitable but not as Parallel Agencies:** The elected representatives justify the need of these parastatals as they are more skilled and equipped to carry out technical work as it is difficult for ULBs to carry out all the functions single-handedly. The issue is decreasing role of ULBs in the city. The representatives' demand for more powers and status as envisioned in 74th CAA, and better coordination with these agencies to carry out development of the city together. Most of the chairpersons and other public representatives (excluding Udaipur) realised the requirement of more autonomy and funds/resources to municipal governments. It is an irony that from the government point of view, sanitation is seen as the major responsibility of ULBs, but from the view of citizens, the elected representatives are held accountable for every need in the city.
3. **Multiple Challenges for proper functioning:** The representatives also took time to highlight specific challenges when it came to municipal governance in the city.

The challenge with insufficient funds (in comparison to duties and responsibilities allotted to them), less accountable staff, no formal training for newly elected representatives, lack of coordination among various agencies working in municipal areas are taken as priority issues which needs urgent attention. Development of a well-coordinated mechanism of multiple agencies working for the same cause, specified and a just funding, accountable subordinate staff, sufficient work force and adaptation of cost-effective technology suitable in the scenario of Rajasthan, i.e. a more economic model for SWM is urgent need of the hour.

4. **Need of Capacity Building of Elected Representatives:** The representatives raised concerns about capacity building of elected representatives, such as corporators/councillors/members. The elected representatives from wards of city are from the general public or not having a political background. The initial period of around one and a half years after election is consumed in the state of confusion to understand organisational structure of governance. Those who are ambitious take initiatives to understand the work culture, get familiar with the relevant people to get the work done in different departments and maintain cordial relations with the political and bureaucratic representatives.
5. **No Common Platform and Lack of Coordination:** Though there are no regular meetings on any specific platform but different public authorities as well as public representatives meet during collector's conference or various committee level meetings. Most of councillors might not even know all the councillors in their city which somewhere restricts their exposure. The unavailability of proper training modules and exposure poses challenges for these representatives. As a result, most of the chairpersons and public representatives find councillors incapable to fulfil their duties and functions listed in 74th CAA.
6. **No Decision Making Power:** The unavailability of discretion with decision making powers and use of finances also restricts the role of these elected representatives while serving their wards. The councillors are not provided any specific funds to be used at their wards and they have to get these funds sanctioned through a cumbersome process. The bureaucrats and engineers in departments may or may not entertain their request or complaints on time for fixing a pipeline, electricity connection, repairing a road or fixing a street lights but the citizens keep on complaining them as they are accountable for fixing such problems.
7. **Direct Election of Mayor gets more Responsibility and Accountability:** In 2009, for the first time in the history of the state, people directly elected their Mayors and Chairmen of Municipal Councils. As a result of this in Jaipur, a *Bhartiya Janata Party* (BJP) board was formed, headed by a Congress Mayor leading to standstill in the functioning of JMC. When the Mayors were asked about their opinion on direct elections of Mayor, most of them supported the idea as it is more relevant in

grassroot democracy but also expressed their concerns for practical problems as faced by Jaipur.

8. **States restrain from devolution of Powers:** Local government is still under List II of the Seventh Schedule of the Constitution, hence only the State is empowered to make laws on this subject. In such a federal system, constitutional provisions should only lay down the broad institutional framework for local governments. But since states are often reluctant to devolve functions to local government, it makes sense to mandate such devolution in the Constitution which means the Constitutional Amendment is supported for strong and empowered local government. If one looks at the current scenario, the local bodies are monitored and administered by the Directorate of local bodies headed by a state-appointed Director who makes decisions for a body elected by people. This converses the whole idea of people powered democracy as state government is making rules for a third tier of governance with a Constitutional status which otherwise should have enjoyed the autonomy to work according to needs of people and not with one-size-fits all approach.
9. **Need for Accountable Staff:** The current practice of permanent and non-transferable municipal cadre recruitments make the staff unaccountable and irresponsible due to security of a fixed government job. It becomes difficult for authorities in Municipalities to deal with the staff if they decide not to work as per requirements.
10. **Commissioner shall come from State:** The administrative wing is headed by the senior IAS official deputed by the state government. It is recommended that the concerned position should be given to a person having expertise and exposure at the grassroots, and preferably should be from RAS promoted to IAS.
11. **Parastatals shall be made accountable to head of ULB:** As they work parallel to ULBs and without having any accountability towards elected body, parastatals often end up working in silos without the involvement and consideration of ULBs. Most of the representatives expressed that to improve the conditions and status of ULBs, it is important that monitoring authority of parastatals is mandatorily and explicitly assigned to head of ULB rather than parastatals acting at their own discretion.

Initiatives by the Municipal Corporations

While interacting with these representatives, a very important aspect of will of ULBs to take initiatives and use the available resources to transform their city came forward. Though, there are issues of interference of state government and lack of powers with ULBs, some municipalities are making an effort to cross all hurdles and work for their cities.

- The Udaipur Municipal Corporation (UMC) through its Municipal Water Committee amongst has taken the initiative of monitoring and supervising of Water Works Department taking charge of the accountability it holds for the people. The state government acted as a bridge between two sides and brought them on one platform. It was decided that the ULB which otherwise pays for the service to Water Works Department should have the authority to supervise the use of this tax payer's money. This small step works many folds with respect to promoting transparency, fixing accountability and increasing coordination between these agencies which otherwise remain at loggerheads.
- Municipal corporations of Jaipur, Jodhpur and Ajmer took concern of unavailability of discretionary funds to corporators and gave them powers and funds to utilise funds according to need of their wards. Jodhpur announced funds of ₹50 lakh for each corporator per year and Ajmer declared ₹20 lakh per annum per ward. Recently, Jaipur also announced that each of the 91 councillors in the city will get an amount of ₹3 crore for the maintenance work. The total amount of ₹300 is allotted for maintenance work in 91 wards in Jaipur from which ₹200 crore is the loan guaranteed by state government.
- To solve the problem of coordination between different development agencies, Bharatpur Municipal Corporation has taken initiatives to arrange periodic meeting representatives of various agencies to develop a coordinated system of governance for the city.

National Conference on 25 Years of 74th Constitutional Amendment

National Conference on 25 Years of 74th Constitutional Amendment Act in partnership with *NITI Aayog*, held on July 10, 2018 proved to be an appropriate platform to mark the required action framework to achieve an empowered urban local self-governance mechanism through 'Learning and Sharing'. Officials from the National Institute for Transforming India (*NITI Aayog*) and Government of Rajasthan, experts working on urban governance, public representatives from different municipal bodies in Rajasthan, representatives from CSOs, RWAs and CUTS team, shared their experiences and discussed the issue during the event.

Today, even after 25 years of its enactment, 74th CAA has not been implemented in letter and spirit. It has not proved as fortunate as rural self-governance in India. Out of 18 delegated functions recommended under 12th schedule of the constitution, Mumbai and Pune are two cities which have devolved 14.5 functions (14 fully and one partially), whereas cities like Patna, Kanpur and Lucknow have devolved eight and Jaipur has devolved seven functions only. Rapid urbanisation taking place in the country is putting

further stress on the ULB in terms of providing infrastructure and services. It was discussed that there are multiple agencies working on urban governance, in Jaipur itself there are seven-eight agencies working parallel without having any proper coordination.

Even *NITI Aayog* admitted that only 11 states in India have devolved all functions notified in the 12th schedule to ULBs and none of the states have transferred the funds as per the recommendations of the Finance Commission. It was also notified that municipal corporations simply pass on the funds without scrutinising or making provisions for monitoring, therefore, it neither reaches to the areas of priority nor used in an optimum way. Though, there is paucity of funds but there is a reformative vision of the present government and government schemes, such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart City which will definitely bring some substantial change in the scenario of urban India. But to catalyse the improvement Municipal Corporations need to develop their local business models.

According to NIUA representative, 74th CAA introduced the principles of Good Local Governance like Representative and Responsive Local Government with representation of women in local government. The Act has various features to empower ULBs like ward committees ensured proximity of administration to people; constitution of State Finance Commission gave financial autonomy to ULBs, principle of Subsidiarity; and participatory planning approach through District Planning Committees (DPC) and Metropolitan Planning Committees (MPC). It was mentioned how just eleven states and UTs (Chhattisgarh, Gujarat, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Odhisha, Punjab, Puducherry) have transferred all 18 functions to ULBs while Delhi has been exempted from implementation of 74th CAA in 2009. Ward Committees which are the smallest planning unit of a city have been constituted in just eight states and only Kerala and West Bengal are two states which have a ward committee for each ward. Talking about status of 74th CAA in Rajasthan, it was highlighted that all statutory towns have formed municipalities and hold regular elections and the Rajasthan is one amongst just five states which have constituted Fifth Finance Commission. The dire need of empowering ULBs and Mayors; Public Participation in policy and execution; Building capacity to deliver on goals; changing urban planning frameworks and Making cities financially self-reliant was stressed during the discussion.

Apart from CUTS Study on Local Governance in Rajasthan and Role of Parastatals, the representative from Jaanaagraha, Bangalore and Praja, Mumbai both of which are CSOs working in the sphere of local governance highlighted the major findings from their studies on the subject. The pace of city system reforms in India is quite slow. Amongst the big city systems, major issues faced are as follows: lack of modern updated framework of spatial planning; weak finances; poor human resources; powerless

Mayors, city councils and severe fragmentation of governance across municipalities, parastatals agencies and state departments – and total absence of systematic citizen participation and transparency.

As directed in the framework of 74th Constitutional Amendment Act, 1992 Rajasthan adopted provisions and amended Rajasthan Municipalities Act, 1956. Local Governance being the state subject gave powers in the hands of State government to frame laws and direct how the Municipal Governance will look like in Rajasthan. Rather than devolving powers, authority and finances to the municipality, the state government preferred to keep the strings of puppet in its own hands by including deliberate loopholes in the Act. But one cannot blame the state government solely for all that went wrong with 74th CAA. The Model Municipal Law, 2003 allows that functions assigned to ULBs continue to be subject to rules and regulations of the state government even though the responsibility has been transferred to ULB.

The state government has kept with itself all the important decision making powers which allows it either make ULBs a strong and empowered or just as actors on behalf of State. The state can directly prescribe restrictions, limitations and conditions subject to which any powers, duties or executive functions, which may be exercised, discharged or performed by or on behalf of the Municipality, may be delegated to the committees and for prescribing the manner of calling the meeting of the Municipality for delegating the powers, duties and functions of the Chairperson to a member.¹¹ The presence of multiple parastatals with overlapping functions and no accountability to citizens in the name of development also severely affected the implementation of 74th CAA.

There are various recommendations and suggestions that can be thought of as stakeholders to strengthen the 74th CAA after 25 years of disappointment. The state has to take initiative to promote the idea of free and independent municipal governance in the state by giving more powers in all forms, political, administrative and financial to ULBs. The institutions of Mayors, municipal planning bodies and municipalities need to be strengthened.

The presence of dual authority in the Municipality, i.e. political and administrative dates back to the formation of Municipal Corporations in India before independence. Diarchy is a system of government that is overseen by two independent heads, one administrative and the other legislative. In Indian cities, the mayor, elected by the citizens, is supposed to be the legislative head and the Municipal Commissioner, an IAS officer reporting to the state government, is the administrative head. However, among

¹¹ Rajasthan Municipality Act, 2009

the two heads, it is the Commissioner who plays a more significant role¹². This is not different from what is expressed by Mayors in Rajasthan even though they avoid to speak about topic due to political environment. The Chief Minister appoints the CEO/Commissioner of Municipal Corporation and at the other end the powers of Mayors are restricted as the decision of state assembly prevails over the decision at local level.

The absence of strong Mayor in the city demeans the status of office and people lose faith in the institution. Every election the Mayor and elected members stand accountable in front of people who may or may not choose them depending upon the performance in last five years. However, the bureaucrats are at the mercy of state government mostly for a short term in a city after which they get transferred. The limited time and scope of work in an office not known to an officer restricts her mind to think for the people for long term development of the city.

Hence, in order to incentivise growth on a city, a Municipality would require an ambitious Mayor looking to make an example out of his/her work along with a strong Commissioner. This can be done either at the union level by a constitutional amendment or the initiative by state government to empower the office of Mayor as an independent and city accountable administration.

In a private member's Bill¹³ presented in Parliament in 2016, a system of 'Mayor-in-council' responsible for making policies for the city was supported. The Municipal Commissioner in this governance structure would be accountable to the legislative body to ensure the execution of plans. To ensure checks and balances, the mayor-in-council will be able to impeach the Mayor. The Mayor-in-council will be responsible for all functions of a Municipal Corporation including approval of all budgets, building by-laws, city laws and zone changes. Keeping in line the structure at the Union and State level, elected members will be assigned specific mandates. This would include areas, such as maintenance of urban utilities, water supply and sewage, public health and land-use plans. The Mayor should also be able to raise finances at the city level and look after the rule of law.

As suggested by Mayors in Rajasthan, the Commissioner should be a person from Rajasthan who knows the ground realities of the state. It is important that the bureaucrat heading the urban local body should have sound knowledge of urban issues in the state. The Commissioner should be tasked with carrying out policies decided by Mayor and its Council.

¹² <https://www.livemint.com/Opinion/GuRd06nvS9vBBqq1lpV3vN/Towards-directly-elected-and-empowered-mayors.html>

¹³ <https://www.livemint.com/Opinion/GuRd06nvS9vBBqq1lpV3vN/Towards-directly-elected-and-empowered-mayors.html>

There is need for building capacity of corporators/councillors/members in order to make them responsible to the needs of the city and work for the benefit of citizens. Immediately after elections, it is important that councillors should engage in short term trainings, exposure visits, and capacity building programmes. Also, engagement between the state government, bureaucrats and representatives from ULBs needs immediate attention to avoid confusion in the service delivery period.

The state government can play a very important role in solving the challenge of lack of coordination between ULBs and parastatals acting as the bridge between the two. The state can take decision on mandatory periodic meeting between development agencies to resolve issues rather highlighting it to the media which reduces the faith of people in these government bodies.

As seen in case of Jodhpur and Ajmer municipal corporations, councillors need to have funds to be used according to the need of their wards. The availability of easy and discretionary funds to councillors is important for development of their wards as per demands of the people. The model of discretionary funds is followed by Municipal Corporation of Bengaluru. At the same time, proper monitoring of use of these funds can be taken care of by forming Empowered Monitoring and Auditing Committee at the city level to avoid misuse.

Municipal Corporation Regulatory Authority and Independent Municipal Ombudsman may also add to proper monitoring of ULBs rather than state acting as the vigilance agent. This will not only fix accountability of ULBs if any case of misappropriation comes fore but will also make them responsible to carry out their duties efficiently. A strong system of check and balances has to be worked out by citing best examples from states like Kerala in India.

Last 25 years have brought in progress for local self-governance in India accompanied by challenges that needs immediate attention in this Era of Urbanisation. The strong effort to further strengthen the principles of democratic decentralisation is the need of the hour for States in India.