

**Urban Local Government in India
Imperatives for Good Municipal Governance**

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Local government is said to be the best form of government largely because of its closet interface with the local citizenry. It provides a forum to the local communities to deliberate on the nature of local problems and devise appropriate solutions that are in conformity with the obtaining local situations. Its close location with the local communities makes it highly communitarian; local government is in fact a government by the local communities, for the local communities and of the local communities. Being located nearest to the local communities also makes the local government units subject to intense gaze of the civil society. This goes a long way in enhancing local government accountability. These virtues of local government led the political thinkers such as Plato, Aristotle, James Mill, J.S. Mills, Montesquieu, Lasky and many others to believe that local government happens to be the best form of government. In fact the role of local self-government institutions is so pervasive and the services provided by them is so closest to the daily lives of the local communities that it is said to serve the local citizenry from “cradle to the grave”.

Weakening of Municipal Governments

These positive features of local government notwithstanding, the institutions of urban local self-government experienced a decline especially after India achieved Independence. The decline was brought largely because of (i) undefined role; (ii) erosion in municipal functional domain; (iii) inadequate resource base; (iv) weak executive system; and (v) pervasive state control. These led to considerable weakening of the urban local government institutions.

Undefined Role: During the entire colonial rule, the “role” of local government institutions was debated on a continuous basis. The debate on the supposed role of the ULBs centred round two options for local government viz. (i) administrative efficiency; and (ii) political education. Occasional attempts for developing a sound system of self-government since the days of Lord Mayo and Lord Ripon notwithstanding, the role to be played by urban local bodies (ULBs) at most became hazed in the official thinking, at least till the eighties of the last century. Though ULBs found place in the Five Year Plans, their problems were examined by a couple of Commissions (Report of the Taxation Inquiry Commission, 1953-54; National Commission on Urbanisation, 1988), a few Committees, the ULBs were not assigned any specific role nor were they recognised as constitutional entities. Barring the Constitution (Seventy – fourth Amendment) Act, 1992 (CAA), the post-independence enactments simply assigned them some obligatory and discretionary functions. These did not define any role to be played by the local governments.

Erosion in Municipal Functional Domain: Since the late fifties of the last century, there has been systematic erosion in the traditional municipal functional domain. The state governments have gradually encroached upon the legitimate traditional functional domain of the ULB by creating para-statal and urban development

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authorities. Specific purpose authorities created in states and Union Territories took over functions like urban planning, zoning regulations and development of urban areas, water supply, sewerage, slum clearance and development in all states and even primary education in some of the states. Withdrawing of functions has been done on the plea that ULBs lack institutional capacity in terms of qualified and competent personnel, financial resources and organisational culture. Advent of the World Bank in the seventies of the last century for funding urban development projects in India exacerbated the process of encroachment on some of the traditional municipal functions. The Bank insisted on creating altogether new organisations for World Bank funding. Yet another de-facto reason was the vested interest of the state bureaucracy in building their own empire by creating para-statal and special purpose authorities which are apolitical organisation amenable to the direction and control of the state government departments to which the para-statal belong. There was hardly any appreciation of the fact that if the resources – human and financial – which were used to create the specific purpose authorities, could be diverted to municipal entities, the ULBs would have been strengthened substantially. Creation of specific purpose authorities has also contributed to compartmentalisation of development and maintenance as also perennial conflict between them and the ULBs for maintenance of assets create by the development authorities.

Inadequate Resource Base: Expenditure assignment to the ULBs is hardly matched by adequate devolution of sources of revenue. Although the process of urbanisation has been putting demand for resources, on the supply side, the local resource base has been shrinking. Limited tax authority delegated to the ULBs have as well been subject to encroachment by the state governments (Professions Tax taken over by state governments in seven states, levy of urban land tax by many state governments on the same local Property tax base, abolition of the most buoyant and elastic local tax - the Octroi). This has resulted in acute fiscal stress experienced by the municipal governments across the country. Many municipal governments in the secondary cities are not able to pay salaries to their staff for months together. They are not in a position to regularly contribute to the pension and gratuity fund.

A study conducted for the Twelfth Finance Commission on municipal finance indicates that the share of ULBs in the total revenue raised by the three levels of government is miniscule 3.07 percent of the Gross Domestic Product (GDP). It is worth mentioning that local government expenditure constitutes a much higher proportion of the GDP even in the transitional economies in central Europe; it varies from 3.8 in Slovakia to 13 percent in Hungary (Mathur and Thakur 2004). One common feature of urban local finance across the developing countries is inadequate own sources of revenue. The devolved sources of revenue do not match with wide range of functions required to be performed by them. This has led to increasing dependence of ULBs on fiscal transfers from the higher levels of government. Bahl and Linn found that in the cities studied by them, the median share of local revenues in financing local expenditures was as low as 30 percent in the Caribbean countries (Bahl and Linn 1992). This, including shared taxes, was around 63 percent in the transitional countries (Bird and Wallich 1993). This is explained by what Bird (Bird 1994) calls “vertical imbalance” (dependence on the revenue of higher levels of government) and “horizontal imbalance” (uneven access to local public resources). Local finance is thus characterized by a mismatch between functions devolved to ULBs and the devolution of tax authority (Bird and Vaillancourt 1994). This mismatch

is exacerbated by lack of (i) buoyancy and elasticity in local fiscal instruments, (ii) lack of taxes with wide base, (iii) abolition of buoyant and elastic source of revenue as in India- (Octroi), and (iv) dependence on only one or two taxes that are not easy to implement (Dillinger 1991).

Weak Executive System: Barring municipal corporations in the states of West Bengal, Bihar, Rajasthan, Madhya Pradesh and the municipal councils in Uttar Pradesh, Bihar and Orissa, the executive system in the ULBs is highly fragmented. The municipal governments of all varieties (Municipal Corporations, Municipal Councils and Nagar Panchayats) in West Bengal, Bihar, Rajasthan and Madhya Pradesh have now a strong Mayor system. The elected heads of ULBs in these states are the Chief Executives. The municipal corporations in other states and the municipal councils in the southern states do not have a system of political executives and yet they are called the units of “self-government”.

Even in municipal corporations in the states other than the ones mentioned above, the Municipal Commissioner appointed by the state government from the administrative cadre performs the executive functions. The state government, not the Corporation Council, appoints him. He is not responsible to the Council but to his cadre and the mentor who appoints him. The elected Mayor, who should have been the chief executive, only presides over the deliberations of the Council and derives psychological satisfaction of being called the ‘first citizen’ of the city. The executive system is thus highly centralised, fragmented and amenable to state control.

State Control: There is an elaborate system of state control on the day-to-day functioning of the units of local self-government. The control system is usually applied through inspection, calling of records and giving directions for performing civic functions. There exist elaborate and overwhelming powers of control and supervision in matters of appointment, approval of contracts and estimates above a pre-determined amount, sanctioning of new staff positions, and framing of byelaws and rules. In the fiscal spheres, the control relates to setting of tax rates, user charges and expenditures incurred beyond a pre-determined expenditure ceiling. It sounds incredible that the municipal governments other than the municipal corporations, which are the units of “self-government”, do not have powers to approve their own budgets and decide their own tax rates and user charges. Before the enactment of the 74 Constitution Amendment Act, even the Municipal Corporations were required to obtain state approval of expenditures beyond certain pre-determined ceilings. Till recently, this was Rs. one lakh in Kerala, Rs. 50,000 in Andhra Pradesh and in Rs 20,000 in Himachal Pradesh. In the case of municipalities, the limit was still less. In Tamil Nadu, for example, it was Rs. 8,000!

With such control measures, the municipal authorities could hardly be treated as embodiments of self-government. The most drastic mechanism of control, till the operationalisation of the Seventy-fourth Amendment to the Indian Constitution, was the powers to supersede the elected councils. As of 1989, 39 out of 71 Municipal Corporations were superseded in various states. Such elaborate and comprehensive control system smacks of the French system of *administrative tutelage* which the French have themselves abandoned when France experienced a new wave of decentralisation under President Mitterrand’s regime. An expert of the World Bank, after surveying inter-government relations in various countries, put India under the category of “perversely controlled” system of local government.

Decentralisation Initiative under the Constitution of India

In the sixties and the seventies of the 20th century, centralisation had become a fashion. A number of countries the world over moved towards centralisation. India was not an exception as has been referred to earlier. The Eighties in the last century saw a reverse process of decentralisation. It was realised that planning, plan implementation, development processes and authority need to be decentralised to sub national and local levels. In the late eighties, agenda for decentralisation formed part of the World Bank funding in several countries (Davey 1989). Nations, whether large or small, rich or poor began devolving political, fiscal and administrative powers to the sub-national tiers of government. Renewed interest in decentralisation in Asia, Africa, Latin America and even in the erstwhile command economies in central Asia and eastern Europe was manifestation of disillusionment with centralised planning and development model pursued largely in the 50s and the 60s. More than 60 countries in Europe including the erstwhile command economies, which are now branded as 'transition economies, in Latin America, in Asia and in Africa have adopted decentralisation initiative and are in the process of strengthening it (Rabinovitch 1999).

South Asia was not an exception to this decentralisation wave. Nepal effectuated decentralisation by enacting the Municipalities Act, 1991. Sri Lanka translated it through the Thirteenth Amendment to the Constitution in 1987 and enacted the Provincial Council Act of 1987. Bhutan has enacted a Thromde Act, 2007 to put in place a highly decentralised system of governance in both rural and urban areas to replace a centralised system of governance. In Iraq that as well had highly centralised system of government, is giving way to decentralisation. In India as well, it was lately realised that though urban administration and governance is a state subject, the state governments have not been pro-active in strengthening and empowerment of municipal entities. It was realised that decentralisation, in order to be sustainable and effective, would need to be provided for in the Constitution of India itself so that the trend towards encroachment and apathy against the institutions of local government discussed earlier, could be addressed effectively through constitutional mandate.

The Constitution (Seventy-fourth Amendment) Act

As a milestone initiative to introduce a big bang decentralisation, the Constitution of India was amended in 1992 to give constitutional recognition to the ULBs and for ushering in a regime of empowered and strengthened urban governance in the country. It guarantees to the ULBs a constitutional right to exist as they can no longer be kept superseded indefinitely. The Amendment created euphoria. It was said to be the harbinger of a new era of empowered system of urban local self-government. It created new hope of a refurbished system of urban self-governance with a new structure, additional devolution of functions, planning responsibilities, new system of fiscal transfers and empowerment of women and the weaker sections of the society. It appended a new Schedule of municipal functions (Twelfth Schedule). Looking back at the CAA and its efficacy in strengthening the ULBs, it has been a mixed feeling. It has definitely led to empowerment of weaker sections of the society, has largely rationalised the transfer system, prevented the super session of the ULBs and has qualitatively changed the local political process. However, it has not yet succeeded in putting in place the instrumentalities conceived in the CAA for institution building, and has not yet contributed to institutional capacity development of the ULBs.¹

¹ For a critique of the 74th Constitution Amendment, see Jha, Gangadhar, "The Seventy-Fourth Constitution Amendment and the Empowerment of Municipal Government: A Critique", Urban India, Vol. XIII, No.2 (June-December), 1993, p.68-78.

This is so largely because of dilution of the provisions in the CAA that relate to institution building. Provisions relating to creation and composition of the Wards Committees, putting in place a planning process driven by political process under the aegis of District Planning Committees (DPCs) and Metropolitan Planning Committees (MPCs), and devolving of functions mentioned in the XII Schedule have not yet effectuated. It needs to be mentioned that barring the provisions relating to XII Schedule, other provisions in the CAA are mandatory provisions. Yet even after sixteen years of enactment of the CAA, even the mandatory functions of the Indian Constitution are not yet implemented. Though DPCs and MPCs have been created in some of the states, the planning process conceived in the Constitution has not yet actualised. Wards Committees though have been created, neither the composition of the Wards Committees nor its functioning has any semblance of provisions in the CAA. Even though mandatory provisions of the 74th CAA have not yet been implemented in letter and spirit, yet another structure of urban local government is being pushed through under the aegis of the on-going Jawaharlal Nehru National Urban Renewal Mission (JN-NRUM). One of the caveats for accessing the funds under the Mission is that the state governments must enact the Nagar Raj Bill. The Bill provides for creation of additional tiers of local government besides the Town Hall and the Wards Committees. The additional tiers suggested are (i) Ward Committee to be created in each electoral Ward, and (ii) Area Sabhas to be created at the level of Polling Stations within each local government jurisdiction. It would be desirable to first implement fully and in letter and spirit the provisions of the 74th CAA, before altering or additions in the proposed structure conceived in the Constitution of India.

Flaws in the 74th Constitution Amendment Act: There are certain flaws as well in the decentralisation initiative conceived through 74th amendment to the Indian Constitution. These need to be addressed by revisiting the CAA. First, the provision relating to the composition of Wards Committees needs to be given a fresh look. It provides that the Wards Committees are to be composed of the Members of the ULBs representing the Wards within the jurisdiction of the ULBs and one of the elected representatives from within the Wards is to be appointed as its Chairperson. In addition to the elected representatives, The Wards Committees are to have also the nominated members. The CAA gives discretion to the State Governments regarding composition, the territorial area of a Wards Committee and the manner in which the seats in the Wards Committees are to be filled up. The types of persons to be nominated on the Wards Committees are not specified in the CAA. Due to discretion granted to the State Governments, the right type of persons is not nominated on the Wards Committees. It is therefore advisable to provide for nomination of civil society groups, eminent professionals (Layers, Chartered Accountants, Doctors, and Teachers), social workers living within the territorial areas of the Wards Committees, and the representatives of the urban poor. This will substantially promote participatory initiatives an inclusive approach governance and provision of municipal services. It will also make the ULBs much more accountable and inclusive; participation impacts accountability in a big way.

Another flaw in the CAA relates to municipal executive system (political decentralisation) and the tax authority of ULBs (fiscal decentralisation). The nature of executive system and the tensions in the existing system is already discussed above. Fiscal devolution to the ULBs is entirely left to the discretion of the State Finance Commissions (SFCs) that are created every five years. It is worth mentioning that none of the SFCs has so far cared to tread the path of devolution of additional sources of revenue to the ULBs. Also the States have not yet created a convention of accepting the recommendations of the SFC in totality. Even after accepting the recommendations of the SFCs, the states adopt a dilatory tactics for implementation. Above all, the SFCs are constituted and composed rather mechanically without

caring for the types of specialities and expertise needed to objectively look into transfers and fiscal devolution (IRMA 2008). Much is therefore desired for enabling the SFCs play their desired role in rationalising the transfer system for the local government. The Central Finance Commission (CFC) whose Terms of Reference (ToR) as well was amended through the 74th CAA, has not been in a position to discharge its responsibility according to the amended ToR. This is largely due to lack of synchronisation of SFCs with the CFC (Jha 2006). This has been repeatedly observed by the last two successive Finance Commissions.

Strengthening Local Government for Good Governance

Ethos of local government, decline in it, and the aftermath of the decentralisation initiative for strengthening and refurbishment through CAA has been briefly discussed in the preceding paragraphs of this paper. Obviously, the institutions of urban local self-government need to be strengthened and empowered. Their institutional capacity needs to be strengthened especially due to their strong economic role in enhancing the national economic growth and for improving the quality of life in urban settlements. The role of cities has further assumed importance in the wake of globalization and structural adjustments. Globalisation, in particular, has brought-in an unprecedented growth in international financial flows that is uninhibited by national boundaries. It has contributed to international flows of ideas and knowledge, and closer economic integration of countries through increased flow of goods and services, capital and even labour. It is hoped that it will raise living standards throughout the world, give poor countries access to overseas markets, and allow foreign investments (Stiglitz 2006).

Nations across the globe are compelled to go for structural adjustments to enhance national competitive abilities, global trade and foreign direct investments (Rabinovitch 1999). Role of cities has become all the more important in this process, as they are important centres of economic activities and “engines of economic growth”. By virtue of this powerful economic role, cities contribute about 60 percent to the GDP. It is, therefore, now believed that what will happen to the national economies in future is now largely contingent on what happens to the cities in terms of their institutional and fiscal capacities in providing urban infrastructure support to production activities and improving the quality of life of its growing inhabitants. Direct investment both foreign and domestic is contingent upon quality urban infrastructure and urban services in the cities and towns. ULBs have to play a pivotal role in this regard by replacing good governance.

Transforming the ULBs for good governance entails to have clarity about the concept of good governance. What makes a government to adopt good governance? What are its attributes? How do we transform the ULBs for performing their role for good governance?

Good Governance: Whereas governance connotes the process of decision-making and the process by which decisions are implemented (or not implemented), good governance entails “the manner in which power is exercised in the management of a country’s economic and social resources for development” (UNDP 1997). For a city, it means exercise of power to manage a city’s economic and social development. In order for the process of governance to be called good governance, it must be informed by a set of criteria. It has to be (i) participatory, (ii) consensus oriented, (iii) accountable, (iv) transparent, (v) responsive, (vi) effective and efficient, (vii) equitable (viii) inclusive, and should follow the (ix) rule of law. Good governance assures that corruption is minimized, the views of minorities are taken into account and that the

voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society (UNDP 1997).

In the context of good urban governance, the set of criteria mentioned above would need to be supplemented by the basic instrumentalities of good governance. These include (i) enabling local government structure, (i) fiscal wherewithal, (ii) institutional capacity. The latter would need to be conceived in a much broader sense including, among other things, three important dimensions viz. (i) institutional and legal framework; (ii) organisational development, and (iii) human resource development (Pellenburg et al 1996). These three important parameters together contribute to strengthening of financial resource mobilisation and financial management system.

Enabling Local Government Structure

As mentioned earlier, the 74th CAA conceived a two tier decentralised structure consisting of the Town Hall and the Wards Committees. The latter were conceived in cities with more than 3 lakh population primarily for promoting intra-city decentralisation by bringing the local government nearer the door steps of the citizens especially in the wake of rapid urban demographic growth and swift urban sprawl. This has not yet actualised due to lukewarm attitude of the state government. The structure in West Bengal consists of a three tier structure that was put in place much before the 74th CAA.² JNNURM now insists to have a four tier structure as mentioned earlier. First, however, the structure provided for in the 74th CAA would need to be implemented by revisiting the 74th CAA itself. The composition of Wards Committees would need to include representation of the civil society groups and the urban poor. Functions to be performed by the Wards Committees would as well need to be revisited to make it a viable unit. This would need to be reinforced by budgetary allocations to the Wards Committees for enabling them perform the functions devolved to them. The model Nagar Raj Bill that needs to be enacted by the states under the JNNURM, would need to be looked in this context for further rationalisation of the urban local government structure. It is important to note that an appropriate structure enables the local government interact with its constituents in a much more effectively, efficiently and responsively.

The 74th CAA would need to be visited also for refurbishing the municipal executive system. The central government has already enacted a Model Municipal Law that contains political executive system. This would need to be replicated by states. Adoption/enactment of this Model Law also forms part of the caveat for accessing the JNNURM funds. The states of Bihar and Rajasthan have already enacted new laws based largely on the Model Law. The process would need to be accelerated by using the various central sector schemes for leveraging reform in municipal governance and management service delivery.

Fiscal Wherewithal

Financial resource is the most critical parameter in any scheme of development; much so for effective, efficient, accountable and responsive governance. Implementation of plans and programmes for effective governance, irrespective of perfections brought about in designing internal organisational structure, staffing, and planning, are unlikely to yield results on their own unless these are implemented. Implementation itself is contingent on availability of funds. Finance thus constitutes a critically important element of governance in two ways. First, initiatives for good

² It consists of (i) the Town Hall, (ii) Borough Committees (counter part of the Wards Committees of the 74th CAA genre), and (iii) Ward Committees in each electoral Ward.

governance at any level of government must be supported by availability of funds for fulfilling socio-economic aspirations of the people. Secondly, finance must be raised and used in a manner that is transparent and does not violate principle of equity. From a financial perspective, the main factor related to governance is that it provides accountability and transparency. Financial accountability has to be achieved through compliance to the laws of the land, budgetary approval by elected officials, periodic reporting and independent audit. Transparency entails making decisions in public and with full disclosure of information used in the decision making. Good governance is, thus, largely dependent on availability of funds especially from sources on which a level of government has full legal authority.

Barring the ULBs in sprawling metropolises, the ones functioning in India's secondary cities (incidentally largest in number), experience intense fiscal stress. Weak fiscal base does not permit them to access qualified personnel required for effective governance and management of delivery of basic municipal services. Rampant fiscal stress is largely due to (i) weak economic base in small and medium towns, (ii) devolving of a few sources of revenue that do not enjoy buoyancy, (iii) weak tax administration capability of the ULBs, and (iv) unwillingness to charge. Tax on lands and buildings popularly known as Property Tax, constitutes the single major tax of the ULBs in this country that the ULBs are not in a position to administer efficiently. Moreover, a single prime source of revenue (Property Tax) has its own limitation for generating enough revenue for the ULBs. Octroi, that has buoyancy and fetches revenue on a daily basis take care of the ways and means situation of the ULBs. This is abolished in large number of states.

Revenue assignment to the ULBs therefore needs to be given a fresh look on the basis of established canons of local taxation. Accordingly, local taxes need to be visible, non-sensitive to business cycle, sustainable, should not lead to exporting of tax burden outside the local jurisdiction and should have low administration cost. The theory of fiscal federalism suggests that the local tax base should be immobile (Oats and Wallace 1972). Local taxes should yield stable revenue and it should be easy to administer (Bird 1994). Taxes, which largely qualify these tests, include Sales Taxes, Income and Payroll Taxes, Property Taxes, and Motor Vehicles Tax. Local Income Tax in the form of piggybacking on central income tax especially seems to be persuasive. In the Indian situation, promising areas of local tax reforms are (i) piggybacking on the prices of petroleum products, and electricity charge, (ii) devolving of (a) Entertainment Tax, (b) Stamp Duty, and (c) Motor Vehicles Tax to the ULBs. Also there is need to revive the list of local taxes that was introduced in the Government of India Act of 1919 but abolished subsequently in the Government of India Act of 1935. The local list not only needs to be revived but refurbished as well by adding some new local fiscal instruments discussed above. The National Commission to Review the Working of the Constitution, however, has not agreed to its restoration as it thought that the time is not yet ripe for this (India 2002).

Enhancing Institutional Capacity

The elements of institutional capacity have already been alluded to earlier in this paper. Also legal framework that constitutes one of the elements of institutional capacity is already discussed above. It is worth mentioning in this regard that the functional domain of the ULBs needs to be reviewed especially because some of the functions presently being performed by the ULBs are in the nature of state functions. These include curative health, running of medical colleges, urban transport etc. There has to be therefore functional shifts from the domain of the ULBs to the State Government and vice versa. Also devolving of functions to the ULBs of diverse size categories (Nagar Panchayats and Municipal Councils in towns with one lakh and

below this population will have to be altogether different from the functions of the ULBS in larger size categories.

Training is generally thought to be synonymous with capacity development. Capacity development means much more than mere training; it is driven by internal organisational structure of ULBs, organisation development, staffing, their knowledge, skills and attitudes, institutional incentives for motivation and career development. These, in sum, call for focused HRD initiative in municipal governments. The existing staffing and municipal personnel system give premium to non-performance and are not amenable to training needs assessment and designing of focused demand driven training. This requires revisiting (i) the existing organisational structure and (ii) the old and hackneyed recruitment rules existing in almost all the states that do not permit professionalisation of municipal cadre, institutional incentives for better performance, a system of job description and performance evaluation, and vertical mobility of the staff through promotions. The ULBs do not have any system for need-based customized training based strictly on formal training needs assessment and qualitatively different from the existing supply driven generic class room training.

It is high time that organisational development (OD) is mainstreamed in the ULBs that have been subsisting with organisational structure conceived and put in place centuries ago. Various departments and sections of the ULBs need to be restructured and rationalised to facilitate quick decision making and rapid movement of files. File management itself would need to be rationalised and modernised. Yet another critically important aspect of OD is to look into the recruitment Rules that were as well framed decades earlier. These Rules have become out dated. It is curious to note that the Rules do not provide for recruitment of personnel in the much needed emerging areas of municipal governance and management.

Because of archaic recruitment rules, the ULBs hardly have access to qualified and skilled staff in the critical areas of municipal management such as urban planning, engineering, information technology, organisational development and human resource development, finance and accounting, public health, and community development. The concept of 'municipal management team' having expertise in these and related areas of governance and municipal management, headed by a political chief executive, has not yet informed a large number of ULBs including many municipal corporations. There are cities with population of more that a million that do not have qualified accountant and finance men. In several instances, muster roll employees have graduated to the position of accountants, finance officer, and executive positions in quite a number of ULBs. Municipal personnel system has been the most neglected area of municipal governance and reform. By far, this has also been the most neglected area of research by the experts. Human resource development initiative will therefore have to be mainstreamed in the ULBs.

In sum, it needs to be noted that India no longer lives in villages; a vibrant, educated, political conscious urban India is silently emerging that is much more volatile as compared to the rural India. This urban India is economically so productive that it contributes largest to the national wealth. It calls for empowerment, strengthening and modernisation of urban governance for making the cities and towns liveable and for attracting investments for generation of employment and income. If this does not happen, a volatile urban Indian may undermine social stability itself.

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