# URBAN GOVERNANCE AND DECENTRALIZATION IN INDIA: PRESENT STATUS AND CHALLENGES

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#### **ABSTRACT**

Decentralization is a process to transfer of authority from central to local government. It is also seen as a process of transfer of responsibility, authority and functions from a superior government into a lower government unit. India is a democratic decentralized country where powers are decentralised from centre to village level in a democratic manner. Local government is working on both level rural and urban. 74<sup>th</sup> amendment of the constitution is a landmark in the history of urban local government in the country. This act facilitates the democratic decentralisation at urban level. The main object of this paper is to see how democratic decentralisation has paved the path for local governance in India and what are the challenges in implementation of actual democratic decentralisation at urban level.

KEYWORDS: Democratic Decentralization, Urban Government, Constitutional Amendment.

#### Introduction

Decentralization means the transfer of authority from Central to local government. It is the dispersion and distribution of functions and powers. The English word decentralization can be tracked back to a Latin word which means away from the center. Decentralization is also seen as a process of transfer of responsibility, authority and functions from a superior government unit to a lower government. Decentralization is a prime mechanism by which democracy becomes truly responsive and representative. It is an alternative system of governance based on public centered approach to sorting out local level problems.

Participation and control of governance by the people of country is the ethos of democracy. such participation is possible only when the powers of state are decentralized to the districts, blocks and village level. where all the sections of people can sit together to discuss their problems as well as can monitor the implementation of the program. Local problems can be easily resolved by decentralization. it could allow better political and administrative penetration of national government policies in to the remote areas. it leads to a more flexible, innovative and creative administration that reduces the cost of planning and increase the number of public goods. It also insures political stability by increasing the participation of local public in decision making. Some of the goals and objects of decentralization are:

Participation: Public participation can be any process that directly engages the public in decision-making and gives full consideration to public input in making that decision. The main aim of public participation is to encourage the public to have meaningful input into the decision-making process. Public participation provides the opportunity for communication between agencies making decisions and the public more independence and autonomous. Public Participation in the country's governance is must in democracy. Participation may be direct as in community projects or it may be indirect through elected representatives. Participation is possible only when the powers are distributed till last level so that they can connect themselves with the government. This is the aim of democratic decentralization in India.

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- Equality and Liberty: distribution of power till village level provides equality and liberty to the public. Specially in social, cultural and religious diversities in India it is important. In caste and gender discriminated society the 74th amendment gives equal rights to the male and female, as well as SC, ST and OBC for elect and participate in local bodies in equal manner.
- **Flexibility:** Decentralization leads flexibility in the organization. it provides authority on local level to take decisions by their own. Their dependency on state governments is limited now.
- **Efficiency**: It creates self dependency and enhance the capacity of personals at lower level. With the decentralized power one can take initiative and develop a problem solving attitude. Decision-making also boosts their moral and motivate them to do their best. Administrative efficiency can increased by decentralization.
- Conflict Resolution: decentralization is a process by which can relive the burden of work on the chief executive and develop the managerial quality in subordinates. Also satisfy the ego of lower level workers and motivate them. It reduce the communication work and fill the gap in communication, if there any. Its a process of conflict resolution in organisation.

## **Decentralization in India**

Decentralization is popularly known as democratic decentralization in India. India has the oldest tradition of local governance as the panchayats for village council have existed since ancient times. They were mainly the informal bodies of village elders from dominant families and castes are signed with various functions in village like maintenance of law and order, general welfare, decision making etc. But there was no uniform pattern of this form of governance during the colonial period. The other part of local government was invented by the British colonizers. They had adopted a selective approach regarding local governance. In fact in order to strengthen their objective of Empire building they built urban centers like Kolkata, Bombay and Madras and left the rest of the country as an age, serving the center without having any kind of development. Till the independence the urban local bodies were developed in certain areas. India's dream of inclusive local governance had to wait almost four decades before it was finally materialized in 1993.In the meantime there had been a few pioneering efforts as Balwant Rai Mehta committee 1957, Ashok Mehta committee 1978.

Local government in India is a product of an exceptionally centralized administrative system under the present constitution. it has been shaped within the framework of centralized planning for the continuance of the same political party in power of centre and institutes for a long time. following enactment of the present constitution is another factor to be reckoned with. One of the earliest actions of PV Narsimha Rao government coming into the power at the center was to amend the Indian constitution to provide constitutional base to local government rural and urban. This is a revolutionary development in the field of local government in India. The constitutional amendment became operative since April 1993. Now local government both rural and urban constitutes the third stratum of government existing in its own right. As a result, both the local governments have been over hauled. For the urban local bodies the amendment is known as the 74<sup>th</sup> constitutional amendment act 1992 operative since 1993.Introduces a new part namely part 9th A in the constitution. Which deals with matters relating to urban government. unlike rural governance urban governance is not hierarchical. article 243 q of 74<sup>th</sup> amendment act stipulates that there shall be three types of urban local bodies in India namely Nagar panchayat for the transitional area, municipal counsels for smaller urban areas and municipal corporations for larger urban areas. State government are allowed to design their own municipal acts in accordance with the broad parameters outlined in the 74<sup>th</sup> amendment act.

# 74<sup>th</sup>amendmentact 1992

It enacted by parliament in the 43<sup>rd</sup> year of republic of India.this is a revolutionary piece of legislation by which Constitution of India was amended to incorporate a separate chapter on urban local bodies, which seeks to redefine their role, power, function and finances. it includes articles 243 P to 243 ZG that deal with municipalities. The salient features of this Act are:

- Constitutional status has been given to urban local bodies. In every state Nagar panchayats for transitional area, municipal councils for smaller urban areas and municipal corporations for large urban areas shall be constituted.
- Direct elections to the municipal bodies by the people in the same manner as the elections held for the LokSabha and State assemblies has been provided, these elections are to be mandatory conducted by the state election commission. Article 243 T provides for reservation of seats for the SC ST population in proportion of their size in the total population of municipal area.

- Reservation of one third of seats for women, including schedule caste and scheduled tribes is ensured.
- A finance commission has been constituted to ensure financial support of the municipalities.
   Funds have been admitted to taxes, tolls, duties and grant-in-aid etc.
- Ward committee is for one or more wards within our municipality area having a population of 3 lakhs or more shall be constituted.
- On the duration of municipalities article 243 U provides that every municipality is to continue unless sooner dissolved for a period of five years from the date of its first meeting.
- In this act the qualifications or disqualifications for the membership of the municipality is described.
- Powers, authority and responsibilities of the municipalities have been dealt with in article 243 w and in twelfth schedule.
- Two important committees namely committee for district planning article 243 ZD and committee
  for metropolitan planning article 243 ZE have been constituted. State legislature may make
  provisions with respect to the composition of these committees and the manner in which the
  seats are to be filled.

# Significance of Act

The act ushered into a new era of urban governance and management in India. This act is significant because apart from the traditional functions it has also allocated the municipal bodies the functions of economic and social development and justice. The act not only gave the constitutional status to local bodies but also gave them administrative and financial autonomy. This act has brought transparency in governance. The article 243 z of 74th amendment act have mentioned the provisions for the mandatory audit of accounts of municipalities. As a result of this at the local bodies are now accountable to fulfill the aspiration of public. The provision of state finance commission is a landmark step in the direction of providing financial autonomy to the urban bodies. reservation of seats especially for women has uplifted the status of women and increasing political participation of socially deprived section of society. The new act has become an instrument for political education for common men in the context of urban politics. People are learning to organize to demand their rights, to resist corruption and so on, this learning process enhances their preparedness not only for local democracy but also for political participation in general. Another important significance of this act to introduce a decentralized planning process or a bottom up approach towards planning. For decentralized planning few structural innovations like the metropolitan planning committee and the district planning committee are working. This act facilitates the democratic decentralization and the stability to urban local government units is aim to accomplish the objective of being administration closer to the public. Representation of weaker and other vulnerable groups of society insures people's participation in Administration by the way of managing their own affairs.

### Challenges

The 74<sup>th</sup> amendment act has surely revived to the urban local bodies in India and has actually established democratic decentralization at local level. This act is a revolutionary step in stabilizing urban government it may be a good beginning but not the end . the state governments have legislated related laws. The democracy has been decentralized but the people are yet to be prepared and developed to contribute the accomplish the objectives. The history of urban government in independent India have witnessed a tremendous shift. urban government is faced with the variety of social economic political, psychological, ethical and environmental complexities, there are always some invariables for the performance of local government. In the context of decentralization after getting the constitutional rights there is still facing a number of problems with social causes rather than political or administrative ones. Some of them are:

• **Limited Resources and Weak Financial Position:** Lack of financial resources is a big problem for the city governments, they are financially in bad shape because there resources are limited, secondly those resources which are available are not properly and honestly distributed. Although the 74<sup>th</sup> amendment and its healthy features like the finance commission constitutional status of civic bodies are there but the states is still have substantial powers to interfere in their affairs the excessive state control hampers their growth and encroach their autonomy.

- Weak Institutional and Technical Capacity: there is no specific in maintaining the organisational structures for urban governments. The question of personal responsible for the formulation of integrated plan is again problematic. No training system is there for municipal employees. The recruitment agency fails to recruit the suitable persons. Several vacancies are not filled till the years this also effects the institution capacity. The personnel at Grass root level needs proper orientation and so that organizational capacity can develop.
- Inadequate Mechanism of Accounting and Accountability: Proper process of accounting Improve transparency in accounting processes and audits and facilitate access to private capital also better informs about budget making. Urban local bodies in India are not self-sufficient and hugely depend on grants. Currently the ULBs have significant backlogs in producing their audited financial statements. There is a mechanism for accounting the statements of these but it is inadequate in the manner of best uses of resources and corruption.
- Less Public Participation: public participation is a important aspect of local government as well as the democratic decentralization but less public participation is a important issue of local bodies. Because local government is regarded as of lower order there is less interest of public in local elections, fewer people goes for the polling. Citizens are not aware for their rights and don't know how to exercise them. Widespread illiteracy and political unconsciousness are other reasons behind the less participation of public. Also local bodies have low prestige and publicity among public.
- Corruption: bureaucratic corruption is the cause of poor health of civil bodies. Corruption is
  every where in administration particularly at lower levels it is widespread because the nature of
  the work of municipal bodies is such that citizens have to come to them for their services. This
  gives opportunities to the employees to make money. Civic matters like building plan approval,
  electricity matter, ration card, water connection has to grease the palm of somebody than the
  work will done.
- Insufficient Devolution of Power: although the new process has democratized the local self
  government and brought substantive democracy at Grass root level but the excessive control of
  state government holds their growth and unnecessary interrupts in their field. In addition of
  constitutional status still local bodies are dependent on state governments as they make laws
  and regulations for them.
- Uncontrolled Urbanization: Over increasing population in urban areas is creating a lot of prproblems. The existing infrastructure is failing to support the growing population. The services are quantitatively and qualitatively inadequate. they are not up to the satisfaction of the consumers financially as well. Unsustainable urban development has also been the imprecation of urbanization in our country which ruined rural urban balanced development, conservation of indigenous resources, ecological balance and destruction of nature specially in metropolitan cities. This flow of people creates civic problems like shortage of housing, more demanding for the electricity, water, transport, sanitation facility etc. This increase slum issues, health and environment imbalance and efforts of local government remains incomplete. So this is a big challenge in present scenario.

#### Suggestions

Urban local government in India are in a little better place than their sister institutions in rural areas. Urban local bodies are older and much experienced than the present panchayati raj system .The public in metropolitan cities are comparatively educated and aware than the rural areas. But still problems are there for urban government. Although the process of democratic decentralization and 74<sup>th</sup> amendment features have gave a respectable status to the local bodies but it is only a starting .it could make better with the required. Some suggestions for this are mentioned below:

- Strong administrative and technical capacity of the local level should be made. Some serious
  effort should be made towards recruitment of technical staff at local level. So that capacity of
  these institutions can be increased.
- Strong political commitment always required in the way of reforms also at local level. As local bodies are also suffering from bad politics.
- Sustained initiatives for capacity building at local level are . this would enable them to prepare for better development, replants as well as more responsive towards citizen needs.

- Strong legal framework for transparency, accountability and corruption removal should be there
  local audit should be encouraged like social audit.
- Transformation of local government organisation into the high performing organisation is must
- Fiscal decentralization should be there. Means no delay in fund release for local needs.
- Effective judicial system for better implementation of laws is necessary
- Proper public participation for actual democracy is essential.

The efforts should be made in this direction so that the object of democratic decentralization can actually be achieved. The government efforts of decentralization of planning process are evident in both rural and urban local bodies

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