CHAPTER - III
MUNICIPAL ADMINISTRATION IN INDIA AND ORISSA
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With the growing pace of industrialization, modernization and globalization, from the last half of the 20th century, there has been marked shift of population from rural to urban areas in our country. Today, there are nearly 300 million people living in urban areas comprising about 30% of the total population and contributing to over 60% of the country's GDP. It is noted that India has over 3700 towns and cities. The urban population of the country has been growing at a rate of over 31%, which is much above the last decade. This accelerated growth of migration to urban area is owing to search for security of life, better standard of living, educational and employment opportunities or for the kind of glamour exhibited by cities. But urbanization is not merely an index of the density of population; it brings in its wake profound changes in the social and economic structure of a nation, and has vast psychological overtones. It has created lot of problems, which require urban management skills, infrastructure facilities and careful handling. Hence the campaign for good urban governance is recently fortified by certain new concepts like, sustainability, decentralization, equity, efficiency, transparency, accountability, citizenship and security.

Today there is a growing consciousness of the need and importance of local self-government, as being provider of extensive range of services to the local community and encouraging participatory democracy. V. Kanselingam has pointed the importance of local bodies from participatory points of view. First, Local self-government provides a better understanding of what government proposes. Second, the central government's development activities can be made more realistic by involving the people of that locality in important decisions. And finally, popular participation at the local level increases the maintenance and expansion of services for the people. Thus the objective of local administration can be grouped under political, institutional and economic reasons.

Local government is at the bottom of the hierarchy of governmental institutions, with the national government at the top and intermediate governments of states or regions in between. In India two distinct types of local government are found such as rural local system and urban local system. At urban level, Municipalities are envisaged as the
institution of local self-government with a twin motive of being accessible to the people in catering the needs of the community and also increasing a sense of civic participation among the people. It is described as the level of the government, which is closest to the people at the urban area. But before the introduction of 73rd and 74th Constitutional Amendments, 1992, discrimination existed between urban and rural bodies. While there was clear mentioning of local self-government at village level in the form of Panchayat Raj system under the constitution, there was no such mentioning of Municipalities at Urban level, except that they were included as entry 5 of the state list. Thus one can visualize clear incongruity between two categories of local self-government with one acquiring constitutional status and other being deprived of it.

MUNICIPAL GOVERNMENT IN ANCIENT INDIA

Etymologically the word Municipal government has been derived from Roman concept of “Mu-ni-ci-pi-um” which is referred to the Roman unit of local self-government. The origin of it can be traced back to Roman civilization. Ancient India, which was famous for its village republics also, had urban agencies in providing basic services to the people. The excavations of Indus valley civilization show some remnants of these cities. In Kautilya’s ‘Arthasastra’ one gets a graphic description of Pataliputra city where administrations of great Mauryas were based, though there was no mention of Municipal Councils. In Mughal period the cities flourished under the administration of Kotwal who was discharging multifarious functions. It might be described in modern times as municipal functions. The political basis of urban institutions in India can be traced back to English utilitarianism, particularly to J.S. Mill’s writings on ‘Local Representative Bodies’. He had explained the reason for having local government is to look after ‘public education of the citizens’. The same idea was implemented in the resolution of Lord Ripon. He had visualized ‘small beginnings of the independent political life’ and the replacement of all powerful district administration of that period. On the whole, the history of Local Self-government in India can be grouped into five periods. 1). Before 1882 imperial period; 2). 1882 to 1919; 3). 1919 to 1935; 4).1935 to 1992 and 5) 1992 onwards.
The first municipal institution was created in India in 1688 in Madras on the pattern of English Borough, which was followed by municipal corporations in Bombay and Calcutta by 1762 just after the establishment of East India Company. It was created due to the growing demand of educated Indians for participation in government and to pass on a part of the financial burden of administration to the people. The birth of Madras City Corporation started with the development of city so far as the social service, maintenance of law and order and protection of citizens were concerned. It undertook number of public services including maintenance of a town hall, a school and a judicial body constituting a court of record in civil and criminal cases. The Municipal administration was given statutory basis for the first time by the charter of 1793 Act. This Act empowered all the three municipalities to appoint justices of peace who were authorized to impose taxes on houses, and lands in order to meet expenses on sanitation, maintenance of roads, police etc. Thus, under British administration some form of urban local government was established on the basis of requirements and exigencies and not on the basis of any indigenous models. British administrators themselves wanted to be relieved of the heavy burden of highly centralized functions of government. The concept of local self-government was introduced from the top for their own convenience.

In 1824, the Bengal Act was passed whereby the municipal administration was extended to the district towns. But as the setting of a municipality was a voluntary affair, no town came forward to ask for it. In 1850 another Act was passed which retained the voluntary principle for creation of a town committee and replaced direct taxation by indirect one. But it was only after the ‘Mutiny’ of 1857 that the British government became serious in large scale Municipalization of the country, partly to relieve the Imperial exchequer, so that by 1870 there were about 200 municipalities throughout British India. The next stage of municipal government in the towns started in pursuance of the reports made in 1863 by the Royal Army Sanitary Commission. The Madras Act of 1867 envisaged the division of Municipal area into wards. The Town Improvement Act of 1865, created municipalities prescribed over by the District Magistrate who appointed vice presidents to all the municipalities. Subsequently, Lord Mayo’s resolution of 1870 called for the introduction of an elected president in the
municipalities. The resolution reads, "The operations of this resolution in its full meaning and integrity will afford opportunities for the development of self-government for strengthening municipal institutions and for the association of natives and Europeans."

FROM 1882-1919

The current form and structure of municipal bodies was based on Lord Ripon's resolution on local self-government adopted in 1882, which emphasized political education even at the cost of efficiency in local government. It had insisted on the devolution of power from the imperial to the local representatives in all spheres having legal, administrative and financial implications. While the nationalists have criticized it as meaningless without political participation at higher levels of governance, the British officials in India resisted all attempts to free local authorities from the control of district administration. However since then, the structure of municipal bodies has essentially remained the same, even though the urban areas had multiplied along with their increasing complex problems. From 1882 onwards, local government began to be viewed as self-government.

During 1907 to 1908, the Royal Commission on 'Decentralization' had recommended the classification of Municipalities on the basis of population and devolution of more power over taxation and budget. The report of the Decentralization Commission in 1909 and the passing of U.P Municipalities Act of 1916 brought significant changes in the organization of local bodies. For the first time the chairmanship was passed to the elected non-official and provision was made for the election of 75% members. In 1918, another broad based resolution was set forth for bringing about certain reforms in local government. Then Montague Chelmsford report on constitutional reforms and the Government of India resolution on Local Self-government were passed that emphasized to have an elected chairman to preside over the meetings and a full time salaried executive officer.

From 1919 to 1935

Following the Montague Chelmsford Report, the Government of India Act of 1919 provided a clear demarcation of power to Municipal bodies. The municipal
institutions were released from the control of district administration and Indian people became conscious of municipal affairs. The Madras City Municipal Corporation Act of 1920 paved the way for the performance of various civic duties. An amendment Act of 1930 abolished the nomination of councillors and introduced the reservation of seats for the minority community and women. Many municipalities opted for costly schemes on education, medical relief, road and buildings, which later caused financial difficulties. With the enforcement of Government of India Act of 1935, the local government succeeded in acquiring a new and stable base though certain deficiencies were discovered later on.

From 1935 to 1992

Actually, politically speaking for a brief period of 16 years ranging from 1919 to 1935 municipalities remained as important institutions. By 1947, premier corporations were found only at Bombay, Madras and Calcutta with better infrastructure, special kind of constitutional structure and greater autonomy in comparison to other municipalities. The semi urban localities were administered either by Town Committee or Notified Area committee with a Structure less democratic in character and less autonomy. When India became independent, the constitution mentioned local government as an item for legislation by the state government and only the third five-year plan paid attention to urban local government. It points out, (i) Controlling of urban land values; (ii) Physical planning and use of lands and preparations of the master plan; (iii) Defining tolerable minimum standards for housing and other services to be provided for towns according to the requirements and (iv) Strengthening the municipal administration for undertaking new development responsibilities.9

The Statutory provision for creating a municipal unit is available in two forms. First, by statute that provides for the establishment of a municipal authority, as for instance in the form taken in the case of the Bombay Municipal Corporation Act in1888, the City of Nagpur Corporation Act of 1948 and the Delhi Municipal Corporation Act of 1957. The other route is through statutory provision empowering State Government creation. The Bombay Provincial Municipal Corporations Act of 1949 and the Gujarat Municipalities Act of 1964 are both examples of the latter. Generally, these statutes
confer significant control and supervisory powers on the state government. In this context, it can be said that they are creatures of state government.

It was in the wake of the economic liberalization of 80's, a revival of interest in giving fresh look to local government was initiated. Effort to accord constitutional status was initiated in 1989, which later on was legislated through 73rd and 74th Constitutional Amendment Act. This 74th Amendment Act had brought a new era for municipal administration by providing a nationwide uniform municipal structure and urban rural evenness. The amendment introduced a new part namely IX A, under which the municipal administration was assured of regular elections, financial allocations and participation in district planning committee by the elected representatives. The urban bodies are restricted now to three types: Municipal Corporations, Municipal Councils, and Nagar Panchayats. Table No. III-A lists the number of urban local government structures in the country.

The areas for different types of urban bodies would be specified by the Governor taking into consideration:

- population of the area
- density of the population
- revenue generated by the local body
- percentage of employment in non agricultural activities
- Economically important and other factors.

**Table No. III-1**
Showing Number of Urban Local Government Structures during 1968-2002

<table>
<thead>
<tr>
<th>Form of Urban Local Govt. in India</th>
<th>(number in following years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Municipal Corporations</td>
<td>30</td>
</tr>
<tr>
<td>2. Municipal Councils</td>
<td>1473</td>
</tr>
</tbody>
</table>
MUNICIPAL GOVERNMENT AFTER 74TH CONSTITUTIONAL AMENDMENT

Prior to the enactment of 73rd and 74th Amendment Act, the functioning of the local bodies was totally dependent on the whims and fancies of the state government. During 300 years of functioning of Municipal bodies from 1688, the various urban bodies had faced many problems. The supersession of the local bodies was a common occurrence. Further the vital arms necessary for the efficient functioning of the local bodies such as the District Planning Committee, Metropolitan Planning Committee, State Election Commission etc. were either missing or not in a functional state. Finance problem was not uncommon. Ramanath Jha had commented that despite India’s prolonged tryst with decentralized governance, the first 45 years were marked by a decline in local autonomy. The Indian constitution slotted urban local governance as a state rather than a central government functions. In order to bring reforms in the urban local bodies, the epoch making 74th constitutional Amendment Act was passed in 1992 and the most salutary results of these amendments were the constitutional recognition of civic bodies as third tier of governance. Reasoning why urban local bodies had been weak and were not able to perform effectively as vibrant democratic units of self-government, the introduction of 74th Amendment Act insisted on three main facts namely, a) failure to hold regular municipal elections. b) Prolonged super-sessions and c) inadequate development of powers and functions.

Art 243Q under 74th Amendment Act provides three types of urban bodies e.g. Municipal Corporations, Municipal Councils and Nagar Panchayat. Other local bodies like Notified Area Committees, Town Area Committees and Cantonments under the defence have not been included under the Act. The Nagar Panchayat is for a transitional area from rural to urban area, Municipal Council is for a smaller urban area and Municipal Corporations for a larger urban area. But the constitution does not define what exactly would constitute larger or smaller urban area or an area of transition from rural to urban area. All these “transitional area”, “a smaller urban area” or “a larger urban area” means such area as the Governor may, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non agricultural activities, the economic importance or such other factors as he may deem fit, specify by public notification for the purposes of this
part. Actually, due to variation of geographic and demographic factors among states
freedom has been given to state governments to specify the constitution of urban areas.

The various provisions of this Amendment Acts have made mandatory following
provisions for the states.

1. Division of wards.
2. Direct election of members from the electors.
3. Direct election of chairperson of the municipality.
4. Provision for ward committee in municipalities having a population of 3 lakhs and
   more.
5. Reservation of seats of members to the women separately to the people belonging to
   the S.C. and S.T communities at a specified percentage.
6. Reservation of seats of members to the women belonging to S.C. and S.T. people
   and also for women (General) at a percentage.
7. Reservation offices of chairpersons to the people belonging to the S.C. and S.T
   communities.
8. Reservation of offices of chairpersons to the women belonging to the S.C and S.T
   and General.
9. Duration of municipality.
10. Additional disqualification prescribed for municipal elections.
11. Holding of elections to the municipalities before the expiry to the term of office.
12. Appointment of judicial authority for deciding the questions of disqualification.
13. Constitution of district planning committee in all districts.
14. Constitution of Metropolitan planning committee if there is a metropolitan area in
   any state.
15. Devolution of power to the municipalities.

The Act has given discretion to the state legislature in respect of the matter
specified below:

1. Composition of Municipalities.
2. Composition of ward committees.
3. Method of choosing the members to the ward committees.
4. Manner of choosing the chairperson to the ward committees.
5. Deciding the functions and powers of the ward committees.
8. Percentage of reservation of offices of chairpersons to the women.
9. Rotation of reserved seats of members of Municipalities.
10. Different wards of municipalities in different ordinary elections.
11. Rotation of reserved offices of chairpersons of Municipalities to the women in different municipalities in different elections.
12. Prescribing functions and powers to the Municipalities.
13. Taxes, fees and tolls etc. to be levied by the Municipality.
14. The powers to be prescribed in the financial administration of the Municipality.
15. Auditing the accounts of the Municipality.
16. Deciding the nature, content and extent of powers, which the legislature can delegate from the state to the municipality. It must be pointed out here that while the mandatory functions enshrined in the act can be said to be limited and selective, the state legislature has unlimited discretionary powers to empower the municipalities on a host of matters.

Since the researcher is working on political participation of women councillors in Municipal administration in Orissa, the detail provisions and functions of Municipal Council is only mentioned.

URBAN GOVERNMENT IN ORISSA

When Orissa became a separate state in 1936, there were eight municipalities in the six districts of Balasore, Cuttack, Puri, Ganjam, Koraput, and Sambalpur. Orissa was part of Bihar for a long time and hence during that time Bihar and Orissa Municipal Act of 1922 was prevalent in Cuttack, Puri, Balasore, and Sambalpur while Madras Municipal Act was prevalent in other two districts. From 1936 to 1950 Bihar Municipal Act governed the Municipalities of portions of Orissa transferred from Bihar and Orissa as amended in 1930, 1931, 1932, 1935, 1936, 1940, 1943 and 1949. The Municipalities of
the districts, which were transferred from Madras were governed by the Municipalities Act as amended in 1946 and 1949. Up to 1948 there were several laws for the governance of its municipalities including limited powers and limited franchise for election to the local bodies. Thus Orissa Municipal Act was passed in 1950 in order to consolidate the laws relating to municipalities, which came into effect from 16 April 1951 and subsequently 19 Municipalities were created in the state.

As the Municipal Act of 1950, had no separate Provision for the governance of semi urban areas, the government on the basis of the demand of the people proposed to establish NACs in some selected areas through an amendment of the XIX of 1951 and a separate chapter XXX-A was added to the original Act of 1950. Due to the large-scale demands by the public for further decentralization, an Administrative enquiry committee was setup under the chairmanship of former chief minister of Orissa, Sri. Biswanath Das. The purpose was to make a broad study of the financial and administrative problems of urban local bodies and to make recommendations. But out of 16 Recommendations made by the committee only 7 were implemented, as no political party wanted to part with the power of control over Urban Local Bodies. Subsequently, the Orissa Municipal Act was amended in 1968, 1972 and 1974. In 1974, the Government of Orissa appointed a finance commission, which remarked: - "Some of the provisions of the Municipal Act are found inadequate, defective and inefficient requiring either modification or replacement. Even though in course of time some new changes are made, the consensus of opinion of most of the councillors, chairman and others are that the Act requires thorough revision and replacement". But in 1978, the Government agreed to the demand of direct election and through the Act of XXII of 1978 made the provision of the direct election of the chairman of local bodies.

Before 1993, in Orissa only two kinds of Urban and Semi urban local government structures were present such as 1) the Municipalities for towns and cities, 2) and Notified areas councils for the small towns. The two local bodies have, more or less, the same functions and election procedures under the Act. The only difference was found in their size and population. The number of towns in Orissa has increased from 124; in 1991 to 138 as per the 2001 census. The districts of Ganjam and Sundargarh have maximum numbers of towns such as 19 and 11 respectively. Biju Patnaik, the then chief minister of
Orissa wanted to overcome the state of dormancy and backwardness of grassroots. In 1992, he convened a meeting at Bhubaneswar and it was found that almost half of the participants were women. Orissa was the first state to implement 33% of reservation of seats for women in Municipalities and Panchayats when the centre has not implemented the decision and was still deliberating over the issue. After the introduction of epoch making 74th constitutional Amendment Act, Orissa now has two Municipal corporations, thirty Municipal Councils and seventy-two Nagar Panchayats. The population specified for transitional area, smaller urban area and larger urban area is not less than 10,000; 25,000; and 3, 00,000 respectively. The Orissa Municipal Amendment Act, 1994 provides that the previous NACs and Municipal Councils shall respectively be deemed to be a transitional area and a smaller urban area within the meaning of sub section (2) of section 4 is subsequently specified to be a) smaller urban area in the case of a transitional area or b) larger urban area in the case of a smaller urban area i.e. notwithstanding anything contained in this Act.

- NAC for the existing transitional area shall be deemed to be the Municipal Council for the smaller urban area subsequently specified.
- The Municipal Council for the existing smaller urban area shall be deemed to be the Municipal Corporation for the larger urban area so subsequently specified.
- The Chairperson, Vice-Chair person and other members of the existing NAC or Municipal Council shall be deemed to be as such.
- All the assets and liabilities of the existing NAC shall devolve upon the deemed Municipal Council on as the case may be, that of the existing Municipal Council shall devolve upon the deemed Municipal Corporation.
- The provisions of this Act and of the rules, byelaws, notifications or orders made there under which were in force throughout such transitional area or, as the case may be, the Municipal area shall
apply to the territorial as such deemed Municipal Council or Municipal Corporation.

The Governor, by notification may abolish any municipal area, communicate to the municipality the grounds on which they propose to do so, fix a reasonable period for the municipality show case against the proposal and consider its explanations and objection. The Municipal institution shall cease to operate any more from such date of notification. The regulations, rules, by-laws, orders, directions and powers issued made or conferred under the Municipal Act and all the balance of municipal fund and all other property vested in the municipality shall be transferred to the state government.

The Municipal Council is the most popular institution of urban local government. It has been regarded as a cite site both for political participation and articulation. It shall be composed of councillors who will be directly elected by the people from the respective Municipal area called as wards as stated in clause (a) of Section 8 of Orissa Municipal Act. The MLAs representing the area of it will be considered as ex-officio members. The constituted territory of a Municipality will be divided into a number of wards and each ward will elect its councillor.

QUALIFICATIONS

The qualifications for membership of a Municipal Council are: i) A person must be a citizen of India. ii) His name should figure in the voter list of the area. iii) He must be at least 21 years of age. iv) He should not hold any governmental post or office of profit. v) He should not have been declared disqualified for election. In addition to councillors, some members are nominated to the Municipal Council having special knowledge and experience in Municipal administration. But they do not have a right to vote in the Municipal Council though they have the right to attend every meeting except the meetings convened under Section 47 (Election of Chairperson and Vice-Chairperson), 49 (Filling up casual vacancies by reason of death, resignation removal or otherwise) and 64 (Meeting or requisition by councillors) and their nomination is specified differently by state legislatures on the procedure of nomination.

As far as nominations of the members are concerned Andhra Pradesh is the only state, which has a provision to nominate one person belonging to the minority
community. In Haryana in 2002, representations of persons having special knowledge or experience in Municipal administration was removed due to political compulsion and the criteria for nomination was ambiguous. The disqualifications for being a member of the municipality have been prescribed on the lines of disqualification prescribed for being an MLA. In Madhya Pradesh and Tamil Nadu only, the right to recall representatives if they are ineffective through a referendum has already been exercised.

TENURE

Orissa Municipal Act of Section 10 through 47 deals with election, election petitions, removal, resignation and term of councillors; election of chair person and vice chair person. Candidates can contest such election on political party (National or State party) basis and shall use their respective party symbols. The tenure of a Municipal Councillor is Five years. The constitutional amendment has specified the term of the Municipality as five year from the date of the first meeting of the Municipal Council. If for any reason, the Municipal Council is dissolved before the expiry of its term, fresh elections are to be held within six months from the date of its dissolution, so that the maximum period of dissolution of Municipality should not be more than six months. The state government must take quick and timely action in completing the process of election before the completion of tenure of 5 years. As per the amendment, there cannot be any suspension or supersession of a Municipality or its dissolution before the expiry of its term. These provisions act as a protection shield from state government’s interference. But if a state government decides to dissolve it before its term provided that any decision on such dissolutions, the State government would have permitted the Municipality a reasonable opportunity of being heard of. A Municipality, newly constituted after a period of dissolution, will have term for the rest of the period for which it is dissolved. However, if the remainder period of the dissolved council is less than 6 months, it is not necessary to hold any election. All these provisions are rather inhibitory steps for state government for instantly taking recourse to dissolution.15
RESERVATION OF SEATS

In order to provide adequate representation of scheduled castes and scheduled tribes and of women in the Municipal bodies, provisions have been made for reservation of seats under 74th Constitutional Amendment Act. The proportion of seats to be reserved for SC/ST to the total number of seats shall be the same as the proportion of the population of SC/ST in the municipal area to the total population of that area. Again not less than one third of the total number of seats reserved for SC / ST shall be reserved for women belonging to SC / ST. It is mandatory that women will have not less than one third of the total number of seats in Municipal Council elected directly reserved for them. Seats for reservation for women, SCs, STs, SCs women and STs Women may be allotted by rotation among different constituencies. When only two seats are reserved for the SCs or STs, one of the two seats shall be reserved for women of SCs or STs. Such reservation for SCs, STs, SC women and ST women shall cease to have effect on the expiration the period specified in Article -334 of the Constitution. The state legislatures would have to make provision by law for the reservation of the office of the chairpersons in municipalities for SC / ST and women. The extent to which reservation is to be made and the manner of such reservation shall be decided by the state representation of SC /ST and women in relation to the office of chair persons of Municipalities in order to meet the spirit of the constitutional Amendment. It is also left for the state legislature to decide for reservation of seats, if it so likes, in any Municipal Council or office of Chairpersons in Municipalities in favour of Other Backward Castes (OBCs) of citizens. In the event of absence of any eligible contestant in the reserved category i.e. SC, ST, OBC or women, the state government shall nominate a person who is otherwise eligible to contest such election as the councillor of the ward.

ELECTION

Although the constitution has made timely election mandatory, it is seen that the issues relating to reservation and delimitation have often been given as excuses for postponing elections. It is interesting to note that the constitutional provision of timely election has withstood judicial scrutiny also. The Supreme Court in 1995 in a judgment clearly stated that articles 243 E and 243 U on Panchayat and municipal elections are
mandatory and not discretionary. The postponement of election is a violation of the constitution, unless there are supervising difficulties like natural calamities, which prevent the state from holding elections. The superintendence, direction and control of the preparation of electoral rolls and the conduct of all elections to the municipalities are vested in the state election commission. The constitution provides that the state election commissioner in the event of a delay in elections should send a report to the Governor of the state drawing his attention to the problems and suggesting remedies.

The division of a municipality into wards will be guided by certain principles like equitable distribution of population among the various wards and the compactness of area forming such wards. If a new ward has to be created or the existing ward is going to be abolished, then the state government, after consulting concerned Municipality shall determine the ward, which represents the councillor and the ward where election shall be held to fill up the vacancy, if any in the Municipality.

After the election, the names of the councillors including its chairperson and vice chairperson are published in the Gazette. The councillors, at the first meeting of the Municipality, which is convened soon after the publication of their names, elect in the prescribed manner of Chairperson from among them. A subsequent meeting shall be specially convened at the instance of the Chairperson, to elect a vice-Chairperson of the Municipality from among them. (Sec.47, sub-sec-land2, Orissa Act No. 11 of 1994, w.e.f. 31.5.94) The seats of the chairperson s shall be reserved for SCS and STs in a proportion to such population in Municipal areas. 1/3rd of such reserved seats for SCs and STs shall be reserved for women. 1/3rd of total seats of Chairpersons including those reserved for SC and ST women will be reserved for women. Again 27% of the offices of Chairpersons of Municipalities shall be reserved for backward class citizens and 1/3rd from these 27% are reserved for OBC women under clause 6 of 143-T. Reservation of offices of the Chairpersons shall be determined by the state Government by rotation among different municipalities. If after election no Chairperson or Vice Chairperson is elected, the state government may fill up the posts by nomination of suitable person until such a post is filled up after election.

A Chairperson can resign by addressing to Municipality if he is elected or to the state Government in case of nominated chairperson. If a Chairperson deliberately omits
or refuses to carry out or disobeys the Provisions of Municipal Act or any rules, issued there under, then steps may be taken by the state Government to remove a chairperson when it comes to its notice. A vote of no confidence may be passed against the Chairperson, where the District Magistrate convenes a meeting of the Municipality and a resolution is passed supported by not less than 2/3rds of the total number of Councillors. The records of the proceedings at such meetings shall be forwarded to the state Government and shall publish the same in the Gazette and with effect from the passing of the resolution, the office of that Chairperson shall be deemed to have vacated (Sec-54, Orissa Act No.11 of 1994). All these processes of resignation, removal or passing of no confidence motions against the Chairperson of Municipalities are equally applicable to the Vice-Chairperson.

WARDS COMMITTEE

The provision to constitute Wards Committee came from the idea of reducing the distance between the electorate and the elected and to increase the participation of the people in the urban local bodies. Every Municipal area with population of three lakhs or more will constitute a ward. Committee for each ward consists of councillor of the ward as president, an elector of the ward nominated by the Chairperson of the Municipality and the Executive Officer of any other official of the Municipality as members. The ward committee takes the responsibility of looking after public health, sanitation, street lightings, and protection of the environment and promotion of ecological aspects of the wards and to recommend the Municipality to take necessary measures.

MUNICIPAL COMMITTEE

Various committees may be appointed by the Municipality to discharge its duty effectively under the Municipal Act with regard to finance, public health, public works, education or any other related special subject. Each of the committee shall consist of not less than 3 and not more than 6 councillors and maximum of 1/3rd of the number of councillors of persons possessing special qualification to become member of the committee. The Chairperson and Vice-Chairperson shall be the president of each
committee. The committees perform the duties and exercise the power delegated to it and all proceedings of the Committees shall be subject to confirmation by the Municipality.

DISTRICT PLANNING COMMITTEE

By joint effort of the Municipality and one or more local authority or authorities a joint committee may be constituted on the advice of the State Government for a common purpose. It may include persons in addition to the members of local bodies, who may, in the opinion of the latter, possess special qualifications or special interest for serving such committee. As per the 74th Constitutional Amendment, there shall be a committee for district planning which will consolidate the plans prepared by the Panchayats and the Municipalities in the district in order to prepare a draft development plan with regard to matters of common interest between the two. It will prepare the Draft Development plan with regard to i) matters of common interest between the Panchayats and the Municipalities including special planning, ii) sharing of water and other physical and natural resources, iii) integrated development of infrastructure and environmental conservation; iv) the extent and type of available resources whether financial or otherwise. It shall consist of 20 elected members (16 to be elected from the Zilla Parishad and the elected Councillors of the Municipalities of the district in proportion to the ratio between the population of rural and urban areas of the district and 4 are nominated by the state government such as Minister in the Council of Ministers of state as Chairperson, District Collector as Vice-Chairperson, the elected Chairperson of the Zilla Parishad and elected Chairperson of the Municipality are other members.

FINANCE COMMISSION

In order to review the financial position of the Municipality periodically, the Governor of the State shall constitute a State Finance Commission within one year from the commencement of the 74th Amendment Act, and thereafter at the expiration of every five years.

The recommendations of it to Governor will cover the following:
• distribution between the State Government and Municipal Government of the net proceeds of the taxes, duties, tolls and fees leviable by the state;
• allocation of share of such proceeds between the Municipalities at all levels in a state;
• determination of taxes, duties, tolls and fees to be assigned or appropriated by the Municipalities;
• Grants-in aid to Municipalities from the Consolidated Fund of the State; measures needed to improve its financial position.

It will be mandatory for the Governor to lay before the state legislature every recommendation made by the finance commission. Again it is mandatory for the central finance commission to make specific recommendations with regard to measures that are needed to augment the resources of a state with a view to supplement the resources of the Municipality. This would provide a proper linkage between the finances of the local bodies, the state Governments and the Central Government. In pursuance of Article 243-1 of the Constitution of India read with sections 3 and 8 of the Orissa Finance Commission of Orissa consisting of Justice S. K Mohanty as Chairperson and four other members namely, on 21st November 1996 by Notification No. FC (10)-16/96-48704/F. The State Finance Commissions of different States in India have given recommendations as tabulated in Table No. III-2.
Table No. III-2
Showing Recommendation of SFCs of 15 States in 1997

Recommendations Regarding Transfer of Funds State to Urban Local Bodies

<table>
<thead>
<tr>
<th>State</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>39.24% of State tax and non-tax revenue to all local bodies</td>
</tr>
<tr>
<td>Assam</td>
<td>2% of State tax for local bodies, both rural and urban</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>An amount equal to Rs.12.2 crore as grants in lieu of octroi for 1996/97, to rise to Rs.17.9 crore in 2000/01.</td>
</tr>
<tr>
<td>Delhi</td>
<td>9.5 per cent of the total tax revenue of the State with MCD getting 96.85 per cent and NDMC 3.15 per cent.</td>
</tr>
<tr>
<td>Karnataka</td>
<td>5.4% of the total non-loan revenue receipt for meeting the plan and non plan expenditure</td>
</tr>
<tr>
<td>Kerala</td>
<td>40% of State plan funds for plan scheme and 1% of State revenue be transferred to the rural and urban local bodies in proportion to their population</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>8.67% of the tax and non-tax revenues of State government</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>25% to 100% of entertainment taxes collected from Municipalities of different grades, 25% of vehicle tax and 10% of professional tax are recommended shares for local bodies</td>
</tr>
<tr>
<td>Manipur</td>
<td>Maintenance grant equal to Rs.88.3 lakhs to accrue to Municipalities in 1996/97.</td>
</tr>
<tr>
<td>Orissa</td>
<td>Rs.179.5 crore is the projected transfer (grant) to urban local bodies between 1998/99 and 2004/5</td>
</tr>
<tr>
<td>Punjab</td>
<td>20 per cent of the net proceeds of five State taxes, to be shared with the Panchayats and Municipalities</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>2.18 per cent of the net proceeds to the local bodies. The division of these proceeds between rural and urban should be in the ratio of 3:4:1</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>8 per cent of the total revenue from all State taxes excluding the entertainment tax, of which 15 per cent as equalisation and incentive fund in the ratio of 60 : 40 and 85 per cent in the ratio of 55 : 45 among rural and urban local bodies.</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>7% of the net proceeds of State's total tax revenue should be transferred to urban local bodies</td>
</tr>
<tr>
<td>West Bengal</td>
<td>16% of the net proceeds of all taxes collected by the State should be transferred to local bodies</td>
</tr>
</tbody>
</table>

The SFC submitted its report in December 1998 and Government of Orissa in May 1999 accepted the recommendations.
WORKING OF BUSINESS OF MUNICIPAL COUNCIL

The meetings of the Municipal Councils are held at least once in a month for the transaction of the business of their office. The meeting is convened by the Chairperson or in his absence by the Vice Chairperson. Not less than one third of the councillors of a Municipality can requisition a special meeting by a signed application submitted to the Chairperson. Ordinarily such a meeting will be called on within 10 days of the requisition. On failure, the councillors who had made the requisition can requisition such meeting directly. The quorum of the Municipal Council stand fixed at 1/3rd of the total members. Ordinarily the meeting is presided over by the Chairperson and in his/her absence Vice-Chairperson will occupy the chair. As president, the Chair person shall maintain order, will state and explain any point of order submitted by the councillor, shall direct discontinuance of any irrelevant discussions, withdraw any member for disorderly conduct or can suspend the meeting.

GOVERNMENTAL CONTROL OVER MUNICIPAL COUNCIL

Although, 74th Amendment of the constitution has granted sufficient autonomy to urban local government and they have been accorded constitutional status, they are not completely free from governmental control. The urban local institutions have to work within the limitations prescribed by the state Municipal Act.

Every Municipality in Orissa is subjected to the control and approval of the State Government. It will make regulation on matters of i) the time and place of its meetings, the business to be transacted at the meeting and the manner in which notice of meetings shall be given; ii) the conduct for proceedings at the meetings, the due record of all discussions and dissents iii) the division of duties amongst its members and constitution and procedure of the committees iv) duties and functions of the Municipality and the powers of Chairperson, vice- Chairperson or Councillors, Officers, Servants of the Municipality, Government servants or by Committees or its President or any one or more of its members  v) the person by whom receipts shall be granted for money received under this Act; vi) the duties and appointment of officers and servants of the Municipality.
EXECUTIVE OFFICER OF THE MUNICIPAL COUNCIL

Executive Officer is an important officer of the Municipal Council who is appointed by the state government out of state cadre subject to the general supervision of the Chairperson. The executive power is vested in him. He has the responsibility to implement the decisions taken by the Municipal Council. He runs the day to day administration of it, collect the taxes imposed by the Municipal Council, issues and rejects licenses, to receive, recover or any sum granted to the Municipality and credit to the Municipal fund and exercise control over officials. Besides, Executive officer, it has several other officials also, such as Health Officer, Engineer, Sanitary Inspectors and others.

FUNCTIONS OF THE MUNICIPALITY

Practitioners have preferred to classify local municipal functions as regulatory/administrative service; development service and welfare service. However the 11th finance 2000, had classified the subject matter of 12th schedule in terms of core, welfare and development functions in one place and civic, regulatory and development in another. While the Zakira Committee have suggested water supply, drainage, sewerage, roads and works, street lighting and electricity distribution as the core functions, the finance commission in addition to them have added primary health and primary education as the core functions and the planning commission also has supported them. The functions are delegated through the executive orders and the union government also has introduced number of schemes in which local bodies are performing delivery or agency functions with no role in preparation or implementation. The district urban development agency is the operating instrument of ministry of urban development. However, the obligatory functions of the Municipal Councils are:

The Obligatory Functions are:
- supply of wholesome water for domestic, commercial purpose, construction and maintenance of water works
- construction and maintenance of public streets, roads and bridges
- lighting of public streets and other public places
- cleansing public streets, places and sewers and looking after public sanitation
• regulation of offensive, obnoxious or dangerous trades, callings and practices
• maintenance of public hospitals and medical institutions
• provision of primary education
• registration of births and deaths
• makes necessary improvement for slums
• naming public streets and numbering houses
• urban poverty alleviation

The Discretionary functions are:
• laying out of areas
• It makes bye-laws for the proper use of land and undertake s construction of buildings
• Construction of public parks, gardens, libraries, museums, theatres etc
• Housing for low economic group of people
• Plantation of trees
• Provision of transport facilities within Municipal limits
• Organizing public receptions, exhibitions, entertainment etc.
• Promotion of cultural and educational welfare of the area
• Regulation of slaughter houses and tanneries

ADMINISTRATIVE FUNCTIONS

• Municipal Council frames its laws and rules for running its administration
• It has the power of recruiting and removing some categories of employees for running the administration
• It can demolish dilapidated and dangerous buildings and bridges
• It can levy and collect taxes
• It can impose fines on those who violate its rules
SOURCES OF INCOME

The sources of income of Municipal Councils are shown in Table No. III-3

Table No. III-3
Sources of Income of the Municipal Council

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>MAJOR COMPONENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal / own sources</td>
<td>Property tax, tax on vehicles, animals, trade, theatre tax, show tax, tax on advertisements, etc.</td>
</tr>
<tr>
<td>Tax revenue</td>
<td></td>
</tr>
<tr>
<td>Non-tax revenue</td>
<td>Rents from municipal assets, income from municipal undertakings, user charges, fee &amp; fine, income from municipality investments, etc.</td>
</tr>
<tr>
<td>External sources</td>
<td>General purpose, specific purpose, grants in lieu of taxes.</td>
</tr>
<tr>
<td>Grants-in-aid</td>
<td></td>
</tr>
<tr>
<td>Shared taxes</td>
<td>Entertainment tax, motor vehicle tax, land revenue, stamp duties professional tax, etc.</td>
</tr>
</tbody>
</table>

LOCAL URBAN FINANCIAL SET UP

The main sources of income of Municipal Council are mainly through revenue from tax, non-tax revenue, Grants-in-aid and loans.

- Income from taxes such as: property tax, octroi tax, taxes on vehicles, on animals, on advertisements, toll tax, profession tax, entertainment tax etc.
- It also collects taxes from property, provision for water supply, from shops, markets, rest houses, user-charges income from Municipal investments that constitute non-tax revenue.
- The Municipal Council receives regular and specific grants from the Government, which constitute also a major source of its income.
- It can raise loans from banks, receives aids from other institutions with the approval of the government.
The Chairperson presents the budget for the Municipal Council just 2 months before the closing of the financial year with all probable receipts and expenditures. Copies of budget estimate is lodged in Office, which may be translated in Oriya language. It is published for notice and is open to inspection of the voters of the Municipal area. In the next meeting all written proposals are consolidated and the estimate is sanctioned after 14 days of such notice and necessary revision. The budget is liable to be scrutinized by the state government or any agency appointed by the state government. The government can return it back to Municipality for correction or shall make necessary modifications.

Municipal fund is constituted for the following purposes like: the construction, maintenance and improvements of roads, bridges, parks, ghats, tanks, markets, gardens public latrines, the watering and cleaning of roads, lighting of roads, water supply, conservancy and drainage, waste disposal, planting and preservation of trees, construction and maintenance of houses for homeless and disabled, maintenance of public monuments, construction and maintenance of schools, hospitals, dispensaries, leprosy asylums, vaccination etc.

In Orissa 14.97% of people live in urban areas and there are 138 towns now. The Sundargarh district ranks 224\textsuperscript{th} position among the districts of the country according to 2001 census. It has total population of 1,829,412, out of which the urban population in Sundargarh district is 628,892. While in 1991, the percentage of urban population was 33.36 \%, in 2001 it is 34.38 \%. It is a land, which is mainly inhabited by STs. It has 4 Municipal Councils such as Sundargarh Municipal Council, Rourkela Municipal Council, Raigangpur Municipal Council and Biramitrapur Municipal Council. Sundargarh district has 1.83 million populations, out of which 0.63 million belong to urban population. It has total 158,000 total S.C populations out of which 79,000 male belong to male and 78,000 female SC populations. Similarly total STs Population is 919,000 out of which male STs is 459,000 and female STs is 460,000. The number of towns in Orissa is depicted in Table No. III-4:
Table No. III-4
Showing Number of Towns in Orissa in 2001

<table>
<thead>
<tr>
<th>NUMBER OF TOWNS ORIGINALLY IN ORISSA</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN 1991, IT WAS</td>
<td>124</td>
</tr>
<tr>
<td>IN 2001, IT WAS</td>
<td>138</td>
</tr>
</tbody>
</table>

(SOURCE: CENSUS OF INDIA-2001, SERIES-22.)

In this way, the grassroots democracy at urban level has been designed to serve as an instrument for providing political education and training to the people as well as to look after the socioeconomic development of the urban area. Even though the working of urban bodies has not been that successful in securing the desired goals, nevertheless, they have the potential to develop within available local resources, local efforts and local representatives. In sum, the 1992 Act was a step towards modernizing local government and providing autonomy to function as valuable systems of self-governance.

But in the post 1992 Act era, there remains a need for coordination between urban government, state government and various organizations associated with it. Ramesh Ramanathan encapsulated the confusion and patent lack of coordination that can result thereby in his article in Financial Express entitled “Too many cooks in the Urban Services Kitchen”. So there should be clear demarcation of coherence, responsibility and accountability among various agencies of urban government.

In December 2005, a National Urban Renewal Mission (NURM) was announced which had called for the creation of other arrangements for improving service delivery, upgrading the urban infrastructure and further reforming the urban institutions. It has identified nearly 60 Indian cities for the improvement programs. Funding provision for the improvement has to be divided as 35% from central government, 15% from states and remaining 50% from financial institutions. The core reforms thus suggested implementation of decentralization measures as under 74th Amendment Act, the drawing of 3P models known as public-private-partnerships models for development, management and financing of urban structure, passing of public disclosure law to facilitate quarterly performance of urban bodies, and a community participation law to institutionalize citizen participation. There is the need for the creation of an accountability framework for
all urban civic service providers to reduce the “too many cooks in the urban kitchen” scenario that has prevailed so far.

Other core reforms suggested were, introduction of E-governance in financial accounting systems, work management, water tax billing system, the trade licensing system and the approval of building plans. In this way, over the past couple of decades, India has seen the implementation and framing of efforts to modernize urban government. In addition to the areas to which reforms has been suggested, the system also needs adequate quality control monitoring and capacity building mechanisms. In other words,

REFERENCES: