Chapter - 1

Introduction
CHAPTER-1

INTRODUCTION

1.1 LOCAL SELF GOVERNMENT

With the changing concept of development, the role of local bodies has acquired a new significance and meaning. In the current phase of rapid economic development, it is fully recognized that this process of sustainable urbanization should be equitable, environment-friendly, pro-poor, productive and sustainable. Local self government is an integral and inalienable part of a democratic government. It completes the three tier system of a country’s federal government structure, i.e., sovereign national government, quasi sovereign state government, and intro-sovereign. The system of local government is found in every nation as a part of its government or constitutional structure, irrespective of its dominant political philosophy and the form of national government. Even in a highly centralized system of government some measure of decentralization is adopted through delegation or devolution for the simple reason, that, no central government can have living contacts with the problems of local area and as, therefore, unable to deal effectively with daily routine of local administration. The local institutions are important units as they help to achieve the decentralization of political

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power and promotion of democratic values. They conduce to the efficiency at the higher echelons of state and central governments by relieving them of purely local tasks. The mechanism of government should be such that would facilitate both these ideas. Both of them demand the establishment of free and responsible institutions at the centre, in the states and in local areas. All the levels of government should be accessible, as far as possible, for participation and political education. To leave out local level is to leave out the levels most accessible. Moreover, it is at the local level that two twin ideals of participation and education can most easily be realized. Since the local level is more accessible and more amendable. It is all the more indispensable.

Local government is multi dimensional. It is basically, an organized social entity with a feeling of oneness. In political terms, it is concerned with the governance of a specific local area, constituting a political sub division of a nation, state or other major political units. In other words, the local government is integral of the political mechanism for governance in a country. Moreover, local government is an administrative concept to other levels of government with its councilors involved in making, and unmaking administrative decisions in its councils and its committees with a direct bearing on civic service to the local people. Local government has been defined in numerous ways. It has been defined in the encyclopedia Britannica as “local government which means authority to determine and execute measures with in a

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restricted area inside the whole State. The variant self government is important for its emphasis upon the freedom to decide and Act."\(^8\)

In the words of John J Clarke, “Local government appears to be that part of the government of a nation or state which deals mainly with such matters which are concerned with the inhabitants of particulars district or place."\(^9\) According to Webster dictionary, local government is the government of a specified local area (city, country or town) that constitutes a sub division of a nation, state or other major political unit.\(^10\)

1.2 HISTORICAL BACKGROUND OF LOCAL SELF GOVERNMENT IN INDIA

In Ramayana, while Rama moves into the forests, many Heads of the villages along with villagers came to meet him and told that, they are Rama’s subject. Rig-Veda, Manusamihita, Dharamshastras, Upanishads, Jatkas-etc. refers extensively to autonomous local administration.\(^11\)

This means that they were also having an autonomous government. Generally, this local government was called Panchayat government and was headed by a man called Mukhiya or Grampramukh who exercised his power in various spheres. In the Budhist literature, we find the description of border town (Paccamtiman Nagram). Kautilya lays down very elaborate regulations for the layout of a town and assigns its various parts to various classes of persons, objects and occupation. In those days, the villages were the dividing line between a village (gram) and town (Nagar). Later, Gramini villages developed into large towns and the city culture reached its higher and higher peaks during the Mauryan and

\(^11\) Pardeep Sachdeva, op. cit., p. 3.
Gupta empires and their famous cities were Patilputra, Ujjain and Takshila City administration, as described by Megasthenes seems to be highly developed and advanced. During the Gupta period, the village council became a permanent feature of local administration. The most important sanction of the village council was administration of justice. During this period, the towns were generally administered by a council called the parishad and there was a provision of having elected administrative officer, who used to play a crucial role in the city administration.

Megasthenes gave a graphic account of municipal administration of Chander Gupta's, Patliputra. The administration council of the city, Syas, Haveli, was modeled upon village communities and it may be assumed that like the latter, it was also an elected body, though certain matters were reserved for the control of imperial officials.

A beginning of local government in India may be said to have been made in 1687 when for the first time a local government body was setup for the city of Madras. Thus, local self government is about three centuries old in India. Its history since 1882 is rather chequered and even exotic. Broadly, it may be divided into the following phases. Each phase is characterized by a definite purpose, as follows:-

1) Up to 1882
2) From 1882 to 1919
3) From 1919 to 1947
4) From 1935 to 1947
5) From 1947 to 1988

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6) From 1988 to 1992  
8) From 1999 onwards  

**First Phase Up to 1882**

As already mentioned, the modern structure of local self government in India, is a British creation. The local self governing institutions do not represent a process of continuous growth but is a product of convenience, which was found necessary by the British government in the interest of administration.

The first Municipal Council of Madras consisted of the local peoples. This local body was authorized to collect tax for the maintenance and development of the city. The council was formed because the East India Company believed that, the people of India would willingly pay “five shillings” for the public good being taxed by them. The Madras Municipal Council was replaced by a mayor’s court which was, by and large, a judicial organization. In 1793, the Charter Act was passed and the municipal administration was extended to Calcutta and Madras. It gave powers to the Governor General of India to appoint, justice of peace, in these towns. The justice of peace was empowered to collect taxes of residential houses and lands, to provide for the construction of roads and other development works. The Municipal administration was established in the district towns in Bengal, in 1842. The setting up of a municipality was still dependent on the wishes of the inhabitants and included municipal functions such as road repairs, lighting, framing of by laws, enforcement of fines and powers of taxation including the levy of indirect taxes. However, this act was used only in the north western provinces or in Bombay to a certain extent.
The Royal army sanitary commission presented its report in 1863 which again speeded up growth of local bodies. In 1870; Lord Mayo’s resolution came into force. In this resolution, emphasis was given to the decentralization of power from the centre to the provinces. It was also stated that Indians should be associated in the administration and the municipal government was best for that purpose.

Second Phase (1882 to 1919)

Lord Ripon’s resolution on local self government of 18th May 1882 marks the beginning of a new chapter in the history of local self government in India as it laid the foundation of the system that exists even today. The fundamental principles laid down in the resolution were as under:

1. Not less than two third members of the municipalities must be non-officials.
2. The system of election should be cordially accepted.
3. The chairman should be non official as far as possible.
4. Expert advice help and supervision by government officials such as engineers and doctors must be rendered by them as servant of the municipality.
5. The resources made available for these bodies should be such as they could field increasing revenue.

Third Phase 1919 to 1935

The reform of 1919 made local self government a transferred subject and under these reforms a clear cut demarcation of powers of local bodies was laid down and in fact, continued till the government of India Act 1935. Soon after the introduction of reforms, a number of Acts
giving wider powers to local bodies were enacted. The municipal revenues registered an upward trend but soon they found themselves in financial difficulties. The third phase, however, is generally considered a phase of reform which were introduced in many fields of local government in the country.¹⁴

Fourth Phase 1935 to 1947

The Government of India Act 1935 came into force in 1936 which replaced the old system of government and the system of provincial autonomy was introduced. The popularly elected members were driven with the affairs of the provincial governments. The provincial governments were empowered to enlarge their resources of revenue while the functions of local bodies were enlarged but their financial powers were actually curtailed. Terminal taxes were transferred to the centre from the provinces and clear cut demarcation between the provincial and local taxes was done. When the popularly elected ministers came into power in 1946, the problems of local self government were studied a fresh and various committees were constituted in order to improve the structure and working of local bodies.

Fifth Phase 1947 to 1988

The advent of independence opened a new chapter in the socio economic reforms embodied in the directive principles of the state policy incorporated in part IV of the constitution of India, which resulted in federal system of public administration and the acceptance of the objective of a welfare state, to secure to all the citizens, social, economic and political equity and opportunity. With the end of the British rule, there was self government at all the levels, central, state and local with

the establishment of the democratic setup. The basic emphasis of the government changed from the maintenance of law and order to the promotion of the welfare of the people, by securing and projecting, as effectively as it may, a social order in which social, economic and political justice shall form all the institution of the national life. With the advent of the democracy in 1947 and with the establishment of full fledged democracy in the country, local self government institutions attained remarkable status and importance.

Thus, with the coming of the Constitution into force in 1951, the local self government entered a new phase. The Constitution allotted the local self government, to the state list of functions. Since independence much important legislation for reshaping the local self government was passed in many states. The urban local self governing institutions in the country came into existence where, for the first time, an organized system of urban local bodies was constituted.

**Sixth Phase 1988 to 1992**

As a consequence of complexities arising out of the growing urban population, for the first time, the national commission on urbanization was setup in 1985. The commission gave detailed recommendations about the measures required for strengthening the management and administration of urban local government institutions in the country. The need for awarding an independent status to urban local governmental in India had also been considered. Based on the recommendations of the commission, the Prime Minister organized and addressed a number of Nagar Palika Sammelans where officials and non officials were invited to discuss the subject thoroughly. Keeping in view the growing importance of urban local bodies, the Union government introduced in the Lok Sabha, the Constitution amendment bill in 1989, which could not be
passed and lapsed due to dissolution of the Lok Sabha. Another bill was introduced by the succeeding Janata Party government and met the same fate. Again, another bill was introduced in 1991 and was passed in 1992. It was ratified by the majority of States and after the Presidential assent, it came into force with effect from April 24, 1993 as the 74th Constitutional Amendment Act

**Seventh Phase 1992-1999**

The urban governance in the country has witnessed a profound change since early 1990s. With the passing of 74th Amendment to the Indian Constitution (1992) at the central level and corresponding legislation, amendments, ordinance etc. at state level, the Urban Local Bodies have been empowered to prepare their own development plans and take initiatives in generating their own resources. In the eighth plan (1992-1997) it was emphasized that cost recovery should be built into the Urban Local Body finance system, and the Urban Local Bodies should depend increasingly on internal resources and institutional finance. This was done with the objective of bringing in efficiency and accountability in the functioning of the local bodies. Subsequently, budgetary allocations to the Urban Local Bodies for infrastructure development were systematically curtailed. The costs involved and other conditionality of institutional finance often inhibit Urban Local Bodies in taking up socially desirable but financially un-remunerative schemes. It was argued that, increase in efficiency and accountability in the functioning of Urban Local Bodies would lead to improvement in the coverage of basic amenities benefiting urban poor also, in the long run. The cities, however, argue that in the wake of the changed perspective, access of poor to these services will further be reduced, and the disparity

characteristic of paternal politics, bureaucratic indifference and apathy to
governance issues, corruption and inefficiency in the delivery of services
to the people and inability of the civil society to assert result oriented
pressures and influences for good urban governance. Unethical, negligent
and arrogant administrative and political behavior together with non-
transparent, exclusivist and unresponsive pattern of decision-making and
development delivery led to the wastage/ misappropriation of resources,
increase in urban poverty and slums, deficient services and a mass of
helpless citizenry in the urban areas. Urban population explosion,
globalization pressures for making cities competitive, sustainable, livable
and modern, inclusive and autonomous, and emerging industrial and
commercial demands not only complicated governance, it all called for
immediate reforms in processes of allocation and use of power at
different levels necessitating redefinition of the respective roles. New
public management and good governance movement further underscored
the need for changing the environment and nature of the working of local
urban bodies. The widening gap between demand and supply in different
areas of human needs like water, education, health, sanitation, electricity,
housing, transport, roads, solid waste management etc threw new
challenge before the urban local bodies as well as the central and state
governments to take remedial steps on an extensive scale. These realities
underlined the necessity a system at the local level that was responsive,
responsible, open and transparent, inclusive and capable.

74th Constitutional Amendment Act and Municipal Governance
Reforms

74th Constitution Amendment Act, as stated earlier, was a well
contemplated action towards strengthening the link between
decentralization of power and improving the socio-economic conditions
of the urban poor, prevention of the urban decline or the process of urban renewal. The importance of decentralization-development nexus was emphasized by various national and international agencies and committees like the Rural-Urban Relations Committee, 1963 National Urbanization Commission, 1988, Standing Committee of Parliament on Rural and Urban Local Ministries, FIRE (D) of the USAID, World Bank and UNDP reports on good governance and urban governance, India Infrastructure Reports of 1997, 2001, 2006, Reports of the National Finance Commissions etc. Pressure from the civil society institutions like PRIs, Parivartan and many others have also been exerted for developing competent local level self government institutions to meet the aspirations of the growing millions of urban citizens and to apply break by adopting decentralization path, to the increasing failure to effectively plan and implement the development of urban territories.

74th Constitutional Amendment Act was a response to the consensus that emphasized

A. Creation of structures and institutions for citizen participation and ensuring public accountability of urban local government.

B. Ensuring rights of the citizens, especially of the urban poor to the basic urban services and needs.

C. Devolution of 3 Fs (funds, functions, and functionaries) to the ULBs.

D. Establishment of urban planning mechanism to alleviate poverty and build global cities by giving voice and choice to the urban people with a focus on the marginalized groups.

E. Ensuring stable, democratic, accountable and sustainable system of urban governance.
74th Constitutional Amendment Act seeks to fulfill these objectives by providing for, among other changes

1. Uniform organization and structure of the urban local bodies throughout the country into three types- Municipal Corporation, Municipal Council and Nagar Panchayat.

2. Regular elections under the direction and supervision of newly created State Election Commission.

3. Constitution of ward committees, with an objective of taking the administration further to the doorsteps of the people and making direct participation of people more real, in a municipal area having a population of more than three lakh.

4. Provision of the constitution of area sabhas to further deepen the involvement of area residents in the planning and development of their area and establish an organic relationship with the Municipal Body.

5. Reservation of seats for the members of Schedule Castes and Scheduled Tribes in proportion to their population in the area and 33% seats to the women (it has now been raised to 50%).

6. The state legislatures have been given discretion to provide for the reservation for the other backward classes.

7. The composition, powers and functions of the State Finance Commission to reduce financial dependence of the ULBs on the state government and redefine the state – local fiscal relations.

8. The 12th schedule containing a suggestive list of 18 subjects that may be transferred to the Municipal Governments by the state legislatures by law.

The subjects included in the 12th schedule (Article 243 W) are---

1. Urban planning including town planning.
2. Regulation of land use and construction of buildings.
3. Planning for social and economic development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.
9. Safeguarding the interests of the weaker sections of the society, including the handicapped and mentally retarded.
10. Slum improvement and up-gradation.
11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds, cremations and cremation grounds and electric crematoriums.
15. Cattle pounds, prevention of cruelty to animals.
16. Vital statistics including registration of birth and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences and
18. Regulation of slaughterhouses and tanneries.

The striking feature of this Act is the provision for a democratic and participatory planning process making it possible to incorporate the needs and aspirations of the grassroots people and especially of the poor by the mechanism of District Planning Committees. The grassroots planning machinery has been provided, unlike the national planning commission, a constitutional status. The Metropolitan Planning
Committee, to be constituted in every metropolitan area, shall consist of at least two third elected members of the urban and rural local bodies in the area and shall have the following functions under Article 243 ZE of the Constitution.

A. Preparation of the draft development plan for the metropolitan areas.
B. Spatial coordination of plans prepared by the municipalities and panchayats in the metropolitan area and recommending modifications in local area plan, if any, taking an overall view.
C. Advice and assistance to local bodies in preparation of development plans.
D. Monitoring effective implementation of approved development plan of the region and
E. Undertaking formulation and implementation of projects involving provision of infrastructure such as major roads, trunk services, electricity, telecommunications etc.\(^\text{18}\)

**Eighth Phase from 1999 Onwards**

The Tenth plan acknowledged that the real challenge for the sustained development in the urban sector is the strengthening of the Urban Local Body (ULBs). Introducing and promoting the public private partnership for, improving efficiency and better service delivery' is also stressed.\(^\text{19}\) The plan stresses on the National policy on slums. Considering the facts from the recent years, in September 2001 the central ministry of Urban development launched a Good Urban Governance campaign supported by the Urban Management Programme and the urban

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governance initiative. Subsequently the Good Urban Governance Campaign (GUGC) became overshadowed by other Urban Governance scheme and dispersed soon after without a trace. Similarly throughout the tenure of NDA government, a national urban transport policy, a National slum Policy and a National Hawkers Policy were drafted but these were never finalized. The UPA government accepted an increased disbursement of credit and grants for the urban issues from the World Bank group based on its country assistance strategy for the year 2004-07. The World Bank Group approved the CAS in September 2004.20

**Jawaharlal Nehru National Urban Renewal Mission (JNNURM)**

The urban India is going to play a bigger role in terms of socio-economic transformation and shall become engines of economic growth. But existing state of all Indian cities is very bad as compared to developed or developing countries and is well below satisfactory in urban governance parameters. The major reasons are inefficiency and inability to mobilize funds for development.21

In order to overcome this jinx of Indian cities, Government of India launched Jawaharlal Nehru National Urban Renewal Mission (JNNURM) aiming at economically self-reliant, efficient, equitable and responsive cities with very high transparency and service levels. The mission aims at fast-track development of urban infrastructure and service delivery mechanisms, community participation, basic services to the poor and accountability of Urban Local Bodies towards the citizens. But Jawaharlal Nehru Urban Renewal Mission (JNNURM) demands eligible cities to formulate a medium term City Development Plan in accordance

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20 Neeru Sharma, "Urban Governance In India: Issues and Challenges," This Article published in, Urban Governance in India, Research India Press, New Delhi, 2009, p.25.
21 Arvind Sharma, "Text of the Ninth Prof. P.A. James Endowment Lecture delivered in the Department of Public Administration and Human resource management," Kakatiya University, on 27th Jan.2007 pp. 3-4.
with citizen’s interest and priorities and preparation of project proposals in accordance with City Development Plan (CDP). Moreover the city has to draw up a timeline for implementing urban sector reforms. Shimla is one of the 63 eligible cities under JNNURM. In order to encourage planned development of the urban sectors across the country, the Government of India (GoI) has launched Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The Mission aims at bringing out fast track planned development of identified cities with a clear focus on efficiency in urban infrastructure and service delivery mechanisms, community participation, and accountability of Urban Local Bodies/Parastatal agencies towards citizens.

1.3 URBAN LOCAL GOVERNMENT IN HIMACHAL PRADESH

A historical development associated with the evolution of local self-government in Himachal Pradesh goes back to the beginning of the second half of the 19th century. The state came into existence only in April 1948 as a union territory with the integration of some thirty erstwhile small princely states with an area of over 27,000sq kms in 1954. Through an act of Parliament another state’ Bilaspur was merged with H.P. This position remained till November 1, 1966 when the hilly areas of Punjab namely Kangra, Kullu, Lahaul Spiti and Shimla were integrated with it. A prolonged and peaceful struggle of H.P. under the leadership of Dr. Y.S. Parmar bore another fruit when it succeeded in getting H.P. declared as the 18th full-fledged state of Indian union on Jan 25, 1971 from the status of union territory. In 1972, the districts of the state were reorganized and their strength was raised to 12 with the carving of

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23 Ibid. p. 21
Hamirpur and Una out of Mahasu. In the 19th century, the process of urbanization and emergence of townships and cantonment areas in the hilly region was directly associated with British groups, which was established in two phases i.e. after the anglo-Gurkha war of 1845-46. Immediately after the first successful intervention in the region in 1815, the British retained Subathu and Kotgarh. Shimla enjoys the distinction of having the first municipality in the region and it dates back to 15th December of 1850. On Jan25, 1971, H.P. was granted statehood and it became the 18th State of the Indian union. In 1971 there was one Municipal Corporation, 18 Municipal Committees and 9 Notified Area Committee in Himachal Pradesh. In addition, there were two census towns during this year; the small town committee of Paonta Sahib was converted into Municipal Committee. In 1972, with the re-organization of districts the district of Una and Hamirpur were carved out of Kangra district. Una already had municipal committee; Hamirpur was also converted into municipal committee. In 1975, there was one Municipal Corporation, 19, municipal committees and 11, Notified Area Committee. In 1981, there continued to be only one Municipal Corporation and 19 municipal committees in the state. However the number of notified area committee increased to 17. In addition there were 7 Cantonment boards and two census towns. Thus the total number was 46 between 1981-1991. No change took place in the number of Municipal Corporation, Municipal Committees and Cantonment Boards. However, the number of notified area committee increased to 30 while that of census, towns decreased to one only, thus, raising the total number to 58. At present after the 74th Amendment of 1996, there are 48 urban local bodies in Himachal Pradesh. Out of these bodies there is one Municipal Corporation, 19 Municipal Councils and 28 Nagar Panchayats in Himachal Pradesh.24

Structures of Urban Local Self-Government

Three-tier Constitution of municipalities---According to Article 243-G (1) following are constituted in Himachal Pradesh:

A) A Nagar Panchayat for a transitional area, that is to say, an area in transition from a rural area to an urban area.

B) A Municipal Council for a smaller urban area; and

C) A Municipal Corporation for a larger urban area.  

1.4 URBANIZATION

Urbanization is a world wide phenomenon and urban population is growing at a faster rate than the average rate of growth of nations. Urbanization has become a matter of reality in a country like India, which is predominantly rural, which is finding difficult to face the various pressures emerging out of urbanization. Rural life lost its glory in the backdrop urban glitter. Large scale migration has resulted in overcrowded urban centers. As a result of overcrowding, urban governance is becoming a formidable challenge to all the public of India.

URBANISATION IN SHIMLA CITY

The trend of urbanization in Shimla city too, has been spectacular. The urban population in Shimla city has increased during this century in a tremendous way. The Table No 1.1 reveals the growth of population of Shimla city during 1971 to 2011.

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### Table 1.1
Total Population of Shimla City

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<th>Years</th>
<th>Total Population</th>
<th>Percentage Increase in Population</th>
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<td>1971</td>
<td>72870</td>
<td>-</td>
</tr>
<tr>
<td>1981</td>
<td>95891</td>
<td>24</td>
</tr>
<tr>
<td>1991</td>
<td>1,29,827</td>
<td>26.13</td>
</tr>
<tr>
<td>2001</td>
<td>1,74,789</td>
<td>25.72</td>
</tr>
<tr>
<td>2011</td>
<td>2,35,970</td>
<td>25.92</td>
</tr>
</tbody>
</table>

Source: Municipal Corporation Office Shimla

### Graph 1.A
Total Population of Shimla City

**Series 1**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
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</thead>
<tbody>
<tr>
<td>1971</td>
<td>72870</td>
</tr>
<tr>
<td>1981</td>
<td>95891</td>
</tr>
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<td>1991</td>
<td>129827</td>
</tr>
<tr>
<td>2001</td>
<td>174789</td>
</tr>
<tr>
<td>2011</td>
<td>235970</td>
</tr>
</tbody>
</table>
From the above table, it can be seen that the population of Shimla in 1971 was 72870 and it increased to 2,35,970 in 2011. It clearly shows the population of Shimla within a period of 40 years has doubled, though the percentage of increase in population decreased. To cope with the problems of increasing urbanization, Shimla Municipal Corporation require more and more funds. Normally the Shimla Municipal Corporation is unable to meet the huge expenditure required to undertake the projects out of its own routine income.

1.5 HISTORY OF MUNICIPAL CORPORATION, SHIMLA

Barely two centuries ago, the area occupied by today’s Shimla was dense forest. Only the Jakhu temple, which has stood the test of time and a few scattered houses, comprised the sign of civilization. Some authors opined that the name of Shimla is derived from a solitary house called ‘Shamley’. Others believe, that the name is a derivative from the name of a village called “Shemlah” A few others believe that the temple of goddess “Shamle” gave birth to modern name, but others assert that its original name was “Shyamala.”
Shimla, the one-time summer capital of "government of India" and headquarters of "Indian Army" and now capital of Himachal Pradesh is picturesquely situated on several small suburbs of lower Himalayas at the mean elevation of about 71 feet above sea level. Its altitude is $36^0 6^0$ north and longitude 77 13 east. It is one of the finest hill stations of the country with an area of 755 square miles. It provides varied opportunities for sports like ice skating, skiing, riding, etc. 29

Shimla's first settlement report recounts that from 1824 onwards' European gentleman," chiefly involved from plains, built many of largest

houses. Land for house construction was leased “free of rent” from the rulers of Keonthal or Patiala, depending upon the sight chosen.30

The first cottage of wood and thatch was built in 1819 by T Ross, (Assistant political agent in Hill states). In 1832 Bentick appointed a three man committee to suggest measures for the improvement of the town.31

Photograph 1.B

Source: Municipal Corporation Office, Shimla

The first pine broad level road around Mount Jakhu, about three miles in length, was built in 1828, under the supervision of Combermere, the commander in chief. This was the beginning of Shimla’s greatness. Shimla Municipal Committee was first introduced in December 1851 under the provision of Act XXVI of 1850. Shimla municipality shares the distinction of being the oldest in Punjab. During 1871, it was given the status of first class municipality being one of the six categories created by

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an Act of 1867. A first class municipality was to enjoy independence with regard to expenditure, subject only to government audit. In 1876, the Committee was once again reconstituted to ensure official control. The Deputy Commissioner served as the ex-officio President and committee was limited to 5 nominated members.\textsuperscript{32}

**Photograph 1.C**

![SIMLA MUNICIPAL COMMITTEE 1934-36.](image)

Source: Municipal Corporation Office, Shimla

As a result of reorganization of Punjab with effect from first November 1966, Shimla along with other hilly areas was merged in Himachal Pradesh and become permanent capital of H.P. The development of this town and its suburbs for management of municipal

\footnotesize{\textsuperscript{32} P.N. Gautam, "Municipal Corporation of Shimla Monograph," Punjab University Patiala 1985, p. 8.}
affairs, therefore, engaged attention of H.P. government. The government felt that concrete steps were necessary and this could only be done if there was a separate legislation for this purpose.

**Photograph 1.D**

![Photograph 1.D](image)

**Source: Municipal Corporation office, Shimla**

As a result of the same an Act was passed by H.P. legislative assembly, which later received the assent of President of India on 20th June 1969. Consequently, the erstwhile" Municipal Committee” was replaced by Municipal Corporation consisting of one administrator and 10 nominated members, out of which, one was to be a woman and one Deputy Commissioner, Mahasar was appointed as the officer.

### 1.6 MUNICIPAL CORPORATION, SHIMLA

Municipal Corporation Shimla had to wait for not less than 25 years in independent India, to have a representative and elected body.
This too was done on the intervention of court. The elections were held in 1968 after successive governments avoided getting themselves involved in the institution of local Municipal Corporation Shimla has experienced a series of changes since its birth. Presently, Municipal Corporation Shimla is divided into twenty eight wards and one member is elected from each ward to represent it, in the Corporation. Besides, elected members of legislative assembly represent the area under Municipal Corporation. State government appoints not more than five ex-officio advisors in the Municipal Corporation.33

Photograph 1.E

MUNICIPAL COMMITTEE, SHIMLA.
PHOTOGRAPH TAKEN AT THE OCCASION OF CIVIC RECEPTION GIVEN TO
Dr. ZAKIR HUSSAIN, VICE-PRESIDENT OF INDIA

Source: Municipal Corporation Office, Shimla

The members elect their leader among themselves who acts as Mayor of the Municipal Corporation. In the same way, Deputy Mayor are also elected by the Municipal Commissioner who is an administrative

officer with at least 10 years administrative experience. The tenure of Municipal Corporation is five years and fresh elections are made after it. The meeting of councillors is necessary at least once in a month which is prescribed by the Mayor.\textsuperscript{34}

\textbf{Photograph 1.F}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{image}
\caption{Municipal Corporation Office, Shimla}
\end{figure}

\textbf{Source: Municipal Corporation Office, Shimla}

The administrative responsibilities of the city of Shimla and the surrounding planning areas of Dhalli, Tutu and New Shimla reside with the Shimla Municipal Corporation. Presently there are 25 wards. The Municipal Corporation Shimla has an elected body of 28 Councilors out of which 25 are directly elected by the public of Shimla town and 3 are nominated by the Government of Himachal Pradesh amongst the

\textsuperscript{34} \textit{Report of Municipal Corporation Shimla, 2009-10.}
prominent citizens of the town who excel in the field of social service, academics and other activities. 50% seats are reserved for women.  

Jawaharlal Nehru National Urban Renewal Mission for Shimla Town (JNNURM)

Shimla has been covered under Jawaharlal Urban Renewal Mission (JNNURM) which was launched by the Prime Minister of India in the month of Dec, 2005 for developing basic infrastructure in 63 cities of India. For this mission, an amount of Rs 50,000 crores has already been ear-marked by the Government of India, to be spent during next seven years and equal amount is to be contributed by the State Governments and the respective Municipalities. For special category state like Himachal, the pattern of funding is in the ratio of 80:10:10 between Government of India, the State Government and the local Municipality.

Under JNNURM, there is a proposal to overhaul the water distribution system of Shimla town by replacing the old worn out water distribution lines with new lines of the greater diameters. Also, the old sewerage system of the town will be integrated with the new sewerage system. In addition, to meet the growing demand of parking, six parking lots, on BOT (Built, Operate, Transfer) basis will be constructed in the town. It is also under consideration to shift the solid waste management plant from the present location, to another suitable site, with the latest state of the art technology, feasible for Shimla.  

Shimla is one of the 63 cities, which has been identified under the JNNURM eligible for the fast track development. The City Development Plan (CDP) is the prerequisite milestone for the eligibility under the JNNURM. In view of above, Government of Himachal Pradesh (Go HP)
has taken up the programme for urban infrastructure improvement of Shimla and its extended areas, under JNNURM scheme. As a first step towards this, Government of Himachal Pradesh (GoHP) has retained IDCL (Infrastructure Development Corporation Limited) as a consultant for preparation of City Development Plan for Shimla.

**Objectives and Goals of JNNURM**

The objectives of JNNURM are to assist cities achieve:

1. Integrated development of infrastructure services and to meet the deficiencies in infrastructure projects;
2. Long term sustainability of projects by establishing linkages between asset creation and management through reforms;
3. Planned development of cities including the extended urban areas leading to dispersed urbanization;
4. Provision of basic services to urban poor; and
5. Renewal of old city areas to reduce congestions.

**Table 1.2**

Money Given Through JNNURM by Central Government and State Government

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Years</th>
<th>Government of India (Rs in lakhs)</th>
<th>State Government (Rs in lakhs)</th>
<th>Total (Rs in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2007</td>
<td>1304.41</td>
<td>350.29</td>
<td>1654.7</td>
</tr>
<tr>
<td>2.</td>
<td>2008</td>
<td>280.30</td>
<td>35.04</td>
<td>375.7</td>
</tr>
<tr>
<td>3.</td>
<td>2009</td>
<td>1994.2</td>
<td>298.76</td>
<td>2292.96</td>
</tr>
<tr>
<td>4.</td>
<td>2010</td>
<td>970.00</td>
<td>263.11</td>
<td>1233.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>4548.91</strong></td>
<td><strong>947.2</strong></td>
<td><strong>5556.47</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Years</th>
<th>Name of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2007</td>
<td>Solid Waste Management (UIG)</td>
</tr>
<tr>
<td>2.</td>
<td>2007</td>
<td>Widening and lowering of existing tunnel near Auckland house school, Shimla (UIG)</td>
</tr>
<tr>
<td>3.</td>
<td>2007</td>
<td>Ashiana-I, Housing scheme for urban poor of Shimla town (BSUP) 252 units</td>
</tr>
<tr>
<td>4.</td>
<td>2008</td>
<td>Ashiana-II, Housing scheme for urban poor of Shimla town (BSUP) 384 units</td>
</tr>
<tr>
<td>5.</td>
<td>2009</td>
<td>Rehabilitation of water supply distribution system for Shimla city (UIG)</td>
</tr>
<tr>
<td>6.</td>
<td>2009</td>
<td>Purchase of buses for urban transport system (UIG)</td>
</tr>
<tr>
<td>7.</td>
<td>2010</td>
<td>Renovation of sewerage network in missing lines and left out areas/work-out sewerage in various zones of Shimla</td>
</tr>
</tbody>
</table>

Source: Data Collected from Municipal Corporation Office, Shimla.

Photograph 1.G

Purchase of Buses for Urban Transport System (UIG) in
Shimla Municipal Corporation
Photograph 1.H

Construction of Auckland Tunnel under JNNRUM
Photograph 1.I

Construction of Avasiya Bhavan at Dhali Under JNNRUM
1.7 REVIEW OF LITERATURE

When the existing machinery of urban administration collapsed under the pressure of rapid urbanization, it invoked the interest of academicians and researchers. Quite a few studies were conducted on urban local government covering a wide range of areas, from policy making and leadership to finance and state control. A large number of these studies are case studies while some relate to general issues of urban administration.

Argal (1955) in his pioneering work dealt with the executive, administrative and financial aspects of municipal government. His main concern was studying municipal government in the British provinces of India and interpreting its development and working. A comparison of local government in Indian states was also made for the period between 1946-50.\(^\text{37}\)

Ghosh (1964) In his book focusing on the aspect of local finance in urban areas, studied the finances of municipal corporations, improvement trusts and municipalities in West Bengal. He called for a rationalization of the financial relations between state government and municipalities. Liberalization of terms and conditions of municipal borrowing, giving of specific purpose grants and setting up of internal audit machinery.\(^\text{38}\)

Golding (1955) the study has brought out the local government system in the United Kingdom, covering various aspects. He also touched upon the system prevailing in France, Germany, U.S.A, Scandinavia and the British colonies and dominions.(34) 

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change in the recruitment system, training of municipal employees, proper exploitation of existing sources of revenue, enhancement in grants in aid and reorientation of the relationship between state government and municipalities.47

Sachdeva (1974) in their study found the evolution of local government in Punjab. Organizational structure of urban and rural governments, recruitment, training, conditions of service and conduct and discipline of local government personnel. He opined that the administrative structure of a municipal committee usually suffered from the defects of concentration of both the deliberative and executive authority.48

Bastao (1975) described the relative position of different municipalities of Rajasthan in their institutional and operational aspects. She observed that their internal organization was weak and tainted with irregularities and favoritism.49

Pandey (1975) the author had attempted to deal with taxation and finance in Marathwada region, consisting of five districts of Aurangabad, Parbhani, Nanded, Bihar and Osmanabad and adopting a comparative approach. The researcher concluded that non-utilization as well as under utilization of tax resources along with huge accumulation of arrears in tax collection and other receipts was the most pertinent feature of finance in Marathwada region.50

Robson (1966) in his study opined that municipal governments were subjected to a serious strain having been entrusted with functions far greater than those, they were designed to perform. Relations between central government and local government were unsatisfactory and they were dependent upon exchequer grants. He felt the need to reorganize the local government structure.

Hugh Tinker (1967) in this book carried out a comprehensive study of the operation of local government in India, Pakistan and Burma. One of the most significant observations made by him is that local bodies suffer from similar shortcomings in India, Burma and England, the difference being, in the degree of these drawbacks. He attributed the failure of local authorities in India and Burma to British and India leadership and such factors like poverty, political ferment, social flux and chaos.

Bhambhri (1969) in his book in order to get an insight into the management of finances of local bodies, studied five major municipalities of Rajasthan. It was observed that municipalities themselves, were to be blamed for their poor financial position as they were reluctant to impose taxes and to collect them. The tax collection machinery was inefficient and no priorities of expenditure on civic amenities were fixed.

Bhattacharya (1970) in his study observed that a capable and efficient city government is essential for public utility services and perspective planning. He opined that the urban government should be studied both at macro and micro levels. For enhancing the performance of

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urban government, he suggested an improvement in service conditions, raising the income of municipal bodies.\textsuperscript{43}

\textbf{Bhardwaj (1970)} This book emphasized working of local bodies in India with respect to their functions, constitutional structure, financial status, the authorities governing them, their organizations, their relations with state and central governments. He laid special stress on defining the responsibilities of elected and nominated members.\textsuperscript{44}

\textbf{Dutta (1970)} in his study stated that role of central government in urban administration lay mainly in formulating a national policy on urbanization and its consequential problems.\textsuperscript{45}

\textbf{Avasthi (1972)} in their study compiled essays on the working of municipal administration in various states of India. These articles dealt with problems of urban government, training of employees, government control, financial assistance and public participation. Avasthi observed that the problems faced by local government institutions have constitutional, legal, political administrative and special overtones. Local bodies could become more efficient in their performance if there is an active involvement of the people in administration. The government control should be restricted to the minimum and setting up of specialized parallel agencies should be avoided by the government.\textsuperscript{46}

\textbf{Bhagwan (1974)} in his book carried out a micro study of Rohtak municipality to explore the causes of perpetual conflict between its deliberative and administrative organs. The study recommended the improvement in the working of the party system at municipal level,

\begin{flushright}
\textsuperscript{44} R.K. Bhardwaj, "The Municipal Administration in India, (A sociological analysis of rural and urban India)," Sterling Publishers, Delhi, 1970.
\end{flushright}
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Bhattacharya (1976) in his study analyzed the papers relating to the general problem of managing urban affairs, focusing attention on the problem of urban organization and management. The author felt a need for empirical studies of specific situation and problem and involvement of strategies of public intervention in the problem of urbanization.51

Ashraf (1977) made his study on the nature of local politics in cities of Calcutta, Kanpur and Ahmadabad. Development of local government as a self-sustaining and problem solving institution was recommended in which the vital function and necessary condition for high civic services is the management of political process i.e. recruitment of civic leadership with commitment and capability to promote civic improvement. 52

Singh (1978) the author studied the municipal committees of Haryana and examined the quality of services provided by urban local bodies with existing financial resources. It found municipal committees reluctant to levy new taxes or increase the rate of existing taxes despite their poor financial condition. It suggested that improvement in management of local services and better collection must go together.53

Mishra (1979) in this study opined that municipal leaders were both the embodiment of personality of the state and the catalysts of change. He discovered that municipal council did not have much time for policy making and long and short term programming. Decision making

was in the hands of the top hierarchy and was influenced by educated and vocal councilors.\textsuperscript{54}

\textbf{Singh (1979)} the author attempted to study state control and supervision over municipal administration in Rajasthan. He felt that there were too many agencies of control at state level and field level with no well demarcated boundaries.\textsuperscript{55}

\textbf{Srivastava (1980)} studied the state control over municipal corporations in five towns of Uttar Pradesh-Kanpur, Allahabad, Varanasi, Agra and Lucknow. Varanasi Nagar Mahapalika was studied in detail. He concluded that the existing system of control is negative in its approach. Local bodies were superseded in the slightest pretext and their functions transferred to an administrator.\textsuperscript{56}

\textbf{Sundaram (1981)} the author made a detailed and comprehensive analysis of municipal finance and the levy of property taxation. He observed a considerable variation in rates of property tax levied in different states and found no relation between the economic strength of the town and the extent of tax burden borne by taxpayers.\textsuperscript{57}

\textbf{Mohan (1981)} in his book concluded that the property tax reform suggested shifting over to capital valuation basis with major amendments in rent control act. In order to improve the administration of property tax, he advocated the establishment of state level or central level valuation authorities.\textsuperscript{58}

\textsuperscript{58} Rakesh Mohan, "Indian thinking on Property Tax reform", Nargarlok, Indian Journal of Public Administration, Vol. XIII.
Ghosh (1984) in this study looked into the functioning and property tax collection department of Uttarayan municipality and pointed out weaknesses in the system of collection of property tax.59

Rao (1984) in this book, the main focus was to demonstrate empirically that municipal corporations involve themselves vigorously on matters of policy development. He took up Hyderabad Municipal Corporation for his study. Rao concluded that the decision of the Hyderabad municipal corporation was based on vested interests of bureaucracy and rationality was accorded the least priority. He opined that the existing relationship between the state government of Andhra Pradesh and Hyderabad Municipal Corporation would lead to malfunctioning of the civic system and would also cut across the very roots of democracy.60

Khan and Singh (1984) in this study they observed that though leadership in the municipalities was mostly in the hands of local people their standard of education was low. Official and non-official dichotomy prevailed in day to day working and functioning of municipalities was greatly influenced by party affiliations of the Councillors.61

Kaushik (1985) in this book while conducting a study on leadership in urban government took up five municipal regions of Punjab namely, Amritsar, Ferozepur, Jalandhar, Ludhiana and Patiala. He found that there was an absence of well defined pokies. Majority of the councilors were found to be corrupt and unable to shoulder the burden of increased responsibilities. The study suggested giving of more benefits to

59 Budhhadeb, “Collection of Property Tax: A case study”, Nagarlok, Indian Journal of Public Administration, XVII.
councilors in order to inculcate a sense of involvement and dedication in them and relation of negative and right control of state government.\textsuperscript{62}

\textbf{Mishra (1985)} the author studied on fundamental problems of contemporary planning such as traffic, housing, utility services and environment. The primary concern was to evolve a suitable policy for urbanization and urban development in Punjab. Scholars recommended diversification of economic base of rural settlements, industrialization strengthening of regional transport, in cities and towns and emphasis on environmental improvement programmes and better social living environment.\textsuperscript{63}

\textbf{Seth (1985)} in his paper an empirical study of the Jalandhar municipality from 1950-75. The main emphasis of the researcher was on the structure, functions and finance of the municipality. She observed that though there was a quantitative increase in its functions but quality wise it fell short of people’s expectations. Its scope decreased as some of its subjects in the education were taken out of its jurisdiction.\textsuperscript{64}

\textbf{Basiston (1986)} this book attempted the urban problems and planning of urban administration in Orissa. The leadership qualities and capabilities of local bodies were examined with a view to evaluate the correlation between leadership and performance in urban local bodies.\textsuperscript{65}

\textbf{Rao (1986)} in this study examined the financial policy development in Hyderabad Municipal Corporation. He recommended an amendment in the Constitution of India enabling the local bodies to share power and finance along with state and central government as also the

setting up of state local council to examine issues cropping up between state government and local bodies.  

**Singh (1986)** He reviewed the extent of legislative, administrative, financial and judicial control and discovered overlapping of powers. He found the legislative control to be ineffective and suggested re-enactment of Municipal Act.  

**Dutta (1988)** in his book deals with the prospects of municipal finance. Resource mobilization in India were weak, the reason being weak constitutional and political status of municipal government and narrow tax payer base commenting on citizens participation in planning and development of metropolitan cities.  

**Dash (1988)** the author concentrated on financial administration and concluded that it was treated with neglect and indifference. He advocated strict supervision in tax collection, independent and impartial tax machinery, a grant in aid code, to regulate the sanction of grant and proper utilization of loans.  

**Singh (1990)** Author had tried to analyze the structural, functional, administrative, personnel and financial aspect of the municipal corporation Shimla during 1979-89. The financial resources of the municipal corporation were found to be under utilized, its income being more than its expenditure. The researcher felt that financially independent

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and autonomous system of the local government would enhance the quality of life of the citizen.  

Sachdeva (1991) took up Ludhiana municipal corporation and Patiala municipal committee for the purpose of analysis. Shortage of finances was found to be the biggest hurdle in municipal administration, the other being oppressive state control. Finance is the lifeblood of an organization, be it big or small. Unsatisfactory performance of local governments prompted the research scholars to probe the reasons for poor financial health of local bodies. Quite a few studies have been conducted on the finances of the municipal governments.

Inamdar (1991) evaluated the decision making mechanism in Poona Municipal Corporation for period 1961-67. A major shortcoming of the corporate and the official was lack of well thought and concerned policies. Only a few corporators were well informed about the items placed before them for consideration and decision making.

Sengupta (1991) commenting on citizens participation in planning and development of metropolitan cities, called it a double edged sword i.e. planners must be open to working with citizens on one hand whereas on the other hand citizen must be active and competent in planning.

Ansari (1991) in this book observed that urban development and management, the domain of local bodies, was characterized by certain

short comings like multiplicity of authorities, weak local governments, paucity of resources and management expertise. 

**Tripathi (1991)** An analysis of financial resources of municipal councils in Maharashtra by Tripathi brought into light irregular and arbitrary assessment of properties, ratable assessment of properties, ratable value fixed at very low rate, absence of property details in municipal records and unawareness about unauthorized development. 

**Gnaneshwar (1992)** in his book mentioned that property tax in Andhra Pradesh, identified exclusion of central government properties from property tax restrictions imposed by rent control Acts and absence of periodic revisions as the main hurdles in levying property tax. 

**Sachdeva’s (1992)** conducted a study on the perspectives and prospects of municipal leadership. Sachdeva observed that leaders were comparatively young and educated and were aware of their responsibilities. They were more responsive to the needs and aspirations of citizens. Participation of women councilors as in municipal affairs had shown an upward trend. 

**Sachdeva (1994)** anthology dilated on the inadequacies and informalities of existing municipal governments. The factors for decaying performance of urban governments were identified as outdated structure. Erosion of powers by multiplicity of special purpose agencies, financial scarcity, lack of qualified personnel, political interference etc. The contributors felt that implementation of the 74th Amendment Act of 1992

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would help to restructure the urban government and they would become effective instruments for grass root democracy and agencies for development and planning and provision of basic civic services. 78

Amma (1995) an effort was made to study financial problems of Municipal Corporation and their relationship with state government in Kerala by Anita Kumari. She found the potential of duty on transfer of properties to be under tapped and contribution of government in form of grants in aid, disproportionate to increase in the needs to local government. The study suggested modification of revenue sharing method, delimiting of functions of urban local bodies, proper evaluation and assessment of taxes and an improvement in system of administration. 79

Singh and Singh (2003) in his book stressed and made serious efforts in explaining the conceptual frame work of both rural and urban system of local government. Part A of the book broadly describes various aspects relating to Panchayati Raj in rural areas, historical perspective of local government and their functional structures. Panchayati Raj organization finds detailed description in this part. Part B forms the comparison of all sorts of constitutional matters relating to urban administration under notified area committee, municipal committee and Municipal Corporation. The author gives detailed account of local government in connection with their functions and powers of their financial control and administrative setup. 80

Satyanarayana (2007) this study was of the view that explains the nitty-gritty of municipal administration and to this end; the topic has been

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carefully selected to ensure a bird’s eye, but comprehensive overview of the subject. Every aspect of municipal administration has been explained in detail, in simple language making it easy to understand and in a clear and lucid manner.\textsuperscript{81}

**Sivaramakrishnan (2007)** in his study under review looks into the aspects of people’s participation in the local governance at the ward committee level. The book critically examines the ability and the role of the ward committees to facilitate people’s participation. It is based on the research and analysis of ward committee in four states of Karnataka, Kerala, Maharashtra and West Bengal. The book under review has been divided into two parts. The part one of the book deals with the context and overview of the ward committees, their experiences and the findings and conclusion of the study. It also discusses the Bhagidari initiative of Delhi and its impact on people’s participation in the process of governance.\textsuperscript{82}

**Baud and Wit (2009)** in this book Baud and Wit attempts to provide wide perception of scope and significance of governance, decentralization, people’s participation, management, policies and role of intermediaries, new forms of governance, contestations and cooperation in urban governance and intervention of the judiciary.\textsuperscript{83}

**Sharma (2009)** in his study examined the concept of Urban Governance. India is passing through a phase of massive urbanization. The process of urbanization has thus become concentrated in the developed regions with the exclusion of the backward states.


\textsuperscript{82} K.C. Siriramakrishnan, “People’s Participation in urban governance: A comparative study of the working or words committees in Karnataka, Kerala, Maharashtra and West Bengal,” Concept Publication, Delhi, 2007.

Furthermore, the larger cities have recorded relatively higher growth when compared to small towns.\(^{84}\)

**Vearey (2011)** in his study explored local government responses to the urban health challenges of migration, informal settlements, and HIV in Johannesburg, South Africa. In his study, a revised participatory approach to urban health - ‘concept mapping’ - is suggested which requires a recommitment to intersectoral action, ‘healthy urban governance’ and public health advocacy.\(^{85}\)

**ARTICLES AND RESEARCH PAPERS**

**Kumar and Gnaneshwar (1998)** This Article argued that the resources available with local bodies were insufficient. They suggested maximizing of extraction from available sources and creating new avenues to improve the financial position of municipalities. Few papers submitted at the seminar on ‘Local Government Institutions in India’ organized by the Department of Public Administration, Punjabi University, Patiala on March 24\(^{th}\) and 25\(^{th}\), 1999 also dwelt upon the theme of urban local government.\(^{86}\)

**Arora and Prabhakar (1999)** in their paper examined the finances of Rohtak Municipal Council. After examining its sources of income, they concluded that, house tax and octroi formed major sources of income and showed remarkable increase.

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Major portion of expenditure made by Rohtak Municipal Corporation was on establishment in 1997-98. It spent only 6.48% on development works.  

Kapoor (1999) The paper regarded the physical, social and political empowerment of women as a pre-requisite for the establishment of an equitable and just social order. To determine, the nature, extent and quality of women participation in civic matters, she carried out a study of Jalandhar Municipal Corporation. She concluded that the entry of women, however helped in reducing corruption.  

Pandey (2008) in this article highlighted the resource mobilization for municipal initiatives on housing and habitat development. Author focused on sustainable development of human settlements with special role of cities and towns as engines of economic growth and as effective service centers to their urban areas.  

U. Arabi and Mustahf (2008) this study analysis shows that land use patterns has increased over the years in the growing city corporation of Mangalore. An effective land administration system is essential for the efficient operation of the kind of market, in the growing cities like Mangalore, today.  

Kamra and Misra(2010) analyzed in his study that urban water resource management is tilted heavily in favour of supply expansion in

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almost complete disregard of a realistic analysis of demand management and use efficiency. The ill managed organizations and systems add to citizens, woes besides the ever increasing shortages in water supply. This article based on a case study, focuses on the water supply, mismanagement issues that have emerged common to almost all local bodies and suggests reforms in urban, Water management emphasizes the need for better co-ordination among various bodies entrusted with the management of water supply to the citizens.

Ghuman and Mehta (2010) the article discussed that the urban local bodies in India have been finding it difficult to provide quality public services to their citizens in the light of resource constraints and rapidly growing urban population. A number of ULBs have invited private capital to civic services delivery. Privatization of local services has raised a host of issues, which need attention of policy-makers.\(^\text{92}\)

G.Tadasad (2010) in this article highlighted that local governments lack sufficient capacities. Efforts to promote good local governance need to include the participation of local civil society. In fact, for good governance to be sustainable, it requires partnership between government and civil society.\(^\text{93}\)

Joginpalli (2010)\(^\text{94}\) in this article author emphasizes that Property Tax Reform is one of the core reforms prompted under Jawaharlal Nehru Urban Renewal Mission (JNNURM) scheme of Urban Local Body level, through certain aspects of the reform need legal amendments. Many of

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the reforms could be attempted at the Urban Local Body level through administrative processes. The initial success, therefore, receded over a period. Again plinth area based tax was introduced recently but partially covering the non residential properties only.

**Anand (2011)** this article “Looming urban challenge: need for policy interventions by Mr N.S.Sisodia (March 28) was thought provoking and shows that the urban challenge looms large in India. A UN-HABITAT report has already declared that 63% of south Asia’s slum dwellers live in four mega cities- Mumbai, Delhi, Kolkata and Chennai. If the government continues to adopt a business as usual attitude towards the urban challenge, then these cities will become vulnerable to natural disaster and will test the government’s capabilities to address them.  

**Verghese (2011)** In this article author stresses the need for reforms in urban governance. Further action points will emerge as the census numbers are crunched in the months ahead and the first unique identification number of residents is distributed.

1.8 SELECTION OF THE PROBLEM

The Shimla Municipality was the oldest in Punjab and it was made a Municipal Corporation on 27th June, 1969. In view of 74th amendment of the Constitution, Himachal Pradesh government enacted Himachal Pradesh. Municipal Corporation Act 1994, legalizing all the functions listed in 12th Schedule of the Act. Shimla being the capital of Himachel Pradesh, all government headquarters are located here. Population of the town tends to get almost doubled during the tourist season, putting lots of pressure on already over strained municipal services.

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For the purpose of research, the researcher has conferred the study, to the problems of municipal administration in India in general and the problems of municipal administration of Shimla Municipal Corporation, in particular. The study under consideration has an important role to play in the present setup in providing useful information and a healthy living to the people. Municipal institutions play a vital role in the development of a nation. In fact, the progress of the whole nation depends to a large extent upon the successful functioning of municipal bodies and this can only be achieved if the municipalities are discharging their functions in a proper way. Efficient working of Municipal Corporation is required for good urban governance.

1.9 IMPORTANCE

The urban local government in our country has assumed considerable importance after India achieved its independence. Local government institutions provides an opportunity to the people to participate freely and actively in the government, which they formulate for their respective areas. We have rather got into the habit of thinking democracy at the top and not so much below. Democracy at the top may not be a success unless you build on its foundation from below.¹

Local government contributes to the strengthening of democratic institutions in a number of ways. The study of local government is of much importance because the municipal institutions serve from pre-natal days. Democracy rests on the assumption that government is an affair of the governed and all problems are not national but some are purely local and as such, they should be solved in accordance with the local opinion. With the passage of time, the problems of local self government have become varied and complex and the sphere of responsibility of the local government has also widened. Initially the local bodies used to be
concerned with elementary functions but gradually their activities grew and now they are concerned with almost every aspect of the citizen’s civic life. The Indian experience in socio economic reconstruction unmistakably shows, that it is not possible to build an egalitarian and prosperous society without an active involvement of people through local agencies. The need for public participation, therefore, becomes urgent. It is of paramount importance that the institutional pattern of democratic life is moulded from below. Keeping these aspects into consideration, present study assumes importance.

1.10 OBJECTIVES OF THE STUDY

i) To study organizational setup and functions of Shimla Municipal Corporation.

ii) To assess the personnel administration of Shimla Municipal Corporation, in terms of recruitment, training and conditions of service.

iii) To examine the state of municipal leadership in Shimla Municipal Corporation.

iv) To make an intensive analysis and augmentation of the municipal finance spent on municipal functions both compulsory and optional.

v) To examine and analyze the implementation of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in Shimla city.

vi) To analyze the citizen’s perception about municipal governance.

vii) To derive important policy issues pertaining to Municipal Corporation governance and to facilitate sustainable development efforts for better development of Shimla city.
1.11 HYPOTHESIS

**Major Hypothesis:** Municipal Corporation of Shimla has failed to come up to the people’s expectations in providing basic civic amenities.

**Sub Hypothesis**

i) Municipal Corporation of Shimla is suffering from various structural and functional inadequacies.

ii) Municipal leadership in Shimla city has failed to evoke people’s initiative and participation in urban development schemes.

iii) Poor finances of Municipal Corporation has adversely affected the performance of Shimla Municipal Corporation.

1.12 RESEARCH METHODOLOGY

The study was descriptive & diagnostic in nature as it was an attempt to understand municipal governance with special reference to Shimla Municipal Corporation.

**Data Collection**

The present study was conducted to find out the role & importance of Municipal Corporation of Shimla city. In the light of objectives set forth the data was collected from the municipal corporation office and general public of Shimla city. The data required for study was collected from both primary as well as secondary sources.

**Primary Data**

Primary sources included first hand data given by the people. The primary data for the present study was collected through structured interview schedules. Besides these informal interviews, discussions, meetings, observations of the beneficiaries, officials & non officials who
were related with municipal governance, were also held to fulfill the objectives of the study & to find out the relevant facts.

To elicit first hand information and to know the working of municipal corporation Shimla in a better way, personal visits to municipal corporation office and interview of Mayor, Deputy Mayor and Municipal Commissioner was also conducted by the researcher. Moreover, some personal observations were also made by the researcher by visiting the municipal corporation office and wards of Shimla city several times during the study period.

**Secondary Data**

To make the study more relevant and authentic, various secondary sources were consulted. The secondary data was collected from various published books, journals, Periodicals, magazines, and research articles having direct bearing on research problem. Moreover, the secondary data was also collected from various publications of central government as well as state government. Various Acts related to local government, census, plan documents, reports of various committees and study teams were consulted. Statistical reports for various years and District Gazettes published by government of Himachal Pradesh were also consulted. Shimla Municipal Corporation’s annual administrative reports, budgets, files of proceedings of the Municipal Corporation meetings were also consulted to collect secondary data.

**1.13 SELECTION OF SAMPLE**

Primary data was collected through three set of interview schedules. One set of schedule was administered to Councillors as they constitute the deliberative wing of Municipal Corporation. All 28 Councillors (25 elected & 3 nominated) (as shown in Annexure I) were administered schedules. The second schedule was administered to 65
officials which included all 8 class I officials, all 7 class II officials & 50 class III officials (out of 100 class III officials) of Municipal Corporation (as shown in Annexure II). The third set of schedule was administered to residents of Shimla city who were directly affected by performance and non-performance of the Municipal Corporation. A sample of 375 residents (as shown in Annexure III) were taken from all the 25 wards of the city. In order to make the sample representative, 15 households were selected from each ward. One beneficiary from each selected household was taken from each ward of the city.

1.14 CHAPTERIZATION

Chapter 1 Introduction.
Chapter II Organizational set up of Shimla Municipal Corporation.
Chapter III Municipal Personnel Administration.
Chapter IV Municipal Political Leadership.
Chapter V Municipal Finance.
Chapter VI Public Perception about Municipal Corporation.
Chapter VII Conclusions and Suggestions.