Chapter-III

The Municipal Corporation of Delhi: The Institutional Structure of Governance and Participation

This chapter attempts to examine and understand the institutional structure of the Municipal Corporation of Delhi (MCD), in terms of both its governance and participation potential, and to view it as a site of women’s legislative participation in local government and thereby gaining critical insights into both the quality and content of women’s participation, as well as the constraints and impediments faced by them. There has been a long historical debate over the best institutional design and structure for urban government. Needless to say that the debate is both important and useful as institutional structure is the vehicle through which the core and fundamental values and objectives that a society wishes to pursue, are served and upheld. Hence any study of local government, must be both concerned with values as well as the institutional structure that seeks to promote these values. In decoding the relation between structure and values, one generally finds that the values of efficiency and economy favour central control and domination, whereas the values of self-governance, empowerment and local participation favour decentralised structure and greater autonomy.\(^1\) However these values can also change, over a period of time, according to changing socio-economic compulsions and the need to respond to them meaningfully.

Although in India, municipal bodies were understood to be the foundational basis of a true system of democracy, they did not receive the attention they deserved, either by policy-makers or by academia. Local self-government falls under the purview of the state list and were thus seen to be the sole responsibility of the state government. Consequently, there was a steady erosion of their powers, functions and resource base over time. While the directive principles talk about panchayats as units of self-government in rural areas, there is no mention of urban local bodies in them. It was only after the passage of the 74\(^{th}\) Constitutional Amendment Act that there was a concerted effort to reactivate and revitalise urban local government.\(^2\)

Local bodies have always been the weakest link in the political fabric of the country, mainly because of their financial and technical limitations and also, to a certain extent, because of the lack of trained and skilled personnel. The conflict and friction
between the state and local government have led to frequent dissolution and supersession of local bodies. The pre-independence tradition of paternalism and authoritarianism, which is at complete divergence, with the emerging democratic urge and ethos, continues to prevail in large parts of the country. The political elite at the state level are also in many ways in a conflictual relationship with these new centres and sub-centres of political power and patronage. The gradual and constant erosion of the powers of the local bodies has led to the failure of these bodies to attract good and talented and committed personnel. Finally, the cultural factor of a democratic polity which is feudal in character has led to the erosion of local democracy. The higher levels of government function in an aristocratic manner, rather than in a spirit of partnership, while relating or working with the lower levels of government.

At the global level, the debate over the best institutional structure for urban government has been about values and the means to deliver them. There has been a shift in the focus of the debate from more formal institutional structure to institutional norms. The local level of government is being looked upon as an ‘enabler,’ rather than a direct provider of services. The emphasis is now on delivery of services, rather than their production, and while efficiency still remains very important, there is also a lot of attention on renewal of democracy. Efficiency has also been redefined to include participation as well as responsiveness. Political participation is not to be an occasionally exercised civic obligation, rather an aid to more decentralised neighbourhood, political institutions.

3. The Decentralisation Debate

Much of the enthusiasm for decentralization and for the enhancement of powers and responsibilities of the local units of government is based on the idea that they are closer to the people that the state is supposed to serve. The argument is that greater proximity makes government more vulnerable to citizen pressure, and conversely also makes the citizens more informed and hence more demanding of good service. The logic that is imputed from these arguments is that the global trend towards the decentralization of public roles, responsibilities and resources is also good for women, because the prevailing gender relations in most parts of the world see women as being responsible for the domestic sphere; women are more likely to be concerned with the local. Therefore, decentralization is seen as benefitting from women’s inputs and also
as an important vehicle for improving women’s representation. Yet, the reality is not so clear. First, localization has its limits and there is reason to believe that effective voice and policies are sometimes better exercised at the national level, second, even when the benefits of decentralization are clearly evident, it does not mean or prove that they equally benefit the women. But, it is now clear that localization is an important concept in development thinking and practice. As such, there is both heuristic and policy value in considering decentralization and the rights based development, to understand their appeal and to discern if and how they benefit women. Although, it is clear that women’s rights cannot be confined to the local level only, but at the same time it also has been demonstrated that holding right-bearers to account at the supra-local levels, becomes difficult, without locally embedded democratic practices and accountability mechanisms.4

Those concerned with gender-equality and women’s rights have welcomed the adoption of the Rights Based Approaches in development policy and practice, mainly for two reasons; firstly because the norm of gender equality is embedded in the rights based approaches and secondly as it focuses on the socially marginalized, women become a natural constituency. Although significant progress has been made in terms of increasing the numbers or the so-called presence of women in politics, it has been seen that while women are aware of gender issues and concerns, they appear to lack the ability, leadership, support or political space to challenge broader policy approaches that adversely affect their gender interests. The system of local government in India constitutionally mandates the presence and participation of women, but at the same time, outcomes are ambiguous and the ability of women to take advantage of this kind of decentralized governance to further women’s rights seems problematic. From the early 1980s, decentralization has been central to international development policy and discourse, and by the mid-1990s, most of the countries of the world were engaged in some form of decentralization. The definition and scope of decentralization remains unclear, because it has been used to describe diverse forms of restructuring like deconcentration, delegation and devolution. Deconcentration refers to cases where central government separates out responsibilities for particular services to regional offices, or in other words, geographically dispersing the apparatus of the central government, but without any transfer of real authority to the lower tiers of the government. Delegation relates to the
transferring of responsibilities for decision making and administration of public functions to other organizations that have semi-independent authority and are not wholly controlled by the central government, but are ultimately accountable to it.⁵ Devolution is a more extensive form of decentralization, that refers to the actual transfer of authority to lower tiers of government, with local governments being given autonomy with respect to decision making and financial management. These decentralized authorities have clear, legal geographical powers and boundaries, within which they exercise authority and perform public functions. The failure and collapse of socialism and central control, also led decentralization to be associated with market-driven approaches, and in the new context of globalization and integration, two more sub-categories were added to the concept of decentralization, namely, privatization and deregulation of the provision of public services.⁶ The initial understandings of decentralization were primarily administrative in nature, but in the latter part of the 1990s, the decentralization discourse began to champion local governance as a vehicle not for rolling back the state, but for bringing the state back in. The neoliberal policies that witnessed a withdrawal of the state, was sought to be countered by rehabilitating the state, and re-territorialising it at the local level.⁷ It was argued that state delivery would become more effective and efficient, if government was broken up into smaller units. But the fundamental shortcoming to this administrative approach was that the inefficiency and rigidity of the central government, and the responsiveness of the local unit were both assumed as a given. Over time, a broader consensus developed that decentralization also had an explicitly democratic impulse and that the local level could be the most responsive tier of government. Placing value on local politics and focusing on local level struggles became a trend that cut across ideologies. While the World Bank advocated a liberal discourse on decentralization, the Left also articulated similar ideas, and there was some consensus that democracy could be revitalized and reinvented only through popular participation in local public spheres.⁸ It was in this context, that the notions of democratic decentralization gained prominence and recognition. There was also a tendency to associate democratic decentralization with more progressive political forces and administrative decentralization with the efficiency agendas of neoliberal policies. However, there are also a number of critics who are not very convinced about the promise of local politics delivering democracy, especially when, the agenda is promoted by international development institutions like the World Bank, which
have a pronounced neo-liberal agenda. It has also been pointed out that there are no causal links between localized forms of government and more accountability and transparency. Many, such as indirect rule under colonialism, can be totally undemocratic.9 A focus on localism, can also be used to draw attention away from supra local issues and processes. However, a more nuanced perspective is to identify the functions of the state that are decentralized and to what effect. Political decentralization refers to the extent to which political institutions and policies reflect the multiplicity and diversity of citizen interests.

Administrative decentralization refers to how responsible political institutions turn the resulting policy decisions into outcomes, while fiscal decentralization is about lower tiers of government setting and collecting taxes, making expenditures and rectifying imbalances between revenue collection and public spending. Political decentralization then would be to activate and implement constitutional protection of inclusive local governance, the advancement of women’s rights and political and bureaucratic sites for mainstreaming gender equity. However, the important thing is to consolidate the political gains that women have made at the national level and without a strongly rooted political participation at the local level, the gains made at the national level cannot be sustained. Women not only need to be politically present in local governance through representation and organization, but they also require the legal and technical literacy to engage officials and bureaucrats on matters of planning and delivery. In other words, leadership skills need to be accompanied by the knowledge and confidence to hold government agencies to account and to ensure that administrative decentralization works in their favour. Therefore, both sides of the accountability coin are crucial for realizing women’s rights, participation and representation in decision making and the effective delivery of public goods and services, addressing both Politico-legal and socio-economic rights.10 The growing trend in fiscal decentralization has been the shift from exclusive scrutiny of expenditure towards paying more attention to how revenue is raised. One of the outcomes of this is that when decentralization is accompanied by fiscal decentralization, and local authorities are significantly dependent on cost recovery as a revenue source, then that can have adverse impacts on women. As such, the prospects for realizing their socio-economic rights are likely to diminish, even if their political voice is being amplified. However, in spite of all its limitations, the focus on
democracy and human rights, seems to be at present the only effective means to challenge inequality and promote social justice and equitable development. But at the same time it must be kept in mind that if local democracy is to be revitalized, and women’s rights and interests to be advanced at this level, then some recognition and understanding of the sub-texts and dangers of the decentralization processes are required. This is much more in the context of a dominant neo-liberal development agenda. It is therefore very imperative that the pursuit of women’s rights is not used as a justification for putting a human face on neo-liberal preoccupations with individualism and property rights and used to deflect attention from persistent poverty and increasing inequality and its gendered implications. The question then, is that does decentralization add any value? The answer lies in a women’s enhanced participation at the local level that coordinates with state policy at all levels and will lead to effective and efficient service delivery.

3.1 The Indian Context

The seventy-fourth Amendment provides the legal framework for urban decentralization in India. It was a strong endeavour to empower urban local self government by giving it a constitutional status, as the third tier in our federal system. The main objective was to strengthen municipal bodies and provide them with institutional capability to deal with the myriad challenges of urbanization. The 74th Amendment Act provided for three kinds of municipal bodies. They are Nagar Panchayats for areas in transition from rural to urban, Municipal Councils in smaller urban settlements, and Municipal Corporations in larger urban areas. The positive features of the Act were firstly the reservation of 33% of seats for women, the provision of Ward Committees, the grant of a five year term to the municipalities and the provision for the mandatory constitution of the Finance Commission, once every five years but studies have shown that the devolution of funds, functions and functionaries to urban bodies has been relatively weak. Urban local bodies suffer from poor quality financing along with weak revenue raising powers and limited discretion. Revenues collected by the urban local bodies account for a mere three percent of all revenues collected in India. The dependency on fund transfers is thus significant. But transfers are not stable, timely or predictable, and in the final analysis they are not equalizing and also the urban local bodies have limited discretion over transferred funds. Almost 40% of these funds go towards salary payments. Other funds come tied
to schemes designed by the state and central governments. The urban local bodies get grants from at least 30 CSSs on a myriad of governance issues, but at the same time fiscal deficits at the state level have led to delays and reductions in transfers to the urban local bodies, and this in turn has led to mounting local fiscal arrears. Budgetary expenditures undertaken by the urban local bodies are thus very low, amounting to a mere 0.8% of GDP. As a result, they function under the dominating presence of the state governments.

Regarding the functions of the urban local bodies, the constitutional amendment identifies eighteen functions that the state governments could assign to the urban municipalities, but in practice functional responsibilities to urban local bodies are confined to infrastructure related activities like water supply, sewerage and solid waste management. In some instances, as in the case of the MCD, functions related to education and health care have also been entrusted to them. The limited functional responsibilities of the urban local bodies tend to be compromised because of the proliferation of state boards and other agencies with overlapping roles and responsibilities. The problems of concurrency are further accentuated by the lack of coordination and consultation between these bodies.

On the issue of functionaries or officials, like their rural counterparts, urban local bodies depend on state government officials to fulfil their administrative responsibilities. Senior municipal officials are appointed either from the Indian Administrative Service or the State Administrative services, restricting the ability of the local councillors to hold the executive officers accountable. Overstaffing or understaffing is also an issue, because the state governments control the number and distribution of employees across various categories. Current debates in India consider urban and rural decentralization separately and for the most part emphasize rural decentralization. Although there are many common areas, they draw from the same revenue source that is the state government. Greater tax discretion is advisable at the urban level, since urban centres are naturally better sources of tax revenue than rural areas. In sum, the radical features of the Amendment are the provision of Ward Committees, and the Finance Commission, the empowerment of women, and the weaker sections and the strong advocacy for the right of municipal authorities to exist and function. However, its weaknesses are that it has not looked into the functions of the Ward Committees, nor provided for a local list in the Constitution. It has not
attempted a thorough restructuring of the local governments, especially the Municipal Corporation, leading to a lot of discretionary powers given to the state government, with regard to many critical provisions of the Amendment.

3.2 The Municipal Governance of Delhi

The partition of the country in 1947 resulted in a heavy influx of refugees into the city and created an urgent need for land, leading to the incorporation of the outlying rural areas within the urban city limits.

Delhi, like many other metro cities, has had to cope with rapid growth, mixed land use patterns and an abysmal lack of civic amenities. It has the highest density of population in the country and is also the ‘most governed’ of the metro cities. Delhi is both complex and unique. It is a historical city as well as the nursery of a new republic and the melting pot of a large number of communities and peoples. Delhi attracts people from all over the country for employment, for its education and health facilities as well as a ceaseless flow of rural migrants who come in search of employment and livelihood. Its population was just 4 lakhs in 1901, which increased to 94.20 lakhs in 1991 and has crossed 130 lakhs by 2000. Delhi, also has the dubious distinction of being the ‘most governed’ metro city, has multiple organisations which control its governance, leading to overlapping of powers and functions. The Municipal Corporation of Delhi (MCD), the New Delhi Municipal Corporation (NDMC), State Assembly of Delhi and the Central Government all have a role in its governance.

Although the Mughals had initiated a system of municipal administration based on the ‘mohalla’, real municipal governance began in 1862 when the Delhi Municipal Committee came into existence. It started functioning from April, 1863 and its functions included sanitation, public hygiene, registration of births and deaths, maintaining law and order through a police force, fire fighting services and primary education. It consisted of 21 nominated members, of whom 6 were government officers and the remaining were non-officials comprising three Europeans, six Hindus and six Muslims. The first elections on the basis of adult franchise were held in 1885. The committee now consisted of four government officials, five nominated and twelve elected members representing the twelve wards. In 1912, when the Province of Delhi was created, the Committee was reconstituted and now comprised three ex-
officio members, eleven elected and eleven nominated members. In 1922, the number of members was raised to thirty-six, of whom twenty-four were elected, six were appointed and six were government officials. The composition of the Committee changed from time to time and so did the balance of European, Hindu and Muslim members. But till 1915, the Committee did not attract people active in national and state level politics and consisted mainly of local politicians. Dissatisfaction with the performance and functioning of the Committee steadily increased and reached a crescendo in the late 1930s, and there were insistent clamours for a corporation or a responsible provincial legislature. But municipal reorganisation did not occur in a substantial manner, till 1958, which increased the number of elected members to fifty-six out of a total of sixty-nine. The chronological history of the various civic bodies that were set up in different times to administer the local needs of Delhi is given below.

District Board for Rural Area in 1883

Notified Area Committee, Mehrauli, in 1901

Notified Area Committee, Najafgarh in 1910

Notified Area Committee, Civil Lines in 1913

Municipal Committee, Shahadra in 1916

Notified Area Committee, Narela in 1919

Notified Area Committee, Red Fort Area in 1924

New Delhi Municipal Committee in 1925

South Delhi Municipal Committee in 1954

West Delhi Municipal Committee in 1955

To provide the basic amenities like water, electricity and transport, three statutory bodies : The Delhi Joint Water and Sewage Board, The Delhi State Electricity Board and The Delhi Transport Authority were established under the control of the Government of India in the years 1926, 1951 and 1952 respectively.
The State Reorganisation Commission, set up in December, 1953, recommended that Delhi, as the Capital of India, must remain under the effective control of the national government, and thus Delhi became a Union Territory and was administered by the President of India through a Chief Commissioner appointed under Article 239, till the Delhi Administration Act, 1966 came into effect. The Act provided for a Metropolitan Council and an Executive Council, which along with the Administration had certain specific functions. The Metropolitan Council had fifty-six elected members and could have a maximum of five non-official members nominated by the central government. Its term was prescribed for five years, and could be extended, one year at a time, for a maximum of three years. The Administrator appointed by the President, had powers to summon, prorogue and even dissolve the Council. The Metropolitan Council had no legislative powers, but could discuss and make recommendations in legislative and budget proposals, development programmes and schemes and on any other matter referred to it. The Delhi Administration Act also provided for an Executive Council, consisting of four members, one of whom was to be designated as the Chief Executive Councillor and the rest as Executive Councillors. The advice of the Executive Council was not binding on the Administrator; it could at best, only assist and advice. The Executive Council and its members were not made responsible to the Metropolitan Council, collectively or otherwise. Each Councillor was assigned a group of departments, subject to certain rules made by the President. Certain subjects were excluded from the purview of both the Metropolitan Council and the Executive Council. These were the ‘reserved’ subjects on which the Administrator had complete discretion. The reserved subjects included law and order, services, land, police and buildings and these could not be discussed in the Executive Council.17

Under Section 30 of the Delhi Administration Act, the central government had general powers of supervision and control over the Administrator and members of the Executive Council. Section 31 authorised the President to suspend the operation of all or any of the provisions of the Act, in a situation of administrative breakdown.18 Under the Act of 1966, Delhi Administration, was to operate as an autonomous body, especially with regard to transferred subjects and the assumption also was that it should not be treated as a subordinate arm of the Central Government. But, what evolved in practice was entirely different. Several Central ministries dealt directly
with certain subjects relating to the administration of Delhi. For instance, the central government’s Urban Development Ministry deals directly with the DDA, and the ministry of Surface Transport dealt with the DTC. Another problem was that since the Union Ministries were liable to answer questions in Parliament, it invariably led to the ministries wanting a tight hold on the Delhi Administration. In certain matters pertaining to Scheduled Castes (SCs) and Scheduled Tribes (STs), appointments of Chief Secretary, Finance Secretary and cases having policy or administrative importance, the Administrator had to consult the Central Government before passing orders. Most importantly, the budget of the Delhi Administration forms a part of the Central Budget and all budget proposals relating to non-plan expenditure are handled by the Ministry of Home Affairs, while the planned expenditure necessitated close interaction with the concerned ministries and the Planning Commission. The Delhi Administration Act of 1966, clearly showed that the makers of the Act wanted strong vertical linkages with the Central Government and this control was built into the system, both in terms of the legal Act as well as in the manner of its operationalisation.19

The Municipal Corporation of Delhi was established under the Delhi Municipal Corporation Act, 1957 and came into existence on 7th April, 1958. The Act of 1957 was amended in 1993 to decentralise the municipal services. It brought about fundamental changes in the composition, functions, governance and administration of the MCD. However, the basic structure which divided legislative or deliberative and executive functions remained intact. The three local bodies that exist in Delhi are set up under three separate enactments. The NDMC was created by adopting the Punjab Municipal Act, 1911, to administer an area where the President resides, the Parliament assembles and the cabinet meets. Its area of jurisdiction includes the headquarters of all major government departments and the Supreme Court. The central government has a very tight and rigid control over the NDMC, although the area under its jurisdiction is only 42.74sq km or 2.88% of Delhi’s total area.20

The Cantonment Board was created through the Cantonment Act of 1924. It looks after the area where the armed forces are stationed, and is under the Ministry of Defence. The total area under its jurisdiction is 42.89sq km or 2.89% of the total area of the city.21 The MCD serves an area of 1397.29sq km or 94.22% of the total area of Delhi. It is among the largest municipal bodies in the world, next only to Tokyo in
terms of area. It has the twin responsibility of providing civic services to its people in both rural and urban areas. 96.96% of the population of the city lives in areas under its jurisdiction. The Delhi Municipal Corporation was established with 80 Councillors elected from 34 constituencies on the basis of adult suffrage and 6 Aldermen elected by the Councillors. After the formation of the National Capital Territory of Delhi, the number of Councillors has gone up to 272. The principle of reservation of seats for the SCs is upheld, and these seats are to be rotated among different wards. The 74th Constitutional Amendment Act, also for the first time, reserved 33% of the total number of seats for women besides those reserved for the Scheduled Castes. These reserved seats for women will also be rotated among different wards. Of the seats reserved for the SCs, one-third are reserved for scheduled caste women. The amended act also states that the office of the Mayor would be reserved for a woman member of the Corporation in the first year and for a scheduled caste member in the third year. The Corporation would have a term of five years and the act also stipulates that an election to constitute the Corporation must be completed before the term is over or within six months from the date of its dissolution. This was done to prevent frequent dissolution of the Corporation or in its being in a state of ‘suspended animation’ for long periods. (The MCD was superseded in March, 1975 and reconstituted again only in June, 1977, thereafter it was again superseded from April 1980 to 1983.)

In order to decentralize municipal services, ward committees have also been incorporated as a municipal authority to deal with those civic matters which directly impact the lives of people. Each of the twelve zones has a ward committee.

Chapter III, of the Delhi Municipal Act, 1957, deals with the functions of the Corporation. The functions of the Corporation fall into two categories: obligatory and discretionary. Section 42 enumerates the Obligatory functions which include the construction and maintenance of drains and drainage works, public toilets, registration of births and deaths, public vaccinations and inoculations, construction and maintenance of municipal markets, slaughter houses and primary school, the regulation or abatement of dangerous trade or practices, the securing or removal of dangerous buildings and places, the construction and maintenance of public streets, bridges or culverts, the naming and numbering of streets and premises, maintenance of municipal offices, the preparation of plans for economic development and social
justice, and the fulfilment of any other obligation imposed by or under this Act, or any other law for the time being in force.

Section 43 of the Delhi Municipal Corporation Act, 1957 lists the discretionary functions which include registration of marriages, survey of buildings and land, establishment and maintenance of libraries, art galleries and museums, botanical and zoological collections. It also directs the Corporation to establish and maintain stadia, gymnasia, and places for sports and games, the planting and are of trees on roadsides and elsewhere, the taking of a census, giving civic receptions to persons of distinction, organization and management of fairs and exhibitions, the construction and maintenance of rest-houses, poor-houses, infirmaries and children’s homes. Discretionary functions also include provision for relief to destitute and disabled persons, establishment and maintenance of veterinary hospitals, management of farms and dairies, organization and management of handicraft centres and sales outlets, construction and maintenance of warehouses, godowns, garages, sheds and cattle stands The list of discretionary functions also includes a residual clause, namely any measure likely to promote public safety, health, convenience and general welfare.

All the bye-laws, rules and directions which have a direct bearing on the organisation and structure of the Municipal Corporation, the appointments of certain categories of officers, their terms of office, are passed by the Municipal Corporation. The Municipal Corporation is also authorised to approve all amendments in the Municipal Corporation Act. But the major shortcoming of the Act lies in the ambiguity and lack of clarity on the exact role of local government in Delhi. The local government does not have a clearly demarcated space in the hierarchy of the government system and therefore tends to be relegated to the position of an executive department of the government. The problem with urban local government in general is that they do not find a mention in the constitution and thus their evolution and growth lacks inherent strength and purpose. Without strong legal and constitutional backing, municipal corporations across the country tended to be weak and ineffective with frequent suspension of their terms. However the 74th Constitutional Amendment Act sought to plug these loopholes and have given urban local governments a new lease of life.
As far as Municipal Corporation of Delhi is concerned, there is a further problem of dual responsibility for performing the same functions. One example would be the subject of education over which the central government, the government of NCT of Delhi and the Delhi Municipal Corporation all have jurisdiction resulting in confusion and overlapping and wastage of resources.

3.3 Institutional Composition and Structure of the MCD

The MCD has been constituted on a very sound and democratic basis. There is a clear distinction between its policy-making wing and its policy-implementation wing. The Corporation and its various committees constitute the Deliberative Wing which is responsible for policymaking, supervision, guidance and control. The work of policy execution is entrusted to professional administrators and technical personnel and they constitute the executive wing.

3.3.1 The Deliberative Wing

The deliberative wing, which is the representative space of the Corporation, is composed of the elected members from various constituencies or the Councillors. Councillors are elected on the basis of adult franchise from the various wards into which Delhi is divided. The latest amendment to the Act puts a limit on a maximum of 274 councillors and a minimum of 80. There is also a category of nominated members. According to Article 3 of the Delhi Municipal Corporation Act, 1957, the following persons shall be represented in the Corporation, namely:

1) Ten persons who are not less than 25 years of age who have special knowledge or experience in municipal administration to be nominated by the Administrator, provided that these nominated members do not have the right to vote in the meetings of the Corporation.

2) Members of the Lok Sabha, representing constituencies which comprise wholly or partly the area of the Corporation, and the members of the Rajya Sabha registered as electors within the area of the Corporation.

3) As nearly as possible one-fifth of the members of the Legislative Assembly of the National Capital Territory of Delhi, representing constituencies which comprise wholly or partly the area of the Corporation to be nominated by the Speaker of that Legislative Assembly by rotation.
every year; Provided that while nominating such members by rotation the Speaker shall ensure that as far as possible all the members are given an opportunity of being represented in the Corporation at least once during the duration of the Corporation.

4) The Chairpersons of the Committees, if any, constituted under Sections 39, 40, and 45, if they are not councillors.

The MCD is requested to meet at least once, every month; to transact its business but it ends up meeting much more frequently, generally twice a week. The corporation at its first meeting elects one major and one deputy major, from among its members. The Corporation, in its meetings for the transaction of business, is chaired by the Mayor or the Deputy Mayor. In case of a tie, the chairperson has a casting vote. A special meeting of the Corporation can be requisitioned in writing by not less than one-fourth of the total number of councilors. The quorum necessary for the transaction of business is one-fifth of the total number of members. All decisions are taken by a majority of votes.

3.3.2 The Committee System of the MCD

With a new to decentralize municipal services, the Delhi Municipal Corporation Act, 1957 was comprehensively amended in 1993 through a parliamentary legislation, namely the Delhi Municipal Corporation Amendment Act, 1993, Act no. 67 of 1993. It was passed by the parliament on 17th September 1993 and its provisions enforced from 1st October, 1993. It contains 136 clauses and brought about fundamental changes in composition, functions, governance and administration of the corporation. The committee system was adopted to improve the working of the corporation and to provide an avenue for wider participation and inclusion in the functioning of the local government. The MCD has statutory, non-statutory and adhoc committees to perform its functions.

3.3.3. Statutory Committees

The most important and politically powerful committees are the statutory committees, of which there are four. These committees, which the MCD is bound to set up as per the statute are also the most powerful deliberative spaces available to the councillors.
i) Standing committee
ii) Wards committee
iii) Rural Area committee
iv) Education committee

According to K. C. Wheare, the committee system is the most distinctive mark of local government. The advantage about the local government committee system is that committees are used for two separate though interlocking process. A committee may examine a matter, thrash it out in detailed discussion and be able to make a recommendation that is based on a long, reasoned and detailed investigation. The peculiarity of the local government system is that an extensive use of committees, in this way is combined with their use to carry out a number of functions of the council: acting under powers delegated to it, a committee may be considered an agent of the council. It is in these various committees that the elected representatives are able to have a participatory and deliberative presence, and therefore these representative spaces are very significant.

The Statutory Committees are those which the local authority is compelled by law to set up. The statutes laid down in the Act determine the constitution, composition, powers and functions of the Statutory Committees. The Standing Committee is the most important committee of the MCD, both in terms of powers and the wide variety of functions allotted to it. Article 45 of the Delhi Municipal Corporation Act, 1957 enumerates the composition of the Standing Committee as the following:

1) 6 members elected by the Councillors from among themselves at the first meeting of the Corporation
2) One member each elected by the member of each Wards committee from among themselves at the first meeting of the ward committee.

After each general election one half of the members elected under (1) and (2) above shall retire on the expiration of one year, from the date of the constitution of the Standing Committee. During each succeeding year the longest serving members shall retire unless he/she has been re elected. The Standing Committee in its first meeting every year elects a member (councillor) as Chairman and another member as Deputy Chairman, under Article 47 of the abovementioned Act. The chairmanship, of the
Standing Committee is an intensely contested, political post. The committee exercise those duties and functions that are specifically conferred upon it by the Act of the Municipal Corporation of Delhi 1957. An important function is to oversee the Municipal Commissioner and through him or her, the entire Municipal Administration. It exercises powers like recommending the budget to the corporation, granting leave to the Municipal Commissioner, appointing Municipal Chief Auditor, the Municipal Secretary, asking for explanations regarding receipt or expenditure, or any other Municipal accounts, and approving contracts beyond a certain amount.

The Standing Committee is undoubtedly the most powerful among all the committees since it deals with financial issues. This sometimes leads to a conflict between the commissioner and the committee and to a situation where one tries to be on a position of dominance over the other. The other drawback of the committee is with regard to its one year tenure which practice shows tends to weaken its position vis-a-vis the corporation or the commission who have a longer tenure. Secondly the system of election to the committee being based on proportional representation does not allow the party controlling the Corporation to dominate the Standing Committee, which would give it a chance to deliver on the promises made by it at the time of election.

The Wards Committee—Article 50 of the Delhi Municipal Corporation Act deals with the constitution of the Wards Committees. To effectively decentralize municipal services, Wards Committees have also been incorporated as a Municipal Authority to deal with all such civic matters which directly affect the individual residents and being more readily accessible, they are expected to meet day to day needs of the public more effectively. Each zone has a wards committee which consists of all the councillors elected from the wards in that zone and one nominated councillor who has to be a registered elector in the zone. Article 52 deals with the powers and functions of the Wards Committees. Every wards committee exercises the powers and performs the functions as specified in the 15th schedule.

The 74th constitutional Amendment Act reinforced the importance of the mechanism of a ward committee, and the need to make it more effective and responsive to the needs of the people.
The Rural Area Committee is consists of all the councillors elected from the wards situated within the rural areas. The Rural Area Committee, before the House dissolved for elections consisted of 46 councillors, who elected from among themselves a chairperson and a deputy chairperson. This recommends policies and development schemes for these areas. It also makes recommendations on the quantum of taxes to be levied on these areas and the expenditure to be incurred by the corporation. It is also meant to review the progress of the work of the Corporation in the rural areas, to bring to the notice of the appropriate municipal authorities, deficiencies in the rural areas, and also to make proposals to those authorities for the removal of such deficiencies and to discharge any such other functions in relation to rural areas, as may be assigned to it by resolution made by the Corporation or by regulations made under this Act. In short this committee oversees all the functions of the corporation in these areas including questions of policy, finances and schemes relating to development. This committee is extremely important, because vast tracts of formerly rural area are getting urbanized, along with attendant problems and critical issues.

The Education Committee consists of seven members from which three members can be nominated by the corporation from non members who have expertise in the field of education and the remaining four are elected from amongst the members themselves at the first meeting of the corporation after each general election. This committee, headed by a chairperson has a tenure of one year. The Director, Primary Education is the ex-officio Secretary of the Education Committee, and all policy matters with regard to education have to be cleared by this committee and placed before the Standing Committee. Any decision which has a financial component has to be approved by the House. In matters of civil works in school, this committee plays a very important role. The MCD does not come under the direct control of the government of Delhi, although they share similar spaces, and there are many linkages between the two. This committee is responsible for looking after the education at various levels within the jurisdiction of the Corporation and its main focus is on primary education in Delhi as may be determined by regulations made in this behalf. The Delhi government looks after upper primary and secondary education. The creation of multiple structures has further complicated the situation, as there are many to share the spoils, but not the responsibility. However, it has been generally observed
that there is nothing very positive that this committee has to offer. Scholars and critics have recommended that more nominated members and non partisan experts have to be included in this committee.

### 3.3.4 Non –statutory Committees

The corporation may constitute as many special and adhoc committees as it think fit for the exercise of any power or discharge of any functions which the corporation may be resolution delegate to them for inquiry on any matter, or reporting or giving advice on a specific issue. Any such committee shall consist of councillors only. However adhoc committees may if the corporation allows co opt not more than 3 persons who are not members, but who possess special qualifications or expertise for serving on these committees. Some of the non statutory committees are:

i) Works Committee  
ii) Law and General Purposes Committee  
iii) Medical Relief and Public Health Committee  
iv) Assurance Committee  
v) Garden committee,  
vi) Sanitation Committee  
vii) Appointments, Promotions and Disciplinary Committee  
viii) Environment Management Services Committee  
ix) Sports Promotion Committee  
x) Hindi Committee  
xi) High Powered Property Taxes Committee  
 xii) Municipal Accounts Committee  
 xiii) Improvement and Development of Slum Colonies Committee

The works committee is one of the key committees of the deliberative wing and is in charge of all developmental works undertaken within the jurisdiction of the MCD, ranging from road improvements to building flyovers and foot over bridges, under the Jawaharlal Nehru National Urban Renewal Mission,(JNNURM) in a bid to ease traffic congestion in Delhi. Its functions also include building maintenance and drainage and desiltation. All the above committees provide an excellent platform for participation and deliberation by
councillors. Although, it is not mandatory by law to have representation of women in these committees, as the councillors elect members from among themselves, records show that women have a significant presence in most committees.

The third type of committee that the MCD constitutes is known as adhoc committees. An adhoc committee is appointed to deal with a particular matter which is not to continue indefinitely. The adhoc committee stands automatically liquidated after it has performed the functions entrusted to it by the MCD.40

1) Remunerative Projects Committee

2) Licensing and Tehbazaari Committee

3) Community Service Committee

4) Welfare of Scheduled Caste Committee

5) Anti-Malaria Measures Committee

6) Anti-Flood Measures Committee

7) Naming, Renaming of Streets Committee

8) Grants-in-aid Committee

All these committees see active and enthusiastic participation from the councillors, and as in the case of special committees, these committees also have a fair representation of women. Article 65 of the Delhi Municipal Corporation Act, 1957, deals with the appointment of joint committees and sub-committees.41 When more than one local authority, appoint a committee together to administer any service; it is called a joint committee which may be either a statutory or an ordinary one. Its functions are the concern of more than one local authority. Sub committees are appointed to examine some aspects of a committee’s works in greater detail and attention. Many times, a particular aspect of a committee’s jurisdiction may be looked into by a subcommittee. However, a committee cannot delegate its powers to a subcommittee unless law permits. The general powers a council to delegate to committees does not permit further delegation by a
committee and so the legislation dealing with the particular service, should be searched to see if there is any special provision. Regarding the size and composition of committees, there are various viewpoints. While a small committee can take decisions quickly and efficiently, it is also important to be fairly representative and accommodate diverse and different views and perspectives, to be able to arrive at a just and fair consensus. On the question of co-option, to rule out any form of patronage, it is generally observed that the number of co-opted members should not exceed one-third of the total membership of the committee, and they are subjected to the same disqualifications as the elected members. The committees can function efficiently only if there is cooperation and harmony between the members of the committee and the permanent body of officials assisting the members in their work. The members, as direct representative of the people and the officials as a professional body of experts who have in depth knowledge about issues, both need to work together, without friction for committees to be efficient and effective and to be able to delivers the service required of them.

3.4 The Executive Wing

The MCD requires a permanent body of officials to perform the multifarious functions and duties of the corporations. The executive wing bears the responsibility of carrying out day to day administration of the corporation. It includes all the officials, at the head of which are the Municipal Commissioner, assisted by Deputy Commissioner, Assistant Commissioner, and Heads of different departments and other officials.

3.4.1 Municipal Secretary

The corporation and various communities are assisted in their day to day working by the municipal secretary a statutory officer and his /her staff. The civic secretariat is responsible for preparing agendas and proceedings of various committees and the MCD as a whole, and assists the elected representatives in matters connected with legislative work. Agendas and minutes are issued in three languages – Hindi, Urdu and English.
3.4.2 Municipal Commissioner

Articles 54 to 59 of the Delhi Municipal Corporation Act of 1957, deal with the Municipal Commissioner who stands at the head of the executive wing and is appointed by the Central Government. He holds office for a term of five years at a time. He can be removed from office, if at special meeting of the corporation called for the purpose; a resolution for such a removal is passed by not less than three-fifths of the total number of members. He may also be removed if it appears to the government that he is incapable of performing his duties or has been guilty of neglect or misconduct in the discharge of his duties. The executive power for implementing the provisions of the Act vests in the Commissioner. He exercises all the powers and performs all the duties conferred on him by the Act and prescribes the duties, supervises and controls all the municipal officers and employees, other than the Municipal Secretary and the Municipal Chief Auditor and their subordinate staff. In case of an emergency, like a sudden accident or a natural calamity, he is authorised to take immediate action and then report the same, along with his reasons, and the expenditure incurred, to the Standing Committee and the Corporation. At the beginning of each meeting of the MCD, a printed incident report is circulated among the members, which gives details about the various incidents and casualties, occurring in that time period. The Commissioner’s powers have been enhanced and he can now enter into a contractual agreement of up to ten lakhs. Previously, the corporation had the power to enhance this amount, now the Central Government has been empowered for its further enhancement. The Commissioner can order or direct that any power conferred, or any duty imposed on him or her by this Act, be exercised and performed by any Municipal officer or employee. The Municipal Commissioner is assisted by a number of Additional or Deputy Commissioners, Assistant Commissioners and the Heads of different departments.

The corporation can at any time, ask for an extract of any proceedings of the Standing Committee, or any other committee appointed under the Act and for every return, statement, account or report. The corporation can ask the Commissioner to produce any record, correspondence plan or offer document which is in his possession or control and to furnish any return, plan, estimate, in the administration of the Act of the Municipal government of Delhi. However, the Commissioner need not comply with any such request, if with the approval of the Mayor; he makes a statement that such
compliance will be prejudicial to the public interest. The Municipal Commissioner, can attend, speak or take part in the proceeding of any meeting but without the right to vote. The Commissioner can be questioned by the Corporation, but this right to question is governed by certain, conditions spelt out in Section 81 (3), of the Act of 1957. The questions can be disallowed if they contravene the provisions of the above section. The Commissioner can also refuse to answer a question if in his opinion; the required information is confidential, or harmful to public interest or the interest of the Corporation. The Municipal Commissioner is surrounded by a host of other important officers like the Mayor, the Deputy Mayor, the Chief Auditor, and the Standing Committee etc. In the lack of any clear tradition and precedents there is a lot of overlapping of powers and functions between these officials and the extent of their jurisdiction are not clearly demarcated.

3.4.3 Municipal Departments

After the passage of the Delhi Municipal Corporation Act, 1957, the entire departmental structure of the MCD was reorganized. The Commissioner as executive head, was in overall supervision and control. The number of officers and department has been gradually increasing from year to year to cope with the growing demand of the city. Some of the most important departments are the Engineering Department headed by a Deputy Commissioner which looks after the services related to roads and building works, street lighting, motor and general workshops, licensing of factories and planning. The department is also responsible for levelling, metalling, altering, repairing, widening or improving any such street within MCD jurisdiction. This department with the previous and prior sanction of the corporation may at any time: Lay out and make new public streets construct bridges and subways, turn or divert any existing public street, lay down and determine the position and direction of a street. This department because of the nature of the work involved deals with huge amounts of funds and as a consequence, is subject to a lot of scrutiny and criticism. The quality of work and construction is generally substandard as a result of pilferage, sub-standard materials and other corrupt practices. The Health Department is headed by a Municipal Health Officer. Its main areas of focus are public health, medical relief, child welfare, maternity services, malaria control etc. The Drainage Department is in charge of maintenance and construction of storm water drains and other drains in the street. According to many councillors, this is one of the most crucial functions of
the Corporation. The Education Department deals with all educational services, including social education, physical education, and maintenance of libraries and reading rooms. Assessment and Collection Department has the critical job of assessing and then collecting taxes on properties situated under the jurisdiction of the municipal area. This department is a little infamous for capitalizing on its discretionary powers to assess properties for taxation, and therefore certain steps have been recommended and taken to rationalize and modernize the system of assessment of properties for house tax purpose, by introduction of the Unit Area Method of determination of annual value of properties in Delhi.

3.5 The Scheme of Decentralised Administration

The most fundamental change that came about as a result of the 1993 amendment to the Delhi Municipal Corporation Act, 1957, was in the composition of the Corporation and the constitution of Ward Committees at zonal levels with vast increases in financial powers. The concept of zonal levels was absent in the original act of 1957. The MCD, strengthened its administration at the zonal level with effect from the year 1997, with each zone being headed by a Deputy Commissioner, who enjoys all the delegated powers of the Commissioner, so as to take zonal level decisions at his or her level. The idea of zonal administration rests on the understanding that over concentration of powers at one level leads to inefficiency and that some functions can be better performed at the zonal than at the central office. It was emphasized that the zones should not depend on the headquarters for unimportant and routine matters and that these should be decided at the zonal level itself. Consequently, all works connected with municipal services like cleaning, maintenance of buildings, roads, gardens, schools, health centres, licensing of factories, food shops, storage, assessment and collection of municipal taxes, and removal of encroachments are taken care of at the zonal level. The area falling under the jurisdiction of the MCD has been divided into twelve zones, to bring grievance redressal and problem solving, closer to the citizenry, so that their day to day problems can be solved at that level. Each zone is further divided into wards which range in numbers from four to sixteen. Each ward has an office of Junior Engineer, Sanitary Inspector, Registrar of births and deaths etc. At present the MCD is divided into twelve zones and they are as follows:
City Zone

Sadar Paharganj Zone

Karol Bagh Zone

West Zone

Civil Line Zone

Narela Zone

Najafgarh Zone

South Zone

Central Zone

Shahdra Zone South

Shahadra Zone North

Rohini Zone

The success of the system of decentralized zonal administration depends to a large extent on the mutual coordination and cooperation between the various functionaries. Generally, the Zonal Commissioners are on deputation from the state services while the other functionaries are the permanent officials and employees of the Municipal Corporation, and each of them have their own claims and counter claims in terms of seniority and superiority. Another area of contention is the discretionary powers of the officers particularly in the matters of house tax, licensing, encroachment, etc and the need to minimize these.

3.6 Municipal Finance

Municipal finance has always been a source of concern in developing countries, mainly because of the extremely unsatisfactory financial situations of the local governments and their high level of dependence on state and central governments.
The focus on local government finances in recent years has been spurred by a large scale reappraisal of the role of local governments amidst increasing trends towards decentralization and the consequent reallocations of functions and responsibilities among the different levels of government. The role and functions of the local level of government are being looked at in a new light. Should they be concerned only with resource allocation, as in the classical, old model, or should they be responsible for broader, larger goals like income distribution and poverty reduction. The principle of subsidiarity favours a decentralized organization of responsibilities, and in the application of this principle, local governments are experiencing fundamental changes in the division of authority vis-à-vis both the higher levels of government and the market.\textsuperscript{48}

New fiscal realities, characterized by severe limitations on financial resources, have led to the devolution of a large number of functions and responsibilities to the local level, but often unaccompanied by the devolution of fiscal powers and financial resources. This leads to local governments being burdened by new and unanticipated economic and social responsibilities, leading to the pressing question of how to finance them and through what kinds of fiscal innovations. A related development that has brought the issue of municipal finance back in focus is the increased mobility of capital, technology, in the world wide impact of globalization and integration. Studies on the local effects of globalization and global restructuring have shown that globalization has accelerated the demand for city based infrastructure and services, and has been an impetus for local governments to innovate and develop financial and other partnership arrangements for meeting increased infrastructure and service requirements. Another related development to have impacted local government finances is the recent thrust on governance. Governance has acquired a new meaning, wherein it is seen as a process of setting priorities and sets of actions, not only by the government, but by other stakeholders as well, non-governmental organizations, business, industry and the civil society.\textsuperscript{49} In its new formulation, governance is not just about delivering certain social goods like water, electricity, roads, it is equally concerned with the institutional arrangements, the financing modes and establishing accountability and transparency. Good governance is also about a good choice of fiscal instruments, those that are widely accepted socially, and will lead to greater
transparency and accountability. Therefore, the focus and spotlight on good
governance, has as a result, reinforced the need to look afresh at municipal finances.50

3.6.1 The Finances of the MCD

The powers of local governments to earn or collect revenues are prescribed by statutes
and in general, they are permitted to raise money only through those sources, which
are within their statutory powers. Local governments obtain revenues primarily
through taxes imposed on the inhabitants of that area. They do not enjoy financial
autonomy or independence. The MCD is not empowered to raise resources beyond
what the statutes permit. The increasing number of services that the MCD is now
required to provide to the denizens of Delhi, have brought out, in glaring focus, the
paucity of its funding and also its powerlessness in raising more money for its
functions.

3.6.2 Municipal Fund

According to Chapter 4, Article 99 of the Delhi Municipal Corporation Act, the
Municipal Fund consists of all funds, which before the establishment of the Municipal
Corporation of Delhi, vested in the local authority, all moneys received by the
Municipal Corporation of Delhi, all proceeds of the disposal of property by the
Corporation, all rents accruing from any municipal property, all moneys raised by any
municipal taxes, rates, cesses, fines and fees, all moneys received from the state or
central governments by way of grants or gifts or deposits, all moneys received in
respect of execution of various works, all interests and profits arising from any
investment, and all moneys received from any other possible source. The Municipal
Fund, is held by the Corporation, as trust, as provided by the Delhi Municipal
Corporation Act, and a general account relating to all moneys received by or on
behalf of the Corporation is maintained.51 Article 100 decrees that the Municipal Fund
is to be kept in the State Bank of India and the said account is entitled as the ‘general
account of the municipal fund of Delhi’.52 Article 101 deals with the operation of the
accounts.53 The payment out of this fund can be made through cheques signed by both
the Chief Accountant and an officer subordinate to him, authorized by the Standing
Committee in this behalf. However, payments up to rupees one hundred can be made
in cash. The Standing Committee has the powers to sanction any amount of payment,
which is not covered by a budget grant. Under Article 108 of the Delhi Municipal Act, the Corporation has the powers to constitute special funds, as may be prescribed by regulations, and the constitution and disposal of such funds shall be effected in the manner laid down by the regulations. At present, the Municipal Corporation has constituted the following special funds;

1. Sinking Fund
2. Risk Insurance Fund
3. Renewal and Replacement Fund
4. Staff Welfare Fund
5. General Fund
6. Endowment Fund

3.6.3 Municipal Budget

A budget, is a financial document, which is a detailed and comprehensive account of proposed expenditure and anticipated revenues for a specified time frame, usually one financial year. It also gives information on various financial aspects of the Corporation. Ideally, local bodies should be given a free hand in the drafting of their budgets, but usually, this is not the case. In many cases, the budget estimates require the sanction of the state government, and in some instances, governments can also make rules regarding the preparation of the budget. Both the legislative and the executive wings or a combination of the two, are generally responsible for the preparation of the budget. The legislative budget making authority is the Standing Committee, which is justified on the grounds of popularly elected representatives having control over the finances, but at the same time, it places the responsibility of budget preparations in the hands of those, who are neither familiar with the needs of the departments, nor responsible for their execution. The executive budget is prepared under the supervision of the Governor and enjoys the power to propose taxes, and allocate funds in the best interests of the Corporation. The executive budget ensures fairness and is a mechanism through which the chief executive exercises control over all the departments of the local government. Although, this method of budget making
has proven to be the most effective, there a couple of other methods in use as well. A committee, consisting of representatives of the deliberative and executive wings, prepare a joint budget. The advantage of this method is that the elected members are made aware of the financial issues, but the drawback here is that it divides responsibility, and leads to friction and compromise. Another form of joint budget making is known as board plan. Under this scheme, an ex-officio board composed of the chief executive and a number of other officials prepare the budget, but this also leads to divided responsibilities and delays.

Article 109 of the Municipal Act of 1957, specifies that the Municipal Corporation of Delhi, on or before the 31\textsuperscript{st} March of every year, should adopt the budget estimates for the ensuing financial year.\textsuperscript{56} The Corporation is obliged to fix the rates at which various municipal taxes, rates and cesses are to be levied, in the following year, latest by the 15\textsuperscript{th} of February of each year, as per Article 109.\textsuperscript{57} The budget estimates of the Municipal Corporation of Delhi are to be approved and adopted by the Standing Committee, and the Corporation has the power to alter or modify the budget estimates, on the recommendations of the Standing Committee. The Municipal Corporation of Delhi, can increase the amount of any budget grant, under any head, make an additional budget grant for the purpose of meeting any special or unforeseen requirement arising during the said year, transfer or reduce the amount of the budget grant, under article 110,(1)and (2). The Standing Committee, of the Corporation, may from time to time, reduce the amount of a budget grant, or sanction the transfer of any amount within a budget grant under Article 110.\textsuperscript{58} Therefore, it is clear that the Municipal Corporation has the power to readjust income and expenditure and revise and modify the budget estimates of a particular year. If a portion or the whole of a budget grant remains unutilized at the close of the financial year, then the Standing Committee has the power to sanction the expenditure of the budget grant during the next two following years, for the completion of the purpose or object, for which the budget grant was originally made, and not for any other purpose, as specified in Article 112.\textsuperscript{59}

3.6.4 The Sources of Revenue

The Municipal Corporation of Delhi derives its revenues from two broad categories, namely the domestic and the external. The domestic sources of revenues are those,
which are under the control of the local governments. These are the areas, where the
local bodies have the jurisdiction or the power to impose taxes as per the law. The
MCD levies the following taxes according to Article 113 of the Delhi Municipal
Act:

1. Property taxes which are levied on the basis of rateable value of a property as
determined by the investigating officer, according to the prevailing law.

2. A tax on vehicles and animals.

3. A theatre tax.

4. A tax on advertisements other than those published in the newspapers.

5. A duty on the transfer of property.

6. A tax on buildings payable along with the application for sanction of the building
plan.

The MCD can also levy any of the following taxes;

1. An education cess.

2. A local rate on land revenues.

3. A tax on professions, trades, callings and employments.

4. A betterment tax on the increase in urban land values because of any development
or improvement work.

5. A tax on boats.

6. Tolls.

None of the other urban municipal bodies have as many domestic sources of revenue
at their disposal as the Municipal Corporation of Delhi and as a result the income
generated from domestic taxes, by the corporation has steadily grown over the years.
If the Municipal Corporation of Delhi wants any enhancement of any existing tax or
wants to introduce any new tax, it has to take prior permission of the government of National Capital Territory (NCT) of Delhi as well as the Central government. The state government also has the power to direct changes in the procedure of collection of a tax, if it is felt to be unfair in the views of the state government. It can also abolish a tax altogether. All these taxes have to be levied, assessed and collected in accordance with the Act and its bye-laws. In addition, the central government, gives a portion of the terminal tax, entertainment tax, and betting tax collected in Delhi under central laws, as per Article 180 and Article 184 of the Act. The Corporation also has the option of borrowing from the open market, but only for certain specific functions, on the strength of its revenues and create sinking funds for the repayment of loans. It can do this only with the permission and consent of the central government.

External sources of revenue are either the Global Sharing of Taxes on the recommendations of the Delhi Finance Commission or the grants from the government. The global sharing of taxes has been applicable since 1993. This is basically the share of the Municipal Corporation of Delhi of the taxes collected by the government of the National Capital Territory of Delhi minus the cost of collection. Before the constitutional Amendment of the Delhi Municipal Corporation Act 1957, in 1993, the Corporation used to get a share of the assigned taxes. These taxes were; Terminal Tax, Entertainment and Betting Tax, Tax on Motor Vehicles. The tax proceeds of these assigned taxes formed the part of the ‘Consolidated Fund of India’ and were divided proportionately amongst the Municipal Corporation of Delhi, New Delhi Municipal Committee and the Cantonment Board.

Regarding the power to impose taxes and collection of funds by the Municipal Corporations, the legislature of a state may by law:

1 authorize a municipality to levy, collect and appropriate such taxes, duties tolls and fees in accordance with such procedures and subject to such limits;

2 assign to a municipality such taxes, duties tolls and fees levied and collected by the state government for such purposes and subject to such conditions and limits;

3 provide for making such grants-in-aids to the municipalities from the consolidated fund of the state;
4 provide for the constitution of such funds for crediting all moneys received, respectively, by or on behalf of the municipalities and also for the withdrawal of such moneys there from, as may be specified in the law.

3.7 The Finance Commission

To review the financial position of the Municipal Corporation, and to make recommendations to the Administration, statutory provisions of constituting a Finance Commission, every five years has been made under Article 107a of the Delhi Municipal Corporation Act, 1957. The Finance Commission appointed every five years, thus reviews the financial position of the Corporation and makes recommendations to the Administrator about the principles which should govern a) the distribution between the National Capital Territory (NCT) of Delhi and the MCD of the net proceeds of the taxes, duties, tolls and fees levied by the former; b) determine the taxes, duties, tolls and fees which may be assigned to, or appropriated by the Corporation; c) the grants-in-aid to the Corporation from the Consolidated Fund of the National Capital Territory of Delhi. The Finance Commission also looks into measures needed to improve the financial position of the Corporation or any other matter referred to it by the Administrator. The legislature of the NCT of Delhi decides the composition, qualification and manner of selection of the Commission members as well as their functions. All the recommendations of the Commission, together with an explanatory memorandum have to be submitted by the Administrator to the Legislative Assembly of the National Capital Territory of Delhi.

Local governments receive financial assistance from the state governments in the form of grants-in-aid, loans and subsidies. The central government decides the quantum of grants to be paid to the local bodies on the basis of the expenditure incurred by them. However, apart from education, there is no other local service that is systematically aided by the government. Grants from the government are of two types; it is either in aid of a particular service, for example primary education or in aid of other project expenditure. Grants-in-aid are a valuable source of funding for local governments. Grants-in-aid are not fixed in advance; they may vary according to the need and situation. They are also an important means of exercising financial control over the local bodies. But at the same time, it is also a way of levelling and equalization…..poor areas are likely to get more grants, as the amount of grants
sanctioned is determined on the basis of need. Public administration scholars have pointed out the four primary reasons for the provision of grants-in-aid to local authorities:  

a) To initiate a new service;

b) To relieve the increased financial burden resulting from new services;

c) To compensate the local authorities for loss of income arising from attempts to cure defects in the law of rating by giving relief to certain classes of tax payers;

d) To consolidate the financial resources of local authorities.

Although, the advantages of grants-in-aid, cannot be overlooked, they have been criticized on three principal grounds; they weaken the recipient local governments by undermining their efforts at self reliance, secondly, state grants facilitate a number of inefficient local units to continue, which otherwise would have been either abolished or amalgamated with other more, efficient local bodies, thirdly, there has been a questioning of the fairness of taxing the efficient local bodies to secure revenues for funding grants to inefficient bodies.  It is clear that grants-in-aid are an important means of controlling and supervising the affairs of local bodies. The central government’s justification for this control is that they need to ensure that their funds are utilized and accounted for. At the same time, control must not be so minute and extensive, that it seriously restricts the autonomy and freedom of action of the local government. However, the issue of grants-in-aid and the consequent control it allows the central government leads to a conflict of interest between the centre and the local units. Prescribed or accepted levels of service and whether particular services are primarily local or national in character also influence the extent of central control over local authorities through the mechanism of grants-in-aids. The concern is that local governments are losing their independence and freedom of action, if this trend of dependence on the central government continues.

The Municipal Corporation of Delhi receives grants-in-aid for meeting capital costs, maintaining primary schools, medical services and public health measures. There are no definite guidelines or principles which are the basis for the dispersal of the grants-in-aid. It depends on the levels of income of the incomes of the donor governments as
well as the urgency and criticality of the purpose for which the grants-in-aid are sought. There are two kinds of grants-in-aid received by the Municipal Corporation of Delhi; percentage grants and block grants. Percentage grants are those grants in which the government pays a part of the project and the Corporation is obliged to pay the remainder of the expenses incurred on that particular project. A block grant, on the other hand, is a lump sum grant paid to the Corporation by the government. The granting of the grant-in-aid have shown a very erratic trend. During the 80s and 90s, when the Municipal Corporation was burdened by rapidly growing populations demanding more and better services, the quantum of grants-in-aid actually declined, and overall the percentage of grants to total revenue has been steadily decreasing. On the other hand, revenues from its domestic sources have been steadily increasing. As a result of this, its dependence on the external sources of revenue has been steadily decreasing. However, no local government can be financially self sufficient, as it does not have the power to enhance and augment its resources. Therefore, there is a strong claim for its domestic resources to be supplemented and augmented by generous grants from the state governments. Although, there has undoubtedly been a steady increase in the share of income from domestic sources, it is still not enough to meet the huge expenditure it incurs. Therefore, it continues to be dependent on government grants. On the other hand, the reasons for the gradually shrinking proportion of grants to the entire revenue collection are many. The major reason being that the ruling party at the centre and the party controlling the municipal body were different. Another aspect is that the share of the general taxes, indirect taxation and miscellaneous revenues have increased over the years and collection from these sources tends to fluctuate less than other sources. The Municipal Corporation has suggested that these taxes should be further rationalized, and made more broad based. The revenue from education has decreased significantly over the years. The schools run by the MCD suffer from a large number of problems ranging from a lack of infrastructure, poor quality of teaching, and a lack of standardization. The municipal corporation claims that it is handicapped by the paucity of resources, as the fees charged by it are very low. Since, there is an increasing demand for good, quality education, the Municipal Corporation should capitalize on this deficit in society and provide quality education at affordable fees to the sections of society who cannot afford private schooling. The state of the MCD run hospitals is no better. Only those, who have no other option, avail of its services. Like education, there is an enormous demand for quality and
affordable health care. It has been suggested that the municipal corporation should make these services chargeable, which will allow it to manage these services in a better way and as a result benefit the larger public. Tax collections from the services provided by the Corporation like education, public health, medical relief, and conservancy and scavenging, roads and public lighting, buildings, land acquisitions, have shown a decreasing trend. It gets the largest share from general taxes and indirect taxes and from miscellaneous revenues and education. The property tax, under the new unit area method, is very high and as a result has led to a lot of evasion and avoidance of tax by the property owners. The classification of residential colonies for tax purposes are quite arbitrary and the focus of political manipulations for vote bank purposes. The taxes, whose relative contribution to the revenue share, has either been stagnant or shown a decline, need to be relooked at. There is an urgent need to make the tax structure more economical and pragmatic. New areas for tax collection should be explored. Services regarding education, public health and services should be subject to some minimum payment, so that these services can be improved and also be a source of revenue.

3.8 Municipal Expenditure

Local bodies, across the world, have seen a sharp rise in municipal expenditure, leading to huge revenue deficits. The quantum jump in revenue expenditure is a result of a combination of many factors. The most important ones are an increased demand for the improvement and extension of public services, provided by the local bodies, effects of inflation, rapid urbanization and migration to urban centres by people in search of employment and livelihood. All these factors have contributed to the increasing expenditure of the Municipal Corporation of Delhi. The amount of expenditure incurred on education, is not at all commensurate with the revenues generated from it. Therefore, it has been suggested that the beneficiaries of this service also share in the costs, although it also has to be kept in mind that the service is essentially meant for those who are poor and underprivileged. A minimum amount can be charged, which will actually help the municipal body to better and improve its services. It is clear that there is a tremendous scope for the growth of revenue from this source and there is an urgent need to make it more self financing, instead of being completely dependent on government grants. Medical services, after education, take up a lot of the revenue the Municipal Corporation of Delhi. The quality of the services
provided is very poor and need immediate improvement. All the users of this service, it is suggested should make some minimum payment. If the Municipal Corporation of Delhi can provide good medical services at nominal charges, both the corporation and the people of Delhi stand to gain. In recent years there has been a growing school of thought which feels that it is imperative that the Corporation charge some nominal money to increase the efficiency of its services.

Another important item of expenditure is street lighting and maintenance of roads. With a rapidly expanding city and its consequent pressure on infrastructure, the costs of maintaining and repairing roads have shown a constant and steady increase. Also, the entire expenditure on this account has to be borne by the Corporation because a direct link cannot be established between the users of this service and its payment. The costs incurred on miscellaneous items has also shown a rapid increase over the years, since the establishment of the Municipal Corporation. The reason for this also may be the fact that many more services have become a part of the miscellaneous service head and new services are constantly being clubbed under this. There have been suggestions that more revenues should be generated from these services and costs incurred on them should be rationalized. There are some other heads of expenditure, which have remained stable. Buildings, land acquisitions and management are such items of expenditure.

A detailed analysis of the revenues and expenditure incurred by the Municipal Corporation of Delhi, over a period of years, can serve as a guide for the future financial management of the municipal body. It has to be noted that the main items of expenditure are education, medical relief and public health, which taken together, form the bulk of the total expenditure. These services are usually provided free of cost by the municipal corporation, but now there is an understanding that these are also the services on which the principle of ‘quid pro quid’ can and should be applied. The underlying idea is that those who are the beneficiaries of this service should contribute some minimum monetary compensation for the maintenance and improvement of these services. Another issue that has been raised is that of monitoring the expenditure on different services, so that no item is ignored or neglected. The aim should be to evenly distribute the available resources in a balanced manner among the various heads of expenditure. All the services provided by the Corporation should be treated equally and fairly. Finally, it is imperative and critical
to check wastage and trim costs, where not required. There is a lot of avoidable expenditure on things like maintaining a huge checking squad for such unproductive tax collection as tax on animals and vehicles. The expenditure on staff is much more than the revenue collected from this source. There is an urgent need for cutting down on unproductive costs, the aim being to make, the various services self-financing.

A survey of the budgetary accounts of the Municipal Corporation of Delhi reveals that the expansion of the functions of the Municipal Corporation has enhanced its budgetary needs to a large extent. The revenue including grants-in-aid has fallen far short of the budgetary requirements, forcing the Corporation to function at the minimum levels of efficiency. Though a perusal of the budgetary accounts shows that both income and expenditure have risen, in absolute terms, the real growth is only marginal. In fact as a result of inflation and rapid growth in numbers, the per capita income and expenditure, in real terms is the same today as it was when the Corporation was first established. This very clearly is reflected in the decline of basic services provided by the Corporation. One of the most important reasons for the low levels of income generated by the Municipal Corporation is the general poverty of a large number of people living in Delhi, which affects their tax paying capacity. Another is the skewed distribution of resources between the local body and the state government. The global picture shows that local bodies incur between 30 to 50 percent of the national expenditure, but in the case of the Municipal Corporation of Delhi, it is only 20 percent, making it critical for the state government to re-examine the distribution of financial resources between the state and the local units. Another cause of concern is that the local bodies are unwilling to raise taxes, even where it is totally feasible, for gaining political mileage. There is some scope for raising taxes under a few heads, but the party controlling the local body does not want to take a politically unpopular decision.

3.9 Municipal Borrowings

When local bodies fail to bridge the gap between income and expenditure, either by taxation or by grants, they resort to borrowings. Borrowings may be raised for various purposes, either to finance a new project or certain services, or to wipe out a deficit or pay back any loan. Although, the local authorities enjoy the power to borrow, a formal approval of the government is also required. This gives the state government a
power of supervision and control over the financial dealings of the local government and also puts in place a system of checks and balances. The usual methods of borrowing are bank overdrafts, borrowing through mortgages, issue of bonds and bills of exchange and floating of loans in the open market. Loans are considered to be the best form of borrowings. Some of the purposes for which the Municipal Corporation resorts to borrowings are:70

a) For acquiring any land that it has power to acquire,

b) For erecting any building

c) For execution of any permanent work for provision of any plant or for doing any other thing, which it has power to execute

d) For repaying any debt due to the government or any other agency

e) For repayment of a loan previously raised

f) For any other purpose for which the Municipal Corporation of Delhi is authorized to borrow.

The Municipal Corporation of Delhi is prohibited to raise any loan without the prior sanction of the government or without prior publication of the application for sanction, under the Local Authorities Loan Act, 1914.71 Similarly, the amount of loan, the rate of interest and the terms including the date of flotation, the time and method of repayment, are also approved by the government. The municipal Corporation cannot utilize any portion of borrowings for the payment of salaries or allowances to its employees. The time for repayment of any money under no circumstances should exceed 60 years.72 The Corporation also maintains ‘sinking funds’ for the repayment of money borrowed through debentures. The money paid in the sinking fund is invested and the interest earned is also added to the sinking fund. The money accumulated in the sinking fund for a particular debenture borrowing, cannot be used for any other purpose, unless the loan, for which the sinking fund was created, is fully paid off. The state government can attach the sinking funds if the Municipal Corporation fails to pay back any loan. The Corporation resorts to loans for various purposes like housing and building commercial areas, but in many cases, the Municipal Corporation procures a loan at the time near the closing of the financial year, with the result that either the loan is not properly utilized or remains unutilized. Another problem has been the fact that the Corporation has not been able to borrow for a term longer than 30 years although it can, according to the law,
borrow for a period of 60 years. Another observation is, that while the Municipal Corporation of Delhi, usually borrows for the purposes of drainage, roads and commercial projects, local governments in other countries apart from funding such projects, also fund welfare schemes related to health and education. Also, the rates of interest, at which loans are procured by the Corporation, are extremely high, as compared to other countries. Therefore, there is a strong need to make the terms and conditions of the loans more favourable and attractive to the Municipal Corporation.

3.10 Municipal Audit

Audit of municipal accounts plays a critical role in the structure of municipal finances. The job of auditing is assigned to the Municipal Chief Auditor, who is appointed by the Municipal Corporation, with the prior approval of the Lt. Governor of Delhi. The Municipal Auditor is not eligible for any other appointment under the Corporation, after his retirement, with a view to maintaining impartiality and independence. Under Article 205, the Chief Auditor is empowered to conduct monthly audit and examination of the municipal accounts and submit the same to the Standing Committee for its consideration. The Standing Committee also has the power to conduct independently any examination and audit of the municipal accounts. Apart from these periodical reports, the Auditor has the power under Article 206, to report to the Standing Committee any irregularity or impropriety, observed by him in the expenditure or in the recovery of moneys due to the corporation. He is also liable to furnish any information that the Standing Committee demands. The Standing Committee is required to table each report submitted to it by the Auditor and the Municipal Corporation, may take any such action as it deems necessary. At the beginning of each financial year, the Chief Auditor, submits a report of the entire municipal accounts for the previous year to all the councillors and nominated members, as per the provisions of Article 206. The central government, can also appoint an Auditor, to audit any of the accounts of the Municipal Fund, and the cost of this audit is charged to the Municipal Fund, under Article 207, and the Auditor, so appointed may exercise any power which the Municipal Chief Auditor exercises.

The Chief Auditor has the power to, under Article 208 of the Delhi Municipal Act, to
a) Audit the accounts of the expenditure incurred from the revenue of the Corporation, expenditure on account of loans, and expenditure out of special funds. He also ascertains whether moneys shown therein as having been dispersed, were legally available for the purpose for which they have been applied.
b) He audits the accounts of debts, deposits, sinking funds and remittance transactions of the Corporation.
c) He audits the statement of accounts, relating to the commercial services, conducted in any department of the Corporation, including the trading, manufacturing and profit and loss accounts and the balance sheets where such accounts are maintained. He also certifies these accounts.
d) He determines the form and manner in which his reports on accounts of the Corporation are to be prepared. He can call upon any officer of the Corporation to provide any information necessary for the preparation of these reports, in consultation with the Standing Committee.
e) The Auditor can make queries and observations in relation to any of the accounts of the Corporation and can call for vouchers statements, returns in relation to such accounts, as per the powers granted to him under Article 209, of the Act.77

The above article also prescribes the power of the Municipal Chief Auditor to frame standing orders and to give direction on all the matters relating to audit and particularly in respect of the method and extent of audit to be applied. An officer, appointed by the Corporation audits the expenditure sanctioned by the Municipal Auditor. However, it has been found that the Municipal Chief Auditor is not in a position to carry out his duties properly because of a lack of cooperation from various departments. Proper vouchers, balance sheets are either not maintained or not submitted in time.

The Balakrishnan Committee in its report in December 1989 suggested that the MCD should be reconstituted into several Municipal Corporations for greater efficiency. It argued that a single monolith MCD should be replaced by several municipal corporation regulated by a single law. Each corporation would be organized on the
pattern of the existing model of the MCD. It sought to replicate the existing model of
a Deliberative wing headed by a chairperson, elected by the members and the
Executive wing, headed by a civil servant, designated as the Municipal
Commissioner. It was also of the opinion that the Municipal Corporation should
undertake only traditional functions. The generation and distribution of electricity,
procurement, treatment and supply of water, and sewage disposal would be
transferred to two new boards, while functions like fire prevention and hospitals could
be transferred to Delhi Administration.\textsuperscript{78} As for the construction and maintenance of
roads, all national highways in Delhi, would come under NHAI, roads in New Delhi
would be the concern of the Central government, arterial roads would be taken care of
by Delhi Administration and all other roads would be the responsibility of Municipal
Corporation. An apex authority was required to secure coordination between the
Corporation and for overall supervision and control. Such an authority could be a
senior officer of the Delhi Administration who would be designated as Commissioner
for Local Bodies and an ex officio secretary to the government of Delhi. The officers
and staff in all the corporations would come under the administrative control of the
Commissioner, and recruitment would be through the Staff Selection Commission for
Central Services. The NDMC would be under the control of the central government.
The other corporation, though under the Delhi Administration, could be issued
direction by the Central Government in consultation with the Delhi government. The
Balakrishnan Committee did not recommended statehood for Delhi, but instead
suggested that Delhi should have the status of a Union Territory, called the National
Capital Territory, even though it would have a Legislative Assembly and Council of
Ministers along with a Chief Minister. The legislative Assembly for Delhi could be a
directly elected body, the total number of seats fixed by Parliament, on the basis of
population with reservation for Scheduled Castes. It would have full powers of
legislation over matters in the state list and the concurrent list, as applicable to the
Union Territories. However, Delhi being the seat of power and the capital, the central
government would have some special responsibility on the subjects of public order,
police, and land and so these subjects were excluded from the domain of the
jurisdiction of the Legislative Assembly.

There was to be a Council of ministers, headed by a CM, broadly on the pattern of the
states. The Chief Minister would be appointed by the President and other ministers
would be appointed in consultation with the Chief Minister. Ministers would hold office at the pleasure of the President and would be collectively responsible to the legislative Assembly. The ministers would collectively aid and advice the Lt. Governor, who would lay the budget before the Legislative Assembly every financial year. Like other Union Territories, the Lt. Governor and his council of ministers would be under the general control of and would have to comply with any directives issued by the President. While the Balakrishnan Committee’s recommendations on the MCD were not accepted, those in respect of the government of the National Capital Territory of Delhi were adopted through the passage of the Government of National Capital Territory of Delhi Act, 1991. A scrutiny of the NCT Act 1991 shows that it does not transfer executive powers to the local government. These powers are in the hands of the President, who delegates them from time to time. As of now, the executive powers delegated by the President are vested in the hands of the Lt. Governor and in certain areas, with the Chief Secretary, who along with the Police Commissioner, the Home Secretary and Secretary Land and Development are appointed by the Central Government. Hence, by law it is the president who is the final authority in the realm of executive powers.

The NCT Act 1991 does make an attempt to redefine and streamline the MCD, while retaining the basic distinction between executive and deliberative functions. What makes the case of Delhi’s urban local governance unique and distinct, is the multiplicity of institutions involved in its governance, leading to overlapping of powers, roles and at the same a high degree of integration with the state and central governments, through both vertical and horizontal linkages. It is therefore important to highlight the political factor in the Corporation as represented by the political parties and as projected by the Mayor and the councillors. In a competitive electoral system, the party aggregates certain interests into a set of policy, proposals and then attempts to garner a victory at the polls to install legislators who will try to legislate on those policy proposals. The MCD, itself is a highly politicized institution, where a lot of decisions are taken by political considerations. Deliberations of the MCD takes place mostly through the Committees, but it is ratified by the Corporation as a whole, presided over by the Mayor. The post of the Mayor is a combination of a Constitutional Monarch and Speaker of the house. Though, ideally, the mayor should be non partisan and impartial, in practice most Mayors have been keen party
men/women. The Mayor, as the speaker is also the presiding officer and has considerable powers. It is he or she who decides whether a question is admissible or not and his ruling is final. He can ask for any file and give his recommendations on that, though he cannot pass orders.

Although the MCD is structured on the principle of dichotomy, there is a fair degree of overlap between the two wings – deliberative and executive. The involvement of Councillors in policy making is minimal, with most policies being determined at the macro level, with room only for incremental or slight changes at the ground level. Councillors, in their deliberative activities, do not pass laws, but only resolutions. However, when it comes to execution there is a direct involvement with the administration because the Councillor acts as an ombudsman in getting things done. There executive wing frames the budget, interprets rule and is thus intimately in the policy process. Hence, both Councillors and Administrators, as participants in the involved process of governance, share functions and roles, with only a difference in the quantum and nature of involvement. As a result, the boundary between politics and administration is porous and not clearly demarcated. Marina Pinto, in an interesting study examines the interface between councillors and administrators at the three levels, ward, zone and corporation and comes up with some interesting observations.80

In the ward the Councillor is a pivotal person between the public and the municipality, and because of the funds at his disposal, can do a lot in terms of material gains for his or her constituents. He has superior status when compared to the officials, who are at a low level in terms of seniority and experience. Thus at the ward level the Councillor is definitely at a more commanding and dominant position than the official.

At the level of the zone the relation or equation between the Councillor and the official is one of equals. It is no more a face to face interaction but a more structured interaction, as the Councillor works through the Zonal Committee, and at this level, the executive officials are also more senior and experienced, and have links to the higher reaches of the administrative structure.
At the corporation level, the Councillor-Official interface is even more structured than at the zonal level. At this level, the councillor-administrator interface recedes into the background and it is basically the administration represented by the Municipal Commissioner, which is at the centre stage.

The friction between the deliberative and the executive divisions can be traced to the inbuilt contradictions in the model of dichotomy. The deliberative wing which is directly elected is juxtaposed with an executive wing which has its professional and career commitments in other places and not to the Municipality primarily. This leads to a situation of mistrust and suspicion between the two. The Municipal Commissioner, who is generally from the Indian Administrative Service (IAS) may hesitate to execute those decisions of the municipality which are not in line with the policies of the central or state governments. Difficulties also arise when different political parties are at power at the national, state and local levels. The relationship between the Municipal Commissioner and the Councillors is also strained because the former complains of day to day interference by the latter which hampers the smooth functioning of the organisation. The Act clearly assigns duties and powers to the Municipal Commissioner but in practice the Mayor, the Standing Committee restrict his freedom of action which generates conflicts and confusion.

Ms Shiela Dixit the Chief Minister of Delhi recommends that the MCD should be split into three units a) corporation of North and Central Delhi which has a population of 52.85 lakhs and total voter strength of 41.89 lakhs. It includes 26 assembly constituencies and 104 municipal wards (b) corporation of South Delhi, which has a population of 49.17 lakhs, voter strength of 41.46 lakhs and 26 assembly constituencies and 104 wards. (c) Corporation of East Delhi which has a population of 32.29 lakhs, and a voting strength of 26.09 lakhs, 16 assembly constituencies and 64 wards. This trifurcation is projected as a move towards greater efficiency and gives the state government the control over municipal administration that it has been wanting.81

Another major change will be that 50% of MCD seats will be reserved for women although the numbers of wards remain the same at 272. Dixit wanted an increase to 6 wards per assembly constituency, to enable every 50 people having a councillor to represent them. But for now the member of wards remains unchanged at 272.82
cannot be denied that Delhi has too much governance and not enough administration. Multiple authorities with overlapping functions and jurisdictions have led to confusion and friction. Each level of job has its own direct and indirect involvement through its official and departments in the management of local governance, leading to inefficiency duplication and waste which are compounded by the added problems of lack of funds, corruption, no control over its personnel and poor work ethic.
Notes:
1 Marina Pinto, Metropolitan City governance in India, New Delhi: Sage Publications, 2000, p. 41.
3 Marina Pinto, n.1, pp. 61-62.
6 Ibid.
10 Jo Beall, n. 3, p. 183.
12 World Bank, Review on the Status of Decentralisation, 2005. This report was a in the nature of a comparative study, and compared with their urban counterparts across the world, the expenditure responsibility of local governments in India is extremely low. Even in countries with few social service responsibilities like Morocco and Greece, budgetary expenditures by ULB’s accounted for 3.3% and 2.1% of GDP, respectively.
13 Marina Pinto, n.1, p. 147.
15 Marina Pinto, n. 1, p. 133.
17 Marina Pinto, n. 1, p. 137.
18 Delhi Administration Act, 1966.
19 Marina Pinto, n. 1, p. 137.
21 Ibid.
22 Ibid.
23 Marina Pinto, n. 1, p. 153.
24 The Delhi Municipal Corporation Act, 1957, Chapter 3, Article 42, p 37.
25 Ibid., Article 43, p. 38.
26 Articles 35, 36, 37 and 38, of the Delhi Municipal Corporation Act prescribe these powers.
28 Ibid., Article 72, p. 53.
29 Ibid., Article 75, p. 54.


The Delhi Municipal Corporation Act, 1957, Article 45, pp. 43-49.

Ibid., Article 47, p. 45.

Ibid., Article 49, p. 45.

Ibid., Article 50, pp. 45-46.

Ibid., Article 52, p. 47.


Ibid., Article 39, (5-6), p. 36.

Ibid., Article 40, (1-7), pp. 36-37.


Ibid., Article 85-86, p. 60.

Ibid., Article 54-59, pp. 47-50.


Ibid., Article 89 (1), p. 62.


Ibid., Article 100, p. 72.

Ibid., Article 101, p. 72.

Ibid., Article 108, p. 76.

The fund under the Transport Account was transferred to the Delhi Government, along with the accounts of the Electricity Supply Committee, the Water Supply and Sewage Disposal Committee.

The Delhi Municipal Corporation Act, 1957, Article 109, p. 76.

Ibid.

Ibid., Article 110, p. 76.

Ibid., Article 112, pp. 78-79.

Ibid., Article 113, p. 80.

Ibid., Articles, 180-184, pp. 121-124.

The Delhi Administration Act, 1966.

The Delhi Municipal Corporation Act, 1957, Article 107A, p. 75.

Saroj Sharma, n. 32, p. 161.


Saroj Sharma, n. 32, p. 162.

Budgetary estimates of various years of the MCD.

Municipal Records show that the highest expenditure on miscellaneous items was 31% in 2001-2002. Since then, it has declined and stabilised at around 27%.


The Delhi Municipal Corporation Act, 1957, Article 185, pp. 129-130.

Ibid.
72 Ibid, Article 186, p. 130.
73 Ibid, Article 205, p. 136.
74 Ibid, Article 206, p. 136.
75 Ibid, Article 207, pp. 136-137.
76 Ibid, Article 208, pp 137-139
77 Ibid, Article 209, p. 139.
78 Marina Pinto, n. 1, p. 148.
79 Ibid, p. 150.
80 Ibid, pp. 154-155.
81 Times of India, November, 24, 2011, p. 3.
82 Ibid.