Chapter 6

Summary and Conclusion

Good Governance has been advocated through structural adjustment programs and it sees gradual withering away of the state and encourages decentralised decision-making for responsive and responsible local government. Conceptually it provides a participatory domain for the state and takes into consideration interest of wide range of stakeholders in society, especially of the most excluded and disadvantaged sections. Thus, in the contemporary paradigm of urban management, the focus had shifted from the government as a sole provider - from ‘rowing’ (direct production and distribution) to its becoming a facilitator - ‘steering’ (indirect monitoring and evaluation) and increased role of private sector in the provision of services on one hand and involvement of a wide variety of actors such as NGOs/CBOs on the other.

However, scholars have pointed out that decentralised governance and handing over responsibility to lower level institutions have been partly spurred because of central/federal governments’ inability to bear the fiscal burden. Post-Washington consensus, they further argue that increasing role of market, civil societies and non-government organisations cannot compensate for the inadequacies of government, even though their role is crucial in shaping the quality of governance.

Of late, good governance has been an important and recurring theme in urban research. However, much of this literature has dealt with improving performance of short term government functions such as increasing efficiency of public services, accountability of bureaucracy and enhancing transparency in decision making and has not paid much critical attention to the role of government as governance needs to be seen not merely in terms of management of resources and people during the tenure of a given government but also as long process in an interactive participatory framework.

Any study intending to assess decentralised urban governance can not really afford to gloss over the fact that governance should be studied at both vertical i.e. from centre to state and to city level as well as horizontal level i.e. the participating
actors working in liaison with each other across space. In the absence of such framework, a given analysis may remain partial at best.

Following a triangular framework of reference in which various players, i.e., state agencies, elected representatives, NGOs/CBOs and citizens are interfaced, this study delves on issues related to decentralise urban governance as India introduced the 74th CAA ushering in large scale changes in institutional structures in terms of transfer of power to urban local bodies. With the help of two diverse case studies, i.e. Ahmedabad, traditionally known for participatory mechanisms of governance and Hyderabad, a relatively more techno-savvy e-governed city, an attempt has been made to interrogate decentralised models of urban governance, various aspects of their implementation at different scales, roles assigned and played out by various stakeholders in participatory frame of reference and finally to understand complexities arising out of ground observations. The underlying concern running through the work has been to place the experiences of urban governance in a wider political, socio-economic and spatial context.

Briefly the objectives were as follows:

1. To study the urban governance with reference to the 74th CAA at various scales i.e. from centre to state to local level in Andhra Pradesh and Gujarat with case studies of Hyderabad and Ahmedabad;

2. To study the changes in the institutional structure with the transfer of additional functional, financial and other responsibilities to the municipal corporations of Ahmedabad and Hyderabad;

3. To analyse emerging models of urban governance and the role played by different stakeholders i.e. state officials, elected representatives/councillors, NGOs/ CBOs and citizen; and finally

4. To suggest the ways to bring the improvement in the overall procedure of the provision of services in various areas of urban governance and to develop an appropriate institutional structure for effective delivery of municipal services.

The following research questions were posed in order to achieve these objectives.

1. What are the changes (administrative, political and fiscal devolution) brought in the municipal corporation Act of Andhra Pradesh and Gujarat to incorporate the provisions of the 74th CAA?
2. What are the initiatives and changes in the institutional structure of Municipal Corporation of Ahmedabad and Hyderabad?

3. What type of participatory models have emerged in Ahmedabad and Hyderabad in the post 74th CAA and to what extent the interfacing of different stakeholders i.e. local govt., NGOs, CBOs and citizen have influenced service provision at the ward level?

4. What are the areas of urban governance that need further improvement (reforms) and see how that can be brought in the existing system of delivery of infrastructure services.

The study is organised in six chapters. The first chapter has literature review as a starting point to later on place the proposed study in an analytical framework and in broader perspective so that the research objectives and questions attempt to address issues related to the decentralised urban governance are posed and addressed to fill some of the felt empirical as well as conceptual gaps. The chapter also talks about research design including data base and methodology etc. followed by the second chapter, which provides an account of changes in structure of Urban Local Bodies (ULBs) in pre and post 74th CAA period and how the role of specialised institutions and development authorities created by state governments in pre 74th CAA period differs in the present set of institutions (with the formation of WCs, DPCs, MPCs). It also deals with the changing role of different stakeholders in the provision of services. The third chapter captures spatio-temporal trends in urbanisation in India and how this lead to metropolitan concentration of population and its impact on services provision at various levels that have direct bearing on the local development process.

The fourth chapter deals with the changes brought in the municipal structure due to the transfer of powers to ULBs after implementation of the 74th CAA and to assess their impact on the governance with specific reference to Ahmedabad and Hyderabad in Gujarat and Andhra Pradesh. It also presents institutional reforms being carried out to overcome complexities of urban governance. The fifth chapter looks into perception of various stakeholders about the institutional structure of ULBs, involvement of councillors, their powers and functions, role of NGOs, CBOs, private sector and local community in the provision of services through questionnaire based interviews with citizens, NGOs/CBOs, councillors and government officials. The chapter concludes with critical assessment of the
complexities arising out of multi-stakeholders’ partnerships in urban governance and contextualities in the two cities. Summary and conclusion form the present chapter.

The 74th CAA constitutes an important step towards decentralisation as it guaranteed periodic elections to the local bodies, representation to weaker sections and women, formation of State Finance Commissions (SFCs) and State Election Commissions (SECs). The constitutional amendment provides for the functional and financial allocation and participation through several tiers of decentralised governance i.e. from central to state to local government through ward committees. All this had strengthened ULBs and provided autonomy from higher level of governments. However, despite a general framework for decentralised governance, the actual functioning of these decentralised institutions is full of contradictions and ground level realities as well as context-specific circumstances make the difference in actual implementation of the 74th CAA, execution of functional and financial responsibilities and participation of different stakeholders.

It is observed that although more than a decade had passed since the state sponsored movement for decentralisation had begun, the processes have yet to gather full momentum. This is because the implementation of the 74th CAA suffers from several weaknesses such as making the structure mandatory to every state without taking into consideration specific socio-political-economic circumstances; prior experiences and situation on one hand and leaving quite a few functions optional on the other as some of the critical provisions of the 74th CAA are not statutorily binding for the state legislatures. Thus, the states have the discretion in terms of devolution of responsibilities, powers and resources to the ULBs providing enough scope to weaken the elected local bodies and their functioning. It is not surprising, therefore that their implementation varies significantly across states.

Also, beyond the conformity legislation, the state government has kept away from implementing provision of the 74th CAA which involved sharing political, functional and financial powers by the state government. For example, the powers such as to dissolve the council still remain with the state government which it can use on its discretion.

Overall, the 12th schedule remains largely illustrative and has not specified to what extent proposed fiscal resources in the 74th CAA can match with the functions transferred to the ULBs. This in turn has increased the burden on ULBs which already face resource scarcity and pressure from internal as well as external
demands for the better service delivery. In this scenario, involvement of different stakeholders in the service delivery seems to be expected as one of the viable options.

The provisions were made to form Ward Committees (WCs), District Planning Committees (DPCs) and Metropolitan Planning Committees (MPCs) so as to enable people to get associated with planning and developmental processes. In reality, however, despite provisions, with a few exceptions, such committees have not been formed. Moreover, the Act has not specified the functions to be performed by these committees and no specifications were made so as to relate the works of MPCs and DPCs to that of Urban Development Authorities (UDAs).

There is no provision in the law for the ULBs by which they can regulate their own affairs without intervention or interference from outside agency. Though there are individual success stories found in respect to participation but no model of self-government has emerged during the past twelve years in the form of any theoretical formulations, or evolution or development of any practices.

The act also failed to define the relationship between bureaucracy and municipal officials which leads to over domination of bureaucracy in ULBs and indirect control placed by state government. The Act has given voting rights to ex-officio members, i.e. MPs and MLAs in these ULBs which lead to over riding domination of these institutions by the legislators which goes against the intention of decentralisation.

These shortcomings, observed in case of different provisions of the 74th CAA, resonance in the selected case studies too. The 74th CAA implementation differs in terms of administrative, political, functional and financial decentralisation in Ahmedabad and Hyderabad (Appendix XXI). As far as the functional decentralisation is concerned, Ahmedabad Municipal Corporation (AMC) has too many obligatory as well as discretionary functions to take care whereas Municipal Corporation of Hyderabad (MCH) has fewer functions to perform. This difference is mainly due to the listed obligatory and discretionary functions in the respective acts of the municipal corporations. Many of the functional responsibilities are still carried out by parastatal agencies in both the cities and the state of affairs has not changed even after the 74th CAA - they could have been made subservient to local bodies or could have been brought under the purview of local governments. By not
opting for either of the ways, the state governments imply reluctance to part with their powers even after the adoption of decentralisation.

The existence of these parastatal agencies, which are under the direct control of the state government shows dependence of local governments on state government on one hand and the powers exercised by the state government through these agencies and their own departments on local government on the other.

Although changes were made in the administrative setup of the AMC and MCH to move from a vertically rigid hierarchical structure to a more interactive horizontal structure, the processes in place have been limited. Both the cities have undertaken a few functions at zonal/ward level and that too lie with officers at the head office.

As far as the financial decentralisation is concerned, SFCs had been set up by Gujarat and Andhra Pradesh governments and they had submitted their reports. However, although the governments had accepted some of their recommendations, they were not implemented in totality and some of the suggestions were not agreed upon. The AMC and MCH had adopted different ways such as property tax restructuring and exploitation of the non-tax sources like water charges, fees/penalties, development charges in the new localities and commercial ventures etc. to increase the internal revenue which have proved effective and corporations’ revenue had increased many folds. And yet, sustainability of these measures over a longer time period is questionable. For example, selling of property to raise revenue is a short term measure. Another important point is how, where and for whom these funds had been utilised. It has been observed that mainly the funds have been used for personnel, operational and administrative expenses and local government has not taken enough steps to minimise the expenditure under these heads. For infrastructure projects, funds were generally borrowed either from external agencies or generated through issuing the bonds, but the process seems to be faulty as the proper planning is not carried out before borrowing the funds. On one hand, funds were kept unutilised for a longer time period due to non-start of the project according to fixed time schedule and faulty payment mechanism i.e. escrowing a particular account which reduces the overall income of the corporation as in the case of octroi in Ahmedabad on the other.

On the basis of secondary data analysis, it is suggested that the funding should be raised through borrowing the funds from external agencies or redeeming of bonds for a particular project and pre-planning should be done about the project need,
overall cost, its impact and sustainability. The project planning should be such that it would be self-financing rather than government funds to be used for repayment of loan.

Though there have been changes in the composition of municipal councils such as representation to the weaker sections, committee system and involvement of the local communities; the differences remained. For example, in AMC elections were held regularly whereas in MCH elections were held after a period of 17 years. One of the reasons for this was greater control exercised by the state government in Andhra Pradesh as task of delimitation of ward boundaries vests with them.

In Hyderabad, Andhra Pradesh state government had adopted different ways to curtail powers of elected representatives. They are: a) M.P.s and M.L.As are ex-officio members of the municipal corporations with voting rights; b) though the term of mayor matches with that of the council, some of their powers were withdrawn and transferred to the commissioner; c) limited term of standing committee which is headed by mayor; d) discretionary powers for the removal of the mayor; and e) power to decide reserved seats. Incidentally, Andhra Pradesh state government has recently decided in the cabinet meeting to hold indirect elections for the chiefs of municipalities and municipal corporations. In Ahmedabad the state government does not exercises such control over local government. However, shorter term of mayor reduces its effective functioning, un-sustainability of development activities, maximisation of personal benefits and existence of clientelist approach.

The respective acts of AMC and MCH have reserved 33 percent seats for women and weaker sections of society, but in reality their percentage varies significantly.

In Ahmedabad, though AMC had taken various steps to involve multi-stakeholders, but only a few corporate houses, NGOs and CBOs were involved and their involvement and success varied at different stages. Crucially, however, despite limited direct interaction between AMC and different stakeholders, the issues were taken down to community and their participation was sought to determine what changes were required to make plans a success.

However, in Hyderabad mainly the schemes and programmes sponsored by central and state government were implemented and different kinds of participative structures emerged, i.e. Neighbourhood Groups (NHGs), Neighbourhood Committees (NHCs) and Community Development Societies (CDS). Here, the
CBOs' involvement has been limited mainly to micro credits and loan provisions to the group members. Some of the hurdles faced by them were: difficulty in interacting with the bank officials due to illiteracy, lack of awareness about different components of central and state government sponsored schemes and no efforts from the government, either by involving councillors in the dissemination of information or by organising awareness generation programmes to make poor people aware of different government programmes and the relevant procedures. Even councillors were not fully aware of the central government and the state government schemes in detail.

Both AMC and MCH had adopted e-governance to improve the administration and preparation of data base at the city level, but the field observations suggest that it were mainly respondents from the medium and high income groups who utilised these service. Awareness about the online activities and civic centres was negligible among the marginalised groups. AMC had initiated upgradation of the workforce and computerisation of different departments to increase efficiency, but it was observed that though these initiatives had led to the building up of data base, improved efficiency and accounting system, such efforts were quite limited and mainly confined to only a few departments.

In Hyderabad, usage of intranet facility was also limited as it was available to only a few high ranking officials and used mainly for receiving instructions from the state officials rather than for bringing in internal efficiency and swift decision making. Local people's participation through discussion forum, opinion polls, e-governance and face-to-face programmes were initiated by the local government, but these efforts have been limited.

For effective implementation of governance participation of multi-stakeholders is required albeit the degree of their involvement may differ from one parameter to the other. However, mechanisms to meet such arrangement have to be in place. For example, training for decentralised governance has more applicability for official functionaries and councillors whereas awareness generation about the 74th CAA is crucial for almost all stakeholders whether they are implementers or recipient of urban services.

As far as training of the officials as well as the councillors was concerned it emerged that a) training was not inclusive as quite a few crucial aspects such as the precise contents of the 74th CAA were not covered. Also, very few officials and
councillors were aware of various administrative tiers such as ward/district planning/metropolitan planning committees meant for facilitating decentralised governance; and b) very often the duration for training has not only been too short, it has been provided only once which the newly elected councillors found to be inadequate. In fact, some officials had reported that they received no formal training.

At the micro level, awareness generation has direct linkage with capacity building mechanisms. For example, respondents' awareness about councillor's presence and their work, existing structures for grievance redressal, institutional approachability and quick responses on their part leading to respondents' satisfaction level are proxies that reflect improved governance at the local levels. In Ahmedabad, despite comparatively lower awareness about institutional structures for grievance redressal, more respondents were satisfied because of quick actions taken by the officials. Moreover, only a few respondents had used monetary pressure (speed money etc.) for the better delivery of services. It was mainly through political pressure followed by pressure from NGOs and CBOs that the Ahmedabad respondents sought responses to their complaints pertaining to service provisions. As such, areas where councillors and NGOs/CBOs were actively involved in the service delivery, satisfaction level among the respondents was quite high.

In contrast, in Hyderabad though more respondents were aware about the grievance cell and had lodged their complaints with it, their satisfaction level was less. The reasons for this were less responsive officials coupled with monetary and political pressure that the respondents reported they had to use.

Withholding these differences, both in Ahmedabad and Hyderabad, party ideology and religious affiliations emerge as crucial factors for contesting elections as well as taking decisions regarding budget formulation and fund utilisation rather than stated interest in social work and/or societal concerns. Although legitimate perks were way below the councillors' community-related activities (as reported by them), there were indirect signs to suggest that what kept them interested in being councillors were attractive monetary as well as personal gains to individuals.

The partisan interests played a key role in the selection of WCs member as their selection is political rather than based on person's capabilities and/or interest in social work or concerns. This observation is also true in deciding about budget formulations and allocation/utilisation of M.P./M.L.A. funds as councillors'
interaction with M.P. /M.L.A. and the appropriation of their funds depends upon his/her party affiliation rather than actual needs of citizens.

In the study area it was noted that where party in power at corporations and the state differed, directly and indirectly hindrances were created in the clearance of funds of councillors belonging to opposition parties due to partisan interests as well as existence of patron client relationship. There are other ways too. For example, in Hyderabad mayors’ power had been curtailed by the state through transferring some of it to the commissioner having implications for smooth running of councils and committees.

It was pointed out earlier that in Ahmedabad respondents had a high level of satisfaction as far as officials’ responses towards their complainants were concerned. Keeping with this observation, the councillors also had satisfied respondents despite fewer of them having awareness about councillors and their various activities related to infrastructural works. In contrast although in Hyderabad more respondents were aware about the councillors and their visits but the satisfaction level was lower since these councillors had visited their constituencies in connection with electioneering rather than out of concern for the public.

Given the nature of NGOs/ CBOs’ involvement in the provision of physical as well as social infrastructural issues, they were not only more visible in Ahmedabad as reflected in respondents’ high levels of awareness about them, but the respondents had also sought help from NGOs/CBOs for solving their problems. One of the reasons why fewer respondents were aware of the presence of CBOs and their functioning in Hyderabad was because the CBOs who were working at the local level and that too to implement the central government sponsored schemes which were not broad-based and primarily involved only women.

Some of the fallouts of implementation of centrally-sponsored schemes have been that the control over resources and the processes remained with the central government in which the local government had no say either at the planning or the implementing stages. Under such circumstances citizens and other stakeholders also played very limited roles.

Decentralisation in which people’ involvement has been one of the highlights has been critiqued because such involvement have largely remained rhetoric. In the study area also it was observed that only a limited numbers of officials had approached the respondents seeking their opinion about local level issues. More
often it was the officious wisdom at work in prioritising the tasks. For example, though Parivartan Scheme in Ahmedabad had been formulated and implemented by the officials in consultation with different stakeholders and some of their suggestions had also been incorporated yet, direct interaction between AMC and community was lacking and still some grievances remained unattended. In Hyderabad too, MCH had initiated many schemes/programmes at the local level. Despite community involvement, the efforts have largely been at the piecemeal basis and superficial actions and political affiliations/personal contacts etc. emerge as significant factors rather than genuine partnerships.

Efficiency has been identified as one of the parameters for improved governance and it depends upon many factors. Incentive given to employees is one of them. The limited incentive confined to a few departments had led to unwarranted results. For example, in Ahmedabad the incentives given to the employees working at octroi nakas had led to the resentment among the employees of other departments. Timeframe is another issue pertaining to efficiency. Majority of councillors were of the view that existence of stipulated timeframe was only on papers and generally not followed due to time taken in official procedures such as tendering process and funds allocation. Despite administrative hurdles, as already reflected in better responses discussed above, not only fewer efforts were required to meet the officials in Ahmedabad face-to-face interaction between the officials and the respondents made the administrative processes much easier and faster whereas in Hyderabad though e-governance was used for lodging the complaints, more time was taken in redressel due to various steps and procedures which needed to be undertaken in lodging complaints to actual actions taken.

Online activities for property tax evaluation, revenue collection and town planning have improved certain aspects of governance in terms of time, infrastructural requirements leading to better co-ordination between different departments. Yet corruption remains a matter of concern. Despite relatively better techno-savvy environment than earlier, there exists ample scope for violation both in AMC and MCH as officials have invented different ways to evade transparency. In case of Hyderabad, for example, many jobs such as categorisation of property for property taxes are still carried out manually creating ample scope for manipulation and corruption.
Monitoring, which is considered a prerequisite for efficiency and transparency was missing in both the cities although in Ahmedabad individualised monitoring by councillors has been a norm. The methods adopted by the councillors included regular enquiry, visits to work sites, file checks with a view to overcome probable delays and corruption. It is seen that even if limited, active and collective interactions of the councillors along with the citizen's help thus helped resolve issues in Ahmedabad localities that otherwise received limited attention or official apathy.

In Hyderabad also monitoring was not carried out by the officials, but the councillors did not demonstrate interest in monitoring the work undertaken in their area. However, the need for monitoring mechanisms in order to ensure effective and transparent delivery of services could be seen clearly in individual interviews and discussions.

The idealised participatory model of urban governance is the one where state, NGOs/CBOs and individuals play equally important proactive roles. However, such a model gets ruptured during the course of translating concepts to actions on ground because of various permeation and combination and shifts in power dynamics resulting from national as well as international situations on one hand and differences in political, historical and social contexts on the other. This impacts positioning of participating agencies vis-à-vis each other and also the ways in which they participate.

Several models of participatory urban governance have emerged from case studies. In Ahmedabad two models have emerged. In the first model, the partnership was mainly due to local government initiatives to involve different stakeholders i.e. private sector, NGOs, CBOs and individuals whereas in the second model, the more proactive leadership from the councillors has played a significant role in implementing several programmes, which gradually began receiving community support as work progressed. In Ahmedabad, one councillor has single handedly initiated successful programmes for service provisions. Such charismatic leadership has its own problems for sustainability issue, however what is important to note in the present context is the institutional support and the political space that the 74th CAA has provided for this individual to act.

In Hyderabad, it was mainly central government schemes which have been implemented at the local level without much involvement of local people. In fact,
Andhra Pradesh – the state where Hyderabad is located - is one of the states with very high share of central government funding. Under such circumstance, possibility of local input varies in tune with changing political alignments. Moreover, in centrally funded schemes involvement and interest of local population in seeing various schemes becoming successful is reduced because of minimal local interventions possible. It was not surprising therefore that in Hyderabad model there were negligible NGO/RWA presence or concerted efforts from the local government to involve them.

Examples from Ahmedabad and Hyderabad show that local state sponsored programmes had better inputs and involvement of NGOs/CBOs and people because of creation of public spaces for debate and for the practice of citizenship as compared to those already architected schemes, as was the case with Hyderabad, which come down from the central government whereby the role of local government is reduced to managing only with a few channels of participatory governance, if at all, opened up mainly to seek political legitimacy.

Apart from initiatives taken by individuals and institutions, enabling efforts such as broad-base awareness generation and capacity building mechanisms including appropriate training for stakeholders, if in place, have direct linkage with improved urban governance.

It would not be out of place here to comment on training a little more. It was observed that although some training was given to the councillors and to officials (only computer training), not much information was given on different provisions of the 74th CAA and its various components i.e. functional and financial powers transferred to the zone and ward level; councillors’ roles and responsibilities in the functioning of Municipal Corporation and different committee structure. It was pointed out by the councillors that the training should not only be more inclusive and not ad hoc, but it should also be imparted to them at regular and periodic interval to ensure feedback about problems faced by them rather than just once in five years. Proper training for the officials is also a necessary step towards a better functioning and awareness of their responsibilities towards public representatives.

The allocation of funding under different quota has to follow some flexibility so that unused amount can be transferred from one tier to another – one example can be from M.P. local area development budget to councillors’ fund – particularly to those directly involved with ground level provisions of basic services and also to
countercheck lapses of funds. Effective ways have to be found out to minimise political interference in the budget allocation and its usage at city and local level.

Monitoring mechanism which has emerged as a felt-need requires proper checks on the usage of the fund and speedy delivery. Responsibilities should be fixed at every stage of work for delays and discrepancies in implementing proposed projects. This has to be in combination with informal monitoring by NGOs/CBOs and community is also necessary to avoid the rent seeking attitude of the officials.

It becomes clear from the study that to strengthen local decision making process, strong links between local government and other local organisations need to be forged for effective exchange of ideas and implementation. This would entail regular consultative procedures starting from planning to implementation stage. Further, for partnership arrangements, a platform needs be provided where different actors i.e. bureaucrats, elected representatives, NGOs/CBOs and citizens can meet at regular intervals and share their views or concerns about the local problems.

In view of the complex nature of enquiry and limited resources available for the study, one cannot claim exhaustive analysis and yet it is clear that in the context of ongoing global transformations a country has to realise positive potentials. Although the roles of other stakeholders cannot be undermined and spaces have to be created for them, however important they may be, the state cannot and should not roll back even as it changes its role from rowing to steering. In addition to state’s proactive involvement, synergy, cooperation and consensus building amongst various stakeholders, responsive official combined with demanding citizens are crucial for effective decentralised urban governance.