CHAPTER 5: PEOPLE'S PARTICIPATION AND FUNCTIONING OF THE GUWAHATI MUNICIPAL CORPORATION (FINDINGS II).
CHAPTER V

PEOPLE'S PARTICIPATION AND FUNCTIONING OF THE GUWAHATI MUNICIPAL CORPORATION (FINDINGS-II)

5.1. Introduction:

The basic objective of this study is to examine how far the Guwahati Municipal Corporation conforms to the conditions of an institution of democratic decentralization. Our attempt was to examine the status under two broad heads; political decentralization and economic decentralization. In the previous Chapter, we have discussed the issue under these two broad themes. In that Chapter institutional information associated with the indicators of decentralization have been examined. These have enlightened us about the existence of various infrastructures under GMC and their future prospects. The question of adequacy of such infrastructures was also touched here and there. In this chapter another set of primary data collected during field study interviewing 1007 persons in different wards will be examined. The respondents were from various income categories having different socio economic background. It was done expecting that it will reflect the expectation of various sections of the society from the GMC.

5.2: Details of the Sample.

The sampling frame of this sample consist of various sections of people. The sample is an opportunity sample and every element was drawn without considering their characteristics. The ward list was collected from the Guwahati Municipal Corporation and accordingly these wards were
visited one by one. As it was an opportunity sample no selection was made before interviewing a person for the study. However utmost caution was taken so that person from every social stratum is included in the sample. The detail of the respondents included in this sample is presented below according to their individual occupation.

Table: 5.2: Occupation of the Respondents

<table>
<thead>
<tr>
<th>Occupation type</th>
<th>Nos of respondents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>%</td>
</tr>
<tr>
<td>No occupation</td>
<td>078</td>
<td>13.49</td>
</tr>
<tr>
<td>Self employed</td>
<td>111</td>
<td>19.20</td>
</tr>
<tr>
<td>Clerical</td>
<td>107</td>
<td>18.51</td>
</tr>
<tr>
<td>Professional</td>
<td>112</td>
<td>19.38</td>
</tr>
<tr>
<td>Officer/Executive</td>
<td>092</td>
<td>15.92</td>
</tr>
<tr>
<td>Teacher</td>
<td>039</td>
<td>06.75</td>
</tr>
<tr>
<td>Slum dwellers</td>
<td>039</td>
<td>06.75</td>
</tr>
<tr>
<td>Total</td>
<td>578</td>
<td>100.00</td>
</tr>
</tbody>
</table>

5.3: Political Decentralisation:

India, a huge and politically complex nation, has been undergoing a process of fiscal and administrative decentralisation with the aim of bringing government closer to the people and deepening democracy. The Indian federal organization has a three-tier institutional system with the central government at the top; state government at the next level and at the lowest rung comes local self-governing bodies at the grassroots. The liability for providing basic services and put into practice development programs lies basically with the local government. India has the honour of having possibly the largest number of democratically elected local government in the globe. We can boast of more than 250,000 rural and
urban local governments with almost 3 million elected representatives, the reason why India is called world’s largest functional democracy. The context of democratic decentralization and community-driven administration acquire special importance in the skeleton of the on-going process of globalisation and associated economic modifications. While the process of globalisation acts in ways in which market obtain supremacy to the disadvantage of the people who lose the charge over their livelihood outline as well as other preferences, the process of decentralization could also act as a counter veiling issue facilitating the people to realize jurisdiction over decisions that influence their lives in essential areas. The people of Guwahati in a way and to some extent has been able to do so in the context of stalling the proposed property tax hike in the face of dismal service delivery in the city.

While conducting the field study so as to ascertain about the awareness of the people in general towards decentralisation of administration the researcher faced with several questions - why a person should be proud of his/her city, Guwahati? Is it because that the government advertises it as the gateway to the northeast? Is it that because Guwahati is sought to be made the focus of India’s Look East Policy? Or is it simply because he/she has an umbilical relation with this city, its land, its air, its people? Is there a sense of belongingness among the local community regarding their city? What are the indicators in this context? The city grassroots community, how far has it been possible to involve them in the process of deciding for them? To what extent political decentralization has been effected in the city life? Has it been successful to bring people closer to the civic body-the Guwahati Municipal Corporation? These queries are very vital and their answers are equally
5.3.1: Casting of votes:

In Chapter IV a detailed discussion about the elections to the Corporation and the participation of people have been discussed in general. Here in this micro study similar aspects have been covered to have an answer to what the respondents' attitude about the political decentralisation. While provisions for reservations for Scheduled Castes, Scheduled Tribes and the fairer sex have been made in harmony with the constitutional necessities in all the states, in its minutiae, however it does not reflect the spirit of the 74th Constitution Amendment Act, 1992, for example the norm on which seats are set aside do not follow any set norm and therefore it could be used for opinionated rationale by the deciding party.

In the context of the Guwahati Municipal Corporation the impression of unadulterated decentralization has to be prompted and this would also require escalating the consciousness altitude of the people of Guwahati about their privileges and entitlements, sanction the stakeholders to have a legitimate say in the matter of crucial importance instead of being hijacked and beleaguered by motivated political interests. The Guwahati Municipal Corporation is to be approved significant say-so, articulated in a officially permitted context as per the 74th Constitution Amendment Act, 1992, to make pronouncements, convey their services, spawn their own capital while being answerable to the common Guwahatians.
Table - 5.3.1: Whether Vote Cast in the Last Ward Election?

<table>
<thead>
<tr>
<th></th>
<th>NO. OF RESPONDENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>736</td>
<td>73.09</td>
</tr>
<tr>
<td>NO</td>
<td>271</td>
<td>26.91</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1007</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source. Fieldwork

The above table reflects that despite a massive breakdown of the urban basic services around 73.09% of the respondents cast their ballot paper in the last elections of the Guwahati Municipal Corporation held in December 2003. Majority of them have participated in the election process, which of course is a positive trend and shows that the people need a renovation and see visible modifications in the pattern of operation of the Guwahati Municipal Corporation and posture of the Government of Assam. There may be plentiful desirable objectives in this milieu, but the most high-flying among them being mounting efficiency in resource allotment, service provisions, greater than ever transparency and accountability in the management of public dealings, plummeting bureaucratic red-tapism, augmenting and intensifying municipal and executive aptitude and amplification of democracy through greater than before people’s involvement in formation of decisions over mature precedence and resource allotment.

But it must also be implicit with a word of prudence that decentralization is a de rigueur but not a satisfactory condition for local improvement. Dominance may be reassigned to lower echelons of authority but this does not inevitably mean that functioning will be more competent, transparent or accountable or that stakeholders will have more
say in matters that concern them. Thus the manner in which power is implemented, the measure to which the beneficiaries are drawn in shaping priorities, and the scope to which the service conveyance arrangement actually perk up are strategic determinants to the triumph of the “mantra” of decentralization in Guwahati. It is critical to comprehend that superior governance is municipal management that is exemplified by the “rule of law”, righteousness, accepted participation in management, transparency and answerability. That there is an optimistic and palpable rapport between decentralized authority and effectual service delivery system should be hammered in thoroughly and effectively. It has been seen that provision of services enhances significantly with amplified accountability, more mandate to local representative, more effective service delivery arrangements and more information to the citizenry.

In India following passage of the 74th Constitution Amendment Act, 1992, the states that constitute the Union were directed to amend their individual municipal acts to decentralize powers to their municipalities. The 74th Constitution Amendment Act 1992 initiated several outstanding actions with respect to political decentralization in municipal governance including assenting actions in the form of representation of marginal assemblages in the municipal bodies; (33% for women, 22% for Scheduled Castes and Scheduled Tribes and 28% for Other Backwards Castes) and mission to local representatives of critical roles in civic affairs including planning, service provisions, fiscal development and public justice. Notwithstanding these requirements, however; state governments have not devolved bona fide operating or financial self-governance to the urban local governments. It is therefore difficult to merge the contradictory jerks of the desire by the centre to hang on to the controls of the development
procedure and the local care and idea. Various state corporations and other governmental bodies staffed by the state officialdom that either impede or manage the functions and measures of the Guwahati Municipal Corporation. Often the shortage of facility at local ranks is forwarded as a viable raison d'être for water down local plane sway over decision-making and execution, of course this need not be received at face value. But at countless number of times this ennui of the state government towards construction of competence of the urban local governments boomerang upon the stakeholders' loss of conviction and reliance upon their own civic bodies.

As John Mary Kauzya argues, “Development is a process of progressive and qualitative movement from inability to ability, from incapability to capability”. Therefore it is conceptually normal to start from a point of weak local governance and work towards a strong local governance capacity. Without this predisposition decentralized governance in most developing countries may never be embarked upon.

Instead of indulging in power play and petty politicking the ruling party and for that matter the state government, should in a way work upon the capacity building measures of the Guwahati Municipal Corporation, so that the faith of the citizens is re-established. A little over a quarter of the respondents (26.91%) on various grounds have refrained from casting their votes in the last corporation election. It is very important to break this barrier of silence and attract the fence sitters to join in partnership with the civic body, better the lives of all those involved as stakeholders as well as the beneficiaries with enhanced service delivery system in Guwahati. The indifference of the 26.91% is imperative to the improvement of the city.
the target is to build on a cent percent participatory ethos to make political
decentralization manifest. It is so because partaking makes a specific
qualitative modification to the assessment itself. The decision is enhanced
for being cheered up by the posture and outlook of those who are
prospective beneficiaries or the intention of the assessments. It becomes
precarious when powers that be become overblown with their exaggerated
sense of cartel of knowledge, self-sufficiency and pretentious ideas of
infallibility. The argument is that decisions, which are not the conclusion
of the ideas and affairs of the city residents, will remain ineffectual. The
more the bureaucracy and the seats of power twirl their eyes away form the
ground veracities; the more will their own designs face the counterattack
of the stakeholders.

In 1992, the 74th Constitution Amendment Act was promulgated
seeking to empower the urban local governments; namely the municipal
councils and municipal corporations in the assorted classes of cities in
India. It was at this instant that the National Foundation for India
embarked on an investigation of concerns connected to the expansive
premise of municipal dealings and urban governance as budding vicinity to
espouse.

In Guwahati the issues at pledge are about how the hoi polloi feel
about the presentation of their municipal body and how do they
comprehend their responsibility at the crossing point with civic agencies.
The establishment of ward committees was yet another characteristic that
was anticipated to embrace the community in the urban local governments
if they would have been formed at Guwahati.
However a positive and major event in the poll process held in December 2003 is the participation of the respondents in the voting system to the tune of 73.09%. This is definitely a healthy indication of democracy the majority of the respondents have not let the opportunity slip away to choose their representatives. But a huge doubt still persists as to the efficacy of the practice of democratic decentralization in the Guwahati Municipal Corporation.

5.3.2: Reasons behind casting of Votes:

Different people have different concerns. For some it is stray dogs, for some it is garbage, for others it is poor supply of drinking water however very rarely in Guwahati civic problems differ. Therefore organizing community workshops can go a long way in the classification of the problems of the wards in Guwahati; besides regular interaction with councilors with the ward population is a key locale where in it has to be labored upon in Guwahati. In such workshops and contacts the ward community can add on and itemize their problems; such inventiveness will draw attention to the reciprocal process of prior arrangement with the citizens of Guwahati, and would reflect the main concerns of the citizens.

What can be observed that out of the 73.09 percent of the respondents of Guwahati who had cast their votes, only 18.75% of the electorate is aware of the fact that casting vote is a matter of right and it makes all the difference. But another large segment of 51.77% has cast their vote so that the candidate of their choice could win the election. So a whopping figure of 73.09% of the respondents can be categorized as being politically aware and conscious. This should be considered as a very positive sign for democracy provided, the participation of the people
should not remain confined only to votes casting. The primary reasons of casting votes are recorded in the table-5.3.2.

Table No- 5.3.2: Reasons behind Casting of Votes

<table>
<thead>
<tr>
<th>Reasons for casting Votes</th>
<th>NO. OF RESPONDENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote Casting is A Right</td>
<td>138</td>
<td>18.75</td>
</tr>
<tr>
<td>For the win of Our chosen Candidate</td>
<td>381</td>
<td>51.77</td>
</tr>
<tr>
<td>Just because others said to cast</td>
<td>094</td>
<td>12.77</td>
</tr>
<tr>
<td>Forced to cast by relatives</td>
<td>047</td>
<td>06.38</td>
</tr>
<tr>
<td>Forced By Political Parties</td>
<td>049</td>
<td>06.66</td>
</tr>
<tr>
<td>No Reason</td>
<td>027</td>
<td>03.67</td>
</tr>
<tr>
<td>Total</td>
<td>736</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Fieldwork

It may be observed that 3.14 percent of the respondents could not find any reasons behind casting their votes. The remaining three categories are of similar nature as all these respondents cast their votes not on their own but at the insistence of others.

5.3.3: Reasons behind not casting of votes:

Thus on the whole the reading of this table does not give the idea that not all the people are fully aware of their political rights and its utility. They do not know why should they exercise it and its far-reaching effects. For them casting of votes for ward elections is all the same as that of the Assembly or Lok Sabha election. Thus for them democratic decentralisation does not hold any separate meaning. The table 5.3.3 presents another notable aspect of the issue.
The above table-5.3.3 points out to a rather disheartening mindset among the Guwahatians, where among the respondents who did not vote in 26.91% of them found it rather worthless to vote in the last Guwahati Municipal Corporation election held in December 2003. 19.56% of Guwahatians did not vote just for any apparent reason. Another thought provoking finding has been that 13.65% did not cast their ballot, as they did not find any suitable candidate to represent them. This may lead us to another aspect that to bring these 13.65% of people sitting on the fence to the mainstream and voice their choice and opinion, the introduction of “unsuitable candidates” or the option of “no-vote” should be built-in into the ballot paper. This would definitely go a long way to provide a route to such voiceless and withdrawn sections of the society to express their dissent regarding the existent process and become a push factor to egg on further electoral reforms in our country.

We have however recognized the existence of structural hold-ups to effective operation of the Guwahati Municipal Corporation. It is also of critical importance that the success of democratic decentralization depends to a great extent on the existence of a genial setting for a macro strategy.
agenda that ensures the requirements of livelihood safe keep for the marginalized commoner of Guwahati.

In an era of globalisation, decentralization is the key counter-veiling trend, which can ensure that the growth process is pro-poor, pro-women, pro-nature and pro-jobs. As market amalgamation and hi-tech novelty renders the national precincts more and more holey, it is crucial to put in place and brace up systems of dialogue, regulation and decentralized governance. These can ensure the voices and the concerns of the urban commoner of Guwahati.

5.3.4: Political party member among the respondents:

However another fact should be taken into consideration that among the respondents only 14.40% are members of any political parties as opposed to 85.60% of respondents who do not belong to any political party.

Table – 5.3.4A: Political party member among the respondents

<table>
<thead>
<tr>
<th>Whether member of any political party?</th>
<th>No. of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>145</td>
<td>14.40</td>
</tr>
<tr>
<td>No</td>
<td>862</td>
<td>85.60</td>
</tr>
<tr>
<td>Total</td>
<td>1007</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Fieldwork

Nevertheless supporting the above figures in the last Guwahati Municipal Corporation election in December 2003 only 14.40% of the respondents have campaigned for any political party or any candidate; on the other hand a big segment of the respondents to the tune of 85.60% have
denied having participated in any such election campaign. The details is shown in the following table:

Table – 5.3.4B Did you Campaign for Any Political Party or Candidate?

<table>
<thead>
<tr>
<th>Campaigning</th>
<th>No of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>226</td>
<td>22.44</td>
</tr>
<tr>
<td>No</td>
<td>781</td>
<td>77.56</td>
</tr>
<tr>
<td>Total</td>
<td>1007</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Fieldwork

Another notable aspect is that though the majority of the respondents are not affiliated to any political party but around 51.77% (Ref table-5 3.2) of them have voted for their favourite candidate, belonging to a political party or those who have contested the election as independent.

The crux constituent that materializes from the assorted illustrations of success is “participation”. The people are projected to embark on program on their own when they become conscientised and acutely sentient of their circumstances and begin to identify the options for altering that reality. The essential components of people’s participation for self-development are assessment of local resources and local level planning, sensitising people and building local organizations for collective actions and an awning support, apparatus to assist people’s development dealings. More often than not such development actions of the people in progress are initiated on a small scale, but the initial successes gave them the necessary confidence to embark upon larger and classier actions.
5.3.5: Determining factors of Vote casting:

Democratic decentralization in planning and accomplishment with people’s participation will to a large degree, help overcome the problem set up by the vertical actions of municipality of developmental programs and inefficiency in resources procedures. Pooling of resources allocated by the center and the states to programs in education, health, social welfare and poverty alleviation at the city level will assist convergence, inter-program synergy and the much-desired co-ordination. Though democratic decentralization provides the necessary framework for better use of resources, there is no one-to-one correspondence between them. It needs to be complemented by social mobilization of the people and consequential partnerships of the government, voluntary organizations, self-help groups and other actors in civil society. Communication and trust need to be supported between the grassroots level functionaries in the city and the society for better community-government partnerships.

Local level accountability comes in two dimensions. Local elections brace up the accountability of the officials to citizens. However they are limited because they take place in recurrently and depend upon the electoral system; a case in point is that of the Guwahati Municipal Corporation. The electoral cycles and the term-limits encourage elected officials to spend on noticeable projects (roads, drainage and sewerage system, garbage disposal system) rather than lower-profile and long-term investments. The accountability of the civil servants to prove difficult to achieve, for professionals in health, education; agriculture and other fields have considerable incentives to evade control in terms of statutory regulations, organizational allegiances, career paths, political patronage and resist reform in most cases. Thus local elections are a necessary but
not adequate channel to guarantee accountability. They need to be harmonized by mechanisms of voice and restraints between elections such as local political parties, organized interest groups, civil society and the media.

Table – 5.3.5: Determinants of Casting of Votes

<table>
<thead>
<tr>
<th>The Determinants</th>
<th>No of Respondents</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image of the political party</td>
<td>177</td>
<td>17.58</td>
</tr>
<tr>
<td>Quality of the candidate</td>
<td>738</td>
<td>73.28</td>
</tr>
<tr>
<td>Religion / caste; etc</td>
<td>007</td>
<td>00.70</td>
</tr>
<tr>
<td>Others</td>
<td>085</td>
<td>08.44</td>
</tr>
<tr>
<td>Total</td>
<td>1007</td>
<td>100.00</td>
</tr>
</tbody>
</table>

In table-5.3.5, a whopping 73.28% of the respondents have taken into consideration the quality of the candidates more than anything else. In local political set up the community get a chance to know the potential contender. This is a noteworthy attribute of local governance. The pervasive use of non-partisanship in electing municipal representatives. Non-partisanship unavoidably affects the essential process of leadership conscription to a large extent; it moves away the decision-making process from the recognized bureaucratic lines and has a propensity therefore to affect necessarily the use of power of the community. Non-partisanship as a determinant for vote casting was a surfacing of repugnance against dishonesty and the use of power in a very reckless manner. There has been a mounting anxiety that the general man are led off beam by false pledges made by the devious politicians and such political leadership do not convey the benefit and welfare of the people and function as an barrier to good-governance. The political party seemed to be the genesis of all
tribulations. It in fact acts as a regressive instrument in the perspective of
citizen participation in municipal bodies and rams in all sorts of corrupt
applications and all the fundamentals allied with unhealthy governance. As
shown in table 5.3.5, 73.28% of the respondents were of the opinion that
the Guwahati Municipal Corporation election be held without the ticket of
political parties so that the common man, his competence, his yearning for
choice and his wishes to deliver goods to the public would have an open
probability to win a political office without having to win the favor of the
party apparatus by becoming its servile reliant. In municipal elections,
voting on non-partisanship basis has become a trend- a common way
casting the ballot. Charles Adrian has established that a mainstream of all
elected officials of all levels of government combined is chosen in non-

Non-partisanship in electing a candidate has certain ends in view:

- To take away the element of “politics” from the working of local
government, make things easier and add a humane dimension to the
system of urban local government.

- To accentuate on capacity building of probable contestant for such
elective responsibilities in the space of local urban local governance.
Thereby they would be skilled in all aspects pertaining to the local
governance, configuration and tasks. Also sensitize them to the fact
that they represent a linkage between the red tape and the
commoner.

- State and national concerns are to be barred from the local election
agenda. But we hardly can rule out the probable link between local
voting behaviour and party affiliations to a national political party. The schedule of a local election basically swerve around local ward issues and in most of the cases they constitute in broad terms- “biljuli-paani-raasta-podulee” (bijli-pani-sarak), in such cases long-established loyalty to national political parties is a foremost hold-up.

Purging of the party label or recognition is understood to be of great consequence in highlighting the individual worth of a candidate rather than his party membership. It is simpler for the voter to be familiar with party symbols rather than learn by rote a long list of candidates printed on a long ballot paper.

5.3.6: A Note on Non Partisan Voting

Non-partisan voting is in fact a central prerequisite of voting at municipal elections because different wards have different tribulations and civic problems cannot be politically acknowledged as leftist, rightist or centrist. It is easier for the commoner in each ward to know his would be representative because the contestant belongs to the same locality/area/ward. Political congregations, public jamboree etc. are significant apparatus and bureaus for styling public opinion. Political meetings are principally and very traditionally made use of and calculated to politically motivate and edify the masses, mould their perspectives and slant their preference. Political assemblies prior to the elections, be it national, state or local, are basically by and large attended. The haul of such meetings was incredible in the early years of Indian Independence; when public could not withstand the mesmeric allure of the nationalist leaders as well as weighty leaders of the states.
For all realistic purposes gone are the days when people used to throng the public meetings to catch a peek of the leaders and pay attention to what they have to say (Table 5.3.6). 67.03% of the respondents have not attended any political meetings during the run up to the Guwahati Municipal Corporation polls in December 2003, but 73.09% (Ref: Table 5 3.1) of the respondents have exercised their franchise.

Table – 5.3.6: Attending political meetings during elections

<table>
<thead>
<tr>
<th>Attending political meeting</th>
<th>No. of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>293</td>
<td>29.10</td>
</tr>
<tr>
<td>No</td>
<td>675</td>
<td>67.03</td>
</tr>
<tr>
<td>No Response</td>
<td>39</td>
<td>03.87</td>
</tr>
<tr>
<td>Total</td>
<td>1007</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Fieldwork

Such a phenomena can lead to numerous possibilities. Many of the respondents are of the view that all the political leaders in the meetings make an assortment of sky-high assurances so it is as good as not listening to them. And that it is depletion of time and energy listening to the unscrupulous politicians who often speak and make promises opposite to their capacity, often such promises made are impractical. Another interesting feature is that even after 59 years of our independence the politicians make “bijulee-paani-path-podulee” as their election issues in Guwahati and also throughout the entirety of our country. Such indispensable services still dodge the common individual in India, the thought it self is dismal. E.g. a regional political party in Assam like the Asom Gana Parishad for the forthcoming State Assembly elections slated for 2006 has taken up the “failures” of the ruling Party to provide even the basic civic facilities as the main plank in its bid to wrest the prestigious
East Guwahati seat from the Congress I. The east Guwahati State Assembly constituency includes four wards. Such imprudent attitude of the ruling as well as the opposition political parties is also guilty for weaning away the people from the public meetings. This can hardly be considered as a healthy sign for a functional democracy like India. The display of unresponsiveness in the voter’s way of behaving might show the way to their colossal seclusion and estrangement from the political parties and the leaders and this can be unquestionably designated as a litmus test to participatory political process. Non-partisanship in casting vote is not the only instrument to annihilate the political substance of the urban local governments. To play down the authority of party politics in the performance of the urban local bodies can be a doable preference.

The public impression of a contender plays a very crucial role in magnetizing votes right through the elections, predominantly in ward elections in urban local governing institutions. Voters herein know better about the contestant of their neighbourhood more than they would know about the challenger in a parliamentary or a state assembly election in India. The general public of the wards come to know about the contestants with more intelligibility because the prospects and the circumstances of running into the contestants at unofficial situations are more. Hence a huge chunk of the respondents (73.28%, Ref: Table 5.3.5) in Guwahati have done what any sensible populace anywhere in the globe would do. The Guwahatians in the Guwahati Municipal Corporation held in December 2003 have emphasized and focused on the relatively qualitative and seemingly capable candidates while exercising their franchise.
Above and beyond individual interactions are perceptibly of great consequence at local level political agenda, this is an inescapable termination. At such ward level election progression the area is comparatively restricted and prevaricated, so here comes in his reliance on personal links and contacts. It has also been observed that during such phases, the contenders would make the most of his various compilations of associations and acquaintances. He would count upon the locality youth organization, his religious, social, political, linguistic, business associations. And consequently his inter-personal dealings attain more significance. Here in personal qualities, his background, education, way of assessment take primacy over the concerns for which he stands or becomes dedicated to fulfil.

The inhabitants in many wards also have a propensity to vote for what they comprehend as a "lesser evil". Given a plate bursting of stumpy quality contestants to choose from they have been forced to choose the best among the assortment. Such defencelessness of the masses has provoked many policy architects to campaign the insertion of what they call the "no-vote" option in the ballot document. Such a device can serve very substantial purposes in a democracy like ours. The politicians and the contestants can very well dismount from this notion that they are the "representatives" of the people of the Greater Guwahati Municipal Area. Because then they can become conscious of the vote count that they have garnished out of the total number of vote cast, which would obviously, show a numerically ascendant development.

The chunk of sizeable voters who are being gradually weaned away from the participatory political process can be lured back with the
assurance that it is basic for good governance to understand their isolation and indifferent attitude to the system. The phenomena of “no-vote” of the voters also would help to drive home the point that no contestant deserve a vote and that their qualities are insufficient to turn them into a people’s representative, so the contestants need a lot of homework to be one before they project themselves as a prospective representative of the people, which many these days consider it to be a child’s play.

Another important gain would be to get the voice and choice of the indifferent fence sitters and the marginalized masses of Guwahati. For a city government the participation of the entire urban community is significant for the democratic process to be successful. According to Table 01, 25.98% of the respondents who have not exercised their right to franchise are the fence sitters and passive onlookers in the Guwahati Municipal Corporation elections held in December 2003. Their participation is crucial to the extent that the development process must be resisted from being hijacked by only one segment.

So it is important for the polity that the various political parties in the electoral fray field people with clean image alone be it parliamentary, state or local level elections. This is to be emphasized to bring back the confidence of the common man in to the poll process in India. To attract back the commoner to the public meetings which are now known to all and sundry, crowded with hired “public” from far flung areas, misusing the government machinery and making the public money go down the drains.

To this effect a significant decision was taken by the government of Assam in October 2003 to endorse the Assam Municipal (Amendment) Ordinance 2003, which included a clause that any person with a criminal
antecedent is ineligible for election to a municipal organization. The move has been observed as an image-building exercise of the ruling Congress with a run up to the Assembly polls in 2006. This would have a major impression on the state’s political setting. The contestants were thereby under obligation to give an affirmation before the State Election Commission about any sentence or exoneration in a criminal case while filing their nomination credentials. Prospective contestants had to relate if they have been indicted in any case six months prior to filing nominations. They had to refer their sources of income, with monthly and annual breakups, and give details of income tax paid. The bank balances of the contestants, their respective spouses and dependants were also laid bare before the State Election Commission. Another prerequisite was declaration of impending financial liabilities if any.

These steps have brought about a great deal of transparency into the poll process and also gave the citizens an insight into the image of their would be representatives. Such steps embolden the voters to ask questions and exercise their choice of rejecting and accepting the candidates in the electoral fray. Personalities of the contestants play an unusually significant role in the local level politics, because it is almost certain that the voters come in contact with public figures, this is almost an unavoidable phenomena. The issues and aspects of dialogue at such meetings/congregations are very locality-specific and more often quite individualistic in characteristics. Disposal of garbage, dilapidated roads, desilting and cleaning up the side drains, denudation of open space, house numbering, drinking water supply, provisions of adequate street lights in the wards, noise control are a few problems which are common to almost all the wards in the Guwahati Municipal Corporation area. Such problems
may stimulate profoundly personal apprehensions or even fanatical challenges in a ward or among the wards. The facet of propinquity involved in many of the ills of the wards and the prospects of links between the participants or stakeholders in local level decision-making process adds that waltz to local politics.

5.3.7: Responsiveness of councillors

Despite the odds being against the Guwahatians, according to Table 5.3.7A, 36.35% of the respondents have approached their ward councillors and representatives for redresses of their grievances and out of that according to the table 5.3.7B a massive 72.38% of respondents are of the view that their ward councillor and representatives have not been helpful and sensitive to their problems and have evaded responsibilities as a representative.

Table- 5.3.7A: Whether Approached Ward Councilors for Grievances?

<table>
<thead>
<tr>
<th>Whether approached</th>
<th>No. Of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>366</td>
<td>36.35</td>
</tr>
<tr>
<td>No</td>
<td>616</td>
<td>61.17</td>
</tr>
<tr>
<td></td>
<td>25</td>
<td>02.48</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1007</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Table - 5.3.7B: Nature of Responses of the Ward Councillors

<table>
<thead>
<tr>
<th>Nature of Response</th>
<th>No of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helpful</td>
<td>42</td>
<td>11.48</td>
</tr>
<tr>
<td>Not helpful</td>
<td>259</td>
<td>70.76</td>
</tr>
<tr>
<td>Cooperating</td>
<td>40</td>
<td>10.93</td>
</tr>
<tr>
<td>Not cooperating</td>
<td>17</td>
<td>04.64</td>
</tr>
<tr>
<td>Not required</td>
<td>08</td>
<td>02.19</td>
</tr>
<tr>
<td>TOTAL</td>
<td>366</td>
<td>100.00</td>
</tr>
</tbody>
</table>
But the Table 5.3.7A reveals that 11.48% and 10.93% of the respondents have said that the ward councillors and the representatives have been helpful and cooperating indeed, this chunk of positivism is very significant. And it is a consensual opinion among the respondents that it is high time that the elected representatives whether at the Guwahati Municipal Corporation level or at the State Assembly level should be sensitized and made to be more responsive to the needs of the citizens. Because as representatives they are to convey the goods and services to the common individual at the grassroots level. Hence a considerable focus should be onto capacity building of the elected representatives at the grassroots level.

From the above it follows that

➤ Firstly the Government of Assam and the Guwahati Municipal Corporation has yet to educate the citizens of Guwahati regarding the intricacies of the 74th Constitution Amendment Act, 1992.

➤ Secondly, the civil society groups in Guwahati have also stayed away from the whole issue. There is no advocacy worth mentioning in this field particularly making the public aware about their rights and duties as per the 74th Constitution Amendment Act, 1992.

➤ There is a discernible lack of interest among the citizens of this premier city of the North East India regarding the development of their city. We hardly understand that we all have a right to ask and also to be heard.

All this three factors make it easy for the government agencies, unscrupulous politicians and insincere elected representatives of the Guwahati Municipal Corporation to cover up their omissions and the
wrongful commissions and continue to have their way at the cost of the common resident of the city of Guwahati.

The elected representatives should be educated about the fundamental characteristics of the 74th Constitution Amendment Act, 1992, i.e. to magnetize the association of the citizens of Guwahati in the system of municipal management in the city. The elected representatives should also discontinue believing and take their office as an opening to accrue to themselves personal benefits.

Such involvement not only focuses on the status of the activities, but also gives the citizens a chance to know about any supplementary resources spawned by the ward. This information facilitates the citizens' play a dynamic role even in preparation of the distribution of these funds. This uncomplicated, responsive platform makes it uncomplicated for increased number of citizens to slot in, as all they have to do is to be aware of what is going on in their ward; to change from mere silent fence sitting spectators and passive onlookers to vigorous and alert partaker and concerned associates in the development of Guwahati. Such meetings among the stakeholders and participants in Guwahati would definitely help to create and ambiance of joint venture and alliance giving potency to the feel of participatory democracy.

In a vast country like India democratic decentralization at the urban sector has enormous challenges. To meet them we require an entire framework for capacity building. Capacity building exercises would unquestionably involve training of individual elected representatives, particularly the women elected representatives, the bureaucrats so concerned in its functioning through some encoded package of inputs. Analyzed in this
implication, capacity building is an enduring investment and a significant course of action of strengthening urban local governments founded on logical culture of new knowledge, proficiencies and mind-set.

5.3.8: Flow of Information:

Successful operation of local self-governance calls for vigorous, aflranced and methodical citizenry. Today in all reasonableness even in an urban milieu people have been progressively more alienated into class, caste, linguistic religious, locality and gender basis. Well thought-out barricades are arranged to free flow of information and knowledge about our rights and duties even in this age of knowledge explosion.

Although it is elevating to take note of the fact that according to Table 5.3.8, 45.48% of the respondents in Guwahati collect their information regarding the functioning of the Guwahati Municipal Corporation from the newspapers. This unquestionably is an upbeat trend, which illustrate that there is a good readership in Guwahati. It also shows the level of apprehension about the city. Hearsay

Table: 5.3.8: Manner of getting Information about GMC's activities

<table>
<thead>
<tr>
<th>Source</th>
<th>No. Of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through Newspapers</td>
<td>458</td>
<td>45.48</td>
</tr>
<tr>
<td>Hearsay</td>
<td>279</td>
<td>27.71</td>
</tr>
<tr>
<td>Discussion In Political Circles</td>
<td>87</td>
<td>08.64</td>
</tr>
<tr>
<td>Discussion Among Friends</td>
<td>47</td>
<td>04.67</td>
</tr>
<tr>
<td>No interest on GMC matters</td>
<td>136</td>
<td>13.50</td>
</tr>
<tr>
<td>Total</td>
<td>1007</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Fieldwork
According to Table 5.3.8, another 27.71% of the respondents show their anxiety and their understanding about the Guwahati Municipal Corporation when they say that they have a perception about the incapabilities of the Guwahati Municipal Corporation and the pitfalls of the elected representatives from here says. It may also be observed from the table that a sizeable 13.50% of the city dwellers demonstrate a lack of interest in the operation of the Guwahati Municipal Corporation. This cannot be acknowledged as an encouraging development in a democratic milieu. Table 08, also shows 8.64% and 4.67% of the respondents know about the Guwahati Municipal Corporation from discussions in political circles and from the deliberation among friends and acquaintances respectively. This (8.64+4.67) % = 13.31% of the respondents have arrived at noteworthy levels of political attentiveness and are very wide awake about their city; this also exhibit their love and affection towards the city of Guwahati. This is favourably affirmative for the endorsement of participatory political culture. To make the most of it capacity enhancement interventions are right away essential for the stakeholders with the energetic collaboration of the civil society in every ward in Guwahati. Another area of concern for the respondents is the need or the diminishing of social capital in Guwahati. The respondents are also irritated at the nonchalance of the elected representatives of their wards. The distress and the bustle of the elected representatives become visible during calamities like the unprecedented water logging in Guwahati in the month of October 2004. Most of the wards under water hardly got to see the countenance of their councillors. Such coldness and apathy of the elected representatives has in a way denuded the on hand social capital and has also demotivated the residents’ away form the Guwahati Municipal Corporation.
We are to realize the fact that only a well-informed and knowledgeable body of voters can rear the competence to elect viable citizens' representative who would attach to the rudiments of transparency and answerability. So we at Guwahati require both intensive and extensive educational interventions via campaign approaches, such involvements can accommodate how to cast votes, street corner plays and conventions, posterling, distribution of pamphlets and manifestoes and also door-to-door drop in on.

Customarily, it is the holistic responsibility of the elected representatives to bring about popular participation in the decision-making process. However direct public participation is easier said than done due to the obvious constraints which include scarce time available to the urban local governments, like that of the Guwahati Municipal Corporation with an estimated population of around 15 lakhs. In the broad-spectrum community would add on and play a part through media such as newspapers, journals, posters, seminars and books. There are a number of responsibilities identifiable with every city that muse on the scrap for municipal developmental and remedial issues; Guwahati too is one such fast growing metropolis. Given the appropriate podium the in general disinterested and dispirited inhabitants of Guwahati would definitely chip in.

It is of course a inescapable inference that there subsists a spacious fissure between the clout approved to the urban local governments on paper and the authentic circumstances and ground realities they face at the time of their presentation, before it is too late, it has to be realized that the urban local governments are to be considered as critical ingredient of the
whole federal setup. It should also be hammered home that only drafting of functions in the 12th Schedule will not harvest any rewarding conclusion, there is a necessity to refortify –politically, fiscally, technologically and at the individual level the urban local governments and the Guwahati Municipal Corporation is one of them. The urgency of the hour is a discerning change on the part of the elected representatives, bureaucrats, people's civic consciousness, keenness and advocacy for sharing in the city government with a view to renovate their city into a habitable one and a indispensable transformation of mindset of all concerned and a awareness to lead a better civic life. “Studying is not enough, becoming experts is not enough...Good citizenship requires not only knowledge but the ability to act” (LWVUS President Wells, 1934).

5.4: Economic Decentralisation:

The miserable profile of funds in municipalities across India is a very general attribute. The Constitution of India even after the 74th Constitution Amendment Act, 1992 does not make available for a self-determining set of taxes that the urban local governments can rear. They carry on to be determined and synchronized by the state governments. Article 243X bestows upon a state that it may legally empower a city government to charge and accumulate property taxes, duties, tolls and fees. The state has also been authorized to ordain the modus operandi and top limit for the same. Even pertain to resources; passable accounting arrangements are not in place. The Constitution of India has made it de rigueur for every state to create a State Finance Commission (SFC) that is to review the financial standing of the municipalities and make proposals and counsel regarding the allocation of dues between the States and the Municipalities. It is also anticipated to look into the principles for grants-in-aid and advocate
procedures required to better the financial situation of the Municipalities. But the State Finance Commission has to operate austerely according to the terms of references provided to it by the State. After the 74th Constitution Amendment Act, 1992 between 1994 and 1997, a total of 22 State Finance Commissions were set up. The terms of references of the State Finance Commissions were basically a repetition of article 243Y of the Constitution of India that elucidates the functions of the State Finance Commissions. Since finances required and the tasks to be executed are interconnected the State Finance Commissions could re-evaluate the present state of affairs and counsel a practical sphere of influence that would wait on public concern and also be fiscally doable. But most of the State Finance Commissions did not deliberate on the subject at all.

The fund crisis being confronted at the Central, State and the Local levels and the cutback of existing and principal disbursements in recent years have produced acute qualms concerning requirements of fundamental facilities to municipal populace, predominantly the underprivileged. Previously, the purpose of the central and the state governments in local affairs was not made crystal clear. It consisted of off the cuff scrappy efforts and no attention to the details was paid at programmatic stage. Nevertheless, from the time of mid-eighties a procedure of passing the accountability at the local level has become very noticeably in India.

Decentralization of fiscal powers and processes has not kept pace with political and legal changes, and structures have not changed sufficiently to reflect the new reality at local levels. For example money is given to local bodies at the grassroot level on request and satisfaction of conditions,
leaving the power still in the hands of the State Governments. It is understood, that local governments in India are not uniform, some more tax-raising or legislative powers than others, but their fundamental responsibility is to provide the basic civic amenities and services for their residents. The prevailing global philosophy with influence from the international financial institutions is towards administrative decentralisation and a reduced role of the state. This has meant an increased basket of responsibilities for many urban local governments, including anti-poverty programmes, while privatisation of services is encouraged. In reality this means that many of the basic services provided by the local government are becoming dependent on the ability to pay clearly contradicting the anti-poverty function of local government. In the urban context, budget analysis needs to go beyond revenue and expenditure to look at the structure of the local economy. Many cities are developed on the basis of a particular activity or function, which determines the demographic profile. As this changes, due to privatisation or global trends and many cities move from manufacturing towards the service sectors, the needs of the city also change; the demographic profile changes, and a host of varied services are required. Realistic planning and budgeting in cities need to be however based on a more rational analysis of patterns of urbanisation. Broader budget analysis enables us to comment and national resource allocation and macro-economic policy, the push factors for urbanisation as well as the urban pull. The prevalent development model in India encourages the extraction of natural resources from the rural areas followed by the extraction of surplus labour, which further degrades the rural areas and floods the urban informal sector, undermining worker’s power to negotiate for their rights.
The quality of urban infrastructure facilitates economic growth and human well-being is a well-known fact. Quite clearly, the absence of transportation hinders the mobility of goods and services; poor quality of water and sanitation increases morbidity and lowers labour efficiency. Equally well understood is that along with new investments improved service delivery essential for the growth process to be sustained. In India, the major macro reforms initiated in early 1990’s will be beneficial and meaningful at a micro level, only if city governments provide an environment, which encourages new capital inflows. It is a paradox, however that urban India, despite contributing to more than half of the national income, receives much less than its due to share. Hence it is important to transform city governments from an indifferent service provider to a freer and more responsive developer of urban infrastructure. The agenda for such transformation include legislative reforms, capacity building for better governance and creating viable financial structures which would link domestic capital markets with city financial needs.

Increasing decentralisation of the local authorities and consequent establishment of political control over public money as further increased the importance of local finance and enhanced the responsibility of the civic bodies dealing with them.

The 74\textsuperscript{th} Constitutional Amendment Act has attempted to reconsolidate and restrengthen the urban local bodies. It empowers the municipalities to prepare the plans for economic development and social justice and perform the functions and implementation of the schemes entrusted to them including the 18 items appended in the Constitution of India as the Twelfth
Schedule. Most of the listed functions are already in the existing Acts, but have been transferred, temporarily to other institutions.

With the inclusion of additional municipal functions in the 12th Schedule of the Constitution of India, the requirements for Municipal Finance have increased further. At the same time, the gap in the Municipal Finance for upgrading existing services itself is fairly high. This requires a service of innovative interventions in resource mobilisation and Municipal reforms so that municipal bodies are able to raise requisite funds, hitherto unheard of in the context of the Guwahati Municipal Corporation.

The approach of the 74th Constitutional Amendment towards municipal decentralisation is based on the mechanism of the Finance Commission at the State and Central levels. The resource scarcity being faced at the Central levels. The resource scarcity being faced at the Central, State and local levels and reduction of current and capital expenditure in recent years have created serious uncertainty with regard to provision of urban basic services to the urban population in Guwahati. Earlier, the role of the Central and State government in local affairs was not clearly defined. It has always consisted of ad-hoc and fragmented efforts at programmatic level. However, since mid-eighties a process of shifting the responsibility to the local level has manifested clearly all over India.

The 74th Constitutional Amendment Act provides for the Constitution of the State Finance Commission to review the financial position of the municipalities and make recommendations to the Governor as to the principles, which should govern.
1. The distribution between the State and the municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which the allocation between the municipalities at all levels of their respective shares of such proceeds.

2. The determination of the taxes, duties, tolls and fees may be assigned or apportioned by the municipalities.

3. The grants-in-aid to the municipalities from the consolidated fund of the State. It also provides for recommending the measures needed to improve the financial position of the municipalities.

4. The GMC has received a special onward of Rs.121 crores from the 12 Finance Commission for construction of roadside drains.

The main problem of municipal finance is of resources. It is probably the most insurmountable one, which the Guwahati Municipal Corporation is facing today. The 74th Constitutional Amendment Act has provided for a long list of sources of revenue but most of them are of nominal importance. The same is the case even with the other older Municipal laws which have been operation have not been fully topped the result is that the Guwahati Municipal Corporation is cash-strapped and is heavily over-burdened with debts. The corporation is therefore not able to provide all the urban basic services to all inhabitants of the city.

5.4.1: Structure of Municipal Finance

Conceptually, a dominant share of transfers in the total local revenue need not be looked as an aberration in local finance. Urban settlements' contribution to the Gross Domestic Product is substantial. Yet they do not have a legitimate share in the local national resources. Transfers of various sums of money from the Central and the State governments could however
be taken as a proxy for the share of local governments in the national resources. Hence a high share of external sources in the total revenue has not to be viewed as a negative phenomenon. However, this should not make them too complacent to ignore the potential of resources generation from their own sources. The function of the Guwahati Municipal Corporation and the attitude of the Government of Assam have been very pathetic and have utterly neglected this issue. As a result the resource generation ability as well as the resource generation will of the Guwahati Municipal Corporation as came under massive fire and public criticism of late. The Corporation more often than not has been branded as a non-performer. The real litmus test lies in at least a 05% per annum increase in real terms in revenue from own sources along with an increased share of revenue of external sources. But the trend in this regard in the context of the Guwahati Municipal Corporation has signified a heavy dependency syndrome. The financial situation of the GMC is not a situation an analysis of revenue and expenditure at per capita constant price would further bring the fiscal stress of the GMC in share focus.

It should be obvious from the above that fiscal decentralisation has to be at the top of the agenda for municipal financial resource mobilisation. Other equally important aspects of the strategy and the issues involved here relate to the very revenue sources of the GMC. These are (i) tax sources, (ii) non-tax sources, (iii) fiscal transfers and (iv) borrowings. Where as fiscal transfers depends on the discretion of the higher level of governments, the Central Government and the Government of Assam, other elements in revenue structure are within the competence of the GMC that can be used by them effectively for the generation of additional
financial resources. Other residual spheres of intervention for revenue enhancement are

i) Municipal asset management and
ii) Political risk management.

The urban local self-governing institutions are prescribed to perform a vast array (obligatory and discretionary) of functions for which adequate financial resources should be available. However there is no separate list of taxes exclusively for municipal bodies. Finance Inquiry Commission (1951) and Taxation Inquiry Commission (1953-54) and other like Commissions and bodies have from time to time looked into the issue of municipal finance. However municipal finance lies with the discretion of the respective State governments to specify by law matters relating to it.

Municipal revenues are basically of the following types:

- Tax revenue
- Non-tax revenue
- Grants-in-aid
- Borrowing or loans.

Major taxes levied by the urban local bodies are the following:

- Tax on property including service levy for water supply, conservancy, sewerage, drains, and garbage disposal.
- Tax on entry of goods into a local area for consumption use of sale therein, octroi.
- Tax on professions.
- Tax on vehicles.
- Advertisement tax.
- Theatre Tax.
- Tax on animals.
- Duty on transfer of property.
The ongoing controversy regarding the enhanced rate of property tax imposed by the GMC has brought the Corporation into a sharp conflict with the residents of the city of Guwahati. While threatening the residents with a weapon of exorbitantly enhanced property tax, it is highly doubtful whether the GMC while choosing to impose it has kept in view the following aspects:

a) The tax base should not vanish when the authorities vary the tax rates.

b) The yield of tax should be adequate and buoyant.

c) It should be stable, not subject to fluctuations.

d) It should be fair to all different sections by incorporating progressively.

e) It should be easy to administer at minimum cost.

Property Tax is the mainstay of municipal finance all over the world. It originated in British Rule with Charter Act of 1793. It is a tax on immovable or tangible real property like land, buildings and permanent improvements. It refers to several imposts like General Property tax, Water Tax, Sewerage tax, Conservancy Tax, Scavenging Tax and Fire Tax. Property Tax is a percentage of the rateable value of the land and buildings.

Rateable value means the annual value of the land and buildings in accordance with the provisions of the relevant act as the base for the purpose of levying the property tax. The annual value can be fixed either on the basis of rental value method or on the capital value method.

The municipal body can impose suspend, reduce partly or wholly exempt any person or class of persons of any such tax on property.
Octroi is the tax levied on entry of goods into a local area for consumption or sale there in. It is a traditional tax and a major source of local revenue. It accounts for about 60 percent to 80 percent of revenue of the urban local bodies where it is imposed. In the State of Rajasthan, Gujarat and Maharasstra for example, this tax is a major source of revenue; however the State of Gujarat has taken a policy decision to abolish the octroi. However due to certain drawbacks octroi has been abolished from many front States such as Andhra Pradesh, Bihar, Assam, Karnataka, Kerala, Nagaland, Sikkim Tamilnadu, Tripura, Himachal Pradesh, Manipur and Meghalaya.

Non-Tax Revenue:

Every Municipal Act has provisions for issuance of licences. Likewise every urban local body is empowered to charge and collect fees both regulatory (for licences issued) and services provided. There is vital difference between tax and fee. Tax is a compulsory levy while fee is a return for a benefit allowed or conferred. When the services is extensively used and is the character and form of a public utility, then the fee charged is called a user charge or a user fee, is to be charged for public utilities. Parking entry fees for play ground, swimming pools etc.

Herein the beneficiaries are readily identifiable. Service fees are levied for performing services such as registration and supply of a copy of document, licence fee on business and vehicles etc. Public prices are voluntary payments by private individuals for purchase of goods and services provided by the Government. Special benefits taxes like fuel taxes on road users are levied in certain cases on benefits received from taxpayers. Fees like Tehabazari are levied by certain urban local bodies on
vendors who use municipal rea for selling their wares. The various charges are: water charges, sewarage charges, slaughter House fees, car parking fees etc. I use charges, the prices should be set at market levels equal to cost of supply and poor should be subsidies separately from separate sources.

Grants-in-aid

Grants-in aid is given by higher government’s like the Central and State Governments for performing agency functions like primary education, Preventive Health care and Environmental programmes. Equalising grants are given to correct fiscal imbalance between municipalities. This reflects the desire of the State Governments to take care of the services which spill over to neighbouring jurisdiction of the municipalities and also to make use of the common taxes without assuming direct responsibilities. The various grant – given are primary education grant, water supply sewerage Grant conservation for terminal tax etc. The Grants are general purpose grants (GPG) and specific purpose Grants (SPG) The GPGs are intended revenue of the local bodies for discharging their normal functions. The SPGs are used for Specific requirements e.g. to meet the expenditure required for the increase of wage bills due to inflation, education grants public health road maintenance etc. Grants are ad hoc and discretionary in nature.

Shared revenues:

For discharging certain state Government responsibilities assigned to the municipalities and enable the municipalities to have a share of some high yielding taxes administered by State Governments revenue sharing is resorted to. It is also presumed that State agencies are more efficient in
collection of taxes than the municipal authorities. After enactment of the 74th Constitution Amendment Act, which enjoins constitution of State Finance Commission, the sharing is done as per recommendation of the Finance Commission and has ceased to be discretionary.

Borrowings and loans: Municipal authorities resort to borrowings for implementing capital intensive projects, the benefits of which last over relatively a larger period of time, such as public utilities roads etc. These loans are from higher levels to Governments or as borrowings from the market by way of municipal bonds, debentures and other instruments, which can be guaranteed by the higher government. Municipal bodies generally borrow from the State governments and other agencies when they cannot meet the expenses with their existing revenues. The borrowing power of an urban local body is regulated under local authorities Loans Act 1914.

This Act provides that municipal bodies borrow for developmental activities and payment of debt charges. Local bodies borrow for the following activities:

- Construction of municipal works.
- Provision for relief and establishment of maintenance of relief work in times of disaster.
- Prevention of the outbreak of any dangerous epidemics.

Municipal bonds are either general obligation bonds or revenue bonds. In general obligation bonds, the revenue collections are kept in an escrow account and supervised by an independent trustee. Borrower municipality gets a lien on the accounts only after debt-servicing requirements have been met. Revenue bonds, which are project specific, are secured by user fees or service charges paid by the user of the urban
infrastructure facility e.g. tolls collected from a highway or drinking water facilities etc. For credit rating of municipal body, legal and administrative framework of the municipality, economic base of the service area, details of municipal finances, the debt profile and political riches are taken into account. The municipal corporations of Ahmedabad, Pune Mumbai and Vijaywada have floated municipal bonds of Rs 100 crore, 200 crore, 25 crore and 30 crore respectively.

Collection efforts in Guwahati Municipal Corporation

The collection effort in the case of the GMC refers to the taxes, which the citizens of the city have to pay. The tax collection system is itself faulty and is quite ‘area specific’ and is afflicted by many defects. The tax billing process itself takes very long. Due to the tax attitude of the GMC, the residents in many areas are tax defaulters. Table -1 and Table-2 show the percentage of tax defaulters among the respondents. Of the total

Table- 5.4.1 A: Status of tax clearance by the respondents

<table>
<thead>
<tr>
<th>Status</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleared up to date</td>
<td>798</td>
<td>79.25</td>
</tr>
<tr>
<td>Not cleared</td>
<td>209</td>
<td>20.75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1007</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Fieldwork

It is however a very positive trend that among the respondents 79.25 percent have cleared up their dues to the GMC. This is an indicator, which points to the fact that the Guwahatians are basically law-abiding citizens who would like their city one of the best and clean in the country.
Table- 5.4.1B : Status of the defaulter

<table>
<thead>
<tr>
<th>Since when defaulted</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since 01 year</td>
<td>55</td>
<td>26.32</td>
</tr>
<tr>
<td>Since 02 years</td>
<td>33</td>
<td>15.79</td>
</tr>
<tr>
<td>Since 03 years</td>
<td>15</td>
<td>07.18</td>
</tr>
<tr>
<td>Since 04 years</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Since 05 years</td>
<td>37</td>
<td>17.70</td>
</tr>
<tr>
<td>Not a taxpayer</td>
<td>69</td>
<td>33.01</td>
</tr>
<tr>
<td>TOTAL</td>
<td>209</td>
<td>99.99</td>
</tr>
</tbody>
</table>

Source: Fieldwork

On the other hand the number of tax defaulters among the respondents to the tune of 20.75 percent is also an area where in the GMC need to work upon. This group consists of defaulters ranging from one year to 6 years. The GMC which is definitely suffering from a dependency syndrome can do well to spruce up their tax collection machinery.

The collection programme of GMC aimed at timely collection of receivables, may consist of the following:

- Monitoring the State of receivables.
- Arranging for dispatch of letters to citizens or parties whose due dates is approaching.
- Telegraphic and telephonic advice and intimation can be sent around the due date.
- Threat of action on overdue accounts
- Legal actions against overdue accounts.
- Streamlining the collection network and reaching out to all the residents of the city.
Making well-coordinated and honest efforts to bring under cover of assessment all the residents who are yet to be assessed.

However, it should be understood that rigorous collection programme tends to shorten the average collection period, reduce bad debt percentage and increase collection expenses. A tax collection programme, spread over a considerable period of time on one hand, lengthens the average collection period, increases the bad debt percentage and perhaps reduces the collection expenses. Long term cash forecasting should also be undertaken so that resources mobilization can proceed. This can be achieved once the municipal body prepares a master plan encompassing a period of five years. The Guwahati Metropolitan Development Authority (GMDA) is to come up with a revised master plan within 2005-2006.

Investment is another crucial area in this context as is the case with GMC. As a common practice, most of the municipal bodies were found incest only in bank deposits and government securities, which ensured better liquidity rather than better returns. It is suggested that alternative investment options should also be considered after legal aspects have been studied. Attractive options like bill discounting and investing in companies deposit schemes can be considered. This will however require a major change in government policy. The Chief Minister of Assam while tabling the 2005-2006 budget in the State Assembly on March 14, 2005 has announced that new municipal towns along the lines of prevalent in other parts of the country for strengthening the urban local bodies in the pipeline.

Municipal bodies if followed to raise resources in a manner comparable to companies, may run into numerous wrangles, yet
innovations are of utmost necessity. Other gilt-edged securities should also be considered when it is possible to invest funds for periods more than three years. If financial management techniques are employed, the municipal bodies can render their services in a stronger financial environment and achieve their desired objectives.

The resources of the local bodies need to be augmented for improving and sustaining the system offering some minimum level of service through appropriate mechanism. Some of the problems affecting the service delivery systems of the GMC are: poor maintenance pricing mechanism, higher maintenance bill, poor revenue collection, leakages and pilferage due to mushrooming growth of slums and illegal connections etc. The sector is vicious circle – the services provided by the municipality are very poor quality and face a perennial fund crunch, the reason for which could be manifold and one among them cold be poor pricing plaices, which should be frequently revised along with the upkeep of the facilities on a regular basis.

Pricing today is done of the major investments used by public authorities to make things happen in the urban sector and in other sectors of the economy. However the consequences of pricing are numerous and more often than not quite conflicting and uncertain.

Traditionally town planning does not take into account the resources constraint and cost recovery aspects. This aspect is true in almost all urban local bodies, which are characterized by the marked deficiencies in the existing service levels. So in the case of the GMC, in order to improve the quality of urban services, capital-intensive projects need to implemented.
But enhancement of the resources of the GMC is a challenge by itself because of the inelastic resource base.

If the public goods and utilities are handed out free of charge, the cost of providing and maintaining them have to financed out of tax revenues or public borrowings. On the contrary, charging a reasonable price will produce revenues that would reduce the relevance on budgetary financing. This is the normal trend, in fact the supply of urban services in most developing states heavily dependent on government financing. But it should be noticed that it is an unreliable source of financing and often dries up and thereby falling standard of urban basic services. This greater and increased reliance on self-financing to ay the costs of supplying urban basic services will often reduce more and better services.

The GMC like many other urban local bodies in India suffer from dependency syndrome and is severely cash strapped. Recently borrowing the pressures of the striking employees of the GMC, the Government of the State of Assam has positively needed to the demands for a pension plan for GMC employees who would retire on superannuation. But a tag was added to the accession that the money that would be required has to be generated by the GMC.

The GMC in a public notice dated September 28 2004 under Section 156 (3) of the GMC Act 1969, had proposed for upward revision of taxes with effect from April 2005 and residents in different localities were served with individual notices to this effect informing them about the enhanced rates of taxes. The GMC notification on property tax brewed up a slew of protests all over the city. The move to revise the rates has been severely criticized as being tremendously exorbitant for the citizens to
bear. Many have pointed out that there has been a rapid collapse of basic amenities in Guwahati and so the GMC stands in no position to propose a tax revision. However the GMC Act 1969 provides that taxes can be revised up to 50 percent of the existing rate but according to the new tax structure the hike is of around 300 percent.

City base d Non Governmental Organisation Save Guwahati Build Guwahati (SGBG) had pointed out that over 60 percent of the total area of the city is owned by the Government which has set up institutions such as the Railways, Refinery, Assam State Electricity Board, Public Works Department offices, apart from the entire Dispur capital complex but the earnings from these lands are never known to the citizens. They had also pointed out that the GMC should spend 30 percent of its earnings on development of the city but that the corporation has failed to utilize the funds is seen all around.

Years of neglect and supersession has in fact rendered the GMC to what is today – a cash strapped defunct body embroiled in all sorts of anomalies and absolutely with no political will to resolve the problems. Besides conflicts between the elected representatives and the permanent executive Manning the posts delays projects to be implemented and to top it all litigations and resentments of the GMC employees are also adding to the woes of the GMC. Decisions, which are taken, most of them remain in paper because of the lack of following them up and the bone of contention is the perennial resource crunch. However the proposed hike of the property tax was put on hold; but it required the intervention and assurance of the Chief Minister of the State. The GMC decided to keep in hold the revised property tax till the civic body improves basic services and secures
the approval of the ratepayers. This relief was announced following prod
from the Congress government wary of adverse election fall out. Hiking
the tax rate would have definitely antagonized the taxpayers given the
abyssmal record of the GMC.

There are allegations galore regarding anomalies in reverence
collections in the commercial areas. Recently a survey conducted by the
opposition councillors on February 11 2005 in and around the Fancy
bazaar Market Complex, which has been newly constructed. According to
the survey there are 382 shops in and around the market complex and in
the entire Fancy Bazar area, there are more than 100 shops and GMC
levies a tax of Rs 20 on each shop on a daily basis. Based on this figure,
the GMC should generate Rs 1.7 lakhs every month from the market.
However the committee found that the revenue raised was around Rs
90,000. Glaring discrepancies were found in enlisting of shops and
collection of revenues. It is to remark that the GMC Standing Committee
collects the taxes on markets.

The GMC has been losing great deal of revenue because of these
anomalies and yet the irregularities go unnoticed and a peculiar interest is
discerned in maintaining the status quo instead of taking corrective
measures. Crucial survey of revenue have been systematically
misappropriated or overlooked by the authorities concerned. The GMC has
failed utterly to carry out development work in the city for the past several
years as it fails to generate funds owing to these anomalies. The onus to
improve the financial condition of the GMC therefore lies on the
authorities and their sincere will and pain staking efforts in this direction.
Many respondents during the fieldwork for this project were of the view that instead raising the rates of taxes and forcing them on the residents the GMC should mobilize their resources by correcting anomalies in the fiscal management and stem corruption which is rampant in the GMC.

As a positive step towards this the GMC had set up a ten-member committee to probe into the various means of resource mobilization. The committee was constituted in meeting at the GMC mayor’s office on 7th march 2005. It comprises councilors both from the Assam Gana Parishad (AGP) and the Bharatiya Janata Party (BJP). The GMC is a way was forced to set up and said committee to explore newer sources f revenue and widen its tax net after the notification to hike the property ans water taxes was vehemently opposed by public organizations of all hues and shades.

Among other things high up on the agenda of the committee is to find out the anomalies if any, in the collection process. In all sanity, representations of all parties have been inducted in the committee so that there is no opposition from any section while filing the final report on the assessment.

The GMC earns revenue from land, house, water, scavenging taxes and hoarding fees. Its total monthly earning is Rs 2.00 crore but its expenditure is around Rs 3.00 crore. The deficit is met by funds provided by the State Government. The heavy dependence of the GMC on property tax and water tax is quite pernicious. It should generate the maximum revenue from market taxes and fines.
Today India is a part of the worldwide trend towards increasing urbanization in which more than half of worlds population is living in cities and towns. 27.8 percent of India’s population (285 million) live in urban areas as per 2001 census. In this context, enhancing productivity of urban areas is now central to the policy initiatives of the ministry of Urban Development and Poverty Alleviation. Cities hold tremendous potential as engines of socio economic development creation of employment avenues and generating wealth through economies of scale. For Indian cities to become growth oriented and productive, it is essential to achieve a world-class urban system. This in turn depends on attaining efficiency and equity in the delivery and financing of urban infrastructure. Thereby a great degree of resource gap. The India infrastructure report 1996, assessed the total sum of annual investment needs of water supply, sanitation and roads sectors at 28036 crore per year on an average during 1996-2006 where as funds to that extent are not available.