CHAPTER II

EMERGENCE OF MUNICIPAL GOVERNMENT IN INDIA AND ANDHRA PRADESH
In the developing countries several statutory institutions were established by the colonial governments during the period of their domination. Urban as well as rural local self-government institutions are most prominent among them. In India, Local Government is widely interpreted as Local self-government. The term originated when India was under British colonial administration and did not enjoy any provision of self-government either at the Central or State levels. When a decision was taken by the British Government to associate Indians in administering local affairs it meant a slice of self-government for the people. But today the term self-government has forfeited its significance as the country enjoys self-government both at the Central and State levels. In fact, in the constitution of India the term used is Local Government* The emergence of local government as a distinct governmental unit is a result of the interplay of several factors—historical, ideological and administrative. To that matter, every country contains large numbers of local governing bodies whose areas are too small, too sparsely populated and too poor to respond to the demands which are made upon them.1

**Local Governments in India -From a Historical Perspective:**

In India today, the local government is an integral part of the three-tier system of Government. These Local self-government institutions are indispensable for the success of Democracy and it is

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* Entry 4 in List II (State List) of the Seventh Schedule reads: 'Local Government, that is to say, the constitution and powers of Municipal Corporations, improvement trusts, district boards, mining settlement authorities and other local authorities for the purpose of local self government or village administration.
here that the programmes of national development are put in action and people learn their first lesson of democratic rule. The institutions of local government are not new to India. Historical records provide evidence of the existence of organized urban life in India since the ancient period. Coming in particular, Municipal Government in India has its roots in pre-historic times. The epoch-making excavations at Harappa and Mohanjodaro reveal that a highly developed urban civilization existed in the past. The cities had their councils which were elected bodies. In the words of Havell:

"The administrative council of the city was modeled upon that of village communities and it may be assumed that life the latter, it was an elected body though certain matters were reserved for the council of imperial officials".

Municipal Local Government: A British Creation:

Though the existence of elective city councils in ancient India cannot be denied, yet there is no doubt that the foundations of modern system of municipal government were laid by the British which received representative character. Thus, Local Government in India, as a representative organization was a creation of British, responsible to a body of electors, enjoying wide powers of administration and taxation and functioning both as a school for training in responsibility and as a vital link in the chain of organisms that make up the Government of the country. In the year 1870 Lord Mayo passed a resolution which read as "the operation of this resolution in its full meaning and integrity will afford opportunities for
the development of self-government, for strengthening municipal institutions and for the association of natives and Europeans to greater extent than heretofore in the administration of affairs". The resolution of Mayo on Financial decentralization also visualized the development of local self-government institutions, but this was subordinate to the need for tapping local resources of revenue and of effecting economy by decentralized administration.

Urban local bodies have fairly long history in India. A beginning of the Local Government may said to have been made in 1688 when for the first time a local governing body – a Municipal Corporation was set up for the city of Madras under the order of the Court of Directors. The corporation consisted of the Mayor, Alderman and Burgesses. The corporation was empowered to raise taxes from the people and use funds for development and maintenance purpose.

Municipal Local Government is thus slightly more than three centuries old in India. Broadly, it may be divided into the following Twenty four periods and each period characterized by a definite aim and purpose.
<table>
<thead>
<tr>
<th>Time</th>
<th>Developments</th>
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<tbody>
<tr>
<td>2300 - 1750 BC (Indus Valley Civilization)</td>
<td>Evidence of organized urban live – wide streets, market places, public offices, community baths, drainage ad sewerage system</td>
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<tr>
<td>Post - Mauryan</td>
<td>Appointment of chief executive officer to perform various functions related to city administration; responsible for city's sanitation, which included maintenance of drainage system and cleanliness of roads.</td>
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<td>320 – 540 AD (Gupta)</td>
<td>Town administered by a council</td>
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<td>Provision of having elected administrative officers.</td>
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<td>1526 – 1707 AD (Mughal)</td>
<td>Municipal administration vested in Kotwal, who was the city governor possessing powers and duties of the chief of city police, magistrate and perfect of municipal administration.</td>
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<tr>
<td>Between disintegration of Mughal Empire and advent of the British</td>
<td>Anarchy and military feudalism in most part of the country</td>
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<td></td>
<td>Local institutions perverted or weakened</td>
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<tr>
<td>1642</td>
<td>Sir Josia Child obtains a Charter from the British Monarch, James II, to set up a corporation at Madras.</td>
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<tr>
<td>1720</td>
<td>A royal Charter issued for establishing a mayor's court in each of the three presidency towns of Madras, Bombay and Calcutta.</td>
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<tr>
<td>1793</td>
<td>Governor - General in council empowered to appoint justices of peace for the presidency towns from among civilians and the British subjects, who were vested with the authority to impose taxes on houses and lands to provide for the sanitation of towns. By a Charter Act, the British establish local institutions in Bombay, Calcutta and Madras</td>
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<tr>
<td>1850</td>
<td>Act passed to permit formation of local committees to make better provisions for public health and convenience; Act provided for levy of indirect taxes to which people were accustomed.</td>
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<td>Up to 1863</td>
<td>Local institutions in urban areas did not make much progress and were confined to about 20 towns. People had no opportunity to participate in the functioning of these institutions. Royal Army Sanitation Commission point out the fast deteriorating sanitary condition of towns all over the country. Government of India pass several municipal Acts for various provinces authorizing governors to order the formation of a municipality in any urban areas.</td>
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<tr>
<td>Year</td>
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<tr>
<td>1870</td>
<td>Lord Mayo's resolution released; provided for decentralization of administration from the centre to the provinces; emphasized the idea of increased association of Indians in administration, indicated extension of municipal self government; encouraged the general application of the principle of election. Municipal Acts passed to enlarge municipal powers, extend election system and introduce the system of local finance, but the provision was little applied in practice as the district officers in those days were not sympathetic to the idea of extension of the elective principle. Municipalities established in every town of importance. However, the municipal bodies were completely under the control of the district magistrate and the town people were associated only for raising funds for the maintenance of police, conservancy and road repairs.</td>
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<tr>
<td>After 1870 and up to 1880</td>
<td>Social and economic changes experienced by the Indian society. Educated Indians demand more political rights and granted share in administration and public services. Principle of local self-government put into practice only in the cities of Calcutta and Bombay and in a few of the towns of Central Provinces and North Western Provinces Elsewhere, although a framework of local administration and local taxation existed, control was firmly in the hands of the servants of the government.</td>
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<td>1882</td>
<td>Lord Ripon's resolution released; advocated for establishment of a network of local self government institutions, reduction of the official element of not more than a third of the total membership; a large measure of financial decentralization; adoption of election as a means of constituting local bodies. Municipal Acts passed; However, Lord Ripon's reforms achieved little success, since they were considered too radical.</td>
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<td>1888</td>
<td>Functioning of local governments for several years had some positive results. Presidency towns attain a system of responsible government. Under the Bombay City Municipal Corporation Act, 1888, the city council of Bombay was constituted of a majority of elected and nominated members. A 'standing committee' of the council, which had an elected chairman, was also formed to undertake the major portion of the work of the council.</td>
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<td>1907</td>
<td>Royal Commission on Decentralization set up to enquire into the financial and administrative relations of the Government of India and the provincial governments and subordinate authorities. Commission recommendations similar to Lord Ripon's proposals Municipal Acts of several provinces amended, but no</td>
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Local self-government continued to be one of the functions of the district officer.

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<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>1914 – 1919</td>
<td>National movement for independence gains momentum. 1917 Declaration released: associate Indians in every branch of administration; gradual development of self-governing institutions. Montague-Chelmsford reforms introduced to make local self-government representative and responsible. Government of India Act, 1919 enacted; responsibility for local government transferred from the hands of the district officers to a department controlled by a popular minister, franchise for election to local bodies substantially widened. In some provinces, the municipal bodies were given the power to raise or lower rates of taxes within the statutory limits. The popular ministers of provincial governments proceeded to establish elected councils and gave executive authority to the elected chairman.</td>
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<tr>
<td>Up to 1947</td>
<td>Laws governing local bodies enacted during the period 1917 to 1937 fail to prescribe an effective system for day-to-day management of municipal affairs; hardly and attention paid to the question of administrative efficiency and fixation of responsibility for the proper performance of municipal functions. Transfer of power from official hands resulted in inefficiency. Several municipalities superseded on the charges of corruption and inefficiency. India attains independence in 1947.</td>
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<td>1950</td>
<td>New constitution prepared; contained provisions for rural settlements only; a reference to urban local government observed only in two entries: (1) Entry 5th List II of the Seventh Schedule (The State List); and (b) Entry 10th of list III (Concurrent List). Constitution places local government, including urban local government, within the legislative competence of the States. In the absence of constitutional recognition and clear statutory delineation of their powers, functions and resources, urban local governments remain neglected; only few changes made in their structure and functioning.</td>
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<td>Since 1949</td>
<td>Numerous committees and commissions appointed by the Central and State Governments to study the functioning of urban local governments and to give recommendations for their improvement. Numerous seminars and conferences convened on various topics concerning urban local governments. Central Council of Local Self-Government set up in 1954 to examine the problems of urban local</td>
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governments.
Responsibility of urban local government transferred from one ministry to the other, namely Ministry of Health; Ministry of Works, Housing and Urban Development (1966); Ministry of Health, Family Planning, Works, Housing and Urban Development (1967); Ministry of Works and Housing (1973).

1985
Ministry of Urban Development established; assisted by several departments.
National Commission on Urbanization set up to assess problems caused by urbanization and to suggest measures to combat this phenomenon

1989
Attempt to introduce the Constitution (63rd Amendment) Bill; also known as Nagarpalikas (Municipality) Bill; contained provisions for strengthening of urban local governments.
Bill defeated in the parliament by a narrow margin of three votes

1991
Bill (named Constitution (73rd Amendment) Bill) introduced again by the Government.
Bill rejected and described as an encroachment on the rights of State governments.

1992
Constitution (74th Amendment) Act finally accepted and enacted; contains provisions for (a) constitution of a uniform typology of municipalities; (b) composition of municipalities; (c) constitution and composition of wards committees; (d) elections and reservation of seats; (e) duration of municipalities; (f) powers, authority and responsibilities of municipalities; (g) constitution of state finance commissions, committees for district planning and metropolitan planning

Since 1992
Most State municipal Acts amended
Reforms underway in the structure and functioning of urban local governments.


After the formation of Municipal Corporation, the next development was passing of Charter Act in 1793 which established Municipal Administration in the three presidency towns viz. Madras, Bombay and Calcutta. The Bengal Act of 1842 was extended to the district towns in Bengal empowering them to set up town committee
for sanitary purposes upon applications made by two-thirds of house holders in a town.  

**Lord Rippon's Resolution:**

Till the year 1881, hitherto local government had remained almost wholly non-Indian and, therefore from the Indians point of view, was to a great extent neither ‘local” nor self-government. Though considerable progress was made since 1870, both in the number and usefulness of municipalities, the progress was uneven. Hence, Lord Mayo's policy on local self-government was reviewed in 1881. Meanwhile political consciousness was gradually spreading among Indians, giving rise to new aspirations. Largely due to his inmate liberalism and partly to satisfy public opinion on 18th of May, 1882 Lord Rippon who succeeded Lord Mayo as the Governor General of India who is acknowledged as the father of local self-government in India issued a historic resolution. To him local self-government was predominantly an instrument of political and popular education. The resolution embodying this doctrine has been hailed as the Magna Carta. The underlying interaction of the Resolution was evidently to give the people a more real and meaningful share in the management of local affairs. An Indian Historian has rightly remarked.  

"Lord Rippon's reform of local self-government laid the basis of local and municipal self-government which soon took from root in India and became the ground work of democratic institutions in higher spheres".

This resolution led to the passage of new Acts in various provinces. But the viceroys who succeeded Lord Rippon lacked his
liberalism and were not prepared to put political education above administrative efficiency.\textsuperscript{10}

**Royal Commission on Decentralization:**

Another significant stage in the history of Municipal Local Government was the publication of the Report of the Royal Commission on Decentralization in 1909. The main recommendations made by the commission in respect of urban local self-governments and Municipalities were:

(a) Municipalities should be constituted in Urban areas:

(b) There should be substantial majority of elected members in the local bodies and the municipality should elect its own president.

(c) Municipalities should be given necessary authority to determine the taxes and prepare their budgets.

(d) Outside control over local bodies should be restricted to advice, suggestions and audit.

(e) The Government control over the Municipal powers of raising local loans should continue and the prior sanction of the government should be obtained for lease or sale of municipal properties.\textsuperscript{11}

**Government of India Act of 1919:**

With the introduction of Diarchy after the enactment of the Government of India Act of 1919, the Local Self-Government Department was transferred from bureaucratic hands to those of an elected minister in all provinces. As a result, the overall responsibility
for the functioning of the local bodies was no longer to rest with the District Officers and they ceased to be the Chairmen, though they still retained general supervisory control over them. The popularly elected ministers established elected councils and gave executive authority to the elected Chairman. Thus the approach was more liberal and there was a deliberate attempt to give the local bodies greater freedom from outside control. This act thus inaugurated an era of new interests and activity in the field of local government. The local bodies were freed from many restrictions in respect of preparation of Budget.

The local government was thus set to move in the direction of democracy. Simultaneous with a measure of democratization of local government they occurred a gradual but unmistakable decline in efficiency in administration of local affairs.

**Period from 1937 to 1949:**

With the enforcement of Government of Indian Act 1935 in 1937, the diarchic system of government at the provincial level was replaced by provincial autonomy with this the local government in India ceased to be a mere experimental station of self-government; it become, indeed, the constituent part of self-government for the country as a whole. During this period, provinces launched investigations into local governing bodies with a view to making them apt institutions for conducting local affairs.
Independence and After:

When the dawn of Indian Independence and the consequent establishment of National Government, new hopes were pinned on the Indian leadership for establishing popularly elected governments at the local level. 14

The laudable landmark in the history of local government in India was in the year 1950 when the Constitution of India came into operation. It made local self-government as State subject. Most significant aspect in the progress of local self-government was as compared to the dramatic changes in this field, the rural areas have been involved in the national planning and development but the urban areas have been kept out of the main stream of the development process. In fact, the development of urban local government has been slow to the extent of being unimpressive. It is only of late that the urban local government has attracted to the attention of the government.

Some sporadic attempts have been made to reorganize the structure of urban local government institutions in the various State through laws.

(a) adult franchise had replaced limited franchise in local bodies in all the States.

(b) communal representation had been done away with and joint electorates had been substituted for separate electorates;
there was an increasing tendency to make provisions of Municipal Acts for creating State cadres of municipal employees particularly for Executive Officers, Engineers, Accountants, Health Officers, etc. 15

Besides, a number of Central Committees and Commissions were set up from time to time to suggest ways for streamlining the local government structure in the country. These included (a) The Local Finance Enquiry Committee (1949); (b) The Taxation Enquiry Commission (1953); and (c) The Rural-Urban Relationship Committee (1963); In the States also various committees and commissions were appointed for looking into the problems of municipal administration and recommending measures for its improvement.

Historically speaking, local government in India had its beginning in an urge to improve local sanitation and hence has continued as the responsibility of the Ministry of Health the Ministry of Health was looking after both rural and urban local government until 1958. During this year significant development was the separation of rural local government from urban local governments. The Government of India to this effect left necessary legislation to establish the above urban local bodies by the States for urban development. In January 1966 the urban local development was made the responsibility of the Ministry of works and Housing which was renamed later as 'Ministry of works, Having and urban development. In 1967 the subject of urban development was transferred back to the ministry of Health which carried a rather
longish name, the Ministry of Health; family planning and works, Housing and urban development. Again in 1973 this subject was transferred to Ministry of works and Housing. In 1985, a new ministry called the Ministry of urban Development was created to deal with among other things, the urban local government also which continued till today.16

Local Self-Government was one of the earliest fields thrown open to Indians by the British as a part of their philosophy to impart political education to Indians. In 1901, 'The Bombay District Municipalities Act' was passed which was followed by the Punjab Municipal Act of 1911, the United Provinces Municipalities Act of 1916, the Madras District Municipalities Act of 1920, the Bihar and Orissa Municipal Act of 1922, the Bombay Municipal Boroughs Act of 1925 and the Bengal Municipal Act of 1932. The period immediately following the reorganization of States in 1956 was characterized by enactments of Municipal Acts in several States. In view of this reorganization most of the States have reorganized their Acts. Prominent among them were Jammu and Kashmir (1951), Rajasthan (1959), Kerala (1956), Assam (1960), Karnataka (1964), Madhya Pradesh (1961), Gujarat (1963) and Maharashtra (1965). The State of Andhra Pradesh responded properly to the signals of the Government of India and enacted Andhra Pradesh Municipal Act in 1965* to establish municipalities and Municipal Corporations in the State. The Constitution (Seventy-Fourth Amendment) Act, 1992 was enacted by
Parliament and came into force from June 1, 1993 and it reconstituted the municipalities and Municipal Corporations in India as well as in Andhra Pradesh.

**Municipal Corporations in India – An Insight:**

Municipal Corporation in India in the beginning was a State Government formed department that worked for the development of a city, which has a population of more than two lakhs. The growing population and urbanization in various cities of India were in need of a local governing body that could work for providing necessary community services like health centres, educational institutes and matters related to housing and property tax.

Municipal Corporations in India formed under the Corporations Act of 1850 mainly dealt in providing essential services in every small town of a district / city. The aim behind its creation was to provide the convenient services to the people as it caters to their daily problems and holds a central importance in entire state departments.

Municipal Corporation is topmost of urban local government in the sense that the Municipal Corporation as an institution was more responsible and respectable and enjoys a greater measure of autonomy than other forms of local government.

In the American context, the Municipal Corporation is characterized as a body politic created by the incorporation of the people of a prescribed locality and invited with subordinate powers of
legislation, for the purpose of assisting in the civil government of the State and regulating and administering its local and internal affairs.\textsuperscript{17}

In the Indian context, the Municipal Corporations are established in big cities, under the Special Municipalities Acts passed by the State Legislatures, and in the case of a Union Territory, by Parliament. Adequacy of civic services and effective performance can hardly be ensured in towns, which do not command certain minimum resources.\textsuperscript{18} The Rural Urban Relationship Committee (1966) has recommended that there should be Corporation form of Government only in those cities, which have a population of five lakhs and more and an annual income of Rupees one Crore and above.\textsuperscript{19}

Some important Committees constituted to study various aspects relating to Urban Local Bodies are:

a) The Local Finance Enquiry Committee (1949-51)
b) The Taxation Enquiry Commission (1953-54)
c) The Committee on the Training of Municipal Employees (1963)
d) The Rural – Urban Relationship Committee (1963-66)
e) The Committee on Ministers of Augmentation of Financial Resources of Urban Local Bodies (1963)
f) The Committee on Service conditions of Municipal Employees (1965-68)
g) The National Commission on Urbanization (1988)

The Corporation form of urban government is meant especially for bigger towns where civic problems acquire a high degree of
complexity. As expected, Corporations vary considerably both in terms of population and the resources.²⁰ Broadly speaking, the following criteria may be considered sufficient for setting up a Municipal Corporation of a city.

1. Existence of a thickly populated area.
2. Existing development of the municipality and scope for its future development.
4. Ability and willingness of the people to bear the burden of increased taxation.
5. Public opinion in favour of a Corporation.

The truth is that the State is the sole judge of which city should be converted into Corporation. Town and when. Generally speaking, a sustained public opinion in favour of a Municipal Corporation and the bigness of a city induce the State Government to confer upon it the status of a Municipal Corporation.

The test of revenue-cum-population has an element of relevance only in the context of time and, so, loses meaning and validity as time changes.

**Characteristics:**

Although Corporations vary both in population and revenue they all share some characteristics in common.

1. A Corporation is set up only as a result of a statue to be passed by the State Legislative Assembly.
2. A Corporation form of urban government is generally based on the separation of deliberative from executive functions.

3. The Mayor is the head of the Corporation and holds office for a renewable term of one year. What is more, the office of the Mayor is ceremonial in nature.

4. The State government retains powers of control and supervision including even the power to dismiss the Council and take over administration.

In pursuance of the Acts passed by various state legislatures to create Municipal Corporations in their respective states, all these state governments established Municipal Corporations in urban areas. As for the latest statistics there are as many as 129 Municipal Corporations functioning in India. Now let us have an insight into how these urban local bodies including Municipal Corporations gained constitutional recognition and status though his enactment of Seventy Fourth Constitution Amendment Act in 1992.

**The Constitution 65th Amendment Bill, 1989:**

To reform the urban local government the Sixty Fifth Constitution Amendment Bill was introduced in the parliament to revamp the municipal governments in India. The Bill was passed in the Lok Sabha but was defeated in upper House in October, 1989. The main objectives of the Sixty-Fifth Constitution Amendment Bill was 21

1. The ensure Municipal Bodies being vested with necessary powers and removing their financial constraints to enable them to function effectively as units of Local Government.
2. Three types of Nagarpalikas were envisaged. Nagar Panchayats for a population between 10,000 and 20,000, Municipal Council for urban areas with a population between 20,000 and 3,00,000 and Municipal Corporation for urban areas with a population exceeding 3,00,000.


4. Adequate representation for SC, ST and women in urban bodies.

5. Setting up of Finance Commission in the States to ensure flow of finances to local bodies.

6. Audit of accounts by Comptroller and Auditor General.

7. Granting constitutional status to urban local bodies.

**Enactment of 74th Constitutional Amendment Act (1992):**

The National Front Government reviewed the provisions of 65th Constitutional Amendment Bill and introduced as afresh Bill in Lok Sabha in September 1990. This Bill was lapsed on account of the dissolution of the Lok Sabha. The Congress (I) Government headed by P.V. Narasimha Rao, introduced a Constitutional Amendment Bill (74th) in the Lok Sabha on 16th September, 1991.

The Bill was based as 65th Constitutional Amendment Bill. Both the houses of Parliament passed it in December 1992. More than a half of the State Legislatures have ratified the bill. The Bill received the Presidential assent on 20th April 1993. The Bill discusses about financial decentralization. In this context, it may be stated that the
74th Constitutional Amendment Act 1992 provides 18 functions to the list of obligatory and discretionary functions. (vide Annexure – VI)

**Constitution (Seventy-fourth Amendment) Act Provisions – In Brief**

- Constitution of **Municipalities** (namely, Municipal Corporation Municipal Council and Nagar Panchayat) in every Indian States;
- Constitution of **Wards Committee** within the territorial area of a municipality, to ensure people’s participation in civic affairs at the grass-roots level;
- Regular and fair conduct of municipal **Elections** by statutorily constituted. State Election Commissions; no provision for super session of municipal governments for more than 6 months;
- Adequate representation of weaker sections (i.e., Scheduled Caste, Scheduled Tribe, Backward Class) of the society and women in municipal governments through **reservation** of seats;
- Specification by law: through the State Legislatures, of the powers (including financial and functional **responsibilities** to be entrusted to municipalities and wards committee;
- Constitution of **State Finance Commissions**, once in every 5 years, to review the financial position of municipalities and to make recommendations on the measures needed to improve their financial position;
- Constitution of a **District Planning Committee** at the district level and a **Metropolitan Planning Committee** in metropolitan areas of every State, for the preparation and consolidation of development plans.

Though most of the Indian Municipal Corporations due to lack of adequate funds, have not been able to discharge their functions as obligatory, the 74th Constitutional Amendment Act 1992, provided for
a Schedule of 18 functions for Municipal Corporations but as such they find it very difficult to take up these.

**Constitutional Status:**

Until 1992, local governments were not part of the Indian government’s planning and development strategy. A dramatic change in the federal system of India came with the introduction of the Constitution Amendment Act of 1991 conferring the status of the third level of government to local bodies. This amendment took Indian democracy one step forward and added a new dimension to the federal system of government. Through this amendment the establishment of a local representative government empowered with administrative and financial abilities to deliver mandated services to its citizens came into force. It transferred responsibilities for services to urban local bodies that elect their own representatives and gave them the power to raise their own revenues and authority to make investment decisions.

The Constitution Amendment Act aimed to introduce strong grassroots level democracy through the establishment of urban local bodies, but left the issues of their empowerment and operationalization to the discretion of the state governments. The state governments, as a part of municipal governance reforms, should amend their municipal legislation to comply with the spirit of the Constitutional Amendment. However, state municipal legislation mainly covers electoral reforms and there has been little effort towards widening the functional and financial domain of urban local bodies. 23
In addition, legislation primarily aims to make urban local bodies accountable to their state government rather than to the citizens.

Generally speaking, study on local government either urban or rural may not be full-fledged and complete without a detailed description of its administrative structure at all levels. Specifically in the case of local self-governments in India, there is a notable feature that in most of the States the urban and local bodies such as Municipalities, Municipal Corporations, the Cantonment Boards and the Notified Area Committees are usually set up by an Act. But the provisions of these Acts are copied from a single source which spells out their administrative structure.24

The administrative structure of Municipal government in India in general and in Andhra Pradesh in particular can be studied at three levels viz. National or Central, State and Local.

**Structure at National / Central Level :**

Local self-government is the responsibility of respective States under the Constitution. Further they are created, sustained, regulated and even abolished by the States. The state administrative machinery for dealing with local government is thus of crucial significance for the progress of these democratic institutions at the grassroots level. While local government does not constitute the direct responsibility of the Central government, still the latter provides financial assistance and consultancy services. Even otherwise, local government is too important an area of administration to be taken care of solely by the State government or left solely to it.
At the outset, a question may be raised regarding the validity of a separate organization in the Central Government for dealing with subjects relating to local government when local government is not a direct responsibility of the Central Government under the Constitution. Even under a federal system the Central government has an important role to play in providing professional leadership, in setting up proper standards of services and in generally helping the states in solving day to day problems. More specifically the Central government is called upon to perform the following functions with regard to local self-government.

The Ministry of Urban Development is responsible for formulating policies, supporting and monitoring programmes and coordinating the activities of various Central Ministries, State Governments and other nodal authorities in so far as they relate to urban development issues in the country.

- The Central government has a responsibility for ensuring that information on important developments and activities of local self-government is made available to others.
- It has to carry out a comparative study of the different systems of local self-governments prevalent in the country and communicate the findings to the states.
- It has to ensure that the system of local self-governments – both in rural and urban as accepted at government conferences and committees is implanted by the states.

The organization structure of Ministry of Urban Development is shown in Chart 2.1.
Structure at States Level:

Urban Local Government is the responsibility of the Department of Local self-government or Municipal Administration or Urban Development in any State in general. At the State level a number of departments deal with subjects which are the direct concern of the urban government. In addition to the Department of Local Self-government or Municipal Administration and Urban Development the functional departments in the Secretariat administer the various components of the urban development. Thus, water supply, drainage and sewerage, road construction, land acquisition and development, housing and slum clearance, primary and secondary education etc., are being dealt with by respective functional departments. As is to be expected under such a fragmentary arrangement, the urban affairs do not get viewed as one integral function. Consequently there is a haphazard and piecemeal development bearing an imprint of lack of co-ordination. It is therefore, unusual to find the dwelling house in a town fully completed yet remaining unoccupied for, want of electricity or water supply or even both. The organizational structure of Municipal Administration at state level is explained taking Andhra Pradesh State as a case study

Municipal Corporations in Andhra Pradesh – From a Historical Perspective:

The municipal administration in Andhra Pradesh was under two Acts governed by Madras Presidency in Andhra Region and Nizam in Telangana Area. In Telangana is 1869, for the first time the Kotwal-e-
Baldia, the City Police Commissioner used to look after the Municipal Administration. In the year 1869, Sir Salar Jung – I the then Nizam has constituted the Department of Municipal and Road Maintenance and a Municipal Commissioner was appointed for Hyderabad Board and Chadarghat Board. In 1886, Chadarghat had become Chadarghat. These two boards were amalgamated in the year 1933 into a Corporation and given statutory status under the Hyderabad Municipal Act. In 1945 Secunderabad Municipality as formed. In 1951, it became Corporation. In 1950, two separate Corporations were created under the Hyderabad Corporation Act 1950. These two Corporations were again merged into a single Corporation by “The Hyderabad Municipal Corporation Act 1955 on August 3rd 1960. In 1956, Hyderabad became capital of Andhra Pradesh after the state was formed. In 1965, the State Legislature passed the A.P. Municipal Corporations Act and the erstwhile Municipalities which has fulfilled the requirements for elevation as Municipal Corporations were elevated and became Municipal Corporations. As today there are as many as 18 Municipal Corporations in Andhra Pradesh and Kurnool Municipal Corporation is one such.

**Administrative Structure of Municipalities in Andhra Pradesh:**

The need for an efficient, effective and democratic administrative structure for Municipalities in Andhra Pradesh was no doubt sincerely realized by the Government of Andhra Pradesh after the formation of Andhra Pradesh State in 1956. The legislative history of Municipalities in Andhra Pradesh could be traced back to the year

54
1965 when the Andhra Pradesh Municipalities Act was passed by the State Legislature. Which came into force from April 2, 1965.

**Emergence of Andhra Pradesh Municipalities**:

The Municipalities of the Andhra Pradesh region were functioning in accordance with the Andhra Pradesh (Andhra area) District Municipalities Act of 1920 and that of Telangana followed the Andhra Pradesh (Telangana area) District Municipalities act of 1956. With linguistic reorganization of States, the State of Andhra Pradesh came into existence during the year 1956, with the meager of the State of Andhra Pradesh and Telugu speaking districts of Hyderabad State. During the course of time it was found that the municipalities of the entire state need to be covered by an integrated Act to ensure uniformity. Hence, the Andhra Pradesh Municipalities Act of 1965 was enacted and all the municipalities in Andhra Pradesh were administered under the provisions of this consolidated Act.27

The enactment of new Act namely "The Andhra Pradesh Municipalities Act, 1965" by replacing the old plans in Andhra and Telangana Regions marked a new stage of development in the evolution of municipalities. Since, executive authority was distributed between the Council and the Executive Committee, the new system may be named as 'The Council Committee Plan'. Under this plan, the authorities charged with municipal administration were the Chairman, the Council, the Executive Committee and the Secretary. For the first time the Members of Legislative Assembly, Legislative Council were made as Executive members of the Municipal Council.
The Chief merit of this council committee plan was that it was highly democratic because the position of the elected chairman was strengthened and the Council enjoyed wide powers. Thus the State had experienced of three different plans before the present council, chairman, commissioner plan was introduced in 1977. 28

The Integrated Act of Municipalities in Andhra Pradesh known as The Andhra Pradesh Municipalities Act, 1965 came into force from April 2, 1965 with due regard to saving the previous Rules and Acts herein force except that especially repealed. This Act of 1965 also dealt with various aspects like Municipal Authorities, hierarchy of officials commencing from the chairman of municipality who was later re-designated as chairperson, the councilors who were later renamed as members.29 Subsequently, this Act has tasted several Amendments from time to time to its account following the years 1971, 1976, 1978, 1979, 1981, 1986, 1990, 1992, 1994 and 1995. The major changes effected in the municipal system in Andhra Pradesh were though the Amendment Act of 1992 caused due to the 74th Amendment of Indian Constitution which came into force from June 1, 1993 30 and 1994 and 1995 under which the present structure of Municipalities is functioning.

The Andhra Pradesh Municipalities Act, 1965 which extended to whole of the State of Andhra Pradesh has empowered the State Government to constitute municipalities for ‘Smaller Urban Areas’.31
After the emergence of Andhra Pradesh nearly a decade later the State Government not only enacted a comprehensive Act of Municipalities governing the entire 'Smaller Urban Areas in Andhra Pradesh but also framed the Rules by issuing notification in the official gazette in July 1965 which are known as Andhra Pradesh Municipalities Rules, 1965. However these rules were also subjected to various changes in the light of the amendments made to the Act from time to time. The major changes, additions and deletions were made to the Rules were in the light of the Amendment made to the act 1992, 1994 and 1995.

These Rules spelt out the details regarding the configuration of municipal administrative structure only at municipalities level. With regard to Governments control over the municipalities no rules are found in the Andhra Pradesh Municipalities Rules, 1965 or in the later amended Rules. However, the Act specifically dealt about the controlling authorities and their powers over the municipalities.

Further, the Constitution 74th Amendment Act, 1992 passed by Indian Parliament has elevated the status of municipal bodies from statutory to constitutional. It is clearly evident that despite Directive in Article 40 of the Constitution, the municipal bodies as a whole continue to cling on to the respective State Governments both in administrative and financial matters, and remain as barren as ever.

Now and new ideas evolved culminated in the passing of 74th
Constitutional Amendment Act, 1992 which inserted Part IX A in the Constitution. 33

**Major Amendments to the Andhra Pradesh Municipalities Act**34

and changes effected in Municipal Administration

The Integrated Municipalities Act passed in 1965 had been divided into 7 parts with 30 sections. The important aspects in this Act were (1) Strengthening of the power of the Council (2) enhancing the powers and status of the Chairman (3) decreasing the powers and status of the Commissioner (4) Constitution of executive committee with chairman and Vice-chairman as members (5) converting the status of the Commissioner into Secretary (6) Empowering the Secretary to levy taxes, removal of encroachments and Municipal Office management. With the enactment of this Act, certain changes were effected in municipalities. For the first time the Constitution of Alderman was introduced and all the executive authority under this system vested in an executive committee, an innovation in Andhra Pradesh which appears to be the first State to experiment with this arrangement and to abolish all other Committees of the Municipal Council.

The Andhra Pradesh Municipalities Act not only brought changes in the administration of municipalities, but also paved way for certain lapses. In view of this executive committee system the municipal administration wakened. Both the chairman and Secretary felt that they lost hold on administration. As the Chairman is
authorized to exercise supervision and control over the employees of municipality, the officials lost interest in administration. Hence, with a view to set right these lapses the 1965 Act was amended in the year 1971.

**Amendments to Andhra Pradesh Municipalities Act made in 1971**

The amendments brought out in 1971 to the Andhra Pradesh Municipalities Act, 1965 are:

1. Abolition of Executive Committee in Municipalities and transfer of powers to the Municipal Commissioner,
2. Designing the Municipal Commissioner as the Chief Executive Officer of Municipality.
3. Abolition of Alderman System,
4. To bring all the employees of the municipality under the administrative control of the Commissioner.
5. Empowering the Chairman to suspend or transfer any of the employees.
6. Commissioner to operate the system under the authority of the Chairman and his control.

**Amendments to A.P. Municipalities Act in the year 1994**

The Andhra Pradesh Municipalities Act 1965 has been amended through Act No.17 of 1994 to bring it in conformity with the provisions of Constitution 74th Amendment Act, 1992. The amended Act contains several important provisions aimed to strengthen the structure and finances of urban local bodies.
(1) The designation of the chairman, councilor and councilors of the municipalities have been re-designated as Chairperson, Member and Members respectively.

(2) Constitution of Finance Commission by the Governor of Andhra Pradesh.

(3) Constitution of Ward Committees to each ward in the municipality.

(4) Provision of right to vote to the co-opted members from minorities.

(5) Conduct of elections to all municipalities in the State by the State Election Commission.

(6) Provision of one-third of the total number of offices to be filled by women by rotation in all categories like SC, ST, BC and Open Category.

(7) The Commissioner empowered to exercise disciplinary control over the employees of the municipal council who shall be subordinate to him.

(8) The practice relating to the appointment of Special Officer to the municipalities to exercise the powers and functions of the Council, Chairperson and Commissioner to be dispensed with.

(9) Reservation of seats in the council to the Scheduled Castes and Scheduled Tribes based upon their population in the municipality.

(10) One-third of total number of seats reserved for Backward Classes in the Council.

(11) The offices of chairpersons in the municipalities shall be reserved for the Scheduled Castes, Scheduled Tribes and women in such manner as the legislature of the state may provide up to the end of 2000 A.D.

(12) Re-constitution of dissolved municipalities within six months.
Typology and Constitution of Municipalities in Andhra Pradesh:

A typology of municipalities exists in the different States of India. This is due to the varied character of urban areas. Before 1992, State governments were empowered to constitute four different types of municipalities, namely municipal corporations, municipal committees / council, notified area committees and town area committees. Thereafter, the seventy-fourth amendments Act was enacted which provides for three types of municipalities – municipal corporations, municipal councils and nagar panchayats (Figure 2.1) – and most state governments classified local governments falling within their jurisdiction as per the revised scheme. Notified area committees and town area committees have been reconstituted as nagar panchayats. The attempt of the central government is to establish a uniform classification of municipalities throughout the country, which is based on the principles of democracy. Though all urban local governments have common objectives and somewhat identical characteristics, the method of their constitution in the extent of delegated functions, powers and resources available to them lends a district status to each category of local government (Table 2.2).
Figure 2.1 Changes in Typology of Municipalities

Earlier Typology (Before 1992)
- Municipal Corporation
- Municipal Committee/Council
- Notified Area Committee
- Town Area Committees

Current Typology (After 1992)
- Municipal Corporation
- Municipal Council
- Nagar Panchayat (Town Council)

Table 2.2 Main Characteristics of Urban Local Governments

<table>
<thead>
<tr>
<th>Type of Municipality</th>
<th>Before 1992</th>
<th>After 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Corporation</td>
<td>• Established in metropolitan areas or big cities</td>
<td>• Constituted in “large urban areas”</td>
</tr>
<tr>
<td></td>
<td>• Wider functions and larger powers than councils, enjoy more autonomy and have larger revenue resources.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Separation of deliberative from executive functions and vesting of all executive powers in an appointed authority who is independent of the elected body.</td>
<td></td>
</tr>
<tr>
<td>Municipal Committee/Council</td>
<td>• Most popular form of local government in urban areas.</td>
<td>• Constituted in “small urban areas”</td>
</tr>
<tr>
<td></td>
<td>• Set up in cities and large towns</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Extent of State control is reality larger than corporations.</td>
<td></td>
</tr>
<tr>
<td>Nagar Panchayat</td>
<td>• Set up by State government in medium and small towns.</td>
<td>• Constituted in “areas in transition from rural to urban”</td>
</tr>
<tr>
<td></td>
<td>• Created for areas which do not fulfill conditions or constitution of councils but are otherwise important</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Also created for newly developing towns or areas where industries are being established.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• All members including chairman are nominated by State government</td>
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</tr>
</tbody>
</table>
Table:

<table>
<thead>
<tr>
<th>Notified Area Committee</th>
<th>Abolished</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Area Committee</td>
<td>Abolished</td>
</tr>
<tr>
<td></td>
<td>Semi-municipal authority constituted for small towns. Members are either wholly nominated or wholly elected, or partly nominated and partly elected.</td>
</tr>
</tbody>
</table>


The number of municipalities (i.e., municipal corporations, municipal councils and nagar panchayat) differs from State to State. It is obvious that States with a large number of urban areas have a higher number of municipalities. There are some State where municipal corporations and /or nagar Panchayats do not exist. This is due to the fact that the urban areas in such States do not fulfill the conditions for the constitution of a particular type of local government.

Municipalities are constituted by the State government, which specifies the class to which a municipality shall belong in accordance with the provisions of the municipal Act. For this purpose, size of the urban population is the main criterion. However, in some State consideration is also given to other criteria, such as location of the urban area and the per capita income.

**Organizational structure of Municipal Administration in Andhra Pradesh:**

The structure of municipal administration in Andhra Pradesh commences from the State Legislature at the apex followed by the Minister for Municipal Administration and Commissioner/ Director of Municipal Administration. The Minister occupies an intermediate
position between the State Legislature and the Director as given below.

**Chart 2.2**

<table>
<thead>
<tr>
<th>Structure of Municipal Administration in Andhra Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Legislature</td>
</tr>
<tr>
<td>Minister for Municipal Administration</td>
</tr>
<tr>
<td>(Cabinet Rank)</td>
</tr>
<tr>
<td>Department of Municipal Administration</td>
</tr>
<tr>
<td>Commissioner / Director of Municipal Administration</td>
</tr>
</tbody>
</table>

**Commissioner & Director of Municipal Administration (C & DMA)**

In Andhra Pradesh, the urban civic governance comes under Municipal Administration and Urban development Department (MA & UDD). The Department of Municipal Administration and Urban Development is the governing body comprising of following departments. It is headed by the Commissioner and Director of Municipal Administration.

1. Commissioner and Director of Municipal Administration (C & DMA)
2. Public Health Engineering Department (PHED)
3. Town & Country planning Department (TCPD)
4. Andhra Pradesh Urban Finance & Infrastructure Development Corporation (APUFIDC)
5. Municipal Corporations at Hyderabad, Visakhapatnam and Vijayawada
6. Urban Development Authorities (UDA)
7. Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB)

The Directorate of Municipal Administration (DMA) is the apex organization of Municipal Administration and Urban Development Department of Government of Andhra Pradesh (GoAP), which provides guidance to Municipal Corporations and Municipalities in performing their day to day activities in adherence to the policies, procedures and guidelines provide by MA & UDD to achieve effective civic administration. The Directorate is headed by the Commissioner and Director of Municipal Administration (C &DMA).

C&DMA administers through the Office of Directorate of Municipal Administration (DMA), Regional Offices (RDMA) and Urban Local Bodies (ULBs) spread across the State. DMA, in its supervisory role, monitors the functioning of the ULBs against key parameters such as the tax collections, project and civic works executed, the implementation of the schemes of the Government etc. It also includes the supervision of the regulatory and developmental functions of the ULBs. DMA interacts with several other departments such as Public Health Engineering Department, Town and Country planning department, State Audit Department, Urban Developmental Authorities, Municipal Corporations, and Water boards etc to enable seamless delivery of urban civic services to the citizen (Vide Chart 2.3 & 2.4)
The Commissioner and Director is assisted by two Additional Directors, one for Administration and the others for urban poverty Alleviation, and one project Manager for Rajiv Nagara Bata. The Additional Director for Administration in assisted by Joint Directors, Deputy Directors and section Heads looking after various functions as shown in the chart. The Commissioner is also assisted by Engineering, Town Planning and Urban poverty Alleviation Departments headed by respective Officers as shown in Chart 2.4.

At present there are 110 Municipalities, Six Nagara panchayats and 18 Municipal Corporations including Greater Hyderabad Municipal Corporation (GHMC) in the State under the Commissioner and Director of Municipal Administration. He also acts as the Election Authority for conduct of ordinary and casual election in all municipalities bodies under the superintendence of State Election Commission.36

An Overview:

The novel feature of urban local government in India after the attainment of Independence has been one of formulating public policies in general and policies in respect of educational administration in particular at urban local levels. These local governments witnessed a series of vicissitudes and ups and downs in their progress and finally reached to this present stage but till striving to secure additional fillip to raise to the expectations of the people in making public policies. It is laudable to note that secondary education in urban areas is being administered by Municipal
Corporations to contribute for social, economic, political and cultural development of its people. If education at the secondary level is to be strengthened in urban areas, there is very need to strengthen the urban local bodies in general and Municipal Corporations in particular in all states.

Andhra Pradesh is one of the Premier States in India which also geared to the needs of primary and secondary education to its people in urban areas and has entrusted this responsibility to its Municipalities and Municipal Corporations also. The administrative system of municipal corporations in Andhra Pradesh is designed in such a way that it should respond to the needs of urban local people in respect of various other demands including the demand for good and standard levels. Civic amenities and urban local development. The 74th constitution Amendment Act, 1992 aimed at a decentralized structure through the mechanism of devolution of functions, finances and functionaries to urban local bodies. These local bodies which are endowed with the responsibility of providing civic and physical facilities and services do require adequate finances and they should be equipped with powers to raise resources commensurate with the functions mandated. The succeeding chapter deals with the significance of financial management in urban local bodies.
REFERENCES

20. Nayak Prasad Kumar, Indian Administration, New Delhi Unique p.649
26. Ibid., P. 39.
27. Mohit Bhattacharya, State Directorate of Municipal Administration, New Delhi: Center for Training and Research in Municipal Administration, IIPA.
28. Andhra Pradesh Municipalities Act, 1965
29. Andhra Pradesh Municipalities Act, 1994
31. Andhra Pradesh Municipalities Act, 1994, Section 2, Clause, 42 (a), Read: Having regard to population of the area, the density of population there in and so on the Governor may deem fit to specify an area as a municipality.