Chapter - I

INTRODUCTION
Chapter No. 1

Introduction

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1.01. Local Self-Government:

In India The Local self-government and Municipal government is generally known as Local self-government. The term Local-self-government is a legacy of the British rule when the country did not have self-government at either the state or central levels. When the British government decided to associate Indians in administering Municipal affairs, it meant a slice of self-government for the people. Now the word 'self' has become superfluous or redundant because the country has self rule at all levels. Moreover, Municipal bodies as if 'New Delhi Municipal Committee' and 'Urban Improvement Trusts' are not representative in character, the use of the term Local self-government will not proper. Despite this distinction, both the terms are continued to be used interchangeably in our country. That's why the term 'Municipal government' and not 'Local self government'.

After independence, India accepted the pattern of decentralized democracy. The local self-governments are empowered to take their own decisions. Local self government under which the people of the locality possess a certain responsibility and discretion in the administration of local public affairs and in the raising of required finance to meet their expenses. Local bodies are generally acquainted with the local problems for example drinking water, primary education constructions of roads, street light, Sanitary problems, problems of slum area, etc. as the number of local bodies are representatives of people they have to solve their problems on priority basis. In order to solve the problems they require financial resources which they generally collect from local people. The government also extends some financial assistance to these local bodies, such as grant in
aid, advances, loans etc. to Gram-Panchayat, Municipalities and corporations.

The 26 percent of the Indias population living in urban areas are governed by municipal corporations and municipal councils. The municipal corporations governing the larger cities are composed of elected councils and a president or mayor elected from within the council. The state governor appoints a commissioner who acts as the chief executive of the municipal corporation. The municipal councils administering the smaller cities have elected committees or boards. The municipal government is responsible for education, health, sanitation, safety, and maintaining roads and other public facilities. The country's municipal governments have long been troubled, in part because of their limited authority and lack of funds. The frequent intervention of state governments to suspend the activities of municipal administrations has also undermined them. For instance, state or union territory governments suspended the elected bodies of forty-four out of sixty-six municipal corporations in 1986. The Seventy-fourth Amendment was passed in December 1992 in order to revive municipal governments. Among other things, it mandates that elections for municipal bodies must be held within six months of the date of their dissolution. The amendment also provides for financial review of the municipalities in order to enable recommendations concerning the distribution of proceeds from taxes, duties, tolls, and fees.

The Municipal Government’s jurisdiction in the Osmanabad district in Maharashtra State is limited to a specific area and its functions relate to the provision of civic amenities to the population being within its jurisdiction. A Municipal government functions within the provisions of the statute which has created it. It is subordinate to the state or provincial government, which
exercises control and supervision over it. Nevertheless, the activities of the Municipal government are numerous. Municipal government has been undertaking new activities which either regulate the conduct of the citizens or are in the nature of service such as provision of mass transport, construction of houses for the poor, supply of electricity, health centers, parks, playgrounds etc. In fact, Municipal government is today much more important in the daily life of a citizen than the State or Central government. Thus, it is very important to know about Municipal government.

1.02. Local Government And Local Self Government:

'Local government' and 'Local self-government' are interchangeably used. The distinction between them is a legacy of the alien rule. The term 'local self government' has been used in those countries, which were under the colonial rule. For instance, in our country, the term originated when the country was ruled by the Britishers and we did not have any self-government at the Central and Provincial level. After the British Government decided to associate us in administering local affairs, it meant a slice of self-government for the people. Hence, the term 'local self government' was meaningful at that time. Now the word 'Self has become redundant as the country enjoys self rule at all levels.4

The term 'self-government' may also appear embarrassing as well, because it has around itself a ring of virtue which it is unnecessary to claim and, on occasions, difficult to justify.5 Moreover self government which reflects the government by the people themselves of a local area through their elected representatives sometimes in conspicuous by its absence as election to local bodies do not take place for years after they have been created or superseded for indefinite periods. It is, therefore, proper to use the term 'Local Government' instead of 'local self-government'. That is why the term 'local government' and not the
term 'local self government' is used in Entry 5 of List II of the Seventh Schedule of our Constitution. Despite this distinction, both the terms continue to be in vogue in our country. The terms signify a government, representative of local inhabitants, more or less autonomous in character instituted under State legislation, in a village, a district, a city or in urban areas to administer services as distinguished from State and Central services.6

1.02. History of Local Self Government in India:

There is sufficient evidence to establish the fact that the institution of local self-government is almost pre-historic, and the conception of local self-government is indigenous to the Indian soil. Municipal governments have flourished in India since times immemorial. While empires rose and fell, village panchayats which formed an integral part of the national life, helped to preserve democratic traditions in social, cultural, economic and political life, survived the onslaughts of centuries of political upheavals and saved Indian society from disintegration. The existence of local bodies in ancient India is a positive proof of the inherent genius of our people to manage local affairs efficiently and on a decentralized basis. The decentralization of power in the kingdoms of the Maurya and the Gupta period was unique.7 Such devolution of power was unknown to the western world until modern times. The local governments at different levels, performing many functions, though not very democratic, were sufficiently autonomous.

With the coming of the Muslim rule in India, local institutions received a set-back, as they did not enjoy the same autonomy and prestige, as under the Hindu kings. Mughal government was highly centralized autocracy.8 The crown was the motive power of the entire administrative machinery. Where the government is absolute, the supreme authority concentrated in one
man's hand, the territory larger, the means of communications between the districts slow and difficult, the transfer of local officers frequent, no political life or local initiative is left to the people. The Muslim rulers recognized local chiefs and zamindars as the repositories of local authority, to the exclusion of the people. "The villages and towns of the Mughal Empire enjoyed parochial self-government rather than local autonomy. A people who do not possess political freedom and powers of self-taxation for national purposes, cannot be said to enjoy local autonomy.

The office of Kotwal was developed as the key-stone of the municipal administration and his functions in connection with the town in his charge were, at least in theory, the most comprehensive conceivable being in certain respects even wider than those of the municipal bodies of the present day. While the Mughals did not initiate any positive measures of encouragement to local institutions, wherever such institutions existed, they worked in cooperation with the official machinery of the rulers and in certain respects became a part of it. Between the breakdown of the Mughal Empire and the coming of the British, there was complete anarchy and military despotism in most parts of the country. During this period "the ties of social framework were loosened, and in many places, local institutions had been perverted or sapped, before the British officials had an opportunity to assess their value."

The history of local self-government in India under the British rule can be conveniently divided into four phases. Local finance being a counterpart of local administration and its mainstay, has of course, been an expression of the purpose implicit in different phases of local government. The first phase may be assumed to have ended in 1882, when Lord Ripon issued his well-
known resolution on local self-government. The second phase covers developments from 1882 to 1919, when more powers were transferred from the centre to the provinces, and the recommendations of the Decentralization Commission of 1907, besides discussing other matters, suggested some changes in local self-government. The third phase extended up to 1935, during which the Indian Taxation Enquiry Committee (1925) considered the problems of local taxation, along with central and provincial finances. The Simon Commission of 1930, reversed the process of decentralization, by recommending strict control of the state over local bodies. The fourth phase covers developments up to 1947. During this phase, the struggle for independence was intensified and with the introduction of provincial autonomy in 1937, and coming into power of congress ministries in many provinces, local bodies, particularly village panchayats, received a great stimulus and there was democratization of local bodies. But local self-government became a mere annexed to the national political stadium, where the struggle for independence was moving towards its climax.

Independence opened a new chapter in socio-economic reforms, as embodied in the Directive Principles of State Policy, enunciated in the Constitution which established a federal system of public administration, provided universal adult franchise and the objective of welfare state. The first such Municipal Corporation was set-up in the former Presidency Town of Madras in 1688; and was followed by similar corporations in the then Bombay and Calcutta in 1726. The Constitution of India has made detailed provisions for ensuring protection of democracy in Parliament and in the state legislatures. However, Constitution did not make the local self-government in urban areas a clear-cut constitutional obligation. While the Directive Principles of State Policy refer to village Panchayats, there is no specific reference to Municipalities
except the implicitly in Entry 5 of the State List, which places the subject of local self-governments as a responsibility of the states.

In order to provide for a common framework for urban local bodies and help to strengthen the functioning of the bodies as effective democratic units of self-government, Parliament enacted the Constitution (74th Amendment) Act, 1992 relating to municipalities in 1992. The Act received the assent of the President on 20 April 1993. The Government of India notified 1 June 1993 as the date from which; the said Act came into force. A new part IX-A relating to the Municipalities has been incorporated in the Constitution to provide for among other things, constitution of three types of Municipalities, i.e., Nagar Panchayats for areas in transition from a rural area to urban area, Municipal Councils for smaller urban areas and Municipal Corporation for large urban areas, fixed duration of municipalities, appointment of state election commission, appointment of state finance commission and constitution of metropolitan and district planning committees. State/UTs have set-up their election Commissions. Elections to municipal bodies have been completed in all States/UTs except Jharkhand and Puducherry. 11

1.04. Role of Municipal Council in Urbanization:

Urbanization in Maharashtra has given rise to many complex and difficult problems of local functions and also of development, planning and modernization. Without developing a viable and strong political and administrative structure for municipal government, these urban problems will remain unsolved. The local self-government is a symbol of democratic life and plays a vital part in the social and cultural life of a nation. It provides facilities for a decent and civilized social cultural and political life.
The municipal institutions are a part of local self-government. They have been playing a significant role in civil as well as political civilization. There is a constant rise and growth of urban areas. Search for employment and livelihood have tempted migration to the cities. Urbanization has boosted all round human progress and has been providing profound scope and opportunities for utilizing talents and enlarging limits of knowledge. Urban centers have provided to be the symbols of civilization.12

The cities continue their growth in size and population constantly. The increase in density has given rise to important problem of governing the urban area. Besides the process of urbanization automatically gives rise to another interlinked and interchanged problems such as the problems of public health, education, protection, residence, drinking water, drainage, light and so on. The solution requires sound financial resources as well as efficient government organization.

The Municipal government system is the traditional form of city administration. Municipal services like protection of health facilities, free education, public conveniences and public works are performed by the Municipal institutions. These institutions with name and seal, through their officers and agents would authority and perform functions within the prescribed limit. A suitable structure and organization of a municipal institution can effetely solve urban problems.

The growth of the executive in national, state and local governments in a remarkable feature. In a large local institution with clear distinction between policy making and executive the chief executive occupies a very important place. The municipal executive commonly known as the commissioner in the Municipal Corporation. This post was created for the first time in Mumbai in 1888. But the groundwork of this model was laid as early as 1965
by the II Act Bombay under which the commissioner was the first properly constituted Municipal Chief Executive. The Bombay Model of the Chief Executive of the Municipal Corporation has been accepted for all the Municipal Corporations in Maharashtra.¹³

1.05. Characteristics Of Local Self Government:

The above discussion regarding meaning and concept of local government makes it clear that there are certain characteristics on which the system of local government is based. Some of its important characteristics are as follows:

1.05:01 Local Area: A local government unit, as far as its jurisdiction is concerned, has a well-defined area which is fixed by the concerned state government. This area can be termed as a city, a town or a village. The state government subject to changes from time to time through legislation fixes the territorial limits of a local body unit. The municipal council has to use its funds in this prescribed local area and also empowered by laws to procure the receipts from the tax and non-tax sources only confining to the local area under its jurisdiction.

1.05. 02 Elected Body:-Municipal government consists of authorities, which may be of -

i. Fully elected members or

ii. Partly elected and partly nominated members or

iii. Fully nominated members.

We find many indirectly non-elected or appointed municipal governments. In India, New Delhi Municipal Committee and Urban Improvement Trusts have nominated Chairman and
members. Similarly, many urban development authorities such as Delhi Development Authority (DDA), Jaipur Development Authority (JDA), Lucknow Development Authority (LDA), etc. have nominated and indirectly elected ex-officio members.

1.05.03 Local Authority: The administration of a particular locality is run by an authority or body of persons who are elected directly by the people residing in that particular area. That authority which includes the elected representatives of the people is responsible for management of local affairs in that area by procuring the funds and the utilization of the same through the democratic process.

1.05.04 Civil Amenities For Local Inhabitants: The primary objective of local government is to provide certain civic amenities to the people at their doorsteps by using the municipal funds. The provision of these civic amenities ensures the healthy living of local community. These services are specifically meant for those inhabitants who are living in that restricted area for which the local government unit has been created. It has been rightly pointed out that all those amenities, which make living better, physically, economically, socially and culturally, should be facilitated through the municipal funds to the local inhabitants.

1.05.05. Local Finance: In order to perform its functions effectively, it is necessary that every local government unit be provided with adequate finances. The services provided to the local inhabitants are largely financed out of finances raised locally. The local inhabitants are required to pay taxes imposed by the concerned local authority. The Central and state governments render them financial aid through a system of grants-in-aid and permission to raise loans to enable them to perform the tasks assigned to them.
1.05.06. Local Sovereignty: Local autonomy means the freedom of the local government to decide and act in the sphere of activities and functions allotted to them by the statutes under which they are created. Among other things, it implies the legal right of the inhabitants of a local area to choose their representatives to govern the locality concerned, according to the laws framed by the State Government, and to prepare the budget based on resources available. It is however, the authorities, which have been given the responsibility to run the local government, are neither sovereign nor self-created entities and they will have to depend upon the state government for their powers and functions. Truly, the local sovereignty is functional for spending the funds for those who resides in the area in a better and better ways.

1.05.07 Local Participation: The success or failure of developmental plans at the local level depends upon the active participation of local people for whom these plans are prepared. The local government provides an opportunity to the local people to participate in administration. If the goals of development have to be achieved, people's participation is a prerequisite for it. The local participation streamlines the municipal administration, municipal funds spending and municipal functions for the benefit of residents only and it creates the feeling of local harmony.

1.05.08 Local Leadership: The people, who come under the purview of local government, especially those living in rural areas, are generally illiterate, inexperienced, non-professional and unaware about the functioning of local bodies. Strong leadership, therefore, needs to be provided to those people. This leadership is provided to the people from the local area in the
shape of elected representatives and elected office-bearers of the elected councils about the policies and programmes of the government. Local leadership emerging in the form of elected councilors is convenient to use the funds of the municipal councils publicly; the accomplishments of the functions under this democratic system are accredited to the local leadership and the failures defame it and same may be thrown away by the voters in the election.

1.05.09 Local Accountability: Local government units, which are created to provide civic amenities to the people by spending the municipal funds, are accountable to the local people. The residents of a local area keep a watch on local authorities to ensure effective performance of their functions and the expenses incurred thereon. If a local body becomes inefficient and is not in a position to provide satisfactory services to the people, it faces severe criticism of local residents.

1.05.10 Local Development: Local government is concerned with the overall development of the people living within its area. Every activity of local government is therefore aimed at development carried through the municipal funds with the help of elected councilors and associated incumbent of the local-self-govt.

1.06. Meaning of Municipal Government:

It is not easy to answer the question 'what is Municipal Government?' Municipal government may be described as government by popularly elected bodies charged with administrative and executive duties in matters concerning the inhabitants of a particular district or place and vested with powers to make bye-laws for their guidance. Municipal government has been defined from various angles. It has been defined as "an
authority to determine and execute measures within restricted area inside and smaller than the whole state”. The variant Municipal self-government is important for its emphasis on the freedom to decide and act.\textsuperscript{14}

Jennings defines Municipal government as governmental organs “having jurisdiction not over the whole of a country but over specific portion of it”.

G. M. Harris opines, “Municipal government is a “government by Municipal bodies, freely elected while subject to the supremacy of the national government; are endowed in some respect power, discretion and responsibility, which they can exercise without control over their decisions by the higher authority”.\textsuperscript{15} The extent of power, discretion and responsibility, which the Municipal bodies possess, is a matter of degree, which varies considerably in the various countries.

According to John J. Clarke, “Municipal Government appears to be that part of the government of a nation or state which deals mainly with such matters as concern the inhabitants of particular district or place”\textsuperscript{16} In the opinion of W. A. Robson, “Municipal government may be said to involve the conception of a territorial, non-sovereign community possessing the legal right and the necessary organization to regulate its own affairs. This, in turn, presupposes the existence of a Municipal community in the administration of its own affairs. The extent to which these elements are present must in all cases be a question of degree”.\textsuperscript{17}

In the words of Humes and Martin, “Municipal government possesses most of the following attributes: a population; a clearly defined area; the capacity to sue and be sued; the ability to make contracts; a continuing organization; the authority to undertake and
the power to conduct public activities and the right to collect revenue and determine a budget".  

According to P. Stones "Municipal government is that part of the government of a country which deals with those matters which concern the people in a particular Municipality." He points out further that it acts as the communities, housewife in that it makes our surrounding fit to live in, keeps the streets clean, educates our children, built our houses, and does all those other similar jobs which enable us to lead a civilized life. As per L. Golding, "Municipal government is the management of their own affairs by the people of a Municipality."  

According to Byrne, "Municipal government is marked out as a distinctive form of public administration by five key features". "It is elected, multipurpose, operates on a Municipal scale, has a clearly defined structure, and is subordinate to parliament".  

Hampton opines that "Municipal authorities have clearly defined geographical boundaries, multipurpose or compendious bodies, directly elected and having independent power of raising taxation."  

A more appropriate definition of Municipal government is that by this term is ordinarily understood the "administration of a Municipality, a village, a town, a city or any other area smaller than the State by a body representing Local inhabitants, possessing a fairly large amount of autonomy, raising at least a part of its revenue through Municipal taxation and spending its income on services which are regarded as Local and, therefore, as distinct from State and Central Services."  

The essential characteristics of a Municipal government are-
• Firstly, its statutory status;
• Secondly, its power to raise finance by taxation in the area under its jurisdiction;
• Thirdly, participation the Municipal community in decision-making in specified subjects and their administration;
• Fourthly, the freedom to act independently of Central Control and
• Lastly, its general purpose, in contrast to single purpose, character.

The analysis or examination of various definitions of Municipal government given above reveals that Municipal government is a combination of various elements and no single definition includes all of them. These elements include a Municipal statutory body, Municipal inhabitants electing and controlling that body. Limited autonomy in the sense that State Governments in a federation and Central government in unitary system give them a limited freedom to perform their functions prescribed by law: recognition of distinction between Municipal and non-Municipal services, and power to levy Municipal taxes. Thus, a Municipal government has many attributes. The most important attribute is raising the finances through taxes and non-tax sources for satisfying the civic needs of inhabitants.

1.07. Importance of Municipal Government:

Municipal government and administration is no longer a simple affair. It has become quite complicated and complex with the phenomenal increase in the process of urbanization and consequent spurt in the demand for more and more funds to solve the problems and to increase in their functions. In the post-independence period, it was envisaged that in the new set up local bodies as instrument of national policy would be used more and more and there would be steady increase in the municipal funds
and functions. In the first Five Year Plan, the Planning Commission's thinking was that the general direction of policy should be to encourage self-financing and governing bodies and to assist them in assuming responsibilities for as large a portion of the administrative and social functions as possible. Accordingly, the local governments are called upon not only to provide for civic services and facilities like water supply, sewerage, transport, health and sanitation, recreation etc. but also to carry out the programmes of national development through the funds collected from the local sources. Their responsibilities have consequently increased manifold for obtaining the funds through the tax and non-tax sources, providing better conditions of living, ameliorating the lot of the urban poor etc. and to ensure adequate infrastructure and suitable administrative and managerial structure to cope with the urban problems of unprecedented nature and magnitude. The scope of local governments has thus very wide range areas including use of finances obtained locally.

A democratic form of government must be sustained by a system of vigorous local self-governing institutions. Local government institutions provide an opportunity to the people to raise their own financial resources and to participate freely and actively in the government, which they formulate for their respective areas. These are necessary to encourage and foster initiative, independence, and self financed enterprise on the part of the people. Our first Prime Minister Pt. Jawaharlal Nehru, while inaugurating the first Local Self-Government Ministers' Conference in 1948, had said "Local Self Government is and must be the basis of any true system of democracy. We have got rather into the habit of thinking democracy at the top and not so much below. Democracy at the top may not be a success unless you build self financed democratic foundation from its below." The local assemblies of
citizens ready to contribute the municipal funds", says De Tocqueville, "add to the strength of free nations." Town meetings teach men how to use and how to enjoy the municipal funds" A nation may establish a free government, but without financial resources it cannot have the spirit of liberty. Lord Bryce regards local government as the best school of democracy and the best guarantee of its success, if the funds are collected from the inhabitants. W.A. Robson opines "Democracy on the national scale can function in a healthy manner only if it is supported and nourished by democratic local government and finances." Emphasizing the importance of local self-government Prof. Laski says "Local Self-government offers the best opportunity to the people to bring local knowledge, interest, finance and enthusiasm to bear on the solution of their problems." 25

The local government fulfils all the domestic needs of civilized community. It also creates among the citizens personal interest in their common affairs and throws the field open for their constructive and creative activities through the locally collected funds. It also serves as an expression of political consciousness and as a means of political education and renders the citizens fit for their civic duties and responsibilities, by enabling them to participate in public affairs. It also generates in people an aesthetic sense that makes them beautiful and adorns the land they inhabit. It provides the best opportunity to men and women to bring their financial resources, knowledge and enthusiasm to bear on the solution of their own peculiar problems.

The Importance of Municipal Government lies in sustaining the democracy based on the financial self-sufficiency. If democracy has to function properly, as many citizens as possible should honestly contribute local subscription to take a continuing interest in its activities and problems. In a democracy, people have to work
with great patience and perseverance. In the end, we may find that the progress achieved under such democratic methods is more firm and more solid than under a totalitarian set up. Local Government finances are like basic tissues to human body. Without them, government would have no vitality. The countries, cities, towns, villages, and boroughs serve as training schools for the financial administration training to leaders, and in the financial affairs of local government are undertaken by those who aspire to state and national offices.

The importance of Municipal government may categorically be discussed under the following heads:

1.07,01 Training Ground for Emerging Leaders: Local government is also an invaluable training ground for emerging leaders, who after acquiring experience in the art of politics and government at the local level rise as such to the state and national level. In our country local governments have produced many leaders of national eminence and stature like Ferozeshah Mehta, Motilal Nehru, Jawaharlal Nehru, Subhash Chander Bose, Vallabh Bhai Patel, Lala Lajpat Rai, etc. who were shining examples of sober and healthy local politics and restored to these local institutions, the authority and dignity they deserved. Lord Bryce has remarked, "It is enough to observe that the countries in which democratic government has most attracted the interest of the people and drawn from their ranks have been Switzerland and the United States, especially those northern and western states in which rural local government has been most developed." These examples justify the maxim that the best school of democracy and the best guarantee for its success is the practice of local self-government.
1.07.02. **Provision of civic amenities:** Local bodies perform multifarious functions to provide various civic amenities to the people. The functions performed by these bodies, such as garbage collection, cleaning of streets, drainage, water supply, fire service, health service, etc. though appear to be minor, routine and unimportant chores, are, in fact, of considerable importance for a healthy and comfortable civic life. We tend to miss their significance except in the event of a breakdown which results in the entire dislocation of social and economic life of the community.

1.07.03. **Urbanization and Urban problems**—The process of urbanization in India is going on at an accelerated pace due to industrialization, migration from rural areas and the natural increase in population due to population explosion with the result that the urban population which constituted 50 million at the time of independence had reached 45 million by the end of 2010. The growth of urbanization on such an unprecedented scale has confronted urban governments with gigantic urban problems such as unplanned and haphazard growth of towns and cities, unbearable strain on urban governments for provision of civic amenities, traffic congestion, growth of slums, shortage of houses, scourge of urban poverty, menace of pollution, lack of employment opportunities, etc. Now, the municipal Govt. has to face all these problems by increasing its internal financial strength from the outside either on gratis, subsidized rates of interest, in the form of subsidies or by borrowings.

1.07.04. **Structure Of Urban Governments:** The local affairs of cities are administered by the local institutions of various forms such as *Nagar Panchayats, Municipal Councils, Municipal Corporations* and *Cantonment Boards*. An each urban area by
virtue of the criteria laid down in terms is as assigned with a particular form of local Govt. These urban governments as per population, territorial dimensions and revenue resources plan for finances for the use of comfortable living of citizens.

1.07.05 Municipal Legislation: Local government being a state subject is created by the concerned state legislature, which enacts appropriate laws determining its status and providing for the constitution of the elected councils, co-option and nomination of members, procedure of election, term of the council, election and removal of office-bearers, their powers and functions, finances, state control etc. The various Acts are also amended from time to time in the light of the changing needs of the urban governments. These laws have made special concern to municipal funds, their utilization modes and functions to be discharged.

1.07.06. Municipal Personnel Management: The urban governments with their enlarged responsibilities to procure the funds by way of tax and non tax sources and use the same leads to numerous financial, technical and administrative problems. It hence requires efficient and well-qualified personnel to operate various positions to streamline the finances. They can do this neatly only when they are selected on merit on good salaries, with avenues of promotions and other conditions of service comparable to those available to their counterparts in other government departments. In actual practice, this is not happened. An inefficiency of the municipal incumbent followed by their corruptive practices hamper the system of tax and non-tax collection which is always somehow 50 per cent of demand. The provincialisation of municipal services in some states has improved matters largely. This may be followed by the Maharashtra Government with merger of the municipal services
in corresponding state cadres.\textsuperscript{29} This would not only give a psychological boost to the local bodies personnel but the homogeneity between the state government and local government will also raise the level of local performance.

1.07.07. Municipal Finance Administration: Municipal governments in order to be viable require finances commensurate with their responsibilities and obligations but unfortunately they suffer from acute paucity of funds. The urban governments have not shown much aptitude for efficient financial management and control; there are wastages of time, resources and finances. The leakages of revenues, an extensive under-assessment of several sources of income, inability to impose new taxes or increase the existing ones, the denial of sharing of revenues by the central and state governments with the urban governments to which they are entitled, rigid stipulation for raising the loans, an inadequacy of grants etc. are the factors responsible for poor finance of urban local bodies. In order to put urban governments on sound footing, budgetary processes require to be streamlined by training budget officers, introduction of a good system of continuous internal and external audit for which the central and state governments are expected to provide necessary help and guidance to the urban local bodies.

1.07.08. State Control Over Urban Governments: The state governments exercise supervision and control over urban governments to ensure minimum standard of services and proper performance of their functions through legislative, administrative and financial control. The urban governments are subject to judicial control also for their acts of omission and commission. But instead of providing guidance, advice and support to the urban governments in the discharge of their
functions in an effective and efficient manner, the state governments' control over them is of negative, regulatory and restrictive nature; the worst kind of which is super session which meets out punishment not only to the elected councilors but also to the whole lot of citizens by depriving them of the elected Institution of local government. Urban centers contribute immensely to national prosperity. The central and state governments should, therefore, are expected to finance all the local self-government and to act as their friends and patron and not as their powerful rivals or disinterested spectators.30

1.07.09. Special Purpose Agencies: The state governments on the pretext of inadequacies of financial resources, lack of technical expertise and inefficiency in the performance of the obligatory functions by urban governments, create certain special unit-purpose or multi-purpose agencies to perform functions which legitimately belong to the domain of urban governments. These agencies include Improvement Trusts, Water Supply and Sewerage Boards, Housing Boards, Pollution Control Boards etc. The work of these agencies if supported by the outside financial agencies indirectly helps the municipal govt. to get financial relief.

1.07.10. Urban (Town) Planning: The phenomenon of urban growth has resulted in unplanned, haphazard and ugly urban settlements. Planning is therefore necessary to combat the menace of urbanization and its resultant problems. An important function of planning in purely physical terms is the judicious use of land - a scarce commodity in most urban areas and its rational and timely reservation for future use. Roads, schools, hospitals, parks and playgrounds, housing, industry, shopping, community facilities and a number of such other uses the land is required. Land planning is thus a very essential need.
The state governments have therefore to legislate upon planning and to ensure its implementation, which is ultimately the responsibility of the urban governments. The state governments have accordingly set up Departments of Town and Country Planning for this purpose. The municipal council gets technical guidance while spending for the development of public works and economizes its expenses. The land value increases, when it is surrounded by the municipal and public infrastructure. Hence, it is necessary that municipal council along with the owner shall share the fruits of increased land value by charging the development tax more than 75 per cent on the owner and add its revenue. At present very miscellaneous amount is collected. If the owner fails to remit such tax, the land may be auctioned publicly for recovering the tax so payable.

1.07.11. Ministry Of Urban Development: The Central Ministry of Urban Development set up in 1985 now known as Ministry of Urban Affairs and Employment has the responsibility of broad formulation and monitoring of programmes in the areas of urban development such as housing creation, urban poverty alleviation and urban water supply. These are essentially state subjects but the Government of India plays a coordinating and monitoring role and also supports these programmes through central sector schemes, institutional finance and expertise. The attached offices of the Ministry of Urban Affairs and Employment are Central Public Works Department, Directorate of Printing, Directorate of Estates, National Building Organization and its subordinate offices comprise Land and Controller Development Office, Town and Country Planning Organization, Controller of Stationery and Controller Publication. Its Public Sector Undertakings are Housing and Urban Development Corporation (HUDCO), National Buildings Construction Corporation Ltd... Hindustan Prefab Ltd. and its
Statutory and Autonomous Bodies are Delhi Development Authority (DDA), Delhi Urban Art Commission, National Institute of Urban Affairs and National Capital Region Planning Board.\textsuperscript{32}

The ministry of Urban development and their offices are useful to municipal self-govt. for procuring and the using the financers. However, as against the large accumulation of civic needs, the endeavors of the ministry appear dwarf. Moreover the municipal incumbent and councilors are themselves unaware of the various developmental schemes of the above mentioned offices.

1.07.12. School of Democracy. The proposition that self-government Municipalities are the bastions and schools of democracy has been stressed by the following statement of an advisory committee of the Commission on Inter-government Relations: "Municipal government is to total government what basic issues are to the human body. Without them, government would have no vitality. The countries, cities, towns, villages, and boroughs serve as training schools for the readers of government and in the affairs of Municipal government are tried those who aspire to state and national offices."\textsuperscript{33} The above is true but there are many demerits of these municipal schools of democracy, since it is looked as learning ground for the mushrooming leaders. The elected leaders/councilors are often ignorant about the municipal administration and it affects ultimately municipal funds and their utilization.

1.07.13. Platform for Political and Popular Education and Training: Lord Ripon's famous Resolution of 1882 also emphasized the need of political and popular education through Municipal government: "It is not primarily with a view to improvement in administration that this measure is put forward and supported. It is chiefly designed as an instrument of political and popular education."\textsuperscript{34} Municipal elections provide
opportunities for participation through voting which provides lot of political education. Municipal government provides opportunities to a very large number of citizens at a time to work in democratic institutions and to directly participate in the administration of the affairs of community. Thus, it serves as training / ground for emerging political leaders, who after getting experience in the art of government and politics in these institutions, go up to the state level of national level. Truly speaking the municipal govt. as a platform for political leadership is useless for benefiting the town dwellers. Because not all these leaders care for rationalizing, the municipal financial resources but use these resources for their own self. Once they come to know that this municipal platform is functional in getting doorway to politics with illegal embellishments in to their personal wealth. These leaders are reduced to as tribulations to the society.

1.07.14. Promotes Spirit of Liberty and Equality: Hampton justified Municipal government because it promotes "liberty by the dispersal of power from the centre to the Municipalities." The concept of equality has many meanings but in the context of Municipal government, it may enhance equality by providing access to political office and political activity for wider groups of people than are accommodated through national politics. This is not always true, when we come across the facts as unjust and unequal use of municipal finances; for example: only few gets the benefits of the municipal infrastructure; similarly almost all the contracts of creation of the municipal infrastructure are given by using the corruptive practices.

1.07.15. Effective Solution to Local Problems: All the problems are not supposed to be solved by the central and state governments. In fact, there are some problems, which occur at
the local level and need to be solved locally in accordance with local needs, atmosphere, environment and wishes of the people. To be acquainted with all these things, the government shall have to step down to the local level in order to solve local problems in an effective manner. According to H.J. Laski, We cannot realize the full benefits of democratic government, unless we begin by the admission that all problems are not central problems, and that the results of problems in their incidence require decision at the place, and by the persons, where and by whom the incidence is most deeply felt. Municipal government by applying Municipal knowledge to Municipal problems prepares the way to understand them. It is a popular saying that “only the weaker knows where the shoe pinches.” Hence, it is the Local people alone because of the pinch can be set to provide solutions. Thus, the problems, which are Local in nature, need to be solved locally as per the needs, environment and wishes of the people. To solve such problems effectively, the government has to step down to Municipal level. Problems of a particular Municipality can easily be best tackled, if Municipal resources are brought to bear on them. The Municipal bodies because of their nearness to the people and familiarity with their needs and wants are better placed to meet them. However, there are shortages of finances crippling the development of civic amenities. The major local problems are housing inadequacies, mushroom growth of slums, water inadequacies and hygiene perilous. To solve this problem enough finance and efficient municipal staff with learned councilors are perquisites.

1.07.16. Provides Civic Services: Municipal government institutions perform numerous functions to provide civic amenities to the inhabitants. The services performed by these bodies include garbage collection, cleaning of streets, drainage, electricity, water supply, fire services, health service, etc. are
very important for good civic life. The same can only be accomplished if adequate finances are provided by the state govt.

1.07.17. Reduces the Burden of Government: Municipal government aims at division of governmental functions and a large number of functions are performed by it, which in the absence of Municipal government would have to be performed by State / Central Government. If the central government is overloaded with work, it becomes incompetent, incapable and inefficient to perform its duties. Even if the Central Government was competent and efficient, yet it is said that good government is no substitute for Municipal self-government. Thus, Municipal government is necessary for the development of initiative and interest of Municipal masses for which the finances are required.

1.07.18. Laboratory for experiments and testing Government Policies: Municipal government is an invaluable social – political laboratory for trying and testing on a small scale, various new proposals for government organization and socio-economic policies. It is a preserver of Municipal colour in the national life. Municipal authorities are almost bound to enhance the learning capacity of government. They will develop their own solutions and initiatives, some of which may prove unsuccessful or applicable only to their specific Municipality, but some of which may be adaptable either by other Municipal authorities or even by central government. This type of laboratory proves expensive as it is seen that many municipal councils waste the money in doing unnecessary things like running the schools /colleges on behalf of the state govt. This is undesirable, since it erodes the municipal funds.
1.07.19. Control and Check against Bureaucracy: The State bureaucracy is endowed with vast power in the administration of urban local bodies. Deputy Commissioners despite the creation of Directorate of Local Bodies and the Office of Regional Deputy Directors still play a predominant role in the management of urban affairs. The administrator appointed to administer a superseded local body functions both as the deliberative and executive authority. The Municipal bureaucracy especially the Municipal Commissioner in Municipal corporations is key figure in their administration and enjoys greater authority in comparison to the elected Mayor who represents the elected body of the city. In fact, these bureaucratic Municipal authorities direct and to an extent regulate our lives. They provide the citizens with the minimum health, education and other welfare services. Besides providing the services, a strong Municipal government system prevents unnecessary increase in the powers of bureaucracy over the community. A centralized system of administration, even though democratic, results in control of the community by bureaucracy. In the absence of such institutions, the business of government is left in the hands of appointed officers and between them and the people, the gap is usually widened. It is one of the goals of any democratic constitution to prevent concentration of executive powers in a few hands. The existence of Municipal government makes way for the decentralization of powers and leads to the reduction in the powers of bureaucrats. An excessive bureaucratic approach increases the salary bills due to unwieldy salary bills of the municipal personnel.

1.08. Functioning of Local Self-Government:

The functioning of a Government can be categorized into National, State and Local. Local Self-Governments are those bodies that look after the administration of an area or small community
such as village, town or a city. These bodies are appointed by the Government representing the local inhabitants, which raises its revenue partially through local taxation and other means. The Local Self-Government can be divided into various classes like Corporations, Cities, Town Municipalities and Town Panchayats on the basis of population. The Local Self-Government is entitled to discharge certain compulsory functions like:

- Supplying safe and clean drinking water.
- Imparting and maintaining proper drainage and sewage systems.
- Providing public street lighting.
- To keep up sanitation and hygiene of public places.
- Building and maintenance of bus terminals, roads, culverts and bridges.
- Preservation of public parks and gardens.
- To make sure that the urban or rural growth is systematic and planned.
- Preparing guidelines for building construction.
- Issuing Licenses for Trade activities.
- Issuing and maintaining Birth and Death records.

Apart from these the Local Self Government can deliver some discretionary functions including educational, health, community and recreational services etc. In order to deliver the above duties, the Local Self Government has been given certain powers to earn revenues by levying certain taxes and fees. In addition to it, the State Government also transfers some of its general revenues to the Local Self Government. Their main sources of is from taxes on construction and lands, taxes levied on people for water supply, and fee from trade license.
1.09. Role of Urban Local Government in Urbanization:

Urbanization in India has been so fast that during the last four decades the urban population has quadrupled. The burgeoning urban population brings with it several new challenges which the Urban Local Governments (ULGs) have to face. Therefore, the need to revamp the structure of ULGs and redefine their functions, duties and powers in the changed urban scenario. The inclusion of several activities relating to poverty eradication and welfare in the functions of ULG calls for a fresh urgency to study urban administration in a new light. The need for the ULGs to re-energize themselves to face the ever-increasing complex urban challenges efficiently, coming out of the rigid, outdated, inflexible working culture and deteriorating administrative standards is clearly underlined in the present work. It has been emphasized that there is inescapable need to improve the quality of life in smaller towns to avoid the rural push and to prevent the urban pull since certain larger urban areas cannot afford to grow any more due to infrastructure deficiency, growing congestion due to rapid population growth coupled with increasing traffic and other problems. In the changed socio-political situation in towns and cities of India, there is an urgent need for reform of ULGs to restructure the official machinery as well as political organ in the ULGs so as to function as active partners in the development of urban areas.

1.10. Role of Political Parties:

Despite the fact that local issues should not be decided on partisan basis, the political parties participate in urban governments by putting up their candidates in elections, and party symbols are allotted to them by the election authorities, for elections to Municipal Corporations and the municipal communities in some states and the winning political parties elect their own Mayors and Chairman of Municipal Corporations / Committees. In certain states, the municipal Acts do not provide for any role to
be played by political parties in elections as such but they do influence the functioning of municipal governments in several ways. The party in power in the state government determines the questions of constitution of municipal bodies, their tenure and their suppressions and their internal functioning determined by the decisions taken by the municipal councilors on partisan basis. The victory of a particular party at the local level boosts the morals of its members at the higher level of government. The triumph of Congress (I) in various Municipal Corporations in Maharashtra State in the local elections in February 1992 proves this thesis.\textsuperscript{37} The role of political party in opposition, if it is powerful is like feeler expurgate the illegal use of funds or make more efficient the procurement of municipal resources and their utilization.

Local government's role in the political system has been considered primarily in terms of its relationship with government. Observers from a liberal democratic standpoint have stressed two bases upon which such relationships have been formulated since the nineteenth century. First, local government has been considered important to the encouragement of political education and participation, and the basis upon which services could be provided according to local needs. Hence, relationships with the centre have been based on the partnership of free democratic institutions. Secondly, local government has been seen as rational from an administrative point of view as it allows for the efficient provision of public services at the point of service need under the direction of the centre. On this basis local government is seen as the agent of central government. Political participation has been maintained through the strong community identity underpinning commune local government, and a strong relationship between the operations of local government and the interests of the state has been maintained through the office of departmental prefect.
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