CHAPTER-I

INTRODUCTION
1.1 INTRODUCTION

The world of 21\textsuperscript{st} century is an urban world. Between 1950 and 1990, cities grew more than twice as fast as villages. The last ten years have seen an increase of about 83 percent in the world urban population. The cities have added, on an average, about 81 million people annually.\textsuperscript{1}

India has the second largest urban population in the world (307 million). More than two-third of the urban population in India lives in urban agglomerations- regions having a population greater than one million. The Four mega cities, namely Mumbai, Kolkatta, Delhi, Chennai with a population of more than six million each in 2001, account for almost one-fourth of the population living in cities.\textsuperscript{2}

According to Census of India 2001, the level of urbanisation, taken as percent of population living in urban areas to total population, in the year 1951, which was also the beginning of the era of planned development through the five year plans in the country, was 17.3 percent. It has steadily increased to 25.71 in 1991 and to 30.5 percent in 2001.\textsuperscript{3} Thus, the pace of urbanisation increased more than two times in the last 25 years of this period.

The steep growth in the number of people living in cities is due to the emphasis on industrial development, wider scope of commercial activities and significant job opportunities. Besides, cities also provide a variety of choices- such as educational facilities, health-care services, entertainment options that are not available in small towns. Along with this, better infrastructural facilities of roadways, telecommunication, airports, railways and ports are also better in these regions as compared to the rural areas.

Although urbanisation brings about development in the social, economical and cultural spheres of life it disturbs ecological systems. The increase in urban population results in asymmetric patterns in resources


utilization, land use and transportation. Rapid and uncontrolled growth of urban areas generates a series of negative environmental and social effects. These include: lack of infrastructure and basic services, housing problems, congestion, health problems etc.\textsuperscript{4}

Thus, the present condition of cities and towns and the need of the people to have better services and comforts of modern civilized life make it imperative to know and understand the role of municipalities in this regard and also a matter of great deal of interest for policy makers and social scientists. It further requires a close scanning and indepth research of the working and performance of municipal bodies with regard to the provision of basic services and with the citizens’ satisfaction with these services. Moreover, urban local governments in general and municipal institutions in particular have been the traditional subject of inquiring in Public Administration. So, present study is focused on analyzing the provision as well as the performance with regard to the basic services as provided by the Municipal Council S.A.S. Nagar (Mohali).

1.2 GLIMPSES OF EVOLUTION OF URBAN LOCAL GOVERNMENT IN INDIA

The roots of local government in India can be traced to 1687, when a Municipal Corporation was set up at Madras with a view to transferring the financial burden of local administration to the local city councils. After that, it was followed by Bombay and Calcutta. In 1850, an act was passed for the whole of British India permitting the formation of local committees to make better provisions for public health. This was followed by Lord Mayo’s Resolution of 1870, which stressed on the need of decentralisation of certain specific powers to the local institutions so as to make them effective.

The major landmark in the evolution of local government in India was Lord Rippon’s Resolution of 18th May, 1882 rightly regarded as the Magna Carta of local government in India, which advocated the establishment of a network of local self-governing Institutions throughout the country, financial

decentralisation, and the adoption of election as means of constituting local bodies.\(^5\)

The Punjab Government was the first province to implement the Rippon’s recommendations in the form of Punjab Acts XIII of 1884 and XX of 1891, and subsequently was followed by several other provinces too. Lord Rippon regarded the reform and rejuvenation of local self-government as the greatest achievement of his viceroyalty and hence forth came to be known as the father of local self government in India.\(^6\) Inspite of his recommendations having far reaching impact on local government he was not able entirely to press through his plans to a successful conclusion. Lord Rippon’s reforms thus, attained partial success.

Another significant development in this direction was the setting up of the Royal Commission on Decentralisation in 1907. This Commission too highlighted certain reasons responsible for the failure of local institutions. Some of the prominent reasons were strict official control, excessive narrow franchise, meager resources, lack of education and shortage of committed persons. It recommended the setting up of village Panchayat and Municipality at local level, introduction of the system of election for the post of president and devolution of wide financial powers to local bodies. Major recommendations of the Commission were accepted by the Government of India. But this scheme too could not work for want of popular enthusiasm.

The Government of India Act 1919, introduced the system of dyarchy and the local self-government became a transferred subject under the charge of an Indian minister of the provincial legislature. This helped in imparting education to the people, thus making them popular bodies. But the paucity of funds with the then Indian minister and indifferent attitude of the British

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officials towards release of funds for undertaking developmental activities stood in the way of the development of local institutions.\(^7\)

The Government of India Act, 1935 helped to push the process of democratisation of the Government and Administration. The Act replaced the dyarchy system in the provincial governments’ by provincial autonomy. Resultantly, various provincial governments’ enacted fresh legislations to this effect. The financial position of local bodies was also slightly strengthened. The Act however, created some form of confusion by enacting the division of taxation between the local bodies and the provincial government, thus, leading to a new set of problems.\(^8\)

The subsequent years were mostly devoted to a keen struggle for country’s freedom, during which the problems of local government thus paled into insignificance.

After independence National Government resolved to develop local institutions for achieving economic growth, overall development and social justice through the democratic process of people’s participation. The Constitution makers emphasized the need to organize Village Panchayat through Article 40, however did not make any provision for the urban local bodies, except Article 246, which empowers the state legislatures to legislate with respect to any subject relating to local self-government. As a result, the state governments over the years enacted various legislations with a view to democratising the structure of local government and also to vest more and more powers of development in it.

The onward journey of local self government is also marked by the appointment of a number of Commissions and Committees. The most significant are- The Local Finance Enquiry Committee (1949-1951),\(^9\) The Taxation Enquiry Commission (1953-1954),\(^10\) The Committee on the Training

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of Municipal Employees (1963),\textsuperscript{11} The Rural Urban Relationship Committee (1963-1966),\textsuperscript{12} The Committee on Service Conditions of Employees (1965-1968),\textsuperscript{13} The National Commission on Urbanisation (1988).\textsuperscript{14}

The next step in the evolution of local bodies was the introduction of 65\textsuperscript{th} Constitutional Amendment Bill, 1989 envisaging to grant constitutional status to local bodies. Though passed in the Lok Sabha, the bill was defeated in Rajya Sabha.

In Narsimha Rao Government a Constitutional Amendment Bill pertaining to urban local bodies was introduced in Lok Sabha in the year 1991. With a few modifications, it was passed by the Parliament in 1992. The bill is popularly known as the 74\textsuperscript{th} Constitutional Amendment Act, 1992. The basic provisions of the Act are setting up of municipal bodies on the basis of their population and density- a Nagar Panchayat for a transitional area; a Municipal Council for a smaller area; and a Municipal Corporation for a larger area; provision of 1/3 of seats reserved for women, and schedule castes/schedule tribes in municipal bodies; setting up of State Election Commission for superintendence, direction and conduct of elections to municipal bodies; setting up of Finance Commission to review the financial position of the municipal bodies; setting up of ward committees, district and metropolitan committees.

The enactment of 74th Constitutional Amendment Act, 1992, is indeed, the first step in the process of devolution of powers to the people at grass-root level. Earlier to this Act, no constitutional status was given to urban local bodies. But with the coming up of this amendment constitutional status has been given to the urban local bodies. All the provisions relating to the structure, composition, term, reservation of members and chairman, election, functions, financial resources and planning have been mentioned in the Act, which ensures adoption of uniform pattern of urban local bodies all over the country. Along with this, it ensures people’s participation through planning at district

\textsuperscript{11} Government of India, Report of Committee on Training of Municipal Employees, New Delhi, 1963.
\textsuperscript{12} Government of India, Report of Rural Urban Relationship Committee, New Delhi, 1966.
\textsuperscript{13} Government of India, Report of Committee on Service Conditions of Employees, New Delhi, 1968.
level for the devolution of political, administrative and financial powers at the local level. This amendment has, thus, formed a solid base for the development of local government as a full-fledged third level of government after centre and state, and is a positive step in the history of local bodies towards local autonomy.

The 74th Constitutional Amendment Act, 1992 though initiated important landmark towards strengthening of urban local bodies, has certain weaknesses. The functions listed in the 12th Schedule show that most of these items are taken from State list and states are asked to frame rules to devolve these functions to municipal bodies, which is not feasible. As past experience has shown that states are always reluctant to part with their powers. The act has made the District Planning Committee a constitutional body, while Planning Commission at national level is just a creation of an executive order. Now question arises that can a body created just by an executive order override the decisions of a constitutional body? Theoretically no, but in practice, Planning Commission would finalise the plans, making appropriate changes in the state and district plans. The act failed to define the relationship between the local level bureaucracy and municipal bodies. Over- domination of bureaucracy in these institutions was a major factor for their failure and this problem again has not been dealt with by the act. Secondly, the role of political parties in municipal elections has not been spelt out in the act, which is very essential for democratic process. Lastly, the act created a three-tier administration, i.e., the centre, the state and the municipalities. In this situation what would be the relationship of third tier, the municipalities, with the centre and the state? The working of our Constitution shows, so far as the relations between the centre and the states are concerned, the tilt towards the centre is quite visible. As a corollary in this case the tilt would be in favour of states making the municipalities subordinate entities and state administration, in the name of development, will perform all the non-plan activities in urban areas.
The present study focuses on evaluating the performance of Municipal Council, S.A.S. Nagar (Mohali) covering a period of ten years from 1995 to 2005 and therefore, it is desirable, to have a brief profile of the city.

S.A.S. Nagar (Mohali) is situated in the vicinity of Chandigarh, the capital of Punjab and Haryana. It is a newly created district of Punjab spread over an area of 23.86 Sq. Kms. having a population of 1,23,484. Earlier, it was a sub-division under Anandpur Sahib Constituency of district Roopnagar. The Government of Punjab, on April 13, 2006 at the time of Baisakhi festival in the region, declared S.A.S. Nagar (Mohali) as 18th district of Punjab.

The city did not have a Municipal Council till 1994. The basic amenities were being provided by the Notified Area Committee. With the increase in population over the years from 78,457 in 1991 to 1,23,484 in 2001, a need was felt to establish a larger body to serve the fast growing population of the city. Thus, the Municipal Council S.A.S. Nagar (Mohali) came into being in 1994 through the Punjab Municipal Act, 1911. The area under Council covers – 15 residential phases, 9 industrial phases and the three villages namely-village Mohali, Shahi Majra and Matour. The villages were included in the Council area as these are located in the middle of the city.

Municipal Council S.A.S. Nagar (Mohali) consists of 27 elected councillors representing different national and regional political parties like the Congress, Akali Dal, Bhartiya Janata Party etc. There is no provision of nomination of councillors. The Council is headed by the President. He is elected from amongst the elected members. He is assisted by senior Vice President and Vice President. All the administrative powers to perform the civic functions vest in the Executive Officer. He is the king pin of municipal administration. He is at the apex of the Municipal hierarchy and is the key officer controlling the administrative machinery of the Council. Other staff members working under him are Municipal Engineer, Assistant Municipal Engineer, Director of Census Operations, Census of India 2001. Final Population Totals, Chandigarh, 2002.
Engineer, Sanitary Inspector, Sanitation Superintendent, Chief Fire Officer, Tax Superintendent, Accountant Audit Officer, etc.

The Council as per the provisions of the Act, performs both obligatory as well as discretionary functions such as water supply, sanitation, roads, street lighting, sewerage, horticulture, fire services, maintenance of community centers, parks and gardens.

All the functions are exclusively being performed by the Municipal Council S.A.S. Nagar (Mohali) except water supply which is being provided by the Council in collaboration with The Public Health Circle of the State Government. The Circle is responsible to supply water to whole of the city including- all the 15 residential phases, industrial phases (1-5) and the three villages namely village Mohali, Shahi Majra and Matour, whereas the responsibility of supplying water to the remaining area i.e. industrial phases (6-9) lies with the Council.

1.3 REVIEW OF LITERATURE

Barnabas (1965), in his study investigated administrative procedures and their impact on the public with Delhi citizens in getting water connections sanctioned by Municipal Corporation. He found the unawareness and dissatisfaction among public about the administrative procedures. So, he stressed upon the need of improving communication between administration and public and simplification of administrative procedures.

Khanna (1967), studied the structure and operation of Municipal Government and Administration in India. He fund that inadequacy of financial resources is the major cause of poor performance of municipal bodies in providing basic services such as public health, water supply, sewerage and sanitation etc. He suggested on the need of providing adequate financial powers to municipal bodies.

Khanna & Sharma (1972), studied the obligatory and discretionary functions of municipalities in Punjab. They found that increasing population has put more burden on these local bodies. Due to which dissatisfaction arises between both the parties i.e. the general public and the municipal administration. So, they suggested upon the need of bringing more coordination among municipalities within the state.

Bhattacharya (1975), studied the attitudes of citizens towards municipal administrators and the vice versa. He found that the procedural delays give rise to negative attitude in citizens so they prefer to get things done through the middlemen, which give rise to corrupt practices. He suggested that some attitudinal changes could be brought through well-designed training programs.

Shyama Bhardwaj (1975), in her Ph.D thesis examined the structure functions and performance of urban bodies. She found that the standard of basic services such as sanitation, water supply and other health services has been declining fast. According to her this is the direct consequence of multiplying urban population. So, there is a need to undertake appropriate steps to curb this menace.

National Centre for Human Settlement and Environment (1985), examined in detail the citizens rights in access to municipal services and the discrimination in provision of these services. The findings of the study put stress on the belief that more affluent localities have easy access to better civic facilities than the less affluent localities occupied by ordinary class. It stressed on the need of making people more knowledgeable and aware of their rights.

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Dubev (1985), in his study at Ludhiana found a mismatch between provision of civic services and rising aspirations and demands of people in availing these services. This is mainly due to lack of financial resources and shortage of personnel, which leads to a constant rift between the people and the municipal body. So, he suggested on the need of recruiting more personnel and widening of financial powers.

National Institute of Urban Affairs (1986), examined in detail the problems being faced by the municipal bodies in delivering the basic services. It found a widespread dissatisfaction among people in availing these services such as water supply, sanitation etc. It suggested some steps to overcome these problems.

Khem Singh (1990), in his doctoral dissertation on the working and organisation of Municipal Corporation, Shimla found some causes of poor performance of Municipal body such as shortage of staff and lack of financial resources in delivering the services. So, he suggested to give more financial powers to such bodies.

Netar Singh (1990), studied the working of Municipal Administration in India with special reference to the state of Jammu. His findings indicate that the Municipal body is not in a condition to satisfy the citizens with regard to the provision of basic services such as sanitation, medical facilities, prevention of diseases, roads, street lighting, education etc. He suggested that the state government should formulate five to ten year plans of local expansion in matters of civic services provided by the Corporation.

Bijoyini (1993), analyzed the functioning of Municipality of Bhubaneshwar from citizens’ point of view. On the basis of his findings he concluded that the municipal body is not in a position to reach up to the

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expectations of people. Due to which dissatisfaction is not only among public but also in the Municipal Administration.

Hussain & Kumar (1994), evaluated the role of elected Municipal Councillors of Chittor (Andhra Pradesh) in connection with their coordination with other municipal officials in the implementation of various developmental programmes. Their findings indicate that there is lack of coordination among the councillors and the officials as both are critical of each other’s working. So, they suggested that proper rules should be framed for the training of councillors for the effective implementation of programmes.

Misra (1995), stressed on the need of redefining the role and responsibilities of the municipal government by introducing privatisation. As this would not only share the burden of municipal authorities but would also provide services at lower cost. According to his views this is possible when some institutional arrangements for public and private partnership are made as this has great potential in delivery of urban services by increasing the public resources available as private equity.

Satinder Pal Singh (1996), studied the organisation and working of municipal body of Naya Nangal and Nangal Township. He found that it is not possible for municipal administration to fulfill the rising demands of people because of financial constraints; untrained and unqualified staff. Thus, he suggested the privatisation of services which would help in maintaining a balance between the rising demands and scarce financial resources.

Mohanty (1999), in his essay on municipal decentralisation and governance studied the causes of poor performance of municipal bodies and suggested the following ways to improve their condition - rational allocation of responsibilities and finances between levels of government, incentive penalty

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structure to enhance local efforts to raise revenues and improve the responsiveness of service providers, minimisation of waste, adoption of efficient and cost effective practices and promotion of policies that enhance local initiative.

Bhattacharya and Purohit (2001),\textsuperscript{31} studied the financial administration of Calcutta Municipal Corporation. They found that paucity of funds, mismanagement, and lack of transparency in operations are the major causes of dissatisfaction with the working of the Corporation. So, they suggested three ways to improve the financial position of Corporation—revision of tax structure, simplification of assessment rules and expansion of financial powers of chief executive officer.

Ashok Kumar (2002),\textsuperscript{32} studied the organizational set up and operations of Delhi Infrastructure Development and Finance Corporation. The said Corporation is responsible to provide water, electricity, sewerage, drainage and solid waste. He found an extremely centralized system with no involvement of people in governance of cooperation. He suggested on the need of creating community organisations which will make people more interactive and participative.

Chatterjee (2003),\textsuperscript{33} studied the challenges being faced by the urban government with regard to the provision of basic services such as water supply and sanitation. He found that the high rate of urbanisation has put severe stress on civic services in the cities and towns. Amenities such as safe drinking water and hygienic sanitation and drainage facilities are under enormous pressure. So, there is need of rational pricing of water, efficient collection of charges, self sustaining, O & M of civic water resources and assured supply of quality drinking water to arrest the deterioration in this vital sector. Along with this, the author suggested selective privatisation and recycling of waste water.

\textsuperscript{32} Ashok Kumar, Governance of Delhi—A Case for Streamlined Administration for the Organisation of Infrastructure, in \textit{Revitalised Urban Administration in India}, Kalpaz Publications, New Delhi,2002.
G.L. Nahvi (2003), studied the municipal administration of the city of Srinagar (Jammu & Kashmir). He found that the municipal body is not able to perform its functions efficiently because of financial crunch and shortage of staff. Income from collection of taxes and grant from state government is insufficient to meet its financial requirements. So, he suggested increasing the tax collection and building up remunerative assets which can generate more incentives / profits.

Mohanty (2005), in his article analyzed the status of water supply and sanitation in urban and rural areas of Orissa. He found lack of safe drinking water and sanitation facilities and lack of public awareness there. This is mainly due to gradual contamination of ground and surface water and insufficient budgetary allocation. So, to ensure sustainability of sources he stressed on social mobilisation of sources, decetralisation of powers and awareness among people.

Peterson (2006), in his book made a comparative study of fiscal responsibilities and urban infrastructure of five nations Brazil, China, India, Poland and South Africa. The book revolves around two interrelated aspects of public finance. The first part deals with fiscal discipline and local investment needs the and the lessons learnt and challenges the countries will face in the future. The second part deals with mobilizing of resources for urban infrastructure.

Arabi (2007), in his article studied the mounting fiscal pressures on urban local bodies and the rising demand for different urban service provisions due to severe pressure of urbanization and population growth. He found that shortage of public finances to support infrastructure programmes and projects has resulted in universal trend towards more private sector involvement and

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maintenance of infrastructure. Thus, there is a need to identify public task to be transferred to private sector in a more reasonable manner and conducive form.

Sharma and Mishra (2008) in their article critically analysed the various issues involved in water supply such as water shortage, uneven distribution of water between regions, excessive use of ground water and pollution of rivers due to flowing of toxic and radioactive materials in water. They stressed upon the need of privatization of rivers in India, rain water harvesting and re-use of water for irrigational purposes.

**INFERENCES DRAWN FROM REVIEWED LITERATURE**

The aforesaid studies have focused basically on the procedures, structures and finances. But in none of them the performance of municipal body with regard to the provision of basic services such as water supply, roads and sanitation has been worked out. In the present study this aspect was examined. In addition, the adequacy and bias in the distribution of services was scanned. The extent of cooperation between citizens and the administration and the behaviour of staff towards citizens in resolving their difficulties was also examined. Moreover, in the past no research has been conducted on the working and performance of Municipal Council S.A.S. Nagar (Mohali). Hence, the need arose for the present research study.

**1.4 SCOPE OF THE STUDY**

Municipal Council S.A.S Nagar, (Mohali) is providing a number of basic services such as water supply, roads, sanitation, sewerage, fire services, horticulture, construction and maintenance of buildings, maintenance of parks and gardens etc. In the present study only selected basic services were taken. The budgetary expenditure allocated to various basic amenities was taken into account while selecting these services. A perusal of budgetary allocation of the period under study revealed that water supply, roads and sanitation emerged as important claimants of the budgetary allocation. Moreover, circumscribing of the scope helped in having a focused, in-depth and thorough analysis of the

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selected services, rather than studying all the services and making the research unwieldy. Thus, water supply, roads and sanitation were the focus of the present study.

1.5 OBJECTIVES OF THE STUDY
The objectives of the present study are as follows:-
1. To study the organisational structure of the Municipal Council S.A.S Nagar (Mohali).
2. To study the provision of selected basic services such as water supply, roads and sanitation.
3. To study the adequacy of services.
4. To study the human resources management of the Municipal Council.
5. To study the adequacy of municipal finance.
6. To study the area wise distribution of services.
7. To study the citizens’ perceptions with regard to these services.

1.6 HYPOTHESES OF THE STUDY
The hypotheses of the study are as follows:-
1. The organizational structure of Municipal Council S.A.S Nagar (Mohali) is not conducive for the provision of basic services.
2. The provision of the services is inadequate.
3. The provision of existing services is not commensurate with the expectations of the citizens.
4. Lack of personnel policies causes poor human resources management.
5. Dearth of municipal finances leads to inadequacy of basic services.
6. There is partiality in the distribution of services.
7. The existing procedures are not conducive for resolving the difficulties of citizens.
8. The staff is apathetic and arrogant towards citizens.
9. There is lack of interaction amongst citizens and the administration.
1.7 METHODOLOGY

The present study was based on both primary and secondary data. For the purpose of collecting the primary data, a questionnaire for citizens, and two schedules for officials and the office-bearers were prepared. Multi-stage stratified random sampling was applied for the selection of respondents. The respondents represented all the segments of the Council area viz residential, industrial and villages. The area under roads and sanitation comprised residential phases, industrial phases and villages, and the area under water supply comprised industrial phases only. Out of a total 15 residential phases one most populated and one least populated was selected. A sample of 283 houses from the most populated phase and 70 houses (constituting about 10% of the universe) from the least populated phase was taken. As many as 100 industrial units (constituting about 10% of the universe) were selected randomly representing all types’ viz large, medium and small units. Since, there are only three villages namely village Mohali, Shahi Majra, and Matour under the Council area, respondents were drawn from all these villages. A sample of about 45 houses from village Mohali, 21 houses from Shahi Majra and 40 houses from Matour (representing 10% of the total houses) was taken.

For measuring the performance of the Council with regard to the basic services being provided, certain benchmarks or indicators were adopted. By applying the norms, the requirements were estimated. These estimated requirements were compared with the actual requirements. Through this study, a gap between the two has been drawn out.

The secondary data included relevant research books and journals. Other secondary sources like government reports, surveys and unpublished doctoral dissertations were also used. Observation, wherever possible was used for supplementing the other sources of data collection.

1.8 CHAPTER SCHEME

The present study has been divided into seven chapters. Chapter I includes introduction, review of literature, scope, objectives, hypotheses and methodology of the study.
Chapter II examines the present organizational structure of Municipal Council S.A.S. Nagar (Mohali).

Chapter III analyses the human resources management of the Council.

Chapter IV examines the financial administration of the Council.

Chapter V analyses the performance of the three services sanitation, water supply and roads provided by the Council.

Chapter VI presents the perceptions of the citizens and the responses of the officials.

Chapter VII includes the findings and the suggestions.

1.9 LIMITATIONS OF THE STUDY

The study though exhaustive in many ways, has some limits. The councillors were reluctant to disclose any of the information regarding the procedures of work, as they were apprehensive of the fact that the information could be publicized. The officials being government servant were suspicious about the work of the researcher and they thought that their revelation would lead to a contrary action against them. So they were restrictive in revealing their procedures and were not keen on showing a number of documents such as the number of notices issued during the last decade (1995-2005) to the persons encroaching and building structures on municipal land, and occupying municipal land illegally after the expiry of the specified time period for which they hired the place for organizing fairs or exhibitions.

The data given in records were considered to be correct on their face value. The opinions and claims of the citizens were taken to be true.