URBAN GOVERNANCE IN INDIA: ISSUES AND PROSPECTS

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Governance and Urban Governance

The terms governance in general and urban governance in particular are in great use in public administration, politics and development discourse. Both concepts entail different meanings that have social, economic, political, legal and ethical connation (Kaufmann and Kraay, 2007).. As a result the terms and concepts were attempted to benefit from public sector management, legal framework, participatory approaches, institutions and human rights perspectives (Harpham and Boateng, 1997). Thus, wide numbers of researchers and organizations have produced a wide array of definition of the terms. Due to this finding universally accepted definitions due to the diversified application of the terms is difficult. According to Hyden and Court (2002:13) governance is defined as '*to the formation and stewardship of the formal and informal rules that regulate the public realm, the arena in which state as well as economic and societal actors interact to make decisions.*' Similarly, World Bank defined in 1992 it as "*the manner in which power is exercised in the management of a country's economic and social resources for development*" (cited in Kaufmann and Kraay, 2007: 5). The former definition approached the terms from government and public interactions and the later associates the concept with the power relations among different actors in public and managerial spectrum. Governance also can be understood as a process of decision making as a shared process that engages broad spectrum of diversified groups and wide range of stake holders (John, 2006).

Like governance, the concept of urban governance is getting currency among various discussions from theory to practice. The currency is mainly related that urbanization comparatively became a driving force that facilitates growth and development in developing countries. Thus, urban governance revolved on spatial, political, power and social policy issues in urban areas. Harpham and Boateng (1997)

see urban governance from perspectives of representation and performance. Representation refers to promotion of transparency, accountability, social justice, human rights and democracy in managing public affairs and performance deals with the introduction of legal and institutional framework in delivering goods and services. This made urban governance more inclusive than urban management. Besides; the implication of governance becomes more important in urban areas in the attempt to improve effectiveness and democracy. Hence, good urban governance provides the impression that it serves as a tool to integrate the particularly disadvantaged and the poor into the policy arena parallel to urban areas (Kedogo et al., 2010).

Urban Governance in India

Historically urban governance in India is not a recent practice. It traced back to ancient times. The Indian ancient rulers have attempted to manage urban affairs. Records that show the practice of urban administration in India was traced back to 4th century BC. During the medieval period the Mauryan and Gupta empires have also put into action different approaches to management of urban affairs. Besides, during the Muslim administration time special officer known as *kotwal* was assigned to manage urban issues (Singh, 1997; Tyagi, 2010). This indicates the management of urban affairs has a foundation laid for the actions taken subsequently. However, the pattern of modernization has started with the advent of colonial government in India. The modern urban management was thought to be first established in 1687 by the British West Indies Corporation in Madras (Chennai) city of Tamil Nadu state. Until independence the colonial government has implemented different resolutions, commissions and committees to improve urban administration in India (Argal, 1967; Bhattacharya, 1969; Reddy, 1972; Sharma, 1994). After independence the move was slow to improve urban governance in the nation until a breaking through amendment was introduced in 1992 that provides the urban local authorities constitutional recognition. Thus, with the sanction of the constitutional amendment the nature of urban local authorities changed.

Since 1992, the urban local bodies have been recognized as the third tier in the government structure in the nation. Hence, the constitution divides the urban local authorities in three categories. The first one is the Municipal Corporation that is going to be constituted to economically important and highly populated urban areas. The

second one is municipal councils which is formed in towns and cities of less populated. The third is the *Nagar Panchayat* in areas where characterized by transition from rural to urban areas. In addition to this, the constitution provide for the formation of District Planning Committees, State Finance Commissions, Ward Committees and Metropolitan Planning Committees that foster urban governance in India through integration of area plans with the overall development plan at district, metropolitan area and state levels. The power to determine the roles, powers and functions is bestowed to the state governments.

Recently the Indian government has also made efforts to modernize the urban governance in the country. Initiatives like e-governance, Public Private Partnership (PPP), and promoting good governance are changing urban management pattern of the city to more inclusive and engaging different sectors of the society. In 2004, Government of India formulated a strategy with the objective of promoting e-governance. Thus, Andhra Pradesh, Karnataka, Kerala, Utter Pradesh, and Punjab states took the initiatives to implement e-governance in rural as well as urban areas during 2001-2004. The efforts have produced greater effect especially in the registration of properties for tax purposes and collection of bills on time by creating conducive environment of the residents and service users (NIUA, 2004). In addition to this the Government of India to improve urban services and infrastructure has entered into an initiative called PPP. The initiative was implemented to improve the transportation, water supply and information technology infrastructures through the participation of the private sector in the construction and maintenance of services. The PPP brought good outcomes in Tamil Nadu, Karnataka, Maharashtra, West Bengal, Delhi, Gujarat, Haryana, Punjab, and Andhra Pradesh in the improvement of water supply and roads networks (MoF, 2010). Besides, the state governments have introduced different reforms in a bid to promote good urban governance. The most important moves were the institutionalization of *city charters* and *pro-poor initiatives*. The citizens' charter was designed to make the administration of services in urban India. Likewise, the pro-poor initiatives were implemented in the infrastructural development, housing and budget allocation that benefit directly the poor or the poor neighborhood. In line with this urban governance practice in India, the article discusses issues of governance with reference to Greater Visakhapatnam Municipal Corporation (GVMC).

Urban Governance Issues in GVMC

The city of Visakhapatnam is the second largest City in the state of Andhra Pradesh which is located in the vicinity of Bay of Bengal. The city population is 1.7 million according to the provisional figures of the 2011 census residing in 72 wards. The city is becoming from time to time economically important with the establishment of heavy industries and expansion of the port. The city is administered by the GVMC which has history of municipal administration since 1858 with the establishment of voluntary assertion. In 1920 and 1979 the status of city administration changed in to Municipal Council and Municipal Corporation respectively. Mover, the administration was named as Greater Visakhapatnam Municipal Corporation (GVMC) in 2005. The issues of organization, personnel, finance, services and reforms in the Corporation are discussed in the parts briefly.

Organization of GVMC

The organizational structure of the corporation shows that the city government has deliberative and executive branches. The deliberative wing is the legislative body of the corporation mainly constituted every five years by directly electing ward corporators/representatives. Ultimately the deliberative body has the role of formulating rules, regulations, policies as well as control and supervision of the activities of executive bodies. Currently the Corporation, presided over by the city Mayor, has 88 members that constitute 72 corporator and 16 ex-officio (8 MLAs, 2 MPs, 1 MLC and 5 *co-opting*) members. Besides, as part of the legislative body, the Corporation has constituted Standing Committees, 72 Ward Committees, Scheduled Castes, Scheduled Tribes, Women and Children Welfare Committee. Additionally when the need emerges the Corporation has the right to form joint-committees with other local bodies to address common issues and *ad-hoc committee* to deal some special problems in the city. The Standing Committee is the most powerful body that has the power to control the day-to-day activities of executive wing and facilitating the budget preparation process.

The executive wing of the corporation is headed by the Commissioner. Under the Commissioner there are Additional Commissioners, Deputy Commissioners, Chief Engineer, Chief City Planner Examiner of Accounts, and Project Directors. The executive body is organized into different departments and sections. These details are given in the following table.

Table 1: Departments and Sections in the Executive Wing of the Corporation

No.	Departments	Sections/cells	Line relationship
1.	Administration	Medial Cell, Personnel, Election Cell, Secretary, Legal Cell	Additional Commissioner (General)
2.	Finance	Deposits And Advances, Accounts Section	Additional Commissioner (Finance)
3.	Engineering	Road Construction And Maintenance, Water Supply, Housing Construction,	Chief Engineer
4.	Revenue	Property Tax Administration, Tax Collection, Tax Notices	Deputy Commissioner (Revenue)
5.	Public Health and Sanitation	Sanitation, Vital Statistics, Veterinary, Medical, Food Hygiene, Malaria Control And Prevention,	Chief Medical Officer
6.	City Planning	Building Approval, Advetsiemt, Zonal Offices	Chief City Planner
7.	Education	Schools	Additional Commissioner (Finance)
8.	Urban Community Development	SHG Capacity Building, Social Welfare, Zonal Offices	Project Director
9.	Human Resource Development	=	Additional Commissioner (Projects)
10.	Information Technology	=	Additional Commissioner (Projects)

Source: GVMC-Organizational Structure

In addition to the above well organized and functioning departments the corporation has also axillaries working on specific issues and services. The activities of horticulture and sports units are limited although their existence is visible in the organizations structure of the corporation. The organizational structure of the corporation also shows that there are six zonal offices which are designed to decentralized civic service management to make it more reachable to the residents and service users.

Personnel System

Another important component of the Municipal Corporation is the personnel. The personnel system of the Corporation like any other corporations in India is a combination of central, state and local government services. The commissioner belongs to the central government called Indian Administrative Service (IAS) which is the most prestigious position in the Indian government personnel system. Being an IAS officer, the commissioner will be appointed by the state government to lead the administrative wing of the corporation. Besides, the Three Additional Commissioners, Chief Medial Health Officer, Chief City Planner, and other high level officers are

deputed from different services of the state government. On the other hand, the corporation, the standing committee and the commissioner are also bestowed power given to recruit employees belonging to the low level cadre posts. The personnel strength in 2011 indicates that there is 21 percent of gap between the sanctioned and existing posts that leads to the utilizations of part-time and outsourced workforce to carryout different activities. For Sanitation and IT related works the Corporation highly depended on outsourced employees.

Civic Services

The Corporation is legally and constitutionally mandated to provide various civic services to urban residents. In line with this, the Corporation Act assigned more than 23 mandatory (obligatory) and 40 discretionary (optional) services to be performed by the corporation. Accordingly the Corporation is providing the following services

1. *Public Health and Sanitation*: medical services at health centers, prevention of food adulteration, regular and casual immunizations, urban malaria prevention, HIV/AIDS prevention and control, solid waste management, biomedical waste management, birth and death registration, veterinary services, licensing dangerous and offensive (D&O) businesses, etc.

2. *Water Supply*: industrial water supply, individual house connections, public water connections, line installation and maintenance, and water supply inspection

3. *Education*: primary , upper primary and secondary education and school management; and welfare programs to poor students

4. *Public Works*: road construction and maintenance, storm water drainage, street lighting, and underground drainage

5. *City Planning*: granting building & house construction permissions, issue occupancy certificates, issuing certified copies of approved plans, issuing licenses to technical persons, checking unauthorized encroachments on roads and footpaths, issuance of advertisement licenses, removal of unauthorized buildings and encroachments, acquiring land for city development purposes, conducting necessary surveys to be used as an input for planning and decision-making, and other short-term activities such as regularization of illegal buildings and street vending

6. *Community Services*: distribution of welfare funds, formation and supervision of

self help groups, providing services to people with some form of disability, and arranging different self employment program to people living below the poverty lines

7. *E-Governance*: collection of electricity, water and sewerage, telephone bills, property tax, examination fees and selling prepaid parking tickets, renewal of trade licenses, change of address of vehicles owners , transfer of vehicle ownership, issuing and renewal of driving licenses, registration of new vehicles, registration of birth, registration of death, issuance of birth certificate, issuance of death certificate, reservation of APSRTC bus tickets, reservation of water tanks, filling of passport applications and sales of stamps such as non-judiciary stamps, trade license application, national game tickets, and various national and state level application formats.

8. *Others Civic Services*: city beautifications and plantations, swimming pool and sporting facilities, parks, stadiums,

Financial Resources

Urban local authorities raise funds from different sources to finance diverse civic and administrative services. Legally the corporation is empowered collect taxes from the residents in the form of taxes, fees, fines, penalties, and remunerative enterprise. The details of sources of revenue of GVMC in given below:

1. Tax revenues: Property Tax, Advertisement Tax, Service Charges Entertainment Tax, Profession Tax, and Surcharge On Stamp Duty

2. Trading Enterprises: Markets, Shops, Community Halls, Aqua Sports, Slaughter Houses, and Parking Fees

3. Planned Grants : Mission for Elimination of Poverty in Municipal Areas (MEPMA), Andhra Pradesh Urban Services for the Poor Programme (APUSP) , Member of Legislative Assembly Constituency Development Scheme (ML-ACDS), XII-Finance Commissions Grant, Members of Parliament Local Area Development Schemes (MP-LADS), Swarna Jayanthi Shahari Rozgar Yojana (SJSRY), National Old Age Schemes (NOAP), and Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

4. Grants from: Per Capita Grants, Motor Vehicle Compensation, Property Tax

Compensation, and Education (Teaching) Grant.

5.   Loans And Issuance Of Bonds

6.   Others revenues: Services Charges, Cost Recovery Charges, and Other Miscellaneous Receipts

The most important source of revenue for the Corporation is tax collected in the form of property tax from buildings and vacant lands. The financial and budget records of the Corporation showed that property tax constitutes more than 95 percent of the revenue generated internally by the corporation. The amount collected and properties assed have increased annually. The Corporation has borrowed funds from issuing bonds and loans from financial institutions to finance Godavari water supply projects and projects incorporated in the JNNURM. In 2004, the Corporation raised Rs. 650 million to finance the Godavari water supply projects and in 2007 secured loan worth of Rs. 700 million for projects under the urban renewal missions.

The corporation has been receiving grants from national and state governments to finance infrastructures, services, community development and social welfare projects. From 2007 to 2012 the corporation received from both governments Rs. 9.130 billion in the form of JNNURM grant to cover costs related with the expansion of services, infrastructure and hosing in the city. The corporation also generates income in the forms of trade license fees, mutation fees, building license fees, encroachment fees, betterment and development charges, cost-recovery receipts, interest on fixed deposited with banks, interest on property tax, museum entry fees, gym and sports fees.

Reforms in Administration

The Corporation has attempted to introduce reforms on legal, financial, administrative and structural with the objective of promoting good governance and building capacity. The financial reforms have achieved great efficiency and effectiveness in the collection of the taxes and registration of tax payers. Due to the reforms the corporation was able to collect more than 90 percent of tax demanded and able to register more than 85 percent of the property taxpayers. Besides, the Corporation migrated from manual based single entry system of accounting to computerized double entry in 2008. Computerization contributes to in the production of timely financial reports and smoothing up of financial controlling in the corporation. The reduction administrative cost through the utilization of outsourced work forces is

another important reform in the corporation. According the assessment made in the 2010, the corporation has managed to reduce the share of administrative costs from 22 percent to 18 percent. Under this reform the Corporation has integrated an approach to be more inclusive and participatory systems. One of the priorities given in the administrative reform was the incorporation of the public private partnership initiatives in different areas of activities. Legally the Corporation has also attempted to introduce some by-laws with the view to encourage the public and private sector development. The Corporation has enacted rules and regulations that govern rain water unitization in the city. Additionally, a citizens charter was introduce that specified the service provide by the corporation and responsible bodies for the services in more accountable manner.

Conclusion

Basically municipal bodies apply different methodologies and strategies to provide civic services. The services are either provided by the municipal bodies or in collaboration with private and non-government organizations. The recent moves made by the GVMC to engage various stakeholders with different objectives in services such as education, solid waste management, and city beautification in public private partnership initiatives were encouraging. Although there is lack of proper institutional follow-up, the involvement of the Residential Welfare Associations has produced a good result in improving the solid waste management in the city of Visakhapatnam with the participation of private service providers. Additionally, a promising indication was observed in education sector with the implementation of *Balyam, Sweekaram* and *Vidyasree* initiatives. About ten schools got construction of new rooms, material support and financial assistance from various stakeholders in the city. Moreover, the residential welfare associations are managing small children parks located in residential areas

From the empirical observation of the corporation activities it can be note that the executive body is more powerful than the deliberative. The excusive wing is not under the direct control of the deliberative wing since most of the appointments of the upper class mangers is by the state government. Any amendments on the tax structure also demand the approval the state authorities.

Governing urban affairs is a very challenging task for urban administrators.

Moving to more inclusive administration was given much importance. The Corporation has attempted in many aspects of service provision to engage various stakeholders with the objectives making the city livable and comfortable for residents. The city residents came to recognize the role that can be played in improving urban services and addressing social problems. The involvement of Residential Welfare Associations in solid waste management exhibits the existence of community potential to address the waste problem in the entire city through more participative and inclusive administrations.

Financially the Corporation has different sources but the major source income came from property tax and grants. In recent years the Corporation was able to register 85 percent of the taxable properties in city vis-à-vis increase the collection efficiency rate reached more than 90 percent. However, the grater dependency of the corporation on the grants needs a special attention. This would create in the future a burden as the grants are becoming associated with detail and stringent requirements to get access. Another important achievement for the Corporation was the reduction of administrative cost and working on service on cost recovery as a partial fulfillment of the requirement the JNNURM. The corporation has managed to recover 100 percent of organization and management cost related with water supply in the city. Besides, the move to make the poor more beneficiaries, the budgeting process of the Corporation was changed in 2011-12 fiscal year. The Corporation allotted 40 percent to the budget on projects benefiting the poor or poor settlements in the city.

The move to automate the service delivery system in the Corporation has brought a tremendous change in its overall performance. More than 16 e-governance civic-centers, i.e. *e-Seva* and *Saukaryam* , are established in the city to facilitate service provided to the residents from the collection of money to issuance of certificates and licenses. This has changed the service provision pattern of the Corporation to more computerized and reaching the service user on the convenient locations possible.

There is also a need of proper attention to the following challenges for further improvement of in city administration.

1) *Inadequate Works Force*: the corporation has ceased to recruit new personnel since 1994. As a result, a gap is created between the need and the actual works force. This leads to higher dependence on outsourced and contract works that to,

some extent, affects service quality of services.

2) *Lack of Institutional Follow-up:* Although the Corporation is implementing different public private partnership programme, it lacks proper institutional framework that facilitates the activities of various stakeholder.

3) *Limited Decision Making Power:* The Corporation is a legal entity that manges the urban affair of Visakhapatnam city. The Corporation is working under the rules of the state with little power. For instance the budget sanctioned by the Corporation needs the approval of the state government.

4) *Limited Finance:* Despite the fact that the Corporation is generating income from different source, there is high dependency on grants to meet costs related with community and infrastructural development activities. To depend on external sources of finance may lead the decision-makers less interested to take more innovative methods approve to tap the existing revenue potentials by the Corporation in the future.

5) *Low Level of Public Participation:* The participation of the residents in the Corporation activities is very low. This is manifested the absence of support in large-scale to address particularly the solid waste management in the city.

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