

**CCS Series
on
NURM Reforms
No. 1**

February 2007

**IMPLEMENTATION OF THE 74TH
AMENDMENT:
*PENDING REFORMS***

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Implementation of the 74th Amendment

Pending Reforms

Makarand Bakore¹

JNNURM Reform: Implementation of decentralization measures as envisaged in 74th Constitution Amendment Act. States should ensure meaningful association/engagement of ULBs in planning function of parastatals as well as delivery of services to the citizens.

INTRODUCTION

Our cities are run by bureaucrats and not by elected representatives. At least not at the local level. Do we know the Mayor of our city? Does the Mayor figure in the news when cities get flooded with rain or reel under bomb-blasts? Never. In many cities in the world, the Mayor is the head of the city government. People directly elect the Mayor or local elected representatives vote for a Mayor. The Mayor is the chief executive officer responsible for all aspects of the city's governance. We have heard of Rudy Giuliani, the former Mayor of New York for his spectacular management of the crisis of the September 11 terrorist attacks. He coordinated the responses of the city departments, galvanised support of the state and federal authorities for city-wide anti-terrorist measures and for restoration of the destroyed structure. He made frequent appearances on radio and television to communicate critical information to the public authoritatively. Did we see our Mayor do this in the Delhi bomb blasts of October 2005 or the Mumbai blasts of July 2006? It was the state government who played the major role and not the city government. The Mayor was insignificant.

RESURRECTING LOCAL GOVERNANCE

Since independence, state governments have been wary of strong local governments. Long periods of supersession of the municipalities crippled local governance across the country. Elections of local governments were withheld under one pretext or the other. With the efforts of the then Prime Minister Rajiv Gandhi, the 64th and the 65th Amendment Bills, to strengthen rural and urban local bodies, were tabled in the Parliament. The Bills failed in the Rajya

¹ Research Associate, Centre for Civil Society. My sincere thanks to Prof. Amit Prakash of the Centre for the Study of Law and Governance, JNU for providing his valuable feedback. My thanks to my colleague, Mr. Ali Mehdi, for reviewing this document

Sabha in 1989. Due to political instability, it was not before 1992 that the Bills were tabled again in the Parliament, as the 73rd and 74th Amendment Bills. With the passing of these Bills, the 73rd and 74th Amendments to the Constitution made it mandatory for the state governments to create Panchayati Raj Institutions in rural areas and Municipalities in urban areas.

POLITICAL COMPROMISE AND PENDING REFORMS

Since the 73rd and 74th Amendments faced vociferous opposition from state governments, the then Narasimhao Rao government agreed to make the Amendments indicative and left the actual design of the local governments to the state governments. Unfortunately, most state governments saw the Amendments as relinquishing of their power to local governments rather than as a way to increase people's participation in government. The various state laws reflect this misunderstanding. This resulted in the creation of a weak Mayor, incomplete devolution of functions to municipalities and provision of unrepresentative committees at the local level. All in all, the spirit of the decentralisation was lost in between political priorities. Only two states, Kerala and West Bengal came close to a genuine effort.

JNNURM AND THE 74TH AMENDMENT

One of the mandatory reforms under JNNURM is the strengthening of the 74th Amendment. The Ministry of Urban Development had prepared 'Model Municipal Laws' in 2002 that could be followed by the states as a template to strengthen their current municipal laws. 'Policy Option Papers' were also provided to help in framing the municipal laws. In 2002 the National Commission to Review the Working of the Constitution submitted a report with detail recommendations after studying the situation of urban municipalities. There was still no motivation for the state governments to use the above resources to their advantage. JNNURM has sought to create an incentive through funds for bringing about reform in municipal governance.

STRENGTHENING THE 74TH AMENDMENT

"To enable them [Municipalities] to function as institutions of self-government"

- From the text of the 74th Amendment to the Constitution

The 74th Amendment envisaged that functions, funds and functionaries should

be transferred to municipalities so as to make them units of self-government. That is the essence of the Amendment. State governments need to amend their municipal laws to make that happen. Moreover an attitudinal change is called for in the state governments to look at an urban local body as means to strengthen governance in their state and not as their adversary.

The report of the National Committee to Review the Working of the Constitution suggested the following reforms in the Municipal laws:

1. The **term of the Mayors/Chairpersons should be co-terminus** with the term of the municipality. Provision for this should be made in the Constitution itself.
2. The **procedure for removal of Mayor/Chairperson** through motion of no confidence should be uniform. Here again, a provision should be made in the Constitution requiring majority of the House and two-thirds majority of those present and voting.
3. Articles 243D and 243T contain identical provisions so far as reservation of seats in panchayats and municipalities for SC/STs and women are concerned. However there **are some ambiguities about the rotation** of such reserved seats. The Constitutional provisions do not specify the frequency of rotation. To remove ambiguities, articles 243D and 243T should be suitably amended to provide for rotation and allow changes only at the time of delimitation and not in between.
4. Wards Committees should be mandatory **for each of the ward** in all Municipal Corporations with a population of three lakhs or more, to comprise of persons chosen by direct election from the territorial area of the Ward. The Chairman of the Committee should be the Councillor elected from the Ward.
5. The State laws may determine the number of persons to be so elected but **there should be parity within the city in the ratio between that number and population of a ward.**
6. State laws may also **enable Wards Committees to co-opt such residents** of a ward who are knowledgeable and can assist the work of the Committee.
7. In all Corporations with a population of six lakhs and more **Zonal**

Committees at a level between the Wards Committees and the Corporation Council should be formed. State laws may determine the number and area of such Zonal Committees. The Councillors of all the municipal wards represented in that area shall be members.

8. State laws may determine the manner in which **elections to the Ward and Zonal Committees** are to be held, their functions and responsibilities and the **allocation of funds** to carry out the same.
9. The **12th Schedule should not be illustrative only**, but should be **mandatory**. It should be on par with the lists in the Seventh Schedule in status and in the exercise of Legislative and Executive powers, which should be co-extensive with the subject, listed in the Schedule.
10. The laws should also provide for the **transfer to the Municipalities of organisations, funds and staff** who were previously responsible for discharging the functions being assigned. The local bodies should have **full control** over its staff including those transferred to them. **Functions, functionaries and funds** should go together.
11. The concept of a **distinct and separate tax domain for municipalities** should be recognised. This concept should be reflected in a list of taxes and should form part of the common schedule of functions and responsibilities for local bodies or in the event it is decided to continue with the 11th and 12th Schedules as separate, the **tax domain should figure in the relevant schedule**.
12. State laws should specifically empower municipalities **to borrow**.

MAYOR-IN-COUNCIL SYSTEM

The Mayor-in-Council at the municipal level replicates the Prime Minister-cabinet model at the central level and the Chief Minister-cabinet model at the state level. The executive powers of the Municipality are vested in the Mayor-in-Council and not in the Municipal Commissioner as it is today. Limited experiments of this system have been carried out in India. In Kolkata the Mayor-in-Council system was introduced in 1984. The Mayor is the Chief Executive Officer and the Municipal Commissioner is the Principle Executive Officer, subject to the control and supervision of the Mayor².

² http://www.citymayors.com/government/india_government.html (Accessed on 30/11/2006 at 15:30)

After the amendments in the Madhya Pradesh Municipal Corporation Act in 1997-98, the Bhopal Municipal Corporation has had a Mayor-in-Council system with a directly elected Mayor. This is an important innovation in the context of local governance in India. That notwithstanding the condition that the Mayor needs the sanction of the state government for projects exceeding Rupees one crore needs to be repealed. The restriction on the Mayor to appoint not more than ten councillors in the council has to be done with also³.

The Municipal Corporation of Greater Mumbai implemented the Mayor-in-Council system briefly in 1998 and it was not without a catch. The Municipal Commissioner was to send a monthly confidential report to the state government on the performance of the Mayor-in-Council system. The term of the Mayor was two years only. Thus the Mayor was not empowered in the true spirit.

The All India Mayors' Council has been demanding empowerment of the Mayors and increase in their tenure since a long time. Except for Uttar Pradesh, Rajasthan and Uttaranchal, where the Mayor's tenure is five years⁴, most Mayors in the country have a short tenure of a year or two-and-a-half years. It is imperative that state governments take a serious view of introducing the Mayor-in-Council system as this is a vital reform urgently required in our cities. Apprehensions of creating additional centres of powers should be put to rest as both the Mayor and the Chief Minister have separate and complementary domains and roles.

DELHI MUNICIPAL CORPORATION ACT 1957

How well does Delhi Municipal Corporation Act measure upto the spirit of the 74th Amendment? Please see Annexure I for a comparison of the provisions of the 74th Amendment and those in the Delhi Municipal Corporation Act of 1957.

CONCLUSION

As India gears up to be a super-power in the 21st century, infrastructure and public services are required to support economic growth. No amount of investment can improve the quality of life in our cities unless fundamental changes in its urban governance structure are brought about. To say that

³ Sharma S.K. Institutions and Laws for Good Governance. December 2002.

⁴ 'Extend terms of Gujrat, Maharastra mayors, says Council', Indian Express, 14th October 2006

implementing the 74th Amendment is important is an understatement. May it be about making Mumbai into Shanghai or management of disasters in urban areas, strengthening municipalities is the only way to create cities ready to embrace the future.

Annexure I: How does Delhi Municipal Corporation Act, 1957 measure up?

In the following table DMC Act provision in the started rows are in need for reforms.

No.	PROVISIONS IN THE 74 TH AMENDMENT	DELHI MUNICIPAL CORPORATION ACT, 1957																
1	<ul style="list-style-type: none"> ● Representation in the Municipality <ul style="list-style-type: none"> ○ Special knowledge 	<ul style="list-style-type: none"> ▪ 10 persons not less than 25 years of age nominated by Lt. Governor (no voting rights). 																
1.1*	<ul style="list-style-type: none"> ○ House of people 	<ul style="list-style-type: none"> ▪ MPs from the area covered by MCD ▪ 14 of the 70 MLAs (1/5th) annually nominated by the of the Legislative Assembly Speaker 																
1.2*	<ul style="list-style-type: none"> ○ Council of States 	<ul style="list-style-type: none"> ▪ Rajya Sabha members registered as electors area covered by MCD 																
2	Manner of election of Chairperson of Municipality	<ul style="list-style-type: none"> ▪ Mayor and deputy Mayor elected annually. <ul style="list-style-type: none"> ● First year – reserved for woman councillor ● Third year – reserved for councillor belonging Caste 																
3	<ul style="list-style-type: none"> ● Reservations <ul style="list-style-type: none"> ○ Reservation of seats for SC/ST in proportion to their population ○ Within SC/ST reservation, one-third reserved for women ○ Rotation to different Wards ○ Reservation for SC/ST and women in the office of the chairperson 	<ul style="list-style-type: none"> ▪ Reservation & rotatin determined by Central Government <table border="1" data-bbox="796 1075 934 1331"> <thead> <tr> <th></th> <th>Men</th> <th>Women</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>General</td> <td>72</td> <td>37</td> <td>109</td> </tr> <tr> <td>Reserved</td> <td>16</td> <td>9</td> <td>25</td> </tr> <tr> <td>Total</td> <td></td> <td>134</td> <td></td> </tr> </tbody> </table> <p style="text-align: right;">- 19% reserved for SC/STs</p>		Men	Women	Total	General	72	37	109	Reserved	16	9	25	Total		134	
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4.1* Wards Committee for Municipality of more than 3 lakh population	<ul style="list-style-type: none"> ● Of one or more Wards ● State legislation <ul style="list-style-type: none"> ○ Territorial area of WC 	<p>1. Wards Committee -33% reserved for women</p> <p>a. One 'Wards Committee' for each zone</p> <table border="1" data-bbox="266 209 820 743"> <thead> <tr> <th>ZONE</th> <th>NO. OF WARDS</th> <th>POPULATION</th> </tr> </thead> <tbody> <tr> <td>Sadar</td> <td>6</td> <td>3,78,490</td> </tr> <tr> <td>Paharganj</td> <td></td> <td></td> </tr> <tr> <td>Narela</td> <td>4</td> <td>5,32,115</td> </tr> <tr> <td>City</td> <td>8</td> <td>5,47,124</td> </tr> <tr> <td>Karol Bagh</td> <td>8</td> <td>6,10,449</td> </tr> <tr> <td>Civil Lines</td> <td>10</td> <td>9,53,130</td> </tr> <tr> <td>South</td> <td>12</td> <td>11,18,113</td> </tr> <tr> <td>Central</td> <td>12</td> <td>12,90,485</td> </tr> <tr> <td>Rohini</td> <td>12</td> <td>13,77,007</td> </tr> <tr> <td>Shahdara</td> <td>16</td> <td>15,07,183</td> </tr> <tr> <td>(South)</td> <td></td> <td></td> </tr> <tr> <td>West</td> <td>16</td> <td>15,80,977</td> </tr> <tr> <td>Shahdara (North)</td> <td>16</td> <td>17,16,569</td> </tr> <tr> <td>Najafgarh</td> <td>14</td> <td>17,72,235</td> </tr> <tr> <td>TOTAL</td> <td>134</td> <td>1,33,83,877</td> </tr> </tbody> </table> <p><i>2001 census</i></p> <ul style="list-style-type: none"> - Least populated Ward: # 129 Beadonpura – 50,547 (Karol Bagh Zone) - Most populated Ward: # 48 Uttam Nagar – 2,22,257 (West Zone) - Average population per ward: 1 lakh - Average population per Wards Committee: 11.2 lakhs 	ZONE	NO. OF WARDS	POPULATION	Sadar	6	3,78,490	Paharganj			Narela	4	5,32,115	City	8	5,47,124	Karol Bagh	8	6,10,449	Civil Lines	10	9,53,130	South	12	11,18,113	Central	12	12,90,485	Rohini	12	13,77,007	Shahdara	16	15,07,183	(South)			West	16	15,80,977	Shahdara (North)	16	17,16,569	Najafgarh	14	17,72,235	TOTAL	134	1,33,83,877
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4.2	<ul style="list-style-type: none"> ● State legislation <ul style="list-style-type: none"> ○ Composition of WC 	<ul style="list-style-type: none"> - Nominated members to the MCD can be a part of the Wards Committee in their zone.
4.3*	Power and functions of Wards Committee As per State legislation	2. Powers and functions of Ward Committees (as per Fifteenth Scheduled that can be amended by the Central Government) <ul style="list-style-type: none"> a. Sanction estimates and plans for municipal works to be carried out within the Zone costing upto rupees one crore, other than works taken up and executed for Delhi as a whole or those covering more than one Zone, provided that specific provision exists therefore in the budget sanctioned by the Corporation. b. Call for any project, return, plan estimate, statement account or statistics from the Commissioner connected with matter pertaining to the municipal Administration in the Zone. c. Scrutinize monthly statement of receipts and disbursements and of the progress reports in the collection of revenue in the Zone. d. Consider and make recommendations on the proposals regarding estimates of revenue and expenditure pertaining to the Zone under different heads of account of the budget before being forwarded to the Commissioner. e. Report or advice upon any matter which the Corporation may refer to it under the Act. f. Deal with such other matters as may be delegated by the Corporation to the Wards Committee.

	PROVISIONS IN THE 74 TH AMENDMENT	DELHI MUNICIPAL CORPORATION ACT, 1957
5*	Municipal Commissioner As per State legislation	<p>g. In general exercise all such municipal powers and functions of the Corporation as are to be performed exclusively in the Zone concerned other than those relating to Delhi as a whole or involving two or more Zones.</p> <p>Commissioner</p> <ol style="list-style-type: none"> a. Appointment <ol style="list-style-type: none"> i. Appointed by the Central Government ii. Appointed for five years (renewable one year at a time) b. Removal <ol style="list-style-type: none"> iii. Central Government can remove if 3/5th of the total members of the Corporation (i.e. 81 councillors) pass a resolution iv. Central Government can remove the Commissioner if he is found incapable or guilty of neglect or misconduct. c. Leave v. Granted by Standing Committee d. Functions <ol style="list-style-type: none"> vi. Entire executive power rests with the Commissioner vii. Control over municipal employees viii. Complete power over appointment of Municipal employees

	<p>PROVISIONS IN THE 74TH AMENDMENT</p>	<p>DELHI MUNICIPAL CORPORATION ACT, 1957</p>
<p>6</p>	<p>Powers of the Corporation As per State legislation</p>	<p>Powers of the Corporation</p> <ol style="list-style-type: none"> 1. Call for any proceedings of the Standing Committee, the Wards Committee, the Delhi Rural Areas Committee, the Education Committee or any other committee 2. Require the Commissioner to produce any record, correspondence, plan or other document which is in his possession or under his control 3. Require the Commissioner to furnish any return, plan, estimate, statement, account or statistics concerning or connected with any matter pertaining to the administration of this Act 4. Make regulations on the following: <ol style="list-style-type: none"> a. Tenure of office, salaries and allowances etc of officers and other employees b. Powers, duties and functions of the Municipal Secretary c. Qualifications of the candidates for appointment to posts d. Procedure to be followed in imposing penalties etc <p>Provided that the Commissioner shall not be bound to comply with any such requisition if with the previous approval of the Mayor he makes a statement that such compliance would be prejudicial to public interest or to the interests of the Corporation.</p>

	PROVISIONS IN THE 74 TH AMENDMENT	DELHI MUNICIPAL CORPORATION ACT, 1957
7*	As per State legislation	<p>5. On the recommendations of the Standing Committee, in respect of the budget estimate, the Corporation may from time to time, during the year</p> <ol style="list-style-type: none"> a. Increase the amount of budget grant under any head b. Make an additional budget grant for the purpose of meeting any special or unforeseen requirement arising during the said year c. Reduce the amount of the budget grant under any head <p>6. Borrow money with the sanction of the Central Government</p> <p>Approval of the Delhi Government required for</p> <ol style="list-style-type: none"> 1. Municipal Engineer 2. Municipal Health Officer 3. Education Officer 4. Municipal Chief Auditor 5. Deputy Commissioners
8*	<p>District Planning Committee</p> <ul style="list-style-type: none"> • Will consolidate the plans prepared by the Municipalities and the Panchayats in the district and to prepare a draft development plan for the district as a whole. • The Chairperson of every District Planning Committee shall forward the development plan to the Government of the State. • Composition <ul style="list-style-type: none"> ○ Not less than 4/5th from elected representatives of Municipalities and Panchayats 	<p>Not mentioned in the Act</p>

	PROVISIONS IN THE 74TH AMENDMENT	DELHI MUNICIPAL CORPORATION ACT, 1957
	<ul style="list-style-type: none"> o Panchayats o Chairperson chosen as provided in the State legislation 	
9*	<p>Metropolitan Planning Committee</p> <ul style="list-style-type: none"> • Committee to prepare a draft development plan for the Metropolitan area as a whole o MPC will have regard to the plans prepared by the Municipalities and the Panchayats in the metropolitan area o Matters of common interest between the Municipalities and the Panchayats, including co-ordinated spatial planning of the area, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation o The overall objectives and priorities set by the Government of India and the Government of the State; o The extent and nature of investments likely to be made in the Metropolitan area by agencies of the Government of India and of the Government of the State and other available resources whether financial or otherwise 	Not mentioned in the Act

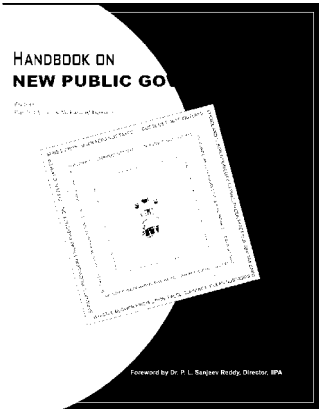
	<p>PROVISIONS IN THE 74TH AMENDMENT</p> <ul style="list-style-type: none"> ○ The Chairperson of every Metropolitan Planning Committee shall forward the development plan to the Government of the State. ● Composition <ul style="list-style-type: none"> ○ Not less than 2/3rd from elected representatives of Municipalities and Panchayats ○ Representation of State and Central Governments as necessary ○ Chairperson chosen as provided in the State legislation 	<p>DELHI MUNICIPAL CORPORATION ACT, 1957</p>
10	<p>Election</p> <ul style="list-style-type: none"> ● Before expiry of the duration ● Before six months after dissolution ● Under the control of the State Election Commission 	<p>As required by the 74th Amendment</p> <ul style="list-style-type: none"> ○ Election Commission of the National Capital Territory of Delhi
11*	<p>Powers</p> <ul style="list-style-type: none"> ● So as to enable them to function as institutions of self-government <ul style="list-style-type: none"> ○ Plans for economic and social justice ○ Matters in the Twelfth Schedule 	<p>Not empowered to be institutions of self-government</p>
12	<p>Twelfth Schedule (Recommended functions of Municipalities by the 74th Amendment)</p>	<p>Function of the corporation under sections 42 and 43.</p>

PROVISIONS IN THE 74 TH AMENDMENT	DELHI MUNICIPAL CORPORATION ACT, 1957
1*. Urban planning including town planning.	No
2. Regulation of land-use and construction of buildings.	Yes ('Securing or removal of dangerous buildings and places')
3. Planning for economic and social development.	Yes
4. Roads and bridges.	Yes
5. Water supply for domestic, industrial and commercial purposes.	Yes – discretionary function ('Provide unfiltered water supply')
6*. Public health, sanitation conservancy and solid waste management.-	- Public health – Yes - Drainage and sewage disposal – No (It is with the Delhi Jal Board)
7*. Fire Services	- No (They are under the Delhi State Government)
8. Urban forestry, protection of the environment and promotion of ecological aspects.	- Yes ('Scavenging, removal and disposal of filth, rubbish and other obnoxious or polluted matters, maintenance of monuments & memorials')
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.	- Yes – discretionary function ('Rest-houses, poor-houses, infirmaries, children's homes, houses for the deaf and dumb and for disabled and handicapped children, shelters for destitute and disabled persons, asylums for persons of unsound mind, provision for relief to destitute and disabled persons.')
10*. Slum improvement and upgradation.	No
11*. Urban poverty alleviation.	No
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.	Yes
13. Promotion of cultural, educational and aesthetic aspects.	Yes (Education through primary schools)

	PROVISIONS IN THE 74TH AMENDMENT	DELHI MUNICIPAL CORPORATION ACT, 1957
	14. Burials and burial grounds; cremations, cremation grounds and electric crematoriums.	Yes
	15. Cattle pounds; prevention of cruelty to animals.	Yes – discretionary function
	16. Vital statistics including registration of births and deaths.	Yes
	17. Public amenities including street lighting, parking lots, bus stops and public conveniences.	Yes
	18. Regulation of slaughter houses and tanneries.	Yes
13	Financial Powers <ul style="list-style-type: none"> • Collect taxes, duties, tolls and fees 	<ol style="list-style-type: none"> 1. Property Tax 2. Tax on vehicles and animals 3. Theatre-tax 4. Tax on advertisements other than those published in newspapers 5. Duty on the transfer of property 6. Tax on building payable along with the application for sanction of the building plan 7. Education Cess 8. Local rate on land revenues 9. Tax on professions, trade callings and employments 10. Tax on the consumption, sale or supply of electricity 11. Betterment tax on the increase in urban land values 12. Tax on boats 13. Tolls
14	<ul style="list-style-type: none"> • Financial Powers a. Grants-in-aid to the Municipalities from the Consolidated Fund of India 	The Lt. Governor shall constitute a Finance Commission every fifth year to review the financial position of the Corporation

<p>DELHI MUNICIPAL CORPORATION ACT, 1957</p>	<p>PROVISIONS IN THE 74TH AMENDMENT</p>
<ol style="list-style-type: none"> 1. Distribution between the NCT of Delhi and the Corporation the net proceeds of the taxes, duties, tolls and fees leviable by the NCT of Delhi which may be divided between them. 2. Grants-in-aid to the Corporation from the consolidated fund of the NCT of Delhi. 3. The Legislature of the NCT of Delhi may by law provide for the composition of the Commission, the qualification which shall be required for the appointment of members thereof, and the manner in which they shall be selected. 4. The Commission shall determine their procedure and shall have such powers in the performance of their functions as the Legislature of the NCT of Delhi may, by law, confer on them. 5. The Administrator shall cause every recommendation made by the Commission under this section together with an explanatory memorandum as to the action taken thereon to be laid before the Legislative Assembly of the NCT of Delhi 	<ul style="list-style-type: none"> ● Finance Commission <ol style="list-style-type: none"> a. Distribution of Proceeds from tax between the state and Municipality. b. Determination of taxes assigned to Municipalities.

CCS PUBLICATIONS



Handbook on New Public Governance

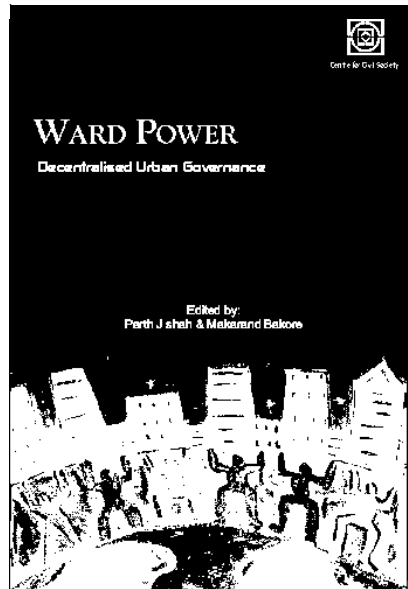
Parth J Shah and Makarand Bakore

The handbook offers a spectrum of choicest of articles that capture the essence of good governance. The rich menu has insightful contributions on New Public Management, decentralisation, participation, accountability and e-governance. Illustrative case studies on public-private partnerships exemplify sustainable service delivery models worldwide. This digest is a swift route to grasping the fundamentals of governance for politicians, administrators, civil society members and students.

Ward Power: Decentralized Urban Governance

Parth J Shah & Makarand Bakore

The book focuses on the functioning of urban municipalities. It attempts to provide answers to very pertinent questions- 'How can an ordinary citizen demand accountability from the mighty Municipality in whose hands are vital services like water, electricity supply, garbage removal, roads and primary education? Where does the person go to have a say in the decisions that affect the neighbourhood?' The book, which is targeted at policy makers, urban planners and citizens associations, suggests creating a local self-governance unit at a level of a Ward for decentralized management.



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CCS PUBLICATIONS

The Voluntary City

Markets, Communities and Urban Planning



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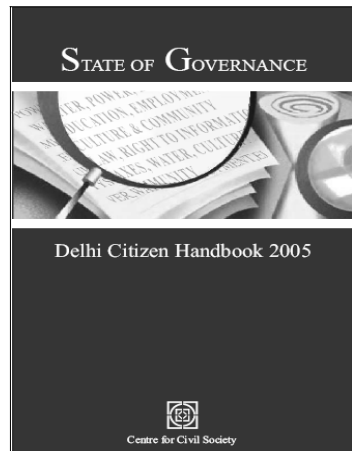
The Voluntary City

*David T Beito, Peter Gordon and
Alexander Tabarrok*

The book assembles a rich history and analysis of large-scale, private and voluntary, community-based provision of social services, urban infrastructure, and community governance to restore the vitality of city life. Such systems provide education, transportation, housing, crime control, parks and recreation, health care, employment, and more, by being more effective, innovative, and responsive than those provided through special-interest politics-as-usual and bureaucracy. The Voluntary City reveals how the process of providing local public goods through the dynamism of freely competitive, market-based entrepreneurship is unmatched in renewing communities and strengthening the bonds of civil society.

State of Governance : Delhi Citizen Handbook 2006

The handbook is a compilation of more than 30 government departments, agencies, boards and issues that ignite public debate in Delhi today. It hopes to further citizens' understanding of the workings of the government. The *Handbook* makes constructive and bold recommendations for improving the quality and effectiveness of governance.



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CENTRE FOR CIVIL SOCIETY

The Power of Ideas

The Centre for Civil Society is an independent, non-profit, research and educational organisation devoted to improving the quality of life for all citizens of India by reviving and reinvigorating civil society.

India got her political independence in 1947 from the British state, but we still do not have complete social, cultural and economic independence from the Indian state. We aim to limit the domain of the state and make more space for civil society.

We champion limited government, rule of law, free trade, and individual rights. We are an ideas organisation, a think tank that develops ideas to better the world. We want to usher in an intellectual revolution that encourages people to look beyond the obvious, think beyond good intentions, and act beyond activism.

We are driven by the dream of a free society, where political, social, and economic freedom reigns. We are soldiers for a Second Freedom Movement.

The Centre's *Livelihood Freedom Test* calls to test all existing and new rules and regulations for their impact on the freedom to earn an honest living. Does any law of the city restrict opportunities of any person to earn an honest living, particularly the one that requires little capital or skills? If so, then Review, Revise, or Remove.

The *School Choice Campaign* is aimed at policy change in order to give education subsidies directly to the students, who would be able to choose the school they would like to attend. This will increase competition among schools and lead to better educational services. Fund Students, Not Schools. Join the Education Choice Campaign at <http://schoolchoice.in>!

CCS is creating awareness about *Ward Level Management*, where many of the current services, provided by the state and the Municipal Corporation, can be more effectively delivered by Ward Committees to their respective Ward. Decentralisation of services would bring transparency and accountability into the system.

(continued from back cover)

Optional Reforms (Common to state and local bodies)

1. Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc
2. Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes
3. Introduction of Property Title Certification System in ULBs
4. Earmarking at least 20-25% of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization
5. Introduction of computerized process of registration of land and property
6. Revision of bye-laws to make rain water harvesting mandatory in all buildings to come up in future and for adoption of water conservation measures
7. Bye-laws on reuse of recycled water
8. Administrative reforms, i.e., reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard *
9. Structural reforms
10. Encouraging public-private partnership*

The National Urban Renewal Mission (NURM) is a project of the central government. Through this project, the central government will fund 63 cities for developing urban infrastructure and services. The cities will have to carry out mandated reforms in return. The mission will last for a period of seven years starting December 2005. The total central government funding will be Rs. 50,000 crores. Adding the contribution of states and municipalities, the amount will go upto to Rs. 1,25,000 crores over the seven year period.

REFORMS UNDER NURM

CCS research papers are available for the starred reforms.

State Level Mandatory Reforms

1. Effective implementation of decentralization initiatives as envisaged in the Constitution (Seventy-fourth) Amendment Act, 1992 *
2. Repeal of Urban Land (Ceiling and Regulation) Act, 1976 *
3. Reform of Rent Control laws, by balancing the interests of landlords and tenants *
4. Rationalisation of stamp duty to bring it down to no more than 5 per cent within seven years
5. Enactment of public disclosure law *
6. Enactment of a community participation law, so as to institutionalise citizens' participation in local decision making *
7. Association of elected municipalities with the city planning function

Municipal Level Mandatory Reforms

1. Adoption of a modern, accrual-based, double entry system of accounting*
2. Introduction of a system of e-governance using IT applications, GIS and MIS for various urban services
3. Reform of property with GIS, and arrangements for its effective implementation so as raise collection efficiency to 85 per cent
4. Levy of reasonable user charges, with the objective that full cost of operation and maintenance is collected within seven years *
5. Internal earmarking of budgets for basic services to the urban poor
6. Provision of basic services to the urban poor, including security of tenure at affordable prices

(continued on back page)



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