

UNIT-4 - (COI)

A LOCAL ADMINISTRATION

Urban Local Bodies

As Panchayati Raj System is meant for rural area, similarly there are institutions of urban local government. There are three types of urban local bodies –

- (a) *Municipal Corporations* for the big cities,
- (b) *Municipal Councils* for all other cities with smaller population and
- (c) *Nagar Panchayats* for transitional areas (semi urban areas).

But a significant difference between Panchayati Raj Institutions (PRIs) and the urban local bodies is that while the PRIs are closely linked with one another, the urban local bodies are independent. In one State there may be all the three types of urban local bodies: in one big city a Municipal Corporation, in another small city a Municipal Council and in yet another small town a Nagar Panchayat. But they are not linked with one another. It was during the British colonial rule that the first urban local government came into existence in 1688 when a Municipal Corporation was formed in the city of Madras (now known as Chennai). Later on, similar bodies were formed for the administration at Calcutta (Kolkata) and Bombay (Mumbai). At that time these municipalities were formed to help in the matter of sanitation and prevent epidemics. These Local bodies also had a few civic functions like managing water supply and drainage. But these bodies were not given the required powers, finance and authority. Initially most of the members were nominated. Our national leaders also had felt the importance and need of such an organization for the local administration and linked these bodies to the planned development of the country. But nothing fruitful could be achieved without finance and the finance was missing. But even then this system proved to be an effective tool of administration. During the British rule many changes were made in urban local bodies. Gradually certain structural changes were made, powers of the local bodies were enhanced and some funds were also provided. After independence four types of urban local bodies were functioning: (i) Municipal Corporations, (ii) Municipalities, (iii) Town Area Committees and (iv) Notified Area Committees. But the 74th Constitutional Amendment 1992 brought about major changes in the system of urban local government. Now three types of urban local governments are

functioning: (a) Municipal Corporations for the big cities, (b) Municipal Councils for smaller cities and (c) Nagar Panchayats for those areas that are in transition from rural areas to urban areas.

As stated above, the **74th Constitutional Amendment Act 1992** brought about significant changes in the structure and functioning of urban local government. The following points are note worthy:

- constitution of urban local bodies (namely, ***Municipal Corporation, Municipal Council, and Nagar Panchayat***) in every Indian State;
- constitution of **Wards Committees** within the territorial area of a municipality, to ensure people's participation in civic affairs at the grass-root level;
- regular and fair conduct of **municipal elections** by State Election Commissions;
- provision for supersession of municipal governments for not more than 6 months;
- adequate representation of weaker sections (i.e., Scheduled Castes, Scheduled Tribes, Backward Classes) of the society and women in municipal governments through **reservation** of seats;
- specification by law, through the State Legislatures, of the **powers** (including financial) and **functional responsibilities** to be entrusted to municipalities and wards committees;
- constitution of **State Finance Commissions**, once in every 5 years, to review the financial position of municipalities and to make recommendations on the measures needed to improve their financial position; and
- constitution of a **District Planning Committee** at the district level and a **Metropolitan Planning Committee** in metropolitan areas of every State, for the preparation and consolidation of development plans.

Municipal Corporations

A. Composition

Municipal Corporations are established in big cities according to the provisions made in the Acts enacted by the State Legislatures. The Councillors of Municipal Corporations are elected for 5 years. The elected Councillors elect

one of them as Mayor annually. The Mayor is known as the first citizen of the city. The 74th Constitutional Amendment has provided for reservation of not less than 1/3rd of the total seats for women. There is also a provision of reservation of seats for Scheduled Castes, Scheduled Tribes and other weaker sections in proportion to their population. Out of these reserved seats for Scheduled Castes and Scheduled Tribes, one-third would be reserved for women belonging to these communities. In the event of dissolution of Municipal Corporation, the elections will be held within six months. There is an official post of Municipal Commissioner, who is the Chief Executive Officer and is appointed by the State government. In case of Union Territories like Delhi it is done by the Central government.

B. Functions of the Municipal Corporations

The main functions of the Municipal Corporation are as follows:

1. **Health and Sanitation:** Responsible for cleanliness of the city, disposal of garbage; maintenance of hospitals and dispensaries; promoting and conducting vaccination drives; checking of adulteration etc.
2. **Electricity and Water Supply:** Provision and maintenance of street lights, supply of electricity, supply of safe drinking water; construction of infrastructure and providing facilities for water supply, maintenance of water tankers etc.
3. **Educational:** Establishment of primary schools, provision of mid-day meals and other facilities for the children.
4. **Public works:** Construction, maintenance and naming of roads; framing rules for the constructions of houses, markets, restaurants and hotels; removing of encroachments and demolition of dangerous buildings.
5. **Miscellaneous functions:** Maintaining record of Births & Deaths; provision and maintenance of cremation grounds/burial grounds, night shelters; making arrangements of scooter & taxi stands and public facilities.
6. **Discretionary functions:**
 - (a) *Entertainment:* Provision of parks, auditoriums etc.;
 - (b) *Cultural:* Organizing music, dramas, painting and other art shows; and activities like maintenance of libraries and museums;
 - (c) *Sports Activities:* Provision of play grounds for various games and also arranging

sports competitions & tournaments;

- (d) *Welfare Services*: Setting up and maintaining Community halls; running public distribution system; implementing family welfare schemes and also schemes for the welfare of Scheduled Castes, Scheduled Tribes & backward classes.

C. Main Functions of Mayor

Mayor is the elected as the head of the Municipal Corporation and performs the following important functions:

- Presides over the meetings of the Corporation and maintains decorum and discipline in the meetings;
- Acts as a link between Councillors and the State government;
- Receives foreign dignitaries visiting the city.

D. Sources of Income of Municipal Corporation

Like Panchayati Raj System, Municipal System also requires funds for the development and welfare activities in its area. Provision is made in the Municipal Act for generating the required funds. Some of the sources of income are as follows:

- *Income from taxes*: Municipal Corporation imposes taxes on various items such as – house tax, entertainment tax, tax on hoardings and advertisements, registration fees, tax on building plans etc.
- *Other fees and charges*: These include water supply charges, electricity charges, sewer charges, license fee from shop keepers, and toll tax and octroi duty.
- *Grants-in-Aid*: State government and Union government provide grants-in-aid for various projects and programmes related to development.
- *Income from Rents*: Corporations rent out the properties and get rent for various shops, kiosks, community centres, Bara Ghats and various sites for fairs, marriages or other exhibitions.

Municipal Councils

A. Composition

Cities which do not have very large population have Municipalities known as Municipal Councils to look after the local cities, their problems and developmental work. After the 74th Amendment, the constitution of Municipalities is obligatory for

every concerned city. Every Municipal Council has Councillors who are elected by the adult voters of the city for 5 years. Only those persons can be elected as Councillors who fulfill the conditions laid down by the State Election Commission. If in any case, the Municipal Council gets dissolved before completing the full term of 5 years, the elections for a new Municipal Council will have to be held within six months. Chairperson or President of the Municipal Council is elected by the Councillors from among the elected members. Chairperson holds the office till he/she enjoys the confidence of the majority of the elected members. Every Municipal Council has an Executive Officer who is appointed by the State government. He/She looks after the day-to-day work and also the administration. The Health Officer, Tax Superintendent, Civil Engineer are the other important officers.

B. Functions of the Municipal Council

Functions of the Municipal Council are as follows:

1. *Health and Sanitation* - Managing cleanliness of the town, disposal of garbage, prevention of sale of unhygienic and adulterated food items, and maintenance of dispensaries or hospitals;
2. *Electricity and Water Supply* - Ensuring supply of electricity and safe drinking water, maintaining water tanks and also water tankers;
3. *Education* - Maintaining and running of primary schools and literacy centres.
4. *Birth and Death Records* - Keeping the records regarding registration of birth and deaths in the city/town and also issuing the certificates for the same;
5. *Public Works* - Paving of streets, repairing and maintenance of municipal roads, construction and maintenance of Barats Ghars, Community Halls, Markets, Public facilities etc.

C. Sources of Income

No work can be done without money. Municipal Councils have got different sources of income. These sources can be grouped as under:

- *Taxes*: Taxes on properties, vehicles, entertainment and advertisement;
- *Rents and fees/charges*: Charges for water supply, sewer system; Licenses fees, Rents of the community Halls, Barats Ghars and Shops etc.;
- *Grants* from the State government;

- *Fines*: Fines from the tax offenders, law breakers, on encroachments etc.

Nagar Panchayats

An urban centre with more than 30,000 and less than 100,000 inhabitants has a *Nagar Panchayat*. However, there are some exceptions. All the previous Town Area Committees (urban centres with a total population of more than 5,000 and less than 20,000) are designated as *Nagar Panchayats*. It is composed of a Chairperson and Ward Members. It may have a minimum of ten elected Ward Members and three nominated Members. Like other municipal bodies, Nagar Panchayat is responsible for

- (a) Cleanliness and disposal of garbage;
- (b) Supply of drinking water;
- (c) Maintenance of public amenities like street lights, parking space and public conveniences;
- (d) Setting up and maintaining fire services; and
- (e) Registration of deaths and births. Its sources of income are: Taxes such as house tax, water tax, toll tax; License fees and fee for approving building plans; Rents collected by renting Barat Ghars and other properties; and Grant-in- Aid from the State government.

Panchayati Raj Institutions

The concept of panchayati raj is not only based on the ancient Indian belief that “God lives in the Panch”, or panch parmeshwar, but was very enthusiastically propounded by Mahatma Gandhi. He believed in the power to all sections of people, and in grassroots democracy. That is possible only through village panchayats. Importance of Panchayati Raj Right up to the British period, panchayats played a very important role in the social life of the village and also resolved minor disputes among villagers. Under the British rule, panchayats lost the respect and power which they had earlier enjoyed because of the new system of courts, laws and revenue collection. Though in independent India one of the Directive Principles of State Policy in the Constitution directed the Union and State Governments to try to take steps to organise village panchayats and give them such powers and authority as may be necessary to enable them to act as units of self-government panchayati raj was not taken up seriously by the states. However, they are now given Constitutional status.

Composition of Panchayats

The Panchayati Raj system, as established in accordance with the 73rd Amendment, is a three-tier structure based on direct elections at all the three tiers : village, intermediate and district. Exemption from the intermediate tier is given to the small States having less than 20 lakhs population. It means that they have freedom not to have the middle level of panchayat. All members in a panchayat are directly elected. However, if a State so decides, members of the State Legislature and Parliament may also be represented in district and middle level panchayats. The middle level panchayats are generally known as Panchayat Samitis. Provisions have been made for the inclusion of the chairpersons of the village panchayats in the block and district level panchayats. The provision regarding reservation of seats for Scheduled Castes/Scheduled Tribes has already been mentioned earlier. However it should also be noted here that one-third of total seats are reserved for women, and one-third for women out of the Quota fixed for Scheduled Castes/Tribes. Reservation is also provided for offices of Chairpersons. The reserved seats are allotted by rotation to different

constituencies in a panchayat area. State Legislatures can provide for further reservation for other backward classes (OBC) in panchayats.

(i) Term The Amendment provides for continuous existence of panchayats. The normal term of a panchayat is five years. If a panchayat is dissolved earlier, elections are held within six months. There is a provision for State level Election Commission, for superintendence, direction and control of preparation of electoral rolls and conduct of elections to panchayats. Structure of Government

(ii) Powers and responsibilities of panchayats State Legislatures may endow panchayats with such powers and authority as may be necessary to enable the panchayats to become institutions of self-government at grassroots level. Responsibility may be given to them to prepare plans for economic development and social justice. Schemes of economic development and social justice with regard to 29 important matters such as agriculture, primary and secondary education, health and sanitation, drinking water, rural housing, welfare of weaker sections, social forestry and so forth may be made by them.

Three-tier Structure of Panchayati Raj

(i) Panchayats at Village Level- This is the basic or grassroots level of panchayati raj. The panchayat for a village or a group of villages includes (a) Gram Sabha, the symbol of direct democracy; (b) Gram Panchayat and (c) Nyaya Panchayat.

(a) *Gram Sabha-* Recognition to Gram Sabha, an institution of direct democracy, is an important feature of the 73rd amendment. Gram Sabha consists of all adult residents within a village or group of villages. Thus it is the only institution of direct democracy in the country. Generally, two meetings of Gram Sabha are held every year. In these meetings, the Gram Sabha as the general body of the people hear annual statement of accounts, audit or administrative report of panchayats. It also recommends new development projects to be undertaken by panchayats. It also helps in identifying poor people of the village so that they may be given economic assistance.

(b) *Gram Panchayat-* The lower tier of the panchayati raj system in the country is the village level panchayat. It is known in most of the States as Gram

Panchayat: The members of a Gram Panchayat are directly elected by the people. The number of members of a Gram Panchayat is fixed on the basis of village population. Hence, it differs from panchayat to panchayat. Election is held on the basis of single-member constituency. As already mentioned, one-third of the total number of seats are reserved for women; and some for Scheduled Castes and Tribes including one-third for women of Scheduled Castes and Tribes. Chairpersons of Gram Panchayats are called by different names in different States as ‘Sarpanch, Pradhan or President. There is a Vice-Chairperson also. Both are elected by members of the panchayat. Gram Panchayats generally hold their meetings once a month. Panchayats at all levels constitute committees for transaction of their business.

(c) **Nyaya Panchayat-** These are judicial panchayats and reminder of ancient village panchayat that settled local disputes. They are set up to provide speedy and inexpensive justice. Jurisdiction of Nyaya Panchayat varies from State to State – one such panchayat is set up for five or more gram panchayats. Their tenure is between 3 and 5 years, as determined by State law. Nyaya Panchayats generally deal with petty civil and criminal cases, and can impose fine upto Rs. 100 only. There are no lawyers to plead the cases in Nyaya Panchayat. Parties to the disputes argue their own cases.

(ii) **Panchayat Samiti-** The second or middle tier of the panchayati raj is Panchayat Samiti which provides a link between Gram Panchayat and a Zila Parishad. The strength of a Panchayat Samiti also depends on the population in a samiti area. In Panchayat Samiti, some members are directly elected. Sarpanchs of gram panchayats are ex-officio members of Panchayat Samitis. However, all the sarpanchs of Gram Panchayats are not members of Panchayat Samitis at the same time. The number varies from State to State and is rotated annually. It means that only chairpersons of some Gram Panchayats in a Samiti area are members of Panchayat Samiti at a time. In some panchayats, members of Legislative Assemblies and Legislative Councils as well as members of Parliament who belong to the Samiti area are co-opted as its members. Chairpersons of Panchayat Samitis are, generally elected from among the directly elected members.

(iii) **Zila Parishad** Zila Parishad at the district level is the uppermost tier of the panchayati raj system. This institution has some directly elected members whose number differs from State to State as it is also based on population. Chairpersons of Panchayat Samitis are ex-officio members of Zila Parishads. Members of Parliament, Legislative Assemblies and Councils belonging to the districts are also nominated members of Zila Parishads. The chairperson of a Zila Parishad, called Adhyaksha or President, is elected from among the directly elected members. The vice-chairperson is also elected similarly. Zila parishad meetings are conducted once a month. Special meetings can also be convened to discuss special matters. Subject committees are also formed.

Functions of Panchayati Raj Institutions

All panchayati raj institutions perform such functions as are specified in state laws relating to panchayati raj. Generally speaking the functions are as under:

- (i) **Functions of Gram Panchayat-** Some States distinguish between obligatory (compulsory) and optional functions of Gram Panchayats while other States do not make this distinction. The civic functions relating to sanitation, cleaning of public roads, drains and ponds, public toilets and lavatories, primary health care, vaccination, supply of drinking water, constructing public wells, street lighting, social health and primary and adult education, etc. are obligatory functions of village panchayats. The optional functions depend on the resources of the panchayats. They may or may not perform such functions as tree plantation on road sides, setting up of breeding centres for cattle, organising child and maternity welfare, promotion of agriculture, etc. After the 73rd Amendment, the scope of functions of Gram Panchayat was widened. Such important functions like preparation of annual development plan of panchayat area, annual budget, relief in natural calamities, removal of encroachment on public lands, implementation and monitoring of poverty alleviation programmes are now expected to be performed by Structure of Government panchayats. Selection of beneficiaries through Gram Sabhas, public distribution system, non-conventional energy source, improved Chullahs, bio-gas plants have also been given to Gram Panchayats in some states.

- (ii) **Functions of Panchayat Samiti-** Panchayat Samitis are at the hub of developmental activities. They are headed by Block Development Officers (B.D.Os). Some functions are entrusted to them like agriculture, land improvement, watershed development, social and farm forestry, technical and vocational education, etc. The second type of functions relates to the implementation of some specific plans, schemes or programmes to which funds are earmarked. It means that a Panchayat Samiti has to spend money only on that specific project. The choice of location or beneficiaries is, however, available to the Panchayat Samiti.
- (iii) **Functions of Zila Parishad-** Zila Parishad links panchayat samitis within the district. It coordinates their activities and supervises their functioning. It prepares district plans and integrates samiti plans into district plans for submission to the State Government. Zila Parishad looks after development works in the entire district. It undertakes schemes to improve agricultural production, exploit ground water resources, extend rural electrification and distribution and initiate employment generating activities, construct roads and other public works. It also performs welfare functions like relief during natural calamities and scarcity, establishment of orphanages and poor homes, night shelters, welfare of women and children, etc. In addition, Zila Parishads perform functions entrusted to them under the Central and State Government sponsored programmes. For example, Jawahar Rozgar Yojna is a big centrally sponsored scheme for which money is directly given to the districts to undertake employment-generating activities

Sources of Income of Panchayats

Panchayats can discharge their functions efficiently only if they have sufficient financial resources. For resources, panchayats depend mainly on grants from State Government. They also have taxation powers and have some income from owned or vested assets. They may get a share in the taxes, duties, tolls and fees that are levied and collected by the State Government. Let us now see what financial resources panchayats have to perform their functions.

- (i) **Gram Panchayat** In most States the power of levying taxes is vested in gram panchayats. House tax, tax on cattle, immovable property, commercial crops, drainage tax, sanitation fee, tax on produce sold in village, fee for supply of water to households, lighting tax are some of the taxes and fees levied by panchayats. Panchayats can also levy entertainment tax on temporarily stationed theatres, taxes on animals and non-mechanically propelled vehicles plied for hire. Gram panchayats also receive funds as income from property owned by them as common grounds, jungles, cattle ground etc. The sale proceed of dung, refuse and carcasses (dead bodies of animals) is also retained by gram panchayats. They also receive their share in land revenue from the State.
- (ii) **Panchayat Samitis** Panchayat Samitis can impose tax on facilities provided by them as water for drinking or irrigation purposes, lighting arrangements, tolls for bridges maintained by them. The property of Panchayat Samitis includes public buildings, public roads constructed or maintained out of their funds and all land or other property transferred to them by the government. Panchayats receive income from the property vested in them. They also receive grants from the State Governments. Funds are transferred by Zila Panchayats or State Governments along with schemes to be implemented by the intermediate institutions of panchayati raj.
- (iii) **Zila Parishads** Zila Parishads are also authorised to impose taxes. They may impose taxes on persons carrying on business in rural areas for six months, taxes on brokers, commission agents in markets established by them, also tax on sale of goods in these markets. Tax on land revenue can also be imposed by Zila Parishads. When development schemes are entrusted to them, necessary funds are also provided. They also receive grants from the State, donations from charitable institutions, and may also raise loans.