# Urban Local Government In India: Challenges and Prospects

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**ABSTRACT**

*Democratization and decentralization are the interdependent processes. Dissemination of power from one centre helps in empowering the people and can also held the government accountable for exercising political power. In India, as the democratic institutions started maturing, the tendency towards centralization of power is being increasingly questioned and the efforts of decentralization and participation of the citizen in the management of their local area, is being encouraged. Paucity of funds, lack of planning, excessive state control, etc. are some of the intriguing problems which resulted in inefficient and substandard governance. The newly recognized local self-government (henceforth, the term 'local government' would be used) is still in the transitional phase which is expected to acquire a new shape in the face of technological facilitation and the democratic change.*

*Key words- Urbanization, Local self Government, Municipality, Census towns, People's participation.*

Urbanization is a movement from traditional to modernity. It is a transformation from agrarian to industrial society. It leads to a change in lifestyle from informal to a formal life, which signifies the material well being in forms of physical comfort. Urbanization creates a change in the human relations from intimate and personal to a highly segmental and impersonal relation. It also brings about a change in the use of tools of production-from manual to mechanical. Thus, it stands for a change in opportunity, in employment and cultural settings.

Urbanization is an exodus process of transfer of the population from rural to the urban areas. It is a natural consequence of changes in the economic processes as the country develops. The urban population in India was 28.6 crore in 2001 and then increased to 37.7 crore in 2011.For the first time since independence, the absolute increase in population is more in urban areas than in rural areas (increase of 9.1 in urban areas compared to 9.0 in rural area).The rural urban distribution in percentage is 68.84% and 31.16% in 2011 census. The level of urbanization has increased from 27.81% in 2001 census to 31.16% in 2011 census on the other hand the proportion of rural population declined from 72.19% to 68. 84%.If the number of urban units in India, is considered, the number of towns increased from 5161(2001) to 7935 (2011) in which the number of statutory tows was3799 (2001) to 4041(2011) and the number of census towns was1362 (2001) to 3894(2011). Thus, it is

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clear that the tendency of urbanization is growing at a very fast rate resulting in building pressure and providing inadequate amenities to the residents.

This paper aims at describing the process of urbanization, its development in the age of industrialization of a country, the assigned functions of managing the local governance and problems which comes in the path of its functioning. The descriptive analytical approach of this paper seeks to accommodate the views and perceptions of various studies made in the direction of understanding the administration of local urban government. Though the governance at the local and regional level are referred to as local government instead of local self government, this paper tries to explore whether the Seventy Fourth Constitutional Amendment Act has really fulfilled the aspirations of 'local self government'.

**1.1 Causes of urbanization:**

As mentioned above the agriculture fosters village, and the industrialization builds up towns. Thus the agrarian society transforms itself in an industrialist society. The migration of people from rural to urban areas is the result of two phenomena-push factors and pull factors. Though it seems that these two phenomena are different but they cannot be segregated from one another.

The push factors are:

a) as the population increases on agricultural land, many of them find it difficult to survive on that limited land resource, so they look for some other non agricultural alternative for survival;

b) limited employment opportunities available in rural areas;

c) excessive supply of people to be engaged in rural works leads to decrease in the income of the people;

(d) closed village life creates various difficulties for certain section of the society: they aspire for security of life and property, greater employment opportunities, better amenities of comfortable life, more independence and freedom, educational ,cultural and medical facilities etc.-in other words better prospects of life;

(e) militant activity in rural areas also causes an exodus of population from rural to urban areas.

The pull factors are:

a) attractive civic amenities in the form of educational institutions, roads, water supply, electricity facilities, recreation centers etc.;

b) better transport facilities in urban areas;

c) religious centers in India is also urban centric;

d) arrangement for the rehabilitation of the refugees are done near the urban areas:

e) consumerist culture attracts the people towards towns and cities;

f) career advancement opportunities are mostly urban centric;

g) belonging to an urban area adds personal glamour to ones personality;

h) a city postulates an open society where, every person can have its own way without being interfered by others.

**1.2 What is an urban area?**

An urban area is one which is formally so declared through the statutory establishment of that area of a municipal body, a notified area or a cantonment by a definite legislation. Thus there are Municipal Acts in different states under which municipal bodies are set up by the state

governments in specific areas. There can be other areas also that can be declared as 'urban' by the Census authorities. In order to be considered as an urban unit, as per census definition, a specific geographical area must fulfill the following three conditions simultaneously;

a) a population of at least 5000;
b) a density of population of at least 400per sq. km; and
c) at least 75% of the working population in that area engaged in non-agricultural pursuits.

## 2. Evolution of urban government in India:

The urban government in India emerged out of a centralized system of governance. Ancient India was a land of village republics but cities were also founded by rulers. Very little information is available about the cities and their administration in the Vedic period. During the Gupta period the towns were governed by a centrally appointed person called 'Purpal'. The Purpal was assisted by a non official committee, the town committees were a common feature of the ancient Indian administration. In mediaeval times, the rulers at the centre could not look after the local affairs. They needed a local agency that could manage the local affairs with local collection of funds. Local administration was carried on by the representatives of the rulers. People were not associated with the management. 'Kotwal' in the Mughal administration managed local affairs without the accountability towards the people (Altekar 1949).

The centralized administration took the turn during colonial administration at the hand of the East India Company whose interest was trade and commerce, sanitary services for the British people,

tax collection for the maintenance of police and maintaining law and order in the society. The purpose was not to create local self-government bodies. Local government in India has not grown from below. Even after 1858, Queen's government showed no effort for organizing local government with people's participation or accountability towards them. Lord Rippon's Resolution of 1882 conceded for the first time local administration by an elected body with local functions.

The urban government could not strike roots even after hundred year of existence as the western model was imported from a different society. The freedom fighters also did not involve themselves in developing civic amenities but utilized local government to agitate for national freedom.

**2.2** Though the Constitution of India after much debate in the Constituent Assembly included Art. 40 in the Directive Principles to leave the provision of organizing panchayats in rural areas did not give any corresponding duty to the states with regard to the creation of urban bodies. The only reference to urban self government is to be found in two entries: 1) Entry 5of list 11 of the seventh schedule, viz., the state list says: 'Local government, that is to say, the constitution and powers of Municipal Corporations, Improvement trusts, District Boards, mining settlement authorities and other local authorities for the purpose of local self government or village administration'. Entry 20 of the concurrent list reads: 'Economic and Social Planning, Urban Planning would fall within the ambit of both entry 5 of the State List and Entry 20 of the Concurrent list'. After independence, incomprehensive and inadequate municipal laws, substandard personnel,

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poor finance and stringent local control suppressed the growth of the urban government. 'The state government followed an ambivalent policy towards municipal rule, while ceding powers on papers, actually put checks and restraints from exercising power by the local bodies (Bhattacharya 1976).The year 1985 proved to be a land mark year as, during that year, the Ministry of Urban Development was set up at the Union level independently. Earlier it was shifted from one ministry to another .Despite the fast pace of urbanization, there is no well-defined and thorough urbanization policy in India. The Constitution 65th Amendment Bill brought by the then Prime Minister, Rajiv Gandhi, sought to ensure municipal bodies being vested with necessary powers and removing their financial constraints to enable them to function effectively as units of local self-government. Though it was passed in Lok Sabha, the bill defeated in the Rajya Sabha in October 1989.

In 1991, the Central government introduced a Constitutional Amendment Bill pertaining to municipalities in the Lok Sabha on 16 September. With a few modifications, it was essentially based on the 65th Amendment Bill. The Act introduces a new part, namely, Part IXA, in the Constitution. This part deals with issues relating to municipalities such as their structure and composition, reservation of seats, elections powers and functions, finances, and some miscellaneous provisions. The Seventy Fourth Amendment Act thus accords constitutional status to municipalities. The provisions of the Act apply to the states as well as the Union territories. However, in relation to the latter, the President can make certain reservations and modifications. The provisions do not apply to the Schedule Areas and Tribal Areas governed by Article 244(1) and (2) of the Constitution.

The traditional civic functions of municipalities are being performed by municipal bodies. However, the 74th Constitutional Amendment lays down that municipalities would go beyond the mere provisions of civic amenities. Now, they are expected to play a crucial role in the formulation of plans for local development and implementation of development projects and programs, including those specially designed for urban poverty alleviation.

### 3. Role of urban local government:

The urban local government primarily acts as a service agency. It has been aptly elaborated by the Encyclopedia of the social sciences where it read "Municipal Government has risen to a place of high importance in modern political society not only because urban dwellers now form so large an element in the population but because city administration has developed by its complexity into a problem of great inherent difficulty. The rural district requires very little government; its people are habituated to do things for themselves. But when great bodies of people massed closely together they inevitably become more interdependent. To promote their safety, health and convenience they gradually devolve more responsibility upon the public authorities and larger the community the greater is this tendency' (ESS 1953).

Describing the place of local bodies in the government structure in India, the Rural-Urban Relationship Committee, 1966 observed that the local bodies are important units to help achieve

the decentralization of political power and promotion of democratic values. This committee envisaged the following functions for the urban government:

a) to function as local units of self government;
b) to provide local public services and conveniences for healthy living, work and play;
c) to ensure planned and regulated development of urban areas;
d) to mobilize local resources and utilize them to the maximum good of the community; and
e) to promote social, economic and cultural development in an integrated manner (MHFP,1966).

According to M.A .Muttalib and Mohd.Akbar AliKhan, the local government is expected to perform fourfold development functions. They are:

a) promotion of popular participation,
b) spurring of economic development,
c) social transformation, and
d) equitable distribution of the fruits of development(Muttalib et al. 1982).

## 4. People's Participation and Development:

Participation occupies central place in development thinking and practice. Development cannot be sustainable and long lasting unless people's participation is made central to the development process. While there is a virtual unanimity about the need for people's participation in development, there is a wide spectrum of views on the concept of participation and the ways of achieving it.

The conventional growth oriented, top down strategy of development did not produce the desired trickledown effect. David Korten, who has worked widely among the poverty population, has distinguished between two contrasting visions: growth –centered development vision and people centered vision. The former vision has its origin in the ideology of neo liberal economics – that has forcefully advanced through institutions such as the World Bank, the IMF and the GATT. In Kurten's view, "the prevailing growth centered vision of development has not only failed a substantial majority of the world's people, but is also systematically depriving human misery and destroying our planet's life support system". Contrastingly, the people centered vision is being advanced by citizen organizations working to create an alternative world order based on economic justice, environmental sustainability and political inclusiveness.

## 5.1 Concept of Local Government:

Local government and local self-government are used interchangeably. In fact, the term 'local self-government' is a product of colonial rule which has become inappropriate after achievement of independence and establishment of more or less autonomous government by local inhabitants through their elected representatives. Local self government is the government at subregional level. This government looks after the 'local' functions like water supply, local street, local market, sanitary facilities etc. Though these functions are at the small scale but they are important functions for the governance of the local area.

The adjective 'local' stands for a small geographical area. It also means intimate social relations of the people in a limited geographical space. The other word 'government' stands for a public authority. In a liberal democratic system, a government may be arranged territorially, where at

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the central level there can be a national level government, at the middle level there can be a state or regional level government and at the sub regional level there are many local governmental units which exercises authority and discharge a number of important local functions on the basis of statutory decentralization. So it is considered as a means of enriching and deepening democracy by extending freedom of action to the local government. As 'Government' local government has three important features;

- It is elected by the people of the local area;
- It has the power to levy taxes and other fees, like any other government; and
- Its functions and activities are clearly laid down in law so that within the scheme of legislation, local government enjoys a degree of autonomy.

## 5.2 Constitutional Amendment and Local Urban Government:

The innovative idea of adding a third tier to the Indian federal setup was something unprecedented in the world history. It is all the more significant as it has added an extra decentralized dimension of governance to a highly centralized polity. The introduction of panchayati raj system and urban local bodies along with the district administration headed by the collector is an unique experiment wherein the administrative bureaucracy and the popular democracy of elected representatives are working out a new model of democratic governance, somewhat uniform yet highly diversified in different states of the country .Unlike the USA and Germany ,the federal model of Indian polity is engaged in evolving a cooperative federalism of centralized variety. The conferring of a constitutional status to panchayati raj and urban

local bodies has added newer tensions which put the state and district administrations under conflicting pressures from above as well as from below .Although the local urban and rural government were in practice, before the Amendment to the Constitution moved in 1992, but they were largely controlled and dependent on the central and state governments. Thus the newly conferred constitutional status has not only enhanced their dignity and responsibility but also strengthened the aspiration and expectation as of the common people from 'their' government.

*The Nagarpalika Bill'* passed by Parliament in December, 1992, aimed at rectifying the defects, deficiencies and inadequacies in the structure and organization of urban local bodies and to revitalize and strengthen them. The main points are:

i) setting up of three types of *nagarpalikas*- the *Nagarpanchayats* for transitional areas, *Municipal Councils* and *Municipal Corporation* for urban areas. *The Nagar Panchayats* will be constituted for such an area which is basically rural in character but which over a time, is likely to develop urban characteristics. Hence, this urban local body would have to perform both rural and urban functions;

ii) Creation of ward committees and zonal committees to enable the local bodies to prove to be the training ground for democratic institutions in the country and to provide for the citizens ready access to their elected representatives;

iii) giving power to the people and placing responsibility on them at various levels so that a new leadership emerges;

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iv) empowering Election Commission to conduct local bodies' elections so that these may be held periodically in a fair and impartial way;

v) reserving thirty three percent of the seats for women. The scheduled caste and scheduled tribes have been given representation in proportion to their population in the area concerned;

vi) appointing Finance Commission to look into the fiscal needs of the local bodies and empowering the Comptroller and Auditor General to audit the accounts and

vii) granting the Constitutional status to the urban local bodies by amending Article 40 of the Constitution.

## 6. Problem Areas of Municipal Administration in India:

1) Financial paucity- The first and foremost serious problem facing the urban local bodies is the acute scarcity of finance. Generally, their source of income is inadequate as compared to their functions .Their chief sources of income are the varied types of taxes. However, most of the income generating taxes is levied by the union and state governments and, the taxes collected by the urban bodies are not sufficient to cover the expenses of the services provided. Though they can impose certain new taxes, the elected members of these local bodies hesitate in doing so for fear of displeasing their electorate. The administrative machinery, at the disposal of these local bodies is insufficient and ineffective.   The staff which is often underpaid indulges in corrupt practices  which lead to loss of income. Quite often, failure in collecting taxes leads to accumulation of arrears

running into crores of rupees. As a result, many urban bodies are on the brink of bankruptcy. Financial stringency has become the biggest hurdle for almost all municipal bodies on account of ever increasing expenditure  on establishment which has gone up to about 60 percent of the income. Virtually no Money is available for development work. Municipal committees of many small towns find it difficult even to disburse salaries to their employees in time.  Many civic bodies have not been able to provide even the basic civic amenities in the areas which have been included in their jurisdiction during the last couple of decades (Sachdeva 1993).

Though the State Finance Commission has been set up by the Seventy Fourth Amendment (243Y), the urban local government heavily depends on the state governments for getting grants-in-aid out of the consolidated fund. The Constitution says that the state legislature may authorize the urban government to: (a) levy, collect and appropriate tax and, (b) assign to urban bodies taxes collected by state government. This shows that the financial control of the state over the urban local bodies negate the idea of a local self government in the urban governments in India.

2) Unplanned urbanization -Urbanization is on the ascendance. The municipal services have failed to cope with the increasing needs of the population, both qualitatively and quantitatively. The situation is worsening because the rural influx in town and cities has increasingly converted them in ghettos. The metro cities are bulging and their administration

pertaining to civil amenities like water, sanitation, upkeep of roads, transport, housing etc., is getting unmanageable with the result that crime syndicates and vice dens have made life unsafe and horrifying. Most of these problems emanate from ill planning but the dynamism of city management itself presents unprecedented problem of urban development and urban renewal in the context of space, ecology, urbanization and science and technology (Sharma et al. 2009). In absence of proper planning, judicious use of land is not being made, colonies are setup without proper facilities such as schools, parks and hospitals, the growth of slums is not checked, there is a shortage of houses, traffic congestion is rampant and hardly any effective steps are taken to check urban poverty and unemployment. The growth of unplanned sub–urban colonies around the city is breeding life patterns which are neither rural nor urban. The rich and affluent sections have moved to the suburban with their establishments at the down town. The core city is dying and in want of urban renewal the exodus from rural areas has rendered the old city into a mass slum without amenities. The growth of population and industries presents an unprecedented challenge of ecological degradation and pollution of water, air and land.

3) Excessive State Control- Although the Act ensures more autonomy than the pre- 1992 situation, but the actual relationship-control over urban local bodies has not changed substantively except in case of corporations. The state director of local bodies and the department of local government of every state have not taken much initiative for devolution of powers or relaxation of control in this regard. This state control which is legislative, administrative, judicial and financial keeps urban municipal government quiet subservient units of local administration rather than functioning as institution of self-governance. As creatures of state laws, the statutes and notifications prescribe their composition and functioning. The state governments have the power to supersede and dissolve municipal bodies under certain circumstances. The judiciary under the Indian Constitution is the guardian of citizen's rights and various kinds of writs can be issued to keep the local administration within their bounds. The state governments approve municipal budget (except that of corporation). Even the modified local tax structure needs government's prior approval and later ratification. The loans, borrowings and grants-in-aid even when monitored and regulated by state finance commission, the procedures regarding resource mobilization and public expenditure confer little autonomy on the elected bodies. The accounting and audit system gives enormous powers to the government to exercise control through rules and regulations for audit and maintenance of accounts apart from regulation of income and expenditure.

4) Low Effectiveness- In view of inadequate finances, the local bodies has not been able to fulfill their obligatory functions. As a result, they suffer a constant outcry from the public as well as government. The most basic

necessity-water is not supplied properly, drainage facilities do not cover the entire city, unplanned colonies and slums develop fast, menace of stray cattle on the roads continues, traffic is hazardous, roads are not properly maintained and unsafe buildings are allowed to continue to exist despite the obvious threat to the inmates and the inhabitants of the area. In short, poor sanitation, poor hygiene and shortage of basic necessities make cities unsafe.

5) Multiplicity of Agencies- A lot of criticism has been specially leveled against the formation of single purpose agencies. They are all dominated by bureaucrats, which goes against the basic philosophy of local government. The people's representatives have a secondary role to play. The illustrations are- state transport corporation, state electricity board, water supply department etc. have been taken out of the jurisdiction of the urban local government and they function under the direct supervision of the state government and without any accountability towards urban local government. The functions that have been assigned to them belong really to the elected urban bodies. They lower the prestige and significance of the local bodies. The municipal bodies have to contribute to the budget to these agencies while having no control over them. Their functions are often overlapping. For instance, in some states, the function of water supply has been entrusted to the improvement trusts as well as municipal bodies. This system of dual control has diluted the responsibility of each. The ordinary citizens also get confused, when he

has to approach these organizations (Arora et al. 1995). Multiplicity of agencies engaged in urban administration invariably leads to problem of coordination.

6) Substandard Personnel-Urban government increasingly needs professional services of experts. The municipal employees and officials are an immensely disgruntled lot, undisciplined and untrained to serve the people. Various types of personnel systems exist in different states. Not to say of different states, even in single state, there is a coexistence of a variety of personnel systems, each segment being accountable to different control points within and outside the organization. At the lower level, one finds, generally a separate personnel system but, at the higher level , there are 'deputationists' , integrated and unified personnel systems as well as a separate system of staff of various gradations appointed by authorities at different levels. As Abhijit Datta comments: This makes the municipal organization look like an onion in terms of personnel system, each segment rotating in its own path , without enmeshing for a common purpose or motivation (Datta 1984).Ashok Mukhopadhyay observes: In fact the basic issue is not the type of personnel system but its quality. For too long, the municipal services have been treated as 'inferior' service and hence, have not attracted 'superior' talent. Therefore the need is to improve pay scales, allowances, leave conditions, terminal benefits, carrier prospects, scope for self improvement and incentives of these personnel in such a manner that competent and motivated

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personnel enter and stay in the municipality services. One of the devises of effecting these improvements is an innovative system of cadre classification that can rationalize the pay grades and privileges of the municipal personnel in terms of their duties and responsibilities (Mukhopadhyay 1985).

7) Low level of People's Participation- It is very ironical to find that, despite a relatively higher level of literacy and educational standard, city-dwellers do not take adequate interest in the functioning of the urban government bodies. The population of the cities consists of heterogeneous groups and they are alienated from one another. Most of the city dwellers were once rural and, even now, it looks at the city merely as a place to earn livelihood, and has little attachment with it. People's apathy towards participating in the governance system pushes such institutions into a state of complacency and irresponsibility. In India, people experience a lot of disappointment and inconvenience in obtaining the civic amenities. As it is, most of them are so used to facing water, electricity and sanitation problems, that they feel that it is futile to look up to the urban bodies for any solution. Add to that, the multiplicity of special purpose agencies and other urban bodies confuses the public about their role boundaries.

## 7. The debate on the Autonomy of local government:

Theoretically we can make a distinction between 'local government' and 'local self government'. The centralized political system covering a large geographical area, local governments are indispensable for managing the local affairs. Since the beginning of its evolution local governments in India cater the needs of the central government. In this sense, since the Gupta rule till today the local governments are being treated as the local unit of administration only. 'Government' is a political term which in a democratic political system needs people's participation in governance. The local governments are expected to implement the policies formulated by the central government. In this sense the local governments can be treated as an extended hand of the central government. The questions of independence or autonomy are considered irrelevant for the local government. This situation persists even today as the List 2 (state list of the seventh schedule of the Indian constitution) mentions local government in the Entry no.5 in the Constitution. It shows the intension of the Constitution, where the local government are supposed to function exclusively under the supervision and direction of state government (Goyal et al. 2002).

Local self government can be interpreted in two senses- first, local self government requires direct popular participation, and second, it may be interpreted as an autonomous unit of government functioning as the third tier government in a federal state.

Local self government in the second sense with a full status of autonomy does not exist so far anywhere in the world. Generally it is the local government running with people's participation is regarded as the local self government. The relationship between the local government and the state government is based on two antithetical

ideas, first it is paternalistic idea, where the state would control, supervise guide and even punish occasionally for the good of the urban local government. In this sense the local government is transformed into a local unit of administration.

Local self government, on the other hand, is based on a populist idea where local government functions on democratic principles, run by the popular representatives. There would be no state interference in the affairs of the local self government. Such an isolated local self government is an illusion and does not exist anywhere in the world.

Without amending Entry no.5 of the state list, the 74th Constitutional Amendment Act 1992, does not appear to have modified the status of the urban local government. The Constitution mentions in Art 243W- a) the Municipalities with such power and authority as may be necessary to enable them to function as institution of self government and such law may contain provision for the devolution of powers and responsibilities upon municipalities with respect to :

i.  The preparation of plans for economic development and social justice;
ii. The performance of functions and the implementation of schemes as may be entrusted to them in the 12th schedule.

The Constitution thus empowers the Municipalities to function as institution of self government in respect to preparation of plans for economic development and performance of functions which are eighteen in numbers mentioned in the twelfth schedule of the Constitution. These two areas of autonomous functions of the municipalities are subjected to the legislative control of the state government over the urban local governments has not been relaxed. The urban local government thus still functions under the strict supervision and control of the state government.

**8. The road ahead**

A big challenge before the State government is the management of the 'census towns' named as 'unacknowledged urbanization' or 'denied urbanization'. These terms were used to mean the territories which have been declared as 'urban' by the Census of India but have not been declared as 'statutory urban' by the State government notification. In the present day globalizing economy, development activities in India such as mining, industries, real estate and construction are mostly taking place either under private capital or under public- private partnership. These activities prefer to be developed in the peripheral locations away from existing urban–industrial agglomerations. Therefore, these are taking place either in special economic zone (SEZ) where there are generous subsidies from the government or in locations beyond the urban limit such as suburbs of big cities and 'non recognized' (census towns) urban territories. The preference for non recognized urban territories comes from the lack of control and policing measures under poorly equipped rural local level governments. Because of this lack of efficient regulating modules under the existing governance structure, these non recognized urban territories are becoming areas of anarchism. The places which are experiencing increasing industrial activities are being characterized by high level of pollution and consequent degradation of local economy and environment. The land acquisition and displacement issues are much easier to handle.

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The absence of proper mechanism of governance is leading to bizarre state of land transformation in these new urban areas. In the process of keeping urban as rural, the local citizens suffer from numerous problems starting from pollution, and land speculation to utter negligence of basic services and infrastructures such as roads, water, sanitation, health and education. However, there are sections of people who benefit from this system of keeping places beyond the efficient urban governance mechanism (Samanta 2013).

Apart from the problems of the census towns, people experience a lot of disappointment and inconvenience in obtaining civic amenities even in the statutory urban units. There is an emergence of organized citizen's group, though at a preliminary stage, in some urban areas. The concept of 'subsidiarity' as found in some of the Western countries (USA and Europe), has been introduced in a limited way. Subsidiarity means the investment of authority at the lowest possible level of an institutional hierarchy. In fact, subsidiarity is one of the features of federalism, which implies that a central authority should have a subsidiary function, performing only those tasks which cannot be performed effectively at a more immediate or local level. Although the concept of subsidiarity has not been institutionalized as such in India but various efforts and innovations reveal its existence and utility throughout the country. *Bhagidari* the most popular movement of Delhi State Government was initiated in December, 1998 with a philosophy of responsive and participative governance. Under *Bhagidari* program a major role was performed by NGO's Resident Welfare Associations (RWAs) and Market and Traders Association (MTAs) of Delhi. The RWAs and MTAs had started taking up collective payments of water bills, observing water leakages, distributing water through tankers, taking steps for rain water harvesting, replacing old and leaking pipelines, planting trees, ensuring colony's security and running anti plastic and antilittering campaign in their respective areas(Kataria2008). In Maharashtra Advanced locality Management (ALM) movement has spread all over the Mumbai (now numbering more than 1000 registered societies) were actively engaged in segregation of garbage and vermiculture activities across the city (Vijaya 2007). Shipra path Police Station and a few sector wise resident welfare associations in Jaipur city are maintaining law and order in their locality and motivating the society for managing its own security problems. The *Kudumbsri* or neighborhood groups are working effectively as PIA- Programme Implementing Agency in Kerala and other parts of southern India.

The Second Administrative Reforms Commission headed by Veerappa Moily has advocated for the popular expansion of subsidiarity, in its sixth report on 'An inspiring journey into the future'. The commission is of the considered view that a local government reforms package must be inspired by the principle of susidiarity in which democracy will acquire content and meaning beyond structures and institutions. The commission has proposed three tiers of urban local bodies. These are-

Municipal Councils\Corporation

Ward Committees

Area Committees or *Sabhas*

To ensure people's participation in their

governance one *Ward Sabha* in each ward or corporate's constituency is proposed by the commission. The role of *Ward Sabha* is equivalent to that of the *Gram Sabha* of villages. The basic functions or responsibilities i.e. control over street lighting, sanitation water supply, drainage, maintenance of school buildings, hospital, roads, local markets, parks and playgrounds are proposed to be transferred to these *Ward Sabhas*. Thus, the concept of subsidiarity may be visualized and operationalised. The commission is also of the opinion that the concept of neighborhood groups looking after their own affairs within a limited mandate needs to be explored (ARC 2007). The model *Nagar Raj Bill* drafted by Ministry of Urban Development, Government of India also envisages the establishment of *Area Sabha* to institutionalise citizen's participation in municipal functions, i.e. setting priorities and budgeting provisions etc.

The debate of the prevalence of local self government or the local government cannot be settled in a simplistic term. The Seventy Fourth Constitution Amendment Act has given way to the decentralization of power but it is seen from the above discussion that the challenges before the participatory governance is not only limited to the structural inadequacy and functional inefficiency but the developments in the form of growing numbers of census towns, which are demanding the extension of local government services to these areas and the growth of the 'subsidiarity practice' which are organized mainly by the NGOs as self servicing agencies are the areas beyond the jurisdiction of the functioning of the local governments.

The twin revolutions of democratic change and technological facilitation have started knocking at the doors of the administrative system at all levels in India. The cities, towns and metros will experience the travails of technological and information revolution. The twenty first century is viewed as the century of Asia wherein Japan, China and India will be partners in a venture of unprecedented consequences. A more awakened and a more affluent people will reproduce at a lower rate and once the rural population touches the minimum level of semi urbanization the rural urban divide may get blurred. The management pattern of local governance will cease to be rural and urban anymore. The diarchy at the state level to self government may acquire varied forms and even setbacks that once the take off comes and the speed becomes a little faster the transitional diarchy will yield place to parliamentary institutions and their working will be more than welcome at the lower levels of district and below. This may bring a situation when urban centre of local government may need manager patter of government. The speed of change in India is so fast that the past is no indicator of the future.

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