

**Management Practices in Local Self-Government Institutions in
Selected European Union Countries and Progressive Indian States**



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2-A Sector 19-A, Madhya Marg, Chandigarh (INDIA)**

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EU-INDIA SMALL PROJECTS FACILITY PROGRAMME

Capacity Building of Local Self-Government Institutions in Punjab

The project on "Capacity Building of Local Self-Government Institutions in Punjab" has been completed by Centre for Research in Rural and Industrial Development (CRRID) in collaboration with Study Group for European Policies (SEP), Brussels (Belgium). The specific objective of the project is to promote institutional strengthening and capacity building in local governance in Punjab through identification and adoption of best practices in selected European countries (England, Spain, Netherlands, Belgium, Finland and Italy) and progressive Indian states (Karnataka, Kerala, Madhya Pradesh, Maharashtra and Gujarat).

CRRID organized study tour to six member states of European Union in the last week of September 2005 and four progressive Indian states in the last week of October 2005 and to one state in the last week of January 2006. On the basis of study tours, management practices of local self-government institutions were documented and reports prepared. A summary of all the reports has been prepared for quick understanding of the system of governance and management practices followed in European countries and progressive Indian states.

Country-wise visits and study reports prepared by experts/officials are given below :-

- | | |
|----------------------------|--------------------------------|
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| 2. England and Italy | Mr. JP Gupta |
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State-wise visit made and study reports prepared by experts, are given below :-

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CRRID is grateful to European Union for awarding and funding this project. It is also grateful to State Government of Punjab, Department of Local Self-Government and Department of Rural Development and Panchayats for nominating the participants for study tours, seminars and conference. CRRID also expresses its gratitude to Study Group for European Policies, Brussels for supporting the implementation of project and helping in organizing study tour to European countries. CRRID is indebted to all the institutions and individuals who directly or indirectly supported several activities under the project.

MANAGEMENT PRACTICES IN LOCAL SELF-GOVERNMENT IN FINLAND

Finland has three-tier system of governance comprising central administration, provincial administration, and municipal local government. The responsibilities of the municipal government include managing their financial and budgetary affairs and functioning in the areas of education and culture, health care, social welfare, technical infrastructure, and control of environment through various committees. The municipalities are obliged by the Local Government Act of 1976 to formulate, publish, and frequently revise a five-year plan covering administration, financial affairs, economic growth, and land use with the help of experts from national government bodies.

Constitutional Provisions

Article 51 of the Constitution of 1919 states that 'the administration of the municipalities shall be based on the principle of self-government by the citizens, as provided in specific laws'. The highest governing authority is vested in the local councils directly elected by the residents. The Finnish constitution ensures full autonomy and devolution of funds, functionaries and functions without any instructions of interference of the state government. There is a provision that allows the provincial government to order a municipality that fails to fulfill its responsibility.

The Finnish Constitution has clearly envisaged that 'the provincial government has no right to interfere in municipal affairs nor to give command to a municipality. The municipalities are not under the administration of the provincial government. If a municipality has not performed its task defined in the law, the Provincial Government may command the municipality to complete such a task. The Administrative Court, which acts independently of the Provincial Government in each province entertains the legal complaints against decision of the municipality.'

The Finnish Constitution provides that the public authorities appointed by the municipalities are required to work on the principle of "accountability, transparency and access to information".

Structure of Municipal Governance

The structure of municipal set up has a municipal council at the top, municipal executive board in the middle, and municipal committees at the bottom. The members of the municipal council are elected by universal suffrage for four-year terms. The Chairman of the municipal council is indirectly elected from among its members that vary from minimum of 17 to maximum of 85 depending on the population in the municipality area.

The council elects the Municipal Executive Board (MEB) consisting of at least seven members, which is responsible for day-to-day administration of the municipal council. Municipal executive board guarantees seats to all political parties in proportion to the number of their seats in the council. This ensures political accountability for regional development.

The elections to the local self-government are held on the party lines. The municipal manager is appointed by the municipal council and is responsible for all administrative activities of the municipality.

Cooperation among Municipalities: Joint Municipal Boards

One of the distinct features of the municipalities in Finland is the establishment of Joint Municipal Boards (JMBs). The individual municipalities enter into a mutual contract to form JMBs that aims to work in cooperation by providing infrastructure for essential civic services in the member municipalities. The municipal bodies are established to perform defined tasks on continuous basis.

These joint authorities are independent legal public entities separate from its member municipalities, with separate finances and administrative set up and form the most resourceful organizations. The administration of joint municipal authorities is included in the Local Government Act. JMB is not entitled to levy taxes, its revenues being mainly in the form of state grants and contributions made in agreed proportions by the member municipalities.

There are 236 (JMBs) in Finland. The infrastructure created by the JMB in Finland in 2003, includes 21 regional hospitals, 68 health centres, 14 centre for services to the disabled, four centres for family advisory services and child protection, 11 centres for services to the elderly, three centres for alcoholic services, 54 vocational education centres, 17 other education centres, 19 regional councils, nine electricity and water supply centres, and 16 other service centres.

Linkola Timo of The Association of Finnish Local and Regional Authorities observed while addressing the participants of Second National Seminar held on 29-30 November 2005 that "The Joint Municipal Boards have become the most important form of cooperation between Finnish local authorities and they are the most resourceful organizations of public regional authorities."

Municipal Financing

The municipalities have complete autonomy on manage their finances. In the financial year 2005, the main sources of revenue of municipalities were own taxes (47 per cent), state grants (17 per cent), sales of goods and services (27 per cent), borrowings (six per cent), and others (three per cent).

Major taxes imposed by the municipalities comprise (i) municipal income tax which varies from 18 to 25 per cent; (ii) real estate tax on property; and (iii) corporate income tax, a tax on companies operating their offices/factories in municipal council area.

Revenue of municipalities from the sale of goods and services largely include fees from kindergarten, garbage disposal, selling of municipal land, water charges, electricity charges, etc. Municipalities borrow money for infrastructure development. The revenue from other sources comprises interest from bank deposits and other commercial activities.

The independent source of revenue of municipalities gives them 'self-governing status' with less dependence on state.

Criteria for State Subsidies

The general state subsidy is granted on per 'capita basis'. State subsidies for social welfare and health care are determined on per capita basis and according to the age distribution of the municipality's population.

The state subsidies for education and cultural affairs are partly determined by per capita and partly per pupil and student or according to scale of operations.

A supplement to tax revenue is granted as general support to local authorities by the state whose own revenues are particularly low.

The state subsidies granted to a local authority also depend on the geographical area of the municipality, its population density, and unemployment rate and language status.

Different heads of expenditure of municipalities in financial year 2005 were:

- Social welfare and health care- 50 per cent.
- Education and culture- 26 per cent.
- Operation and maintenance of capital assets- 20 per cent.
- Financing and other expenditure- 4 per cent.

Out of total expenditure, 41 per cent is on salaries and wages; 12 per cent on social security and pensions; 26 per cent on purchase of goods and services; six per cent on subsidies; and others 15 per cent.

Municipal Auditing

All municipalities in Finland have (i) internal auditing and (ii) external auditing. The internal auditing is a continuous management and supervision process of the municipal activities. Every year the municipal board prepares financial statements of the

previous calendar year for approval of the municipal council. The financial statements include several documents such as budget review; profit and loss statement; statement of changes in financial position, and a balance sheet.

The external evaluation is done by private auditors appointed by the Auditing Committee constituted by the municipal council. A key task of the Auditing Committee is to evaluate the operational and financial objectives of the municipal council.

The auditors consider whether the local authority's financial statements and consolidated balance sheet have been drawn up in accordance with the rules and regulations of municipal council. The auditor in his auditing report states whether the financial statements of the municipality are in order and can be approved. If the auditor finds, that municipal authorities have acted against the law or against decisions of the municipal council, he makes a complaint against the accountable authorities.

Privatization of Services by Municipalities

Infrastructural development works such as housing, electricity, drinking water, industrial development, environmental sanitation, auditing, and capacity building of the representatives and functionaries are largely privatized. Municipalities pay the training cost to the private specialized institutions for training of their representatives. One of the premier institutions is the Association of Finish Local and Regional Authorities.

Solid Waste Management and Environmental Sanitation

The solid waste management is a significant activity of municipalities. Municipalities make provision to segregate biodegradable, non-biodegradable but recyclable, inert non-biodegradable, which is dumped according to the scientific standards circulated by the European Union.

The municipalities encourage the private enterprises for waste recycling and for converting waste into compost. Citizens pay progressive garbage taxes/fees for these activities to the municipalities/private enterprisers.

Women Participation in the Functioning of the Municipalities

The participation of women in local self-government institution has increased from 10.7 per cent in 1968 to 36.3 per cent in 2004. There is no reservation of seats for women in municipalities by law. However, the law urges to promote equality between women and men. In 1995, Finland got a new legislation on equality between men and women. It provided that 40 per cent of members in appointed boards and committees in public administration should be women.

The municipalities of urban and rural areas run kindergarten schools for the care of children, which creates enabling environment for women to take part in income earning activities and facilitates gender empowerment. Opening of kindergarten for care of children and provision of urban facilities in rural areas and old age-homes in urban and rural areas has made life easier. These facilities lessen the family burden on women and enable them to participate as equal representatives and functionaries. Management of kindergarten and old-age homes is an important responsibility of the municipalities. The families pay for the kindergarten according to their income and number of children.

Finland has 18-20 per cent of population above 65 years and therefore welfare of the aging is one of the key functions of municipalities and a large share of health expenditure goes to the health care of elderly. The elderly pay from their pension towards their expenses, while municipality bears the expenses of elderly poor.

Provision of Urban Services in Rural Areas (PURA) by the municipalities includes super markets, hospitals with facilities for old age care, women and child health care facilities, schools and libraries, banks and post offices, weekly markets, rest houses, quality basic amenities i.e. housing, water supply, electricity, and roads in rural areas.

MANAGEMENT PRACTICES IN LOCAL SELF-GOVERNMENT IN SPAIN

Spain has a three-tier government comprising central, regional and local government. It is divided in 17 autonomous communities or regions, which are sub-divided into provinces and then in municipalities. There are 50 provinces and 8,016 municipalities in Spain. The reorganization and democratization of local administration was completed with the passing of ‘Basic Law’ on local government. This law outlines the basic authority of institutions and their responsibilities as different tiers of administration. Local self-government institutions are politically dependent on autonomous communities, and to a large extent are financially dependent on central government.

The responsibilities of the municipalities vary depending on their population size. More than 50 per cent of municipalities in Spain have a population less than 1,000 as given in Table below. The government is considering of clubbing the smaller municipalities with the larger municipalities.

**Table
Number of Municipalities and Population Distribution**

Population	Number of Municipalities
0 - 999	4885
1000 - 4999	2066
5000 - 9999	524
10000 - 49999	506
50000 - 99999	61
100000 and above	55

Source: *Ministry of Public Administration, Directorate General for Territorial Cooperation, 1996, Spain*

The compulsory civic services provided to the community in the municipal areas include maintenance of roads, water supply and street lighting, waste disposal, upkeep of cemeteries, slaughter houses, and heritage conservation and even law & order.

Municipalities with more than 5,000 inhabitants have additional responsibilities of providing markets and public parks, libraries, and sewerage and waste treatment facilities. Municipalities with more than 20,000 inhabitants have still additional responsibilities to provide emergency and fire-fighting services, social security, and sports facilities. Municipalities with more than 50,000 inhabitants ensure environment protection, and urban public transport facilities.

Constitutional Provisions

The main thrust of Spanish constitution is to give autonomy and promote authority of the local self-government.

The Spanish Constitution guarantees the autonomy of municipalities. They enjoy legal identity. Their administration is vested in town councils, consisting of mayor and councilors. Councilors are elected by residents of the municipalities by universal equal, free, direct and secret suffrage. The mayors is elected by the councilors or by the residents. The law lays down the terms under which a council of residents is to perform its functions.

Structure of Municipal Governance

Municipalities are the legal entities with administration vested in the municipal councils consisting of mayors and councilors. Elections to the council are held every four years and the council cannot be dissolved. The members of the council are directly elected by universal suffrage and according to proportional representation. Mayor, the head of the council, is indirectly elected by the members of the council and who, in most cases, is the leader of the majority party of the council.

The total population of the municipality determines the number of council members; law requires a minimum of five councilors. There is no limit to the number of times councilors may be re-elected. If they die, resign or are dismissed, the next person on the electoral list of their political party replaces them. Thus, there are no by-elections. Municipalities with fewer than 100 inhabitants have an open council system, wherein residents elect a mayor directly and function as a council.

Municipalities with more than 5,000 inhabitants have a municipal commission to assist the mayor. Municipal administration in such towns is divided by departments and each is ultimately accountable to the mayor.

Powers with the Municipalities

The municipal council does not formulate major laws, but drafts regulations related to legislations from the regional parliament. The municipal councilors can raise taxes to supplement grants from the central and the regional governments.

Two types of taxes are imposed by the municipalities (i) mandatory taxes and (ii) Optional taxes.

Mandatory Taxes are: (a) taxes on property; (b) business taxes; and (c) taxes on motor vehicles.

The **property taxes** are levied on buildings and land. Value based tax system is in vogue, which is determined by the state and is levied at about three to four percent on an annual basis. The **business taxes**, the second largest source of tax revenue to the municipalities, are levied on the profit generated by industrial, commercial or artistic activities taking place in a municipality area. In business taxes, tax base comprises a fixed share, which depends on the type of activity and a variable share, which is determined by factors such as floor space used, number of employees and electricity consumed. The **vehicle tax** is imposed on motor vehicles possessed by the people in the municipal area. The type of vehicle and its horsepower determines its tax base.

Optional Taxes are:

(a) Tax on construction, installations and works. It is levied on the cost of the construction, installation or works; and (b) Taxes on capital gains in urban areas. It is payable on real estate transactions and is based on the value of the property in the land registered with suitable indexation.

In 1998, municipal tax receipts amounted to 35 per cent of municipal revenue excluding borrowings as given in Table below.

**Table
Municipal Tax Revenue**

Types	Tax Base	Percentage of Local Revenue
Property Tax	Land and building registered value	16.0
Business Tax	Profits form industrial, commercial or artistic activities	7.0
Vehicle Tax	Vehicles	5.0
Tax on construction, installation and works	On construction, installation or works	4.0
Tax on capital gains in urban areas	Real estate transactions	3.0
Total Own Sources		35.0

Source: *Dexia Credit Local 2002, Finance in the fifteen countries of the European Union, Second Edition.*

Municipal Financing

The **sources of revenue** of the municipalities are:

- **Own Tax Revenue:** includes property tax, business tax, vehicle tax, tax on construction, installation and works; and tax on capital gains in urban areas (35 per cent).

- **Financial Transfers:** (i) state transfers; (ii) earmarked grants; and (iii) European Union grants (36 per cent).
- **Other Own Revenue:** through sale of services such as: charges on garbage; water, sewerage, electricity (23 per cent).
- **Borrowing:** from banks and other sources (two per cent).

Transferred Tax Revenue- From 1st January 2002, the municipalities receive 35 per cent of VAT receipts and 40 per cent of taxes on petrol, tobacco and alcohol from higher levels of government.

The General Grants- Municipalities get a share of receipts in the form of general grant.

The Earmarked Grants- Municipalities get assigned grants for specific projects.

European Union Grants- Municipalities receive grants from the European Union as part of its regional development policy.

Expenditure of the municipalities comprises of:

- Administration- salaries and related expenses (25 per cent);
- Welfare services- pensions and expenditure on welfare of children and women (30 per cent);
- Infrastructure development- like road, electricity, water supply, etc. (28 per cent);
- Neighborhood associations- grants given to non government organizations (NGOs) for development and management of municipal civic services (10 per cent);
- Others- On interest payment on borrowings (seven per cent).

Municipal Auditing

The auditing of the income and expenditure of municipality is in two parts:

- Internal auditing by the municipality itself.
- External auditing by the state government.

Political Accountability

The election to local bodies in Spain is held on party basis. The political party that gets the majority rules the municipality, its leader is the mayor. The main departments like urbanization, budget, health, environment, social security, culture, sport, marketing, and licenses are the responsibility of the members of the ruling party.

Democracy has been brought closer to the citizens by organizing debates between the ruling party and opposition party in the city hall on issues of assigning development tasks to the counselors of municipalities by the ruling party. e-Governance has given public the opportunity to play a direct role in politics.

Privatization of Services at Different levels of Governments

It is facilitated through the setting-up ‘**public-private joint stock companies**’ and ‘**contracting out**’. ‘Contracting out’ hands over the management of a public service to the private body, through a contract in which the latter takes over the economic risk of the activity. Interest-related management is a special form of public-private management of public service in which the share of each party is specified in the contract. Leasing is a contract offering an entrepreneur the use of municipal facilities to provide a service to the citizens.

Management of Solid Waste

The solid waste management is one of the main activities of the councilor holding the portfolio of environment. Three different types of garbage disposal containers, one each for organic waste, plastics, and bottles are placed in different parts the cities and even in the villages of the rural municipalities. People are adequately motivated and educated through the media as well as the service providers to segregate the waste.

The garbage collection is privatized and people pay progressive garbage taxes according to their income. Lower income groups pay lower garbage tax than the higher income groups. The regional government is responsible for the treatment of garbage.

Water Supply

The people in the both rural as well as urban municipalities pay water charges on the basis of amount of water consumed. There are wastewater treatment plants for the purification of water and its supply for purposes other than the drinking. Wastewater activities are privatized.

LEADER Programme for Rural Municipality

Under the LEADER programme, rural municipalities are taking steps to make rural areas attractive with the help of European Commission. The Commission conceived it as a tool to promote special interests of the community, introduce and test new methods, new concepts in the perspective of integrating them into the mainstream programmes. It is thus an integrated development approach that brings together, at local levels, various issues, actors and resources. LEADER means listening to the voice of local citizens and increasing their participation. LEADER+ established in 2000 has focus on partnerships and networking in order to exchange experiences in local development.

Subsidies are given under the LEADER programme for the development of rural agriculture, rural tourism, plantation of trees, construction of old-age homes, preservation of monuments, promotion of women enterprises and women employment.

Burgo's Municipality

In Burgo, there are more than 1,200 municipalities. The three big municipalities cover about 80 per cent of its population.

Association for Strategic Planning for the Development of the City of Burgos

Burgos municipality has engaged a private organization for the strategic development planning of the City of Burgos. The neighbourhood associations promote community participation and involvement of community in the operation and maintenance of civic services. It has brought stakeholders in project planning and implementation process. Emphasis is on promotion of recreation activities.

Environmental Sanitation

Measures taken for the improvement of environmental sanitation in the Burgos city are:

- **Planting of trees:** Burgos municipality lays emphasis on the planting of trees in the parks and on the road sides of the city for the promotion of greenery of the city.
- **Provision of sewerage:** The construction, operation and maintenance of sewerage is the responsibility of the municipality.

MANAGEMENT PRACTICES OF LOCAL-SELF GOVERNMENT IN ENGLAND

The Greater Britain which includes England, Scotland and Wales has played a leading role in developing parliamentary democracy at all levels of its governance. It has unwritten constitution comprising partly statutes, partly common law and practices. It has constitutional monarchy and the leader of the majority party or the leader of the majority coalition is usually the prime minister.

Structure of Governance

England has city councils and metropolitan district councils to administer and manage the provision of civic services in the major urban areas and metropolitan areas respectively. In rest of England, shire counties and shire districts bear this responsibility. Outside the major urban areas, there are two different types of authorities responsible for the provision of services. These are the county councils and the unitary authorities. The county councils have several district councils. County councils cover a population of more than five lacs and the district council cover a population of about one lac.

The parish councils and town councils cover smaller areas, which usually have less than 30,000 population. Very small parishes' areas may not have elected councils but open parish committees take decisions.

In England, there is no division like urban councils or rural councils. The system provides civic services in rural as well as urban areas by the city, district and county councils formed on geographical basis.

All councils are responsible to promote economic, social and environmental well-being of their area. Districts are responsible for leisure, environmental health, housing, rubbish collection, and local roads. Counties are responsible for more strategic services such as education, libraries, main roads, social services, trading standards and transport. Unitary authorities exercise all these functions.

Besides its strong central government, England is divided into nine regions. One of these regions is Greater London Authority (GLA) and it has an elected assembly and a mayor. The other regions have a relatively minor role with unelected regional assemblies and regional development agencies. In London area, the city councils are called London borough councils and metropolitan district councils. The GLA delivers most of the services in London. There are 32 London borough councils with status similar to unitary councils. The GLA coordinates their activities.

Councilors represent geographical wards and serve for four years. A ward may be represented by one, two or three councilors depending on population. County councils,

London boroughs, Scottish and Welsh unitaries elect their councilors every four years. Metropolitan districts elect one-third of their councils in each of the three years out of four, which are not county election years.

All authorities and functions are vested in the elected councils and are exercised usually by committees or sub-committees of councils. The delegation of authority to a number of elected bodies is the crux of the local self-governance in England. The community is extensively and liberally encouraged to participate in the discussions, which ends up in participatory democracy involving the citizens as stakeholders in urban as well as rural areas.

Local Government Finance

The council tax, taxes from business and transfers from the central government are the main sources of revenue of local government units. The households pay council tax based on the value of property. Business tax is collected on behalf of the government, which is divided, between the central government and local councils. However, the government through its auditors deputed for the purposes work out the total funds required known as 'Total Assumed Spending' (TAS).

There are two types of grants - general and specific. The general grant is called Revenue Support Grant (RSG) and other is specific grant, which can only be used for the purposes specified by the government. The 'needs assessment' takes into account the population and social structure of the council on which the total expenditure for the year is assessed. Normally, the total assumed spending is assessed to ensure smooth working of a council. The role of the government to meet the need-based requirement of the councils is clear.

The household tax, which comprises the value of the property and number of people living on the property, is fixed according to a specific formula and usually it is not allowed to vary till national level valuation of properties is available. The next valuation will be notified in 2006 and will be applicable in 2007.

The council's 'Private Housing Renewal Programme' in areas of poor housing occupied by low income and vulnerable households is an important welfare activity. Home improvement grants are given to improve housing in specific areas. The council gives facilities of 'bed and breakfast' to the poor houseless people. There is a specific emphasis to provide facilities for upgradation of houses & housing areas and provide housing for the shelter less.

Leicester County Council

Leicester has rich and unique heritage of people from different races and cultures. Leicester is the largest city in the administrative region of East Midlands and the tenth largest in England. The city's thriving ethnic minority community accounts for about third

of Leicester's population and continues to enrich city life. Leicester's population has fallen by 0.5 per cent but the population of England has grown by 2.5 per cent during 1991-2001. The population of Indian origin formed the largest single ethnic community group at 25.7 per cent in 2001. This is the largest Indian population in any local authority in England and Wales.

Leicester is governed by a Constitution divided into 16 Articles. The city council is composed of 54 councilors who meet each year to decide the councils overall policies and approve the budget. The council elects a Cabinet comprising of 10 councilors including a councilor is elected as 'Lord Mayor' to undertake the task of developing and implementing the policy on behalf of the council.

Leicestershire has a three-tier system of local government consisting of the county council, borough/district councils or parish councils. The elections for county council, borough/district council and parish council take place every four years.

The Leicester City Council is intensively involved in the provision of leisure facilities like maintenance of a large numbers of parks and playgrounds, renewal of old housing, provision of housing for the homeless and 'bread & breakfast' for homeless and the aged. The civic facilities like provision of water supply, sewage, sanitation, lifting and transportation and disposal of household waste have been offloaded to private sector for which the householders pay directly to the contracting companies on the basis of tariffs approved by respective regulator authority.

It provides education, construction and maintenance of roads, library and reading rooms, and social care services. The responsibilities of local government at all levels are collection of council taxes, refuse collection, local planning, environmental health, recreation, leisure and amenities and housing. All district and county councils have their constitutions and implement the same performance management regimes. Management issues are similar, if not identical, in all councils in England, whether urban or rural.

The main feature of the working of the city council is transparency and accountability. The scrutiny committees of councilors meet in public where members of the public can ask questions and submit petitions to the scrutiny committees. At present there are many scrutiny committees in city council of Leicester. The cabinet members are not members of the scrutiny committees. The scrutiny committees are entrusting the following functions:

- Scrutinize decisions of the cabinet;
- Review policies of the council;
- Make recommendations to the cabinet and council for future policy; and
- Assess quality of service delivery.

A number of regulatory committees ensure that tariffs are reasonably fixed. The licensing committees deal with the issues relating to the licensing policies. There is also a 'standards committee' for enforcing 'code of conduct and political conventions'. This is applicable to elected and also co-opted members. According to convention, the members have a right to information and support on a 'need to know' basis. It provides that officers of the council must serve the whole council objectively.

The area committees bring councilor and the people they represent closer to each other. The area committees prepare area committee plans, neighbourhood renewal plans, help scrutiny committees, ensure best value and performance management by city council and promote extensive local participation.

Thus, the democracy in the real sense has been taken to the people at their doorsteps. The constituents of the area committees are involved in decision-making, which is a significant feature of local self-government in Leicester and England at large.

People's Participation in the Working of the Leicester City Council

Citizens of Leicester have a number of rights to participate in the working of the Leicester City Council. These include:

- Vote at local level, if they are registered;
- Attend meetings of the council, the cabinet and committees except where personal or confidential matters are being discussed;
- Participate in the council's question time and also in scrutiny committee hearings and see reports, background papers and records of decisions made by the council;
- Directly complain to the council about delivery of services;
- Complain to the ombudsman and seek justice;
- Complain to the council's standards committee or the standards board for England, if there is evidence that a councilor has not followed the council's code of conduct; and
- Inspect the council's accounts in the statutory period and make their views known to the external auditors.

Social Welfare and Health Care

Social welfare and health care are given special attention, which includes support to children and parents, protecting the most vulnerable children, help people with disabilities and the growing number of older people. The city council helps people with physical and/or sensory disabilities, people with mental health problems, with HIV/AIDS, with terminal illness and young offenders and asylum seekers.

Leicester is a green city as it has many parks and green spaces. It is considered as United Kingdom's first environment city and has been internationally commended for its 'green' policies. United Kingdom continues to reduce greenhouse emissions. It has met Kyoto Protocol target of 12.5 per cent reduction from 1990 level and intends to move towards a domestic goal of 20 per cent reduction in emissions by 2010. In addition, United Kingdom government intends to reduce the amount of industrial and commercial waste disposal in landfills sites to 80 per cent of 1998 level and to recycle or compost at least 25 per cent of 1999-2000 level.

The recycling of households waste has increased from 8.8 per cent to 10.3 per cent at the national level. This has taken England ahead of several European countries towards the preservation and improving its environment.

Waste Management

Waste collection and disposal is taken as a challenge all over Europe and recycling culture has taken root in Europe. The legislation relating to waste management, protection of health, conservation of environment and issues relating to waste reduction such as waste minimization Act, energy, resource efficiency, the integrated pollution prevention and control are the other measures to protect the environment of cities, towns and country side. The directives from European Commission relating to waste management and waste control have been extended to include the storage, treatment, recycling and transportation of waste. The European Union's waste management legislation comprises framework legislation, which covers waste definitions; technical standards for the operation of waste facilities and measures to increase recycling of waste, reduction in the generation of waste particularly reduction of hazardous waste. The European Commission directive covers dumping of waste through landfills and special measures for disposal of electrical and electronic waste.

In Leicester city, the management of city's waste has been entrusted to a private company, which is responsible for collection and segregation of glass, plastics and paper at collection centres in separate bins at household doors and also at the recycling sites. Special anaerobic digesters for composting the city's organic waste are supplied by the private contractor besides transportation of non-biodegradable waste to landfill sites.

A new plant, which became operational in July 2004, will improve recycling targets avoiding unnecessary dumping of waste in landfills. This project has placed Leicester City Council as a leader of waste management in UK, which will ultimately recycle 40 per cent of the waste. The compost bins to convert horticulture and vegetable waste into compost are supplied to the householders. The wormeries compost is also encouraged as the compost prepared is used by the organic farmers being rich in nutrients. The city councils whatever their size have legal obligation to minimize the generation of waste and its disposal through recycling, composting and landfills.

In Leicester, the generation of waste per household is 447 kg p.a. In 2003, only 13 per cent of it was recycled, two per cent was composted and rest was land filled. This figures of recycling, composting and recovery has increased to 30 per cent and only 70 per cent is land filled.

The current budget of Leicester City Council for disposal of waste is £8.7m per annum. The landfill cost is £36 per tonne of which 50 per cent is landfill tax recovered from the householders. This tax will rise by £3 per year until it is £30 per tonne. The householders willingly pay this tax as it helps to conserve the environment.

Dumping

The scientific dumping is expensive but UK has adopted it to reduce pollution effect on underground water and atmosphere from landfill leachate. Because of this preventive measure of collection, segregation and disposal of waste of the households have not to bother about rubbish, which is systematically and scientifically disposed-off.

European Union as apex body has laid targets to reduce the generation of waste upto five per cent by 2010, another five per cent by 2015 and another five per cent by 2020. Dumping is considered a viable solution for waste disposal. Targets have been laid for the member countries to systematically adopt scientific dumping to save underground water from pollution.

Rutland County Council

Rutland County Council has number of county towns. They are Melton, Loughborough, Bellfoundry, Harborough, Oakham and Ashby. Rutland County Council provides services similar to those available in towns under the control of bigger counties namely city councils.

The sources of funds of Rutland County Council comprise of direct taxes mainly from householders i.e. direct tax on property and a business tax according to the national policy. The transfer of funds from the central government is decided on the basis of the recommendations of the auditors specially deputed to assess the needs depending on the existing level of expenditure and the future development plans and availability of the funds in the central government budget.

Water Supply

Water supply is largely privatized. A private company charges for the water supplied to the households. The tariffs are subject to strict scrutiny of a regulator and local bodies in urban as well as rural areas act as facilitators to ensure right quality and quantity of drinking water to the households with almost 100 per cent coverage.

‘Anglian Waters’ is a large water supply company that has the responsibility of water treatment, transportation and billing to the consumers of the county. Total transparency in the services provided by this company is a remarkable feature. This is an excellent example of offloading responsibility of water supply to a private party and recovering water charges by directly billing to the consumers. However, a regulator is responsible for fixing the tariffs and ensuring the quality of the services by the water supply company.

The ‘Oakham Sewage Treatment Works’ is a water treatment plant run by a private company. The liquid waste is supplied to the county through a pipe and the contractor is responsible for treating it and releasing the treated water conforming to national standards in a nearby outlet. In this case also, a private party is providing the services to the consumers by levying a charge and recovering it from the consumers. The regulator has a vital role in fixing water and sewage tariffs.

The success story of this county council lies in offloading activities like water supply, sewage and household waste to private parties on payment of user charges directly collected by the contracting firms. This has enabled the Rutland County Council to concentrate in social and welfare activities which include providing affordable housing, maintenance of roads and other welfare measures particularly the care of children, the aged and handicapped persons.

MANAGEMENT PRACTICES OF LOCAL SELF-GOVERNMENTS IN ITALY

For a long time Italy was having centralized political system. The reforms in power structure started in 1990 when the principle of statutory self-governance of local authorities and devolution of powers was defined, metropolitan areas were created and control by state over local authority was abolished. In 1993, direct elections of mayors and provincial presidents were introduced. In 1997, administrative powers and functions were transferred from state to regions municipalities and provinces. The supervision of administrative activities of local and regional authorities with constitutional law of 2001 came to an end.

The Republic of Italy has three-tier system. At national level there is a central government and the Parliament has a Senate of the Republic with 315 members elected for a five year term and Chamber of Deputies with 630 members elected for a five year term. The second tier has regional governments in which there are five 'special statutory' regions and fifteen 'ordinary regions' with regional councils. At local level, there are 100 provinces with provincial councils and 14 metropolitan areas and there are 8,103 local authorities. A municipal council elected by universal direct suffrage has general powers and approves its budget. It is a decision making body at local level. An executive committee (called Giunta) is appointed by the mayor who delegates powers to it.

Duties, Functions and Services of Local Authorities

While the municipalities have general competences on its population and territory, the provinces have a role in the planning and management of some municipal tasks (i.e., roads, waste, statistics, technical and administrative help to municipalities, etc.. Provinces are local authorities in-between municipalities and regions and are responsible for planning and management. The provinces, and municipalities, are jointly responsible for the functions relating to economic affairs, tourism, cultural, sports and social services.

The provinces are mainly responsible for management and administration of following areas:

- a) State of the roads
- b) Land protection
- c) Senior secondary schools
- d) Labour market
- e) Environment
- f) Data retrieval and technical assistance
- g) Social assistance

The municipalities are responsible for the functions which may be of various nature. In the first category municipalities as decentralized unit of state have administrative

competences and are responsible for elections, registration offices and statistics. The economic development, land-use, community and citizens' services etc., are other functional responsibilities of the municipalities. After changes in electoral law in 1993, the citizens directly elect town mayors and presidents of the provincial authority with less than 15,000 inhabitants the mayor is elected in a single round with the majority system. The election of the mayor/president is based on a two-round system in the larger municipalities (having more than 15,000 inhabitants): there is system of second ballot (between the two most voted candidates) if no candidate obtains the absolute majority of the votes (50 per cent+1) in the first round.

Devolution of Functions and Taxation Powers to Local Authorities

About 40 per cent of state functions in Italy were devolved to regions, provinces and municipalities in 1997 and 1998. The financial autonomy of regions, provinces and municipalities has increased after the devolution initiatives. The local taxes are becoming prominent. The regional surcharge on the personal income tax and later a municipal surcharge was levied to strengthen their fiscal base. Greater autonomy has been devolved to local authorities. They can decide their own taxes and revenues. The local authorities may also demand a share in the national fiscal revenues collected from their territory.

Equalization Fund

This is another important initiative by the state. It aims at assuring supplementary revenues to areas/regions with poor fiscal capability. To counter social and economic imbalances among different regions of the country, central government provides budgetary transfers.

Power of Appointment

The municipal secretary is appointed by the Mayor. The municipal secretary holds competencies concerning legal and technical advice to the local bodies.

Local Municipal Services

The municipal services such as water, waste and gas management are important in terms of their local nature. Some of the important dimensions have been discussed below:

1) Water supply

The water supply is responsibility of the municipalities generally managed by municipal companies. To provide, maintain and augment water supply system, an authority for every optimum territorial areas is established.

2) Waste management

The role of Municipalities is important in this sector. They use their own management and municipal companies for waste management services. This sector has undergone a change from a simple waste management system i.e., street cleaning, picking, screening, and discharging etc to a complex system such as recycling re-use and energy production. The directives of EU for waste management, disposal of dangerous waste, recycling played an important role.

Partnerships and Management of Offices and Services at the Local Level

Partnerships between municipalities

This is an innovative aspect of urban management. In Italy various forms of partnership are established, e.g. covenants between municipalities and provinces aimed at managing tasks and services. To solve the problems of smaller towns with institutional inadequacies, Regions have agreed with their municipalities to evolve system of joint management of services.

Public private partnerships/privatization

The formal privatization of state-controlled enterprises started on conversion of four state controlled enterprises (electricity, insurance, industrial reconstruction and petrochemicals) into public limited companies. The main objective of privatization initiatives was to restore efficiency and competitiveness to former public enterprises by moving them to a competitive market. The privatization process in Italy has changed the role of the state from that of owner to a regulator.

Taxation and financial arrangements

With regard to financial arrangements, the constitution establishes two fundamental principles of taxation: everyone has to contribute towards public expenditure in proportion to their taxpaying capacity, and tax matters must be regulated by law. "Municipalities, provinces, metropolitan cities and regions have revenue and expenditure autonomy". National law establishes an equalisation fund to benefit areas where the fiscal capacity per capita is low.

Impact of Information Technology on Local Democracy

In April 2003, government published a paper entitled 'e-Government towards an efficient federalism: a shared vision, a collective achievement'. It aimed at developing e-Government in central administrations, regions and local authorities and listed areas in which all tiers of government should participate:

Urbino and Florence Municipalities:

A. Urbino

1. Innovative Management of Solid Waste:

Urbino municipality is managing its solid waste efficiently. The sanitary conditions in Urbino are excellent mainly due to:

- i. **Door to Door Collection of Waste:** The practice of door to door collection of waste is in force in Urbino. Every household has been provided two separate dust bins and then vehicles collect the garbage from those dust bins regularly.
- ii. **Segregation of Waste at Source of Generation:** There is segregation of waste at source of generation i.e. households/shops and industries etc. This is important as 20-30 per cent waste is recycled and hence the burden on municipality for disposal of waste is reduced.
- iii. **Excellent Neighborhood Sanitation:** The municipality gives utmost importance to neighborhood sanitation. The streets, open areas and roads are very clean in and around the neighborhoods.
- iv. **Efforts to Reduce Waste at Source:** Municipality is making efforts to reduce generation of waste at source. The waste bins have been provided to the households for disposal of kitchen/horticulture waste. About 5-10 per cent of the waste of this nature is reduced at household level.
- v. **Covered Household Bins, Street Bins, and Transportation Bins:** Keeping in view the environmental and health implications municipality ensures covered dust bins and transportation of garbage.
- vi. **No Manual Handling of Garbage:** There is no manual handling of garbage at any stage. This is to safeguard the health of sanitary workers.
- vii. **Emphasis on Recycling of Waste:** The recycling of waste is a major thrust area of Urbino Municipality. The European Union has issued guidelines to the countries to reach at the level of 30 per cent recycling of garbage. The reduction in the generation of waste and emphasis on recycling of waste are important in the long run keeping in view the inadequate availability of land and high cost of scientific disposal of the non-degradable garbage.
- viii. **Scientific Disposal of Waste:** There is a scientific disposal of waste. The municipality in collaboration with a neighboring mountain commune is managing the disposal of non-degradable garbage scientifically.

- ix. **Distant Location of Waste Disposal Site:** The location of waste disposal site is away from the town. The site has been constructed keeping in view the environmental implications, smell etc.
- x. **A Good Example of Public Private Partnership:** The waste management in Urbino provide a good example of public private partnership. The collection, recycling and transportation of waste is with the private company. The municipality regulates the waste management and implement the rules relating to solid waste management and environmental protection.
- xi. **Pricing and Cost Recovery:** In Urbino, the principal of progressive recovery of user charges is being followed. The cost on operation and maintenance of solid waste management is collected from the beneficiaries of the services. There is a system of regular revision of user charges, which have been linked with the inflation rates.
- xii. **Environmental and Financial Sustainability:** The initiatives taken by municipality of Urbino for provision and augmentation of solid waste management services are important in the context of environmental and financial sustainability. The environmental conditions in the town and its peripheral clusters/habitations are very good and integrated efforts are being made to upkeep the solid waste management services in municipal areas. The recovery of cost of solid waste management services is helping municipality to financial sustain the waste management efforts.

2. **Liquid Waste Management:**

- i. **Cent per cent Treatment of Liquid Waste:** The Urbino Municipality treats 100 per cent liquid waste generated by Urbino town and other areas under the municipal jurisdiction. Since, Urbino is a hilly town, efforts have been made to collect liquid waste from various points and taken it to the liquid waste treatment plant. The liquid waste flows by gravity as treatment plant has been constructed at lower level and also away from the town.
- ii. **Strict Legal Rules for Disposing Untreated Liquid Waste in to Clean Water Streams/Rivers:** The Government of Italy as well as European Union has framed strict guidelines to check disposal of un-treated sewage water into the clean water streams/rivers. The municipality of Urbino is following these rules and is treating its sewage before disposing it into the river.
- iii. **No Use of Primary Treated Sewage for Agriculture Irrigation:** Efforts are made not to use primary treated sewage even for agricultural purposes as there

are guidelines on use of primary treated sewage. Since, some harmful substance/elements are left in the primary treated water, efforts are made to treat the sewage atleast at the secondary level.

- iv. **Sewerage System, Treatment Plants, and Operation and Management (O&M) by Private Company:** The municipality has offloaded the function of providing sewerage connections, treating the sewage to a private company. The company collects sewerage charges, which are revised regularly. A government regulatory authority regulates management of this service.
- v. **Regulatory Role of Municipality:** The municipality has very limited role in provision, maintenance and augmentation of sewage system. It only has regulatory role through a national regulatory authority.
- vi. **Pricing and Cost Recovery for Fiscal Sustainability:** The principal of pricing and cost recovery is followed for promoting fiscal sustainability. The recovery of sewerage charges and its regular revision is essential component of pricing and cost recovery mechanism.
- vi. **Environmental Protection:** An utmost priority: The environmental protection is an utmost priority of municipality of Urbino. Integrated efforts are being made to protect the environment in and around the towns. The national government, the regional, provincial and local authorities are equally concerned about upgrading environmental conditions in towns and villages.

3. Excellent Quality and Adequate Provision of Drinking Water:

- i. **Achievement of Quality Targets:** The Urbino Municipality has achieved quality targets for drinking water. Regular samples are collected to check and maintain the quality of water. Private parties are involved in operation and maintenance of water management services.
- ii. **Excellent Taste of Drinking Water:** No taste of chlorine: The water does not give taste of chlorine as water is chlorinated by chlorine gas and not by the chlorine powder.
- iii. **Progressive Tariff System:** The tariff system for consumption of water is based on slab rates. The differential rates have been fixed for differential consumption of water. While fixing the tariff, efforts are being made to cover all types of consumers and charge every body on the basis of volume consumed. The tariff structure also takes care of the people living in distress. But all possible efforts are made to recover operation and maintenance cost of the water and in principal recover capital cost of the services.

- iv. **Emphasis on Reduction of Line Losses/Wastage of Water:** The losses/wastage of water were reported by Urbino Municipality as water distribution network is very old. The municipalities are making efforts to reduce line losses/wastage of water.
- v. **Progressive Privatization of Operation & Maintenance (O&M) of Water Supply:** In Urbino, operation and maintenance of water supply is with the private company. The municipality of Urbino does not have many functions in its hand as for as provision of municipal services is concerned. It has offloaded most of the functions relating to water supply, sewerage and solid waste management etc. to the private organizations or public private companies. The municipality is concentrating on regulatory role, which seems to be the major factor for better coverage and quality of municipal services in Urbino.

B. Florence (Firenze in Italian)

The *Regional Health Plan* and *Regional Integrated Social Plans* of Tuscany region were discussed in the meeting organized at town hall of Florence. Some of the salient features of both the plans have been summarized below:

1. Regional Health Plan 2005-07 (Tuscany)

The regional health plan has been prepared by the region of Tuscany, which aims integration of health and social services. The health plan in the region is being implemented in collaboration with the local authorities. There is good coverage of health care now compared to the period in pre 1990s. The European Commission has provided general guidelines for improving health and well being of the people in European Countries in Italy. The regular evaluation of health programme is essential component.

There was system of health insurance in Italy about 30 years back but since 1978 health care services are provided almost free of charge. In the decade of 1990s health services have been transferred to the regions, which are implemented it in collaboration with local municipal authorities.

The contents of this health plan are as follows:

- i) A plan with precise and measurable health objectives
 - Protect the environment
 - Increase security
 - Promote healthy life styles
 - Help children's birth and their growth
 - To promote the services for the elderly
 - Reduce the inequalities
 - Personalize the interventions

- ii) An integrated plan that covers all subjects of the territory
- The security in life and safety in work
 - The environmental quality
 - The quality of the social life
 - The economic development
 - The quality of health services

The health projects with regional scope and concern:

Twelve health objectives that should be achieved in the region:

- 1) Prevention and cure of tumors
- 2) Active surveillance of the elderly population
- 3) Pain management has a right of the citizen
- 4) Dental care
- 5) Maternal delivery in Tuscany region
- 6) Orthopaedic surgery: planning and clinical management
- 7) Improvement of the emergency care system in the territory and the hospitals
- 8) The primary health care units: a new organizational model
- 9) Specialized check ups: a quality objectives
- 10) Health and nutrition
- 11) Health in the workplace: the emerging risks
- 12) Food security

There is a provision of regional health care fund, which will contribute about 70 per cent of total expenses. 30 per cent will be contributed jointly by social fund (10 per cent) and local authority (20 per cent).

2. Regional Integrated Social Plan

The social policies in Tuscany region have been defined in the 'Regional Integrated Social Plan'. The major objective of regional integrated social Plan is to provide assistance to the needy particularly disadvantaged sections such as poor, aged, immigrants, disabled and minors/ youths etc. In Tuscany region about 23 per cent populations is old and aged.

The social policies are in tune with the EU guidelines. The EU has prepared a national action plan. All social policies are being implemented at local level with the active participation of local authorities. Pension distribution is with the municipalities. The poverty line, has been defined in terms of average household income which is half of the national average household income. Poverty reduction is thus a major component of social plan as Tuscany region is behind many regions as far as poverty reduction is concerned. Unemployment is also high in the region. Therefore region is prioritizing its action to concentrate on the poorest of the poor.

LOCAL SELF-GOVERNMENT INSTITUTIONS IN NETHERLANDS

The devolution process in Netherlands started during the decade of 1850s. In 1851, a legislation on the provinces and municipalities was adopted. In 1931, another law was passed to authorize co-operation between the municipalities of the country. A law on the supervision of the municipalities was passed in 1986. The law on provinces and municipalities was revised in 1994. In 2002, an important development took place in the history of devolution process in Netherlands. The Referendum Act 2002 was enacted to provide for a referendum by citizens at local level.

Presently "the Netherlands is a decentralized, unitary state. There are three tiers of government: central government, provinces and municipalities, each with their own powers and responsibilities. The provinces exercise general supervision over municipalities and they coordinate activities when a number of municipalities (and third parties) are involved. Apart from that, the provinces have contributory jurisdiction (joint rule) in national policy areas such as environment, physical planning, water management, traffic and transport, and part of (health) care" (Frank Hiltermann, Association of Netherlands' Municipalities).

On the other hand there were 467 municipalities in October 2005, which decreased from 1,200 in 1851 and 538 on 1 January 1999. The number of provinces and municipalities in Netherlands is given in Table below:

**Table
Number of Provinces and Municipalities**

Particulars	Provinces	Municipalities
2005	12	467
1997	12	572

*January 1, 2005

The number of municipalities in Netherlands has been rapidly decreasing with abolition of old ones and boundary changes. While seven municipalities were abolished in 2002, eleven in 2003 (although five new ones were formed). 27 Dutch municipalities were abolished and merged into eleven new ones in 2004 and there were 467 municipalities on 1 January 2005.

"The municipalities form the third pillar of governance, alongside the central government and the provinces. All the municipalities share the same duties, which they have to fulfill for their citizens, but it is not necessary for every municipality to perform those duties to the same extent. The municipalities have jurisdiction over all policy issues. Municipalities

are responsible for public order and safety, traffic and road maintenance, economic affairs, education, culture, sports, social welfare, public health and housing. And in other fields of policy there is co-administration with the national and/or provincial level of government, for example with regard to spatial planning and environment" (Frank Hilterman).

Organs of Local Government (Municipality):

Deliberative body

The report of steering committee on Local and Regional Democracy, June 1998 has given a beautiful account of organs of various categories of local and regional authorities. The description of organs of local government is reproduced below:

A municipality is headed by its representative body: the municipal council. The municipal council is responsible for the general administration of the municipality and has the power to pass by-laws. The council is chaired by the burgomaster, who may not vote and acts only in an advisory capacity during council meetings. Council meetings are in principle held in public. The municipalities Act lists various offices such as government minister or member of a provincial executive that are not compatible with membership of the council. The municipal council is elected every four years by the residents of the municipality who have reached the age of 18 and are not disqualified from the franchise. Just as at national and provincial level, the electoral system at municipal level is proportional representation. Different national political parties are represented in most municipal councils.

Executive body

The day-to-day running of municipal affairs is in principle the responsibility of the municipal executive consisting of the burgomaster and aldermen. The burgomaster chairs the municipal executive. In the executive his vote is sometimes decisive. The number of aldermen depends on the size of the municipality. It may not exceed 20 per cent of the number of councilors, but the minimum is two. In municipalities where the position of alderman is a full-time job, the council may decide that one or more of the posts should be divided among part-time office-holders. If the council takes such a decision, the number of aldermen may not exceed 25 per cent of the number of councilors.

Method of election or appointment

The aldermen are appointed by council from among its members to serve for a period of four years. After their appointment the aldermen remain members of the council. Under the 1994 coalition accord (which led to the formation of the present government) it may also be possible for aldermen to be appointed from outside the council.

Political head of the local/regional authority

Although he is not formally the head of the municipality, the burgomaster is regarded as symbolizing the municipality. He represents the municipality in and out of law. The burgomaster stands, as it were, above the political parties represented in the municipal council.

Function and relationship to the deliberative body

The burgomaster is entrusted by law with a large number of duties. For example, the burgomaster is responsible for implementing certain decisions of the municipal council.

He also has the duty of supervising the activities of the council and is the municipal executive; if he considers that a decision taken by one of these bodies is illegal or contrary to the public interest, he refers it through the provincial executive to the Crown to be suspended or quashed.

Although the burgomaster is appointed (and dismissed by royal decree), the burgomaster's role is confined exclusively to the municipality and he has no superiors in the provincial or national hierarchy. He is accountable only to the municipal council.

Head of administration

The municipal secretary is the head of the local government administration. The secretary assists the municipal council, the municipal executive, the burgomaster and committees appointed by them in the exercise of their duties. The secretary attends meetings of the municipal council and the executive. The council issues instructions containing rules governing the duties and powers of the municipal secretary. The documents emanating from the council and the executive are countersigned by the municipal secretary.

Division of powers between different organs of the local authority

The council is responsible for regulating and administering municipal affairs to the extent that this does not come within the competence of the burgomaster or the executive. It adopts bye-laws and takes the main decisions. The council determines the budget, which also sets out the policy for the next budgetary year.

Responsibilities of the Municipalities in Netherlands:

- ❖ Spatial planning and urban development: the municipalities draw up land use plans for land within the municipalities and give planning permissions.

- ❖ Housing: the municipalities build and manage social housing and manage land belonging to the community.
- ❖ Tourism and recreation: the municipalities take part in the promotion of tourism and manage sports grounds.
- ❖ Public works, transport: development and maintenance of municipal streets and roads, traffic and parking regulations, provision of public transport and school buses.
- ❖ Public health, each municipality has a public health and hygiene department and the municipalities are also responsible for the vaccination of children.
- ❖ Education: the municipalities manage public primary schools and cover all the expenses of private primary schools in their area.
- ❖ Welfare: the municipalities are responsible for social welfare and measures to help the unemployed, people and disabilities and the elderly.

Midden Delfland Council

The major functions of the municipality of Midden Delfland are as below:

1. Establish and maintain framework for town and country planning;
2. Management of 'green areas' within municipal area and around the towns;
3. Management of Midden Delfland fund/land bank;
4. Intermediary between the producers and the consumer of 'green products and services'; and
5. It is also responsible for provision and maintenance of recreational facilities, protect nature and valuable countryside (like rural areas in India) and improve agriculture.

The Midden Delfland Municipality was facing following problems before initiation of massive regeneration programme:

1. Open countryside was fast diminishing due to expansion of towns;
2. There were inadequate recreational opportunities for majority of the inhabitants;
3. There were undesirable activities along the borders of the towns;
4. There was stagnation of dairy farming; and
5. With the expiry of Midden Delfland Reconstruction Act, it becomes difficult to protect the interest of agriculture, nature, recreation and countryside etc.

1. The provision of urban services in rural areas

There is no gap between urban and rural areas as far as coverage and quality of infrastructure and services is concerned. The town-country relationship is very strong. There have been instances of land transfer from town to country side and vice-a-versa. Even the relationship between municipalities is constructive. The Midden Delfland gave some area of countryside to the municipality of Hague and Delft, which helped Midden Delfland monetarily. The Midden Delfland is promoting eco-friendly practices and therefore the area under the functional domain of municipality is in harmony with nature, environment and people. The overall environment of Midden Delfland is excellent for growth of economy, improvement of health and overall quality of life.

2. Growth of dairy farming

Dairying is emerging an important economic activity in Midden Delfland. The dairy farming is highly mechanized. The computerization of dairy farming has resulted in higher efficiency, low cost, time saving and therefore more economical. The cows are high yielding and very productive. The farmers take training from veterinary schools. The farmers also prepare milk products such as cheese and butter etc. An autonomous organization, frequently collects the samples of milk and milk products to ascertain the quality and contents.

3. Adequate provision of excellent infrastructure and civic services

The Midden Delfland provides very good infrastructure and services in its towns and countryside. The housing is adequate and quality of houses is excellent. There is good network of roads, which are well maintained with adequate signboards and signals for the benefit of citizens. Sanitary conditions are excellent and there is no gap in towns and countryside in terms of coverage and quality. Solid waste management is scientific and use of technology in segregated collection, recycling, transportation and disposal is visible in all the area of Midden Delfland.

4. Efficient, transparent and accountable local governance

Midden Delfland is an efficient municipality in terms of service delivery and complaint redressal etc. The transparency is ensured by displaying all major decisions and process of selection of private parties for management of municipal services. The municipality has its own website namely www.middendelfland.nl and publish a 20 page paper in Dutch language which is a good platform for the farmers, dairy owners, horticulturists and common citizens.

5. Public-private-people's partnerships (PPPPs) in provision and maintenance of services

The Midden Delfland provides a good example of PPPPs. The private sector is involved in construction and maintenance of roads, provision of sewerage systems and construction of houses. Sanitation in the form of segregated collection of garbage, its transportation, recycling and disposal is managed with PPPP mode.

The direct citizen participation is ensured through referendums. The instrument of the referendum has become very important at local level in recent years. Gradually it has come to be accepted that the holding of consultative referendums is not barred by the Constitution or the Municipalities Act, provided that the result of the referendum is not seen as binding de facto on the representative body (e.g. the municipal council). This would be contrary to the principle of the primacy of the representative bodies as laid down in the Constitution. Various municipalities have introduced a bye-law regulating the holding of referendums.

A bill for a constitutional amendment to allow for the holding of "corrective" referendums is currently being considered by parliament. This would allow the population at local/regional level to indicate whether it agrees or disagrees with decisions taken by the municipal council or provincial council. The outcome of such a referendum would be binding. As the procedure for amending the Constitution is long, it is by no means certain that corrective referendums will actually be introduced.

6. Preparation of Midden Delfland 2025: A vision document

The preparation of vision document is one of the important initiative of Midden Delfland municipality. The document covers all major areas like social, economic, cultural, historical, natural dimensions besides dairying, landscape, water, recreation, archaeology, transportation (mobility), investment, infrastructure (housing, roads, sewerage etc) and environment. Midden Delfland organized a conference to discuss the various dimensions of the vision document. The municipality will make all possible efforts to achieve the goals of the vision document. It has taken care of various policy recommendations of the Netherlands Urban Policy, which aims at combining expertise with financial and human resources in dealing with the economic, social and physical aspects of cities.

7. The neighbourhood/citizen oriented approach

One of the most important assets of Midden Delfland municipality is its more integrated approach to the problems at neighbourhood level. Housing regeneration, upgradation of streets, sanitation and recreational facilities in the neighbourhoods with the support of

multi-stakeholders is major thrust of municipality's policy, which is in conformity with the national urban policy. The council is very close to the people. The citizen orientation of municipality is visible by its involvement in almost all major aspects of life of the people.

8. Full involvement/autonomy/visibility of local government

Midden Delfland is fully involved in dealing with the issues at local level. The municipality has greater autonomy in taking decisions concerning planning, development, environment and recreation. The local government is visible in the area as it provides all major services either its own or with the help of private parties. It is showing interest in the projects to be accomplished with inter city cooperation i.e. its initiative to work with the city of The Hague and Delft etc. for development of peripheral land for recreation and housing. The Association of Netherlands Municipalities (in Dutch VNG) (negotiates on behalf of the municipalities including Midden Delfland member of VNG, when central government and EU initiatives involve municipal interests.

9. Clarity about the functions, powers and responsibilities

The functions, powers and responsibilities of municipality as well as its elected and appointed functionaries are clearly defined and performed. There is no friction between deliberative and executive wings of the municipality. The constructive relationship between the elected representatives and officials is creating good working environment in the region.

The system of local self-government in Netherlands is strong, efficient and citizen oriented. The municipal management practices are innovative. The municipality of Midden Delfland (MD), despite being a new municipality is managing its affairs excellently. There is no gap in coverage and quality of infrastructure and services in towns and countryside. The effectiveness of local governance and planning is visible in the form of excellent coverage and quality of infrastructure, environment and sanitary conditions. Neighbourhoods are well maintained and recreational facilities are available to all sections. The women actively participate in municipal affairs. The local government is effective, autonomous, efficient, transparent and accountable, which are indicators of good governance.

10. Functioning of the local self-governance in Netherlands

- ❖ There is no rural urban divide so far as the local self-governance is concerned.
- ❖ Municipalities are the local self-governance units for a particular geographical area comprising of both rural and urban area.

- ❖ The schemes and programmes of the government are same for rural and urban areas.
- ❖ The municipalities in the Netherlands have traditionally been a channel for the implementation of many government activities. The tasks performed by municipalities can be divided into two categories: Municipalities can have autonomous tasks and tasks which they perform jointly with central government.
- ❖ Because of an effective system of legislation and regulation, based on the Constitution, municipalities are assured of the financial resources they need to perform the tasks for which they are responsible. The financial position of all municipalities is clearly defined and the financial risks, which they run are limited.
- ❖ The financial relationship between central government and the municipalities is structured in such way that the creditworthiness of the municipalities is equal to that of the state of the Netherlands.
- ❖ Municipalities are permitted to raise taxes.
- ❖ Financial relationship between the state and the municipalities; almost 20 per cent of the, central government budget flows directly to the municipalities in the form of specific grants and the general grant from the Municipal Fund. Central government largely determines how much money, the municipalities are to receive and the municipalities largely depend for their income on the State.
- ❖ There is an inverse relationship between a municipality's tax-raising capacity and the general grant which it receives from the municipal fund. If the municipality's tax-raising capacity decreases, the general grant increases, and vice-versa. This ensures that a municipality with a low tax-raising capacity receives sufficient funds to provide its citizens with the same standard of facilities as those enjoyed by other municipalities.
- ❖ The municipalities act states that municipalities must be supervised by the next higher echelon of government: the provincial executive, e.g. the resolutions of the municipal council can be overturned if they are in conflict with the law or public interest.

Local Self-Government Institutions in Belgium

Belgium became independent from Netherlands in 1830 and then remained occupied by Germany during World Wars I and II. It has prospered in the past of half century as a modern, technologically advanced European state and presently is a member of European Union. Belgium since middle ages has been one of the richest and most developed regions in the world. During half century before World War I, Belgium was the fourth economic power in the world. The wealth of Belgium is not due to natural resources, which are rather scarce but due to industrial development and its trade, which is facilitated by Belgium's location in Western Europe. Tensions between the Dutch-speaking Flemings of north and French-speaking Walloons of south have led to constitutional amendments granting these regions, recognition and autonomy.

Belgium is a federal state composed of communities and regions. It is subdivided into three tiers with Regions and Communities at the top, provinces in the middle and municipalities at the local level. The Communities are: the French, the Flemish, and the German-speaking. The regions are: the Walloon, the Flemish and the Brussels. The Walloon and Flemish regions comprise of five provinces each. In all, Belgium has 589 municipalities, 262 in the Walloon region, 308 in the Flemish region and 19 in the Brussels-Capital region.

The regions have statutory powers to supervise general administration of provinces and municipalities, municipal groupings and urban agglomerations. Municipal governments are vigorous political entities with powers to perform functions devolved by higher levels of government.

Constitutional Provisions

Article 41 of the Constitution provides that 'Interests which are exclusively of a municipal or provincial nature are performed by municipal or provincial councils, according to the principles established by the Constitution'. These local authorities make their own rules for staff employment, within the statutory framework and decide conditions for the recruitment and promotion of staff.

The constitutional reform of 1993 provides direct elections of communities and regional legislative assemblies called 'council' and an executive body called 'government'. In all there are five assemblies and governments to represent the regions and communities. The federal government has supervisory control over the budgets and accounts of these local authorities.

Structure of Municipal Governance

Municipalities have municipal councils comprising of directly elected members called the councilors. The number of council members depends on the size of population of the

municipality but has to be in odd number. The number of candidates of one sex may not exceed two third of total seats of a municipal council. The elections are held every six years on the second Sunday of October. The municipal councils meet at least ten times in a year.

The mayor and aldermen constitute the executive body and this body carries out day-to-day management and implements the decisions taken by the council.

The mayor, head of the municipality, is appointed by the Crown from among the elected members of municipal council or in exceptional cases with the approval of the provincial executive, from among the non-councillors who are registered voters of the municipality and is 25 years or more of age. He is responsible for maintaining public order, enforce the decisions of higher authorities and has power of enforcement of law. He may delegate some or all of his powers to aldermen.

Functions of Municipalities

The powers delegated to the municipalities by the higher authority, the federal state, include electoral matters, religious facilities, granting of social assistance and maintenance of register of births and deaths. Other services under the jurisdiction of municipalities are:

1. General administration
2. Education
3. Public health
4. Social welfare
5. Housing and town planning
6. Environment and public sanitation
7. Culture and leisure promotion
8. Traffic and transport
9. Registration of births and deaths

Implementation of social security policies:

There are inter municipal associations. These associations are formed as public limited companies, a co-operative or corporate bodies governed by public law but are not commercial. These bodies may perform following functions:

1. Water, gas, electricity and television programme distribution
2. Economic development and social development
3. Land and housing development
4. Waste treatment and management
5. Maintain crematoria

6. Promotion of Tourism
7. Health and Social Welfare

Finances

The municipalities Act stipulates the jurisdictions and autonomy of municipalities. The financial autonomy of the municipalities depends on the resources allocated to them by the higher authorities. Main sources of income of the municipalities include own taxes, additional taxes, fees and levies, grants, borrowings, and transfers from the supervisory authorities, non-tax receipts and supplementary levies.

Taxes: There is no exclusive tax that a municipality is obliged to levy (Article 170 of the Constitution). The municipal council decides the basic rate of tax and a law decides on exemptions and deductions in the taxes. However, law may fix maximum rates of taxes. Main taxes are income and property taxes.

Additional taxes: (a) surtax on rent income from property (b) local surcharge on personal income tax (c) tax on automotive vehicles

Share in general taxes, the state remits to municipalities a percentage of the taxes collected from licensing fees and tax on motor vehicles registered in municipality area.

Grants: Two types (i) general, and (ii) restrictive.

The state, communities and regions as well as the provinces may allocate grants to the municipalities. Largely the municipalities are financed by a share that is assigned to them by the region. The tax potential of a municipality is used as a criterion for determining the share in the funds of region.

Other sources of income (fees and charges) of municipalities:

1. Entrance charges to public institutions
2. Parent's contribution to education costs.
3. Electricity and gas supply charges
4. Rents on burial plots
5. Sale of goods or hiring out of the municipal plant and equipment.
6. Farming leases
7. Dividends an equity investment in inter-municipal association.
8. Interest received on loan
9. Insurance compensation
10. The municipalities can raise loans for investment expenses
11. Sale of government securities and debentures

People's Participation in Decision-making

The municipal Act has provisions for popular consultation, subject to conditions that the minimum of 10 per cent of the municipal electors must support the consultation. Only one consultation on any one subject and maximum of six consultations in the lifetime of a municipality is allowed and each subsequent consultation should have minimum of six months time gap. This includes taking a popular consent on issues.

Community initiatives

European Union has four 'community initiatives' for the year 2000-2006 programming period, and each member state is responsible to implement each initiative. They are INTERREG III for cross border, transnational, and interregional co-operation; URBAN to promote and implementation of innovative development models for the economic and social regeneration of small and medium sized towns and cities or of run-down urban areas in crisis in the neighbourhoods of larger cities; LEADER+ third stage of rural development through wide dissemination of information and networking; and EQUAL for fighting against discrimination and inequality in accessing the work.

LEADER (Liaison Entre Actions de Development de l'Economic Rurale) is a new approach to rural development in European Union countries based on 'bottom up' planning through intimate cooperation of Local Action Groups (LAGs). The European Commission has adopted the future of rural society as an 'Integrated Economic and Social Unit'. These entities include villages, small cities and rural municipalities. In 1991, LEADER was launched by the Commission, with over half the population of 25 member States of European Union living in rural areas covering 90 per cent of the territory, rural development is a important policy matter in the European Union. This includes policies relating to agriculture, as 'Europe without agriculture is inconceivable'. This also due to the fact that in rural areas of Europe, the rate of unemployment is always higher than the National average.

LEADER represented a bottom up approach based on the selection of the best local development plans prepared by LAGs representing public-private partnerships. LEADER+ is now a third generation development. LEADER-I started in 1991, LEADER-II cover period from 1994 to 1999 and LEADER+ is covering period of 2000 to 2006. The distinct feature of LEADER is integrated development programmes for local rural areas to be implemented by local partnerships. There is advantage of 'bottom up approach' to promote decision making by the community and leading to innovating local action. Innovative actions give answers to the local problems. After the success of LEADER-I, LEADER-II programmes, the European Commission is implementing LEADER+ programme mainly to improve the quality of rural areas through introduction of new technologies to make products and services in rural areas more competitive. The European Commission has decided to reinforce 'European Union Rural Development

Policy' during the period of 2007-2013. The objective is to increase the competitiveness of the agricultural and forestry sector, improving the environment in the countryside and improving the quality of life in rural areas. The European Union funding of € 13 billion per year has been proposed for the programme period 2007-2013.

LEADER means listening to the voice of local citizens and increasing their participation to shape their own future with the support of higher levels of government.

Water Supply Management

A water board has been established for ensuring the production and distribution of safe drinking water and management of sewage and rainwater. The groundwater in Belgium is not potable and certain catchment areas have been identified and developed as source of water. Cent per cent safe drinking water is supplied both in rural and urban areas. However, water supplied for other than drinking purposes, is priced separately. The private companies supply water on basis of cost effective user charges. The collection of user charges is almost 100 per cent. There are no willful and deliberate defaulters. In case of defaulters, the water supply is disconnected. Thus, the private companies ensure supply of drinking water to the community.

Solid Waste Management

A private company or companies manage the solid waste in Belgium. Different coloured containers are supplied by each municipality to every household for collection of garbage to ensure segregation of waste at household level. A charge per household per year is levied for lifting, transportation and disposal of household waste. The transportation and disposal of waste has also been transferred to the private companies. The citizens in rural as well as urban areas have not to worry about disposal of waste.

In Belgium, a larger percentage of population lives in rural areas. There is a trend to live in the countryside due to the availability of good civic amenities and better environment for living and fast surface transport. This is the unique feature of future urban development in advanced or advancing members/countries of European Union.

MANAGEMENT PRACTICES OF LOCAL SELF-GOVERNMENT INSTITUTIONS IN GUJARAT

Institutionalization of panchayati raj as a concept and as a process in the marked feature of Gujarat. Gujarat was the only state where panchayat elections have been held almost regularly and even during the period of emergency (1975-77) in the country. However, the history of panchayati raj had not been uniform. It has passed through three stages: (i) the stage of development, 1963-75; (ii) the stage of stagnation, 1976-80; and (iii) the stage of decay after 1980. However, in terms of popular participation, social mobilization and extension of social justice to the underprivileged and the rural poor, the performance of panchayati raj, was commendable. It had singular success in the field of relief work, family planning, rural development, afforestation, distribution of house sites and construction of houses for the weaker section.

Table : Profile of PRIs in Gujarat as on 1.4.2004

PRIs	Number	Elected Representatives				
		Total	General	S.C	S.T	Women
Gram Panchayats	13819	83213	56028	9895	17290	40985
Intermediate Panchayats	225	2768	1953	265	550	1393
Zilla Panchayats	25	544	390	39	115	275

In conformity with the constitution (73rd Amendment) Act, 1992, the Gujarat Panchayat Act, 1993 came into force on 15 April, 1993. Some of the important practices and aspects of panchayati raj system noticed during the field visit (29th January to 4th February 2006) are given below:

Institutional Strengthening

State Panchayat Council- It advises the government on all policy matters concerning PRIs. The minister of panchayati raj is the chairperson of the committee and all the chairman of zilla parishads are its members.

State Panchayat Services Board- Chapter-XIII, Clause 235 (1) of Gujarat Panchayats Act, 1993 envisages that there shall be established a Gujarat Panchayat Service Selection Board consisting of five members including chairman. The terms of office of the board members is six years. The main function of the board is to select candidates for recruitment to such posts in the panchayat service and to advise the panchayat in such matters as may be prescribed by rules.

District Panchayat Council- Advises the district authority and zilla panchayat on all matters concerning to panchayati raj institutions (PRIs). President of zilla panchayat is its chairman and all taluka panchayat presidents are its members.

District Panchayat Service Selection Committee- Chapter-XIII, Clause 236 of Gujarat Panchayats Act, 1993 envisages that there shall be a District Panchayat Service Selection Committee in each district for selecting candidates for recruitment to posts of the panchayat service and to advise the panchayats in such matters. This committee shall consist of: (i) one member of the Gujarat Panchayat Service Selection Board to be nominated by the chairman of that board; (ii) the president of the district panchayat of the district; and (iii) such officer of the panchayat service or state service as the state government may nominate.

Empowered Zilla Panchayat

Delegation of three functions-

Functions of Nineteen departments have been transferred to zilla panchayats. 14 departments have been fully transferred and five departments partially transferred. The **fully transferred departments** are: (i) agriculture including agriculture extension; (ii) minor irrigation; (iii) animal husbandry; (iv) rural housing; (v) drinking water-water distribution; (vi) roads, culverts, bridge, ferries, waterways; (vii) fuel (energy) and fodder; (viii) minor forest projects; (ix) poverty alleviation programme; (x) fairs and markets; (xi) health and sanitation including primary health centres (PHCs), dispensaries; (xii) family welfare; (xiii) women and child development; and (xiv) welfare of the weaker sections and in particular of the Scheduled castes (SCs) and Scheduled Tribes (STs). The **partially transferred departments** are: (i) primary and secondary education; (ii) adult and non-formal education; (iii) cultural activities; (iv) social welfare including welfare of the handicapped and mentally retarded; and (v) maintenance of community assets.

The functionaries and funds of the devolved line departments have been transferred to zilla panchayats.

Source of income of zilla panchayats-

The main sources of income of zilla panchayats are:

- Transfer of grants from the state government
- Local fund cess
- Stamp duty
- Land revenue
- Stationary grant
- Rent from guest houses and others
- Interest on fund fixed deposit

District fund-

The Gujarat Panchayats Act, 1993, in chapter XIV, part III, 158, provides that there shall be in each district a fund which shall be called a district fund. The following shall form part of district fund:

- (a) The proceeds of any tax or fee imposed under the Act;
- (b) The sale proceeds of all dust, dirt, dung, refuse or carcasses of animals;
- (c) Sum contributed to the district fund by the state government;
- (d) All sums received by way of gift or contributions by the district panchayat;
- (e) All sums received by way of loans from the state government or otherwise;
- (f) The income on proceeds of any property vesting in the district panchayat;
- (g) The net proceeds of taxes (after deducting the expenses of assessment and collection) of the cess authorized by section 191; and
- (h) All sum realized by way of rent or penalty.

District development fund-

Gujarat Panchayati Raj Act 1993, in chapter-XI, 223 mentions that in each district there shall be District Development Fund (DDF) comprising of:

- (a) Contribution made by the village panchayat;
- (b) The fund shall vest in the district panchayat and shall be invested in the prescribed manner;
- (c) The Fund shall be utilized for granting loans to village panchayats; and
- (d) The state government shall make rules prescribing the purposes for which loan may be granted.

District equalization fund-

Chapter-XI, 221 (1) is for making special grants to backward districts so as to minimize the social and economic inequalities between the districts of the state.

District village encouragement fund-

Chapter-XI, 222 (1) is utilized by the district panchayat for making incentive grants to village panchayats to encourage them to raise their income by levying taxes and fees livable by them under this Act.

Financial Empowerment of Gram Panchayat

The state government has taken adequate measures for the financial empowerment of gram panchayats with greater autonomy. A few points worth mentioning are as follows.

Own sources of income of gram panchayat-

Taxes comprising of property tax, water tax, street light tax, vehicle tax, sanitation tax.

Fees comprising cattle fees, health surcharge, parking tax, periodical market tax (Gujari).

Financial assistance-

Grant as per the recommendations of the State Finance Commission; 50 per cent to village panchayat, 25 per cent to taluka panchayat, 10 per cent to district panchayat, 7.5 per cent and 7.5 each to district equalization fund and district gram encouragement fund respectively.

Grant from District Equalization Fund; maximum Rs. 75,000/- as a grant from district panchayat

Grant from District Gram Encouragement Fund; applicable to those gram panchayats who have levied new tax and ensure good recovery are eligible for Rs. 25,000/- as per the government guideline.

Grant from District Development Fund; district panchayat can give a loan Rs. 50,000/- to a weaker gram panchayat and if the amount exceeds, permission is required from development commissioner.

Grant from Samrash Gram Yojana; If population is less than 5,000 and the sarpanch is elected without election the panchayat is entitled to Rs. 60,000/- as an inspiration grant and if population is 5,001 to 15,000 it is entitle to Rs. 1.00 lacs.

Grant from Twelfth Finance Commission;

- Grant received from district panchayat.
- Grant used for development drainage system, sanitation, street light, road, school room, water supply, jyoti gram, e-Gram, panchayat ghar, etc.

Grant for Implementation of Central Government Schemes; such as Jawahar Rozgar Yojana (JRY), Indira Awas Yojana.

Grant for Implementation of State Government Schemes;

- Water Shed Yojana
- Hari Yoti Yojana
- Gokul Gram Yojana

e-Gram

As a part of e-Governance, citizen charter facility provides the village level e-Gram Project, which creates sources of income, recovery of taxes, rural development and

implementation of various schemes of panchayat, maintain the computerized land revenue record, birth and death registration, BPL and record of accounts of village panchayat, which ultimately becomes **Electronic Gram Panchayat**.

Activities of e-Gram-

The activities of e-Gram Project at village panchayat level through computerization cover:

- Computerization of birth and death registration and issue of certificates.
- Property tax: Property valuation certificates, property tax receipt and property valuation register can be auto generated.
- Registration of BPL beneficiaries: BPL certificates and BPL beneficiaries register is automatically generated.
- Issue of various certificates at panchayat level, such as, income certificate, caste certificate, character certificate, domicile certificate.

Achievement-

- Out of 863 panchayats in vadodra district, e-Gram is operated in 325 village panchayats.
- 64 village panchayats have internet facilities.
- 360 Talati-cum-Mantri have received training of computer Module-1 and e-Gram.
- Hardware and software of e-Gram have been provided in 328 village panchayats.

Safe-Motherhood Monitoring System

The Vadodra Zilla Panchayat has developed a computerized based Safe Motherhood Monitoring System (SMMS), which is used for monitoring the health indices like Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR), birth rate, sex ratio of new born babies, immunization, institutional delivery and family planning in Vadodra. Besides it also records the health infrastructure available at the district, Community Health Centres (CHCs), PHC and sub-centre level and list of NGOs operating in health sector.

Strategies-

The following steps have been taken to complement the Safe Motherhood Monitoring System in Baroda.

- Control room established at block health office headquarters.
- Phone-contact number including the mobile numbers of doctors has been given to each and every pregnant woman.

- Ambulance facility is given at 100 per cent concession to the needy.
- Affordable village panchayats instructed to bear the transport cost of poor pregnant women in the villages.
- All the block health offices have been computerized and at present data entry is done at taluka panchayat office.
- Renovation of operation theatres and maternity wards has been planned.

Results-

- Number of institutional deliveries increased.
- Number of IMR decreased.
- Immunization of pregnant women and children increased.
- Referral cases increased in CHCs.

Management Practices in Urban Local Bodies

Gujarat at the end of September 2002 had 149 Urban Local Bodies (ULBs): (i) Six municipal corporation; (ii) 85 municipal councils; and (iii) 58 nagar panchayats. The Ahmedabad Municipal Corporation (AMC) and Ahmedabad Urban Development Authority (AUDA) has initiated municipal reforms and innovative management practices for the improvement of urban governance and quality of living of the city population. A few management practices are discussed below:

e-Governance and City Civic Centres (CVCs):

The introduction of e-Governance and CVCs is innovative practices and steps taken by the AMC for the management of urban affairs are innovative.

The objectives of e-Governance or computerization are to:

- Provide better services to CITIZENS of Ahmedabad.
- Provide easy access to information.
- Eliminate discretionary human interference.
- Reduce paper work, process data and make the decision making process faster.
- Raise resources of AMC.

These are 16 **City Civic Centres (CVCs)** spread across all five zones, which provide following twelve services at single window relating to:

- Property tax
- Vehicle tax
- Building Plan Approval

- Issuance of Birth and Death Certificate
- Shops and Establishment Licenses
- Registration of Complaints-Ward level connectivity
- On Line Tenders
- Hawker License
- Restaurant Licenses
- Octroi Collection
- Application for Water Connection

Table
Transactions at AMC City Civic Centres from 18 September 2002 to 31 July 2004

Services	Transactions	Amount Rs Lacs
Property Tax	993677	27542
Vehicle Tax	27404	192
Building Plan Approved	3493	1888
TDO fees	7745	1284
Shops & Establishment Licenses	32956	26.22
Birth & Death Certificate	14780	5.20
Hawkers Licenses	124	0.64
Restaurant Licenses	44	0.76

Property Tax Reform

In 1999, Ahmedabad Municipal Corporation introduced a new area-based property tax assessment system. The following activities were conducted in order to formulate property tax system:

- Contractors were appointed for survey of all properties in the AMC area.
- Various alternative formulas were considered to arrive at a property tax system.
- The system was widely discussed across the various groups such as elected wing of the corporation, the MLAs, MPs and various interest groups.
- A new formula was approved by the State Legislative and it became an Act.
- Before the training on the taxation rules, a series of steps taken included:
 - Survey of properties
 - Computerization of data
 - Issue of special notices and bills
 - Receiving of objections
 - Hearing of objections by the appellate authority

- These tasks were carried out by AMC employees and contractors employees
- Based on survey fine-tuning was done and the draft rules were finalized and sent to government for approval.

Decentralization of Municipal Administration

The following steps have been taken for decentralization of municipal administration in Ahmedabad:

- Ahmedabad Municipal Corporation is divided into six zones for the administrative convenience.
- Each of the zones has been further divided into wards to facilitate effective administration.

The zonal officers have been empowered to simplify the procedures and ensure timely completion of works. Each zone has been allocated a stipulated budget for facilitating smooth operation. Decentralization of administration to zonal level helps in addressing the local problems speedily and effectively in delivery of services.

Tax-Free Municipal Bonds

The AMC, in the year 1998-99 become the first municipal body in South Asia to access the local debt market to raise Rs. 100 crore for infrastructure projects. The objective was mainly to partly finance Rs. 150 crore water project and 150 crore sewerage project of the city.

Ahmedabad Urban Development Authority (AUDA's) Land Use Management

The AUDA initiated new town planning (TP) scheme in 1999 by amending the Gujarat Urban Development and Town Planning Act, 1976. The strategies adopted in the formulation of new scheme are:

- After the area for development is sanctioned as per the development plan. AUDA is entitled to take possession of land under road development and instruct the developer to develop their adjoining land in the area.
- While giving development permission with mutual consent, the reconstituted plots are given to respective landowners and the land allocated to AUDA for civic infrastructure is taken by AUDA.
- AUDA created a land bank of plots for sale and the proceeds from the sale contributed for the provision of infrastructure. This has strengthened the self-financing of the TP scheme process.

- ❑ AUDA has also involved private planning consultancy and development firms for planning TP schemes.
- ❑ AUDA has finalized 48 TP schemes (total land area of about 5000 hectares) during the brief post amendment period of three years.

Prahlad Nagar-A Case Study

The total area of the Prahlad Nagar project is 162 hectares. The project area originally had 297 plots. Under the project TP scheme these "original plots" have been reconstituted in to 286 " Final Plots". All the final plots have approximately 52 per cent of the area of the original plots. The 48 per cent of land thus freed through the reconstitution has been used to provide:

- ❖ Roads
- ❖ Water bodies
- ❖ Institutions (schools, police station & neighbourhood centres)
- ❖ Land for resale by AUDA to recover the cost of infrastructure provision.

Break of use of land under AUDA, TP Scheme, Prahlad Nagar From 18 September 2002 to 31 July 2004

Type of Land Use	% Provided
Roads	19.83
Water bodies	1.24
Institutions (School, Police station & Neighbourhood centre	5.54
Parks and gardens	4.46
Socially and economically backwardness housing	7.89
Residential (reconstituted plots returned to original owners)	48.43
Residential for AUDA land bank	7.77
Commercial AUDA land bank	4.64
Total	100.00

Slum Networking Project

As per the 1991 Survey Ahmedabad had 2,142 localities having slums and chawls with a population of about 12 lakh, which constitute 41 per cent of the total population of the city. The AMC initiated the slum rehabilitation programme for raising the quality of life of slum dwellers in 1999. Some of the steps followed in the slum networking projects are:

- ❑ AMC decided to replicate the slum networking project adopted in Indore.
- ❑ One of the leading corporate houses of Ahmedabad namely Arvind Mills Ltd. came forward to develop a partnership with the AMC.

- Set up a slum networking cell headed by a Deputy Municipal Commissioner.
- The project aimed at successful partnership between AMC, a corporate house, an NGO and the beneficiaries' communities.
- The basic services in the slums were planned on an equitable cost-sharing basis. Each stakeholder contributed 33 per cent of the total "onsite" capital cost of the services provided.

Cost Sharing by Stakeholders

Sr.No.	Components	Cost Sharing
I.	Physical Development cost sharing: cost of water supply, sewerage networking with individual toilets, storm water drainage, paved road, streetlight, solid waste management, and tree plantation.	Rs. 6000/- per household: (i) 2000/- Slum dweller (ii) 2000/- Private/ NGO (iii) 2000/-Municipal Corporation (AMC)
II.	Community Development Cost sharing: Formation of neighbourhood committees of youth & women interest groups, mobilization of community saving, education, health, and skill development.	Rs. 1000/- per household: (i) 300/- NGOs (ii) 700/-AMC
III.	Linkage with basic city infrastructure cost contribution: enhancing water supply distribution around slums, improving city roads approaching the slums, efficient and effective solid waste management of city level, linking sewerage & storm water drainage system with city sewerage	Rs. 3000/- per household (i) 3000/- AMC
IV.	Community Corpus for maintenance contribution	Rs. 100/- (i) Rs. 100/- per slum dweller
V.	Individual-Housing -Toilet	By AMC under the Urban development programmes.

Public Private Partnership in Solid Waste Management

AUDA has entered into a unique partnership with the private sector, NGOs and neighbourhood organization for the solid waste management in Vijalpur Municipality and Bodakdev Nagar Panchayat.

Stakeholders Involvement

Sr.No.	Stakeholder	Contribution
1.	AUDA	Dustbins/Tractors/Apron
2.	Private Agencies	Sweeper/Dusbins
3.	NGO	Rag collector
4.	Local Government	Tractors, three wheeler bicycle
5.	Beneficiaries/Resident Associations	Sanitation/Garbage fee

Strategies Adopted

- All the societies in the particular areas were listed; methodology and routes for cleaning and maintenance purpose identified.
- One/two garbage collection bins were provided outside each society office.
- The sweeper/garbage collectors of each society were instructed to dump the entire waste collected into the bins provided for the society.
- Communities were motivated by the NGO workers to pay for the garbage collection.
- Municipal council members and nagar panchayat representatives were motivated to play active role in the solid waste management.

MANAGEMENT PRACTICES OF THE PANCHAYAT RAJ INSTITUTIONS AND URBAN LOCAL BODIES IN KARNATAKA

Management Practices in PRIs

Panchayati raj system in Karnataka has a virtuous past history. In the old state of Mysore, a three tier structure of union panchayat, taluk boards and district boards was established under the Mysore Local Boards Act, 1902, with a minority of elected members, the rest being either nominated or appointed as ex-officio members. Further revisions took place in 1918 and 1926 for creating village panchayats and district boards with enlarged elected membership and taluka boards were elevated. In the new state of Mysore, which came into existence in 1956, a local-self-government setup was introduced under the Mysore Village Panchayats and Local Boards Act, 1959 and a three tier structure was introduced.

The Karnataka Act of 1983 is regarded a landmark in the history of local government not only in Karnataka but also in India. The new setup was modeled on the suggestions made in the Ashoka Mehta Committee report, with a two-tier structure zilla parishad at district level and mandal panchayats for a group of villages with direct elections to both the bodies. The other outstanding features of the Karnataka Act of 1983 are : (i) willingness of the state government to divest powers and functions in favour of local government; (ii) statutory recognition to gram sabha comprising all the adults of the village; (iii) investing mandal panchayats with power to levy property tax, tax on vehicles; (iv) the responsibility of district plans was invested with zilla parishad; and (v) provision of finance commission to recommend to the government, the pattern of assistance to the zilla parishads and the principles which should govern grant-in-aid from the government to zilla parishads and from zilla parishad to mandal panchayats.

After the 73rd Constitutional Amendment on Panchayati Raj, 1992, the Karnataka Panchayati Raj Act, 1993 came into force on 10 May 1993. The salient features are as under;

- 1) Establish a three-tier panchayat system in the state based on the population as ascertained at the last preceding census of which the figures have been published. It envisaged elected bodies at all the three levels.
- 2) It provides for reservation of seats for scheduled castes and scheduled tribes in proportion of their population and for reservation of one third seats for women at all levels.
- 3) It also provides for reservation of seats and offices of chair persons at all levels for the persons belonging to backward class of citizens.

- 4) It also provides for reservation of seats and offices of chair persons at all levels in favour of Scheduled Castes and Scheduled Tribes and women.
- 5) It also envisages constitution of State Finance Commission, and District Planning Committee.

Structure of Governance in PRIs

The three-tier panchayati raj system in Karnataka are gram panchayat, taluka panchayat and zilla panchayat. As on 1.4.2004, there are 5,659 gram panchayats, 175 taluka panchayats and 27 zilla panchayats. *Adhyaksha* is the elected head of gram panchayat supported by *Upaadhyaksha*. Secretary is the official assisting *adhyaksha* at gram panchayat level. Similarly *adhyaksha*, an elected representative is the head of taluka panchayat supported by *upadyaksha*. Executive officer a government official assisting *adhyaksha* is a class-1 officer for executing functioning of taluka panchayat. He is supported by assistant planning officer to take care of planning activities and an assistant accounts officer to take care of financial aspect. Zilla panchayat is headed by *adhyaksha* and supported by *upadhyaksha*. The chief executive officer is a senior IAS officer who is the executive head of the official machinery. He is assisted by deputy secretary-I (administration), deputy secretary-II (development); chief accounts officer and other officials.

As far as transfer of three Fs: funds, functionaries and functions are concerned, government of Karnataka has transferred all three Fs to panchayats. The district planning committees have been constituted in all districts and president of zilla panchayats are the chairman of DPCs and of DRDAs.

The recent measures of the Karnataka government stand testimony to its sustained support to panchayati raj reforms. The amendments made to the Karnataka Panchayati Raj Act in October 2003 and the subsequent steps taken to strengthen the gram sabha are: create and empower ward sabha; complete activity mapping; and rationalize and simplify schemes entrusted to the panchayats are to be emulated countrywide. Further the monitoring of the actualization of devolution by a legislative committee is a significant step in the strengthening of panchayats in the state. The entrustment of developmental schemes by the state government to panchayats in the budget of 2005 is step forward in matching the functional transfer with funds. Thereafter this process, panchayats now handle in excess of Rs 3,500 crores of plan funds per year.

Delegation of Functionaries and Funds to Gram Panchayat: An Endeavour for Greater Autonomy

Section 111 and 112 of Karnataka Panchayati Raj Act envisages that "Every gram panchayat shall have a whole time secretary" and " may with the prior approval of the Chief Executive Officer appoint other employees of the gram panchayat and pay their salaries from the gram panchayat fund."

The panchayat secretary is an employee of the government but works in the office of the panchayat and is paid salary from the panchayat fund, which is disbursed by the panchayat. All other staff is appointed by the panchayat and is paid from the panchayat fund. The panchayat through its recruitment committee appoints the staff. This reveals that the gram panchayat has its autonomy and own administrative setup. This has enabled gram panchayats to maintain own MIS and all other records and accounts properly and systematically.

The income of the panchayat include:

- Statutory grant (Rs 5 lacs) from the state government.
- Tax income i.e. property tax, water tax, professional tax, fair and exhibition tax and professional tax. This constitute nearly 17 per cent of the total revenue.
- Grants from the Central Finance Commission (CFC) and central plan.

The former two are untied revenue of the gram panchayat, which they spend without any restrictions and on the basis of village need and demand made by the ward-sabha. The gram panchayat has a greater degree of financial autonomy.

Direct Release of funds through banks to Gram Panchayats

Funds go to gram panchayats directly through banks, protecting them from dependence on treasury. The arrangement involves six nationalized and 12 grameena banks, in which all gram panchayats hold accounts. With the system, the maximum time for funds to reach panchayats has come down from two months to 12 days. Since the entire process is automatic, corruption in fund transfers has been eliminated.

Introduction of Accounting Reform

The three key features of accounting reforms are: (i) Accounting and financial reporting system. (ii) Computerization of accounts; and (iii) Auditing.

The accounting and financial reporting system for PRIs includes: (i) a self-balancing book keeping (double entry book-keeping system); (ii) standard accounting practices such as reconciliation, confirmation of balances, matching of main accounts with sub-accounts; (iii) accounts and functional reporting need to be made timely; and (iv) appropriate functional reporting in prescribed formats.

Right to Information

Karnataka's Right to Information Act empowers people to seek information. Additionally detailed instructions have been to all panchayats for suo moto disclosure of information

pertaining to their areas of functioning, including details of works undertaken, estimates, etc. Directions have been issued to all gram panchayats for maintaining display boards containing information about funds (receipt and expenditure), as also details of all works being undertaken in the gram panchayat. The suo motto disclosure of its budget and works is practiced in gram panchayat.

Community Management of Drinking Water Scheme

The Karnataka Panchayati Raj Act, 1993 envisages that every gram panchayat shall constitute three committees such as, production committee, social justice committee, and amenities committee.

Each committee shall consist of not less than three and not more than five members including the *adhyaksha* and *upadhyaksha*. The *adhyaksha* shall be the ex-officio member and chairman of the production committee and amenities committee. The *upadhyaksha* shall be the ex-officio member and chairman of the social justice committees. The member of the committee would be the members of farmers clubs, mahila mandals, yuvak mandals and other similar bodies recognized by the government.

In the gram panchayat, the Village Drinking Water Supply and Sanitation Committee (VDWSSC) work as a sub-committee of the amenities committees. The gram panchayat passed a resolution for the formation of VDWSSC and it was formed in the gram sabha.

Some of the steps for the effective functioning of the committees are as follows:

- A joint account of the gram panchayat is opened in the local bank in the name of VDWSSC.
- Water taxes collected from the villagers are deposited in the account of VDWSSC.
- The fund is utilized for the payment of electricity bill, operation and maintenance charges, etc.

A few functions of the VDWSSC are as follows:

- Fixation of water tax.
- Recruitment and functioning of water men.
- Fixing timing of the water supply.
- Operation and maintenance of water supply schemes.

The VDWSSC holds meeting in every six month and assesses the pros and cons of the drinking water supply in the villages of the panchayats. This is one of the illustrious examples of community management of drinking water supply.

Satellite and Interactive Training Programme (SB-ITP) for Elected Representatives of Panchayats

The features of SB-ITP adopted by the Karnataka government for the training of elected representatives of three tier PRIs.

- a. The State Institute of Rural Development (SIRD), Mysore, Karnataka has received wide acclaim for successfully offering a Satellite Based Interactive Training Programme (SB-ITP) for over 85,000 elected representatives from all tiers of PRIs across Karnataka.
- b. The participants at the training centers can seek clarifications from the resource persons present at the studio on an audio channel/fax through telecommunication lines located at the training centers. At the studio, the questions received from a training center are looped back on the audio channel of the TV signal emanating from the studio, so that the questions can be heard at all the training centers in the different districts and talukas. The response to the questions is received by all the training centers.

The benefits are immense, such as, the system is less costly and the expenditure on training is very low after the capital investment on technology, uniformity in training can be maintained throughout the state.

Panchayats and Self Help Groups (SHGs)

Gram panchayats took active interest in the formulation of SHGs in the villages. The gram panchayat members in general and women members in particular provide active help to the NGOs and functionaries of women and child development department for the formulation of SHGs in the villages. Some of the identified activities undertaken by the SHGs are as follows:

- Diary activity
- Sheep rearing
- Sericulture
- Horticulture
- Weaving
- Handicrafts
- Agrbathi manufacturing
- Minor irrigation project
- Grocery shop
- Ready made garments
- Plastic flower assembling
- Food product like samber powder and pickle making

- Household clining like phenyl and washing powder making
- Paper products
- Floriculture and brick manufacturing
- Catering services

Future strategies include:

- Involving SHG members in conducting survey of various development works.
- Entrusting the work like collection of water, electricity and other taxes at gram panchayat levels to SHGs.
- Entrusting mid-day meal scheme to SHGs.
- Entrusting forest nursery and plantation work to SHGs.

Social Auditing

The Government of Karnataka has made the social auditing mandatory for the panchayats. The social auditing of the revenue and expenditure of the gram panchayat is done every year in the month between September and November. The following procedures are adopted in social auditing:

- Government appoints nodal officer for each gram panchayat for the conduction of social auditing in the village.
- The gram panchayat fixes the date for the social auditing; On that day the taluk executive officer and the nodal officer present in the village.
- Panchayat secretary presents the revenue and expenditure of the village before the people of the village sitting on one side of the podium and the nodal officer, taluk chief executive officer and gram panchayat members on the other side.
- Complains of the people are registered before the nodal officer, who later on pass on it to the chief executive officer and subsequently to the zilla parishad for action.

The social auditing has reduced corruption and brought out transparency in the activity of gram panchayats. It has made the expenditure need-based and rural governance people centered. It has also reduced the bureaucratic interference in the activities of the gram panchayat.

Management Practices in Urban Local Bodies in Karnataka

Karnataka is ranked as the fourth most urbanized states among the major states in India with approximately 34 per cent of the states population living in urban areas.

Karnataka has 224 urban local bodies. These include six city corporations; 41 city municipal councils; 82, town municipal councils; 91 town panchayats, and six notified

areas. City corporations are big urban local bodies and account for about 70 per cent of the total receipts and expenditure of the urban local bodies.

Karnataka urban population has grown at the rate of 28.85 per cent in the past decade. The states urban growth was largely caused by migration and natural increase. High rate of urbanization has resulted in immense pressure on the local bodies for provision of urban municipal services including water, sanitation, and solid waste management. Provision of municipal services to citizens, such as water supply, roads, solid waste management and street lightings are of the fundamental responsibility of the ULBs.

Urban Local Bodies in Karnataka

S.No	Type of ULBs	Number of ULBs	Population (2001) Lakhs
1	City Corporations (CC)	6	73.49 (41.02)
2	City Municipal Councils (CMC)	41	57.72 (32.22)
3	Town Municipal Councils TMC)	82	30.48 (29.27)
4	Town Panchayats (TP)	91	16.87 (16.20)
5	Notified Areas (NAC)	6	0.60 (0.58)
	Total	226	179.17 (100)

Finances of ULBs

The urban local bodies rely on resources of revenue like taxes on properties and sites, water charges, sale of assets, grant from central government and state government and loans from financial institutions. Major components of tax and non tax revenue of the ULBs is given in Table below.

Sources of Revenue of ULBs

S.No	Sources	Major Components
A	Internal Sources	
1	Tax Revenue	Property taxes, tax on vehicles, animals, trade and profession, theatre tax and show tax, tax on advertisements.
2	Non Tax Revenue	Rents from municipal assets, income from municipal undertakings, user charges, fees and fines, income from municipal investments
B	External Sources	
1	Grants in Aid	General purpose and specific purpose grants in lieu of taxes
2	Shared Taxes	Entertainment Tax, motor vehicle Tax, land revenue, stamp duties, profession tax

Processing of Waste

At the outset, unsegregated waste is collected at source and segregated for decomposition. This method is called aerobic window method. The Karnataka Maha Nagar Palike has removed dustbins and instead adopting a door-to-door collection method and parties and

even women groups have been engaged in this activity. The waste collected by the rickshaw puller comes to an allotted point, where the vehicles bring it to the composting plant. The plant handles 300 metric tonnes of waste in a day. It takes 60 days for the unsegregated waste to be completely degraded.

After the degradation the waste is utilized for both (i) vermiculture and (ii) mechanical composting. Both the systems are effectively and efficiency functioning.

Water Supply and Waste Reduction Measures

The water supply to the various urban local bodies and Bangalore city is canal based. The water drawn from River Kaveri after treatment is supplied to the residents of Bangalore city. The Bangalore Development Authority (BDA) carried out a study with the help of a private agency to assess the waste of water supply during distribution to the beneficiaries.

The BDA has initiated measures for waste reduction, such as energy efficiency and leak reduction and GI pipes are being replaced by MDF pipes for controlling leakages.

G.I.S Mapping System

BMC (Bangalore Municipal Corporation) has adopted Geographical Information System (G.I.S) for the location of properties within its limits and it is helpful in assessing the property for the purpose of property tax and planning the town. The roads, open spaces and the properties owned by the corporation are specially indicated with this system. All this information is available on line and it facilitates the corporation to check any unauthorized construction and unplanned growth of the city.

e-Governance

All the urban local bodies in Karnataka state are connected by electronic mail with the Directorate. A special post has been created by the Urban Development Department by appointing an officer of additional secretary rank and the post has been designed as Additional Secretary Reforms. They have recruited special technical staff for these technical jobs. All the urban local bodies offices are now computerized in the state. A single window system for grievances is in operation.

DECENTRALIZED AND INNOVATIVE MANAGEMENT PRACTICES IN KERALA

Kerala, the south western state of India has achieved remarkable progress in terms of devolution of powers, functions and functionaries to rural as well as urban local self-government institutions after enactment of 73rd and 74th Constitutional Amendment Acts of India. The democratic decentralization aimed at strengthening panchayati raj system has transformed the local governance, which were at cross roads before the conformity legislations enacted by the Government of Kerala in 1994. The strong panchayati raj system of governance has enabled people to freely articulate their choices and get fulfilled their interests. The local organizational structures created after passing of the conformity legislations have become important instrument of local political participation. The 'People's Planning Campaign' launched by the state government was an important political initiative which resulted in a social movement for strengthening local self-government in the state. The community participation has been ensured in formulation and implementation of policies in villages and cities. The preparation of development plans by the local self-government institutions have strengthened their information and database which in turn has improved the planning capability of these institutions and has also established transparency and accountability in the functioning of these institutions.

The participation of women, scheduled castes and scheduled tribes has strengthened the participatory democracy at local level in Kerala, the state where caste system was very dominant before implementation of the 73rd and 74th Amendments in the Constitution. In the plan fund devolution programme proportionately good weightage has been given to the Special Component Plan (SCP) and Tribal Sub Plan (TSP) targeting welfare of scheduled castes and scheduled tribes. Although SCP and TSP in Kerala were initiated in Kerala in mid-1980s, but due to strong bureaucracy lacked real participation from the community. It was reinforced and strengthened after implementation of the People's Planning Campaign. The campaign enabled the participation of representatives and members of the scheduled caste and scheduled tribe communities. This resulted in a significant increase in the funds spent for Scheduled Castes and Scheduled Tribes. The flow of resources for the welfare of weaker sections has increased considerably after peoples campaign.

It would be interesting to compare the distribution of village panchayats and ULBs according to area as well. There is much similarity in size between village panchayats and ULBs. In this state there is no tendency to settle down in only few towns and hence there is not even one metropolitan town in the state.

The state of Kerala, one of the five states identified for study tour of delegation from local self-government institutions in Punjab, presents a replicable model in terms of decentralized planning, local governance, development and management practices. The

delegation from Punjab visited Gram Panchayat of Kodakara, Block Panchayat of Chavakkad, District Panchayat of Thrissur, Municipality of Kodungallur and Municipal Corporation of Cochin during October 23 to 30, 2005. Some of the important dimensions of local governance, planning, development and management practices followed by the local self- government institutions in Kerala have been discussed below:

1. Decentralization of Functions, Funds, and Functionaries to Local Self-Government Institutions as envisaged in the 73rd and 74th Amendments

'Decentralization involves a number of changes in administrative structure, allocation of functions and powers, and control of resources. All three are interrelated and to an extent would have to be introduced simultaneously' (Isaac 2000). The Government of Kerala was very quick to decentralize powers, functions, funds, and functionaries to local self-government institutions in the state.

i. Strengthening of Functional Domain: At present all the panchayats and municipalities are performing functions as envisaged in the 73rd and 74th Amendments and then incorporated in the conformity legislations of the state. Kerala Panchayati Raj Act and Kerala Municipal Act clearly define the functional domains of various tiers of local self-government and have given *mandatory and general functions* as well as sector-wise distribution of responsibilities of village panchayats, block panchayats, district panchayats and municipalities in Kerala. All major functions, as mentioned in the Eleventh Schedule (29 functions) and Twelfth Schedule (18 functions) have been devolved to the rural as well as urban local self-government institutions (LSGIs). The LSGIs, which were selected for the study tour as mentioned above, were found performing all the functions efficiently. The functional demarcation between different tiers in major sectors of development at local level is clear and precise. After enactment of conformity legislations in 1994, the LSGIs have acquired maturity during the last decade.

The post-amendments era of local self-government in Kerala could be termed the era of local development. The decentralization of functions has enabled local self-government institutions in the state to formulate and implement any scheme or programme to implement functions or responsibilities devolved to them.

ii. Transfer of Functionaries: In 1995, Government of Kerala transferred a large number of institutions and staff to the local self government institutions as shown below:

1. Agriculture Department

- i) Krishi Bhavans of respective places.
- ii) One post of Deputy Director of Agriculture. (this post should be under the municipality of district headquarters but his services should be extended to all municipalities of the district).

2. **Animal Husbandry Department-** The Veterinary Polyclinic, Sub-centre, Dispensary of the respective places.
3. **Fisheries Department-** One post of Fisheries Sub Inspector (to the municipalities wherever necessary).
4. **Industries Department** - One post of Industries Extension Officer.
5. **Health Services Department (Allopathy)-** Community Health Centres, Government Hospitals, Taluk Hospitals of the respective places.
6. **Health Department (ISM)-** Taluk Hospitals of the respective places.
7. **Health Department (Homeo)-** Taluk Hospitals of the respective places.
8. **General Education Department-** Government Primary Schools and High Schools of the respective places.
9. **Co-operative Department-** One post of Senior Co-operative Inspector (under the municipal council of district head quarters and the concerned officer will attend to the works in all the municipalities of the district.)

The Second State Finance Commission of Kerala has analyzed extent of decentralization. In the health sector, all institutions other than medical colleges and big regional speciality hospitals have been placed under the control of the LSGIs. In the education sector, in rural areas the high schools have been transferred to the district panchayats and the primary and upper primary schools have been transferred to village panchayats; in urban areas, all schools have been transferred to the ULBs. The entire responsibility of poverty alleviation has gone to the LSGIs; all the centrally sponsored anti-poverty programmes are planned and implemented by them. As regards social welfare, barring statutory functions relating to juvenile justice, all the responsibilities have gone to LSGIs. The ICDS is fully implemented by village panchayats and urban local bodies. Care of the disabled, to a substantial degree, has become a local government responsibility. In the agriculture and allied sectors, the following have become the de facto and de jure local government functions:

- ❖ Agricultural extension including farmer - oriented support for increasing production and productivity.
- ❖ Watershed management and minor irrigation.
- ❖ Dairy development.
- ❖ Animal husbandry including veterinary care.
- ❖ Inland fisheries.

Barring highways and major district roads, connectivity has become a local government responsibility. The whole of sanitation and almost the entire rural water supply have

moved over to LSGIs. Promotion of tiny, cottage and small industries is mostly local government task. All the welfare pensions are administered by the LSGIs.

iii. Strengthening of Fiscal Domain of LSGIs

Genuine efforts have been made to strengthen fiscal base of LSGIs in Kerala. State Government was taking initiatives for strengthening LSGIs even before enactment of 73rd and 74th Amendments and has constituted two state finance commissions to study finances of LSGIs. Most of the recommendations of state finance commissions have been accepted for implementation. The provision of share of LSGIs in plan budget of the state is considered a major breakthrough in the history of LSGIs. The state government has evolved scientific formulae for devolution of plan grants to LSGIs. People's Plan Campaign is another milestone development to improve planning capability of the LSGIs and strengthen their capacity for better fiscal and financial management. The sources of income and items of expenditure of LSGIs have been mentioned below:

Sources of Income of Local Governments

- A. Tax revenue
- B. Non-tax revenue
- C. Grants-in-aid
- D. Loans

A. Tax Revenue

Tax Revenue could be further divided into three.

- 1) Own taxes
- 2) Assigned taxes
- 3) Shared taxes

1. Own Taxes

- ❖ Property tax
- ❖ Profession tax
- ❖ Entertainment tax
- ❖ Advertisement tax
- ❖ Show tax including surcharge
- ❖ Cess on conversion of land use
- ❖ Tax on timber
- ❖ Surcharges

2. Assigned Taxes

- ❖ Basic tax
- ❖ Surcharge on stamp duty

3. Shared Tax

- ❖ Motor vehicle tax

B. Non-tax Revenue

- ❖ Licence fee
- ❖ Gate fee
- ❖ Rent based income from property
- ❖ Income from property other than rent
- ❖ Permit fee
- ❖ Registration fee
- ❖ Service/user charge
- ❖ Other sources
- ❖ Income from ferries
- ❖ Fines and penalties

C. Grant-in-aid from the Government

- ❖ General purpose grant-in-aid
- ❖ Specific purpose grant
- ❖ Grants-in-aid for transferred responsibilities
- ❖ Non-plan grant-in-aid

D. Loans

Expenditure of Local Governments

The expenditure from the traditional sources of revenue can be classified into:

- ❖ Establishment cost
- ❖ Expenditure on obligatory duties
- ❖ Expenditure on development works

Institutionalization and institutional strengthening

The transfer of functions, funds and functionaries, Constitution of gram/ward sabhas, block/district panchyats and District Planning Committees (DPCs) are in tune with the

most of the provisions of 73rd and 74th Amendments. This organizational setup has strengthened institutional mechanism for local governance in Kerala. The provision of separate plan grants in the state budget and creation of separate head for local self-governments is also an indication of institutionalization. The creation of strong database, transparency, accountability, de-beaureaucratization, enhanced participation, involvement of NGOs and other civil society groups are also some aspects of institutionalization of local governance.

Participatory Democracy at Local Level

Kerala has established participatory democracy at local level. The initiatives such as People's Plan Campaign, Constitution of gram sabhas/ward committees, formation of Community Based Organizations (CBOs) under Kudumbashree have played vital role in promoting and strengthening participatory democracy at local level.

Peoples Plan Campaign: According to the Second SFC 'decentralized local level planning has been used as the engine for harnessing public action in favour of decentralization. In order to shake the system and force the process, a campaign approach has been followed. This campaign has succeeded in setting the agenda for decentralized development. The 'People's Plan Campaign' has succeeded in providing concrete methodology for participatory plan for local level development. The paper has highlighted the different stages of this methodology. The most noteworthy feature of the decentralised planning process is the freedom to plan and prepare projects according to local priorities using the Plan grant-in-aid, which is devolved the LSGIs in a practically untied form. Another important feature of the People's Planning Campaign has been the effective capacity building efforts taken up. Now the focus is on strengthening the capacity of the Task Forces on various sectors. Institutions like Medical College, Agricultural University, Centre for Water Resource Development and Management (CWRDM) etc., are being utilized to provide high quality technical training to members of Task Forces in their respective disciplines. In addition, LSGIs, which have evolved successful models, are now utilized to train sister LSGIs by exposing them to the models evolved'.

Participatory Planning form below- The Strong Role of Gram Sabhas: Gram sabhas, the assemblies of voters in every grama panchayat or hamlet or ward within the grama panchayat provided an ideal starting for people's planning. Through discussions in these assemblies, people identify local development problems, analyse the factors responsible and put forward suggestions for possible solutions.

Decentralized Planning

Preparation of Plan Documents by local governments: State budget provides for plan allocation for local bodies at all levels separately. The local bodies prepare the broad guidelines regarding sectoral allocations. Out of the total plan allocations 40-50 per cent

has to be invested in the productive sectors, 30-40 per cent in the social sectors and a maximum of 30 per cent has to be spent on roads and other public works by the rural local bodies. In case of the urban local bodies greater emphasis was paid to social sectors including slum improvement earmarking 40-50 per cent of plan expenditure. About 35 per cent was allocated for roads and other infrastructure. The local bodies were given freedom to invest less than 40 per cent of special funds (out of productive sectors) for welfare of Scheduled Castes (SCs) and Scheduled Tribes (STs). The local bodies have to earmark 10 per cent plan allocations for welfare programs for women. At the time of the grant-in-aid for the local bodies was announced, most of them had prepared a shelf of projects corresponding to the development problems identified by the people. This set the stage for the fourth phase, wherein the projects prepared by the task forces were prioritized and incorporated into the plan document of the panchayats and municipalities. The plan document comprised eight chapters. With the preparation of plan documents, LSGIs have strengthened their planning capability, information and database. The initiative is considered a right step towards ensuring transparency, which is a major aspect of good governance at local level.

Kudumbashree: An Innovative Poverty Reduction and Women Empowerment Programme

The successful poverty alleviation experiences of Alappuzha Municipality (initiated in seven wards in 1992) and Malappuram district provided base to Government of Kerala to extend the programme further to entire state under the name, "Kudumbashree". Kudumbashree has become an innovative poverty reduction and women empowerment programme. It has been functioning as 'State Poverty Eradication Mission'. The state government with the active support of Government of India and NABARD launched the Mission, which follows a process approach rather than a project approach. In Kerala, kudumbashree subsequently took up the role of SUDA. Implementation of SJSRY and NSDP are done and monitored by kudumbashree.

The unique feature of the Kudumbashree Mission is its methodology to identify the poor. It helps to redefine the nature and causes of poverty apart from the conventional methods based on income. After gaining experience from the field the nine-point risk indices originally developed during 1992 underwent changes and revised indices formulated exclusively for urban area as given below were developed:

- ❖ No land/less than five cents of land.
- ❖ No house/dilapidated house.
- ❖ No sanitary latrine.
- ❖ No access to safe drinking water within 150 meters.
- ❖ Women headed house hold/presence of a widow, divorcee/abandoned lady/unwed mother.
- ❖ No regularly employed person in the family.

- ❖ Socially disadvantaged groups (SCs/STs).
- ❖ Presence of mentally/physically challenged person/chronically ill member in family.
- ❖ Families without colour TV.

If any four or more of the risk factors are present in a family that is treated as a 'risk family'. Poverty alleviation programmes are implemented through CBOs, NHG, ADS and CDS.

Towards Evolving Good Local Governance

In Kerala sincere efforts are being made to improve quality of local governance. Some of the features of good governance as highlighted in the paper are:

- 1) Strong functional and fiscal base of LSGIs.
- 2) Transparency and right to information.
- 3) Accountability.
- 4) Participation.
- 5) De-bureaucratization.
- 6) Public IEC campaigns.
- 7) Involvement of NGOs.
- 8) Code of conduct for elected representatives and officials.
- 9) Provision of citizen's charter.
- 10) Simplification of official procedures.
- 11) Modernization of management through information technology.
- 12) Women empowerment through 'Kudumbashree'.

MANAGEMENT PRACTICES OF LOCAL SELF-GOVERNMENT INSTITUTIONS IN MADHYA PRADESH

The state government enacted a New Panchayat Act, viz. Madhya Pradesh Panchayat Raj and Gram Swaraj Act on 30 December 1993, to conform with the 73rd Constitutional Amendment Act, 1992, after repealing the earlier Act.

The Act came into force on 5 January 1994 in the state. The state government constituted a state election commission as per the provisions of the Article 243 of Indian Constitution. The elections to the panchayati raj institutions (PRIs) were held in May-June 1994.

Madhya Pradesh was the first state in India to hold elections of the panchayat bodies under the new panchayati raj system. During these elections 4.85 lac representatives of the PRIs were directly elected for 45 zila parishads, 459 panchayat samitis (janpads) and 31,138 gram panchayats.

The second elections to the PRIs, held in February-March 2000, elected 3.50 lac representatives directly, for 45 zila parishads, 313 panchayat samitis (janpads) and 22,029 gram panchayats. The third elections to the PRIs have been held in the state recently in which 3.97 lac representatives have been elected for 48 zila parishads, 313 panchayat samitis (janpads) and 23,051 gram panchayats. Figures of total persons of scheduled castes, scheduled tribes and women representatives in the present three tier, PRI bodies are 61,103, 1,12,938 and 1,34,368 respectively.

The gram sabha has been strengthened as the most important body by implementing 'Gram Swaraj' system since 26 January 2001. Every village shall have an independent gram sabha. Almost three crore members of gram sabhas, in the state, have been empowered to take decision on the developmental issues of their respective villages. The gram sabha shall formulate a long-term plan for the village to be implemented by the PRI bodies at all three levels.

The gram sabha shall meet four times in a year, viz. 26th January (Republic Day), 14th April (B R Ambedkar Jayanti Day), 15th August (Independence Day), and 2nd of October (Mahatma Gandhi Jayanti Day).

Every gram sabha shall have eight standing committees with 12 members in each committee. Half of the seats in all standing committees shall be reserved for the members of the scheduled castes, scheduled tribes, and other backward castes. One-third of the members of these committees shall be women. The rotation system for the chairmanship of every committee (on the basis of caste), has been implemented. The rotation shall be as under: scheduled castes, scheduled tribes, other backward castes, women, and general castes.

The standing committees are:

- Village development committee
- Common/public property committee
- Agriculture committee
- Village security committee
- Infrastructure committee
- Education committee
- Social justice committee
- Health committee

If necessary, more non-statutory committees can be constituted.

The basic objective of 'Gram Swaraj' is to make a village self-sufficient. There shall be a 'Gram Kosh' (village fund). The funds collected in the form of taxes proposed by the gram sabha, the central and state government grants, funds given by the district panchayat, and any other income, shall be deposited in 'gram kosh'.

The 'gram kosh' shall have four components:

- (i) Food kosh,
- (ii) Commodity kosh,
- (iii) Labour kosh, and
- (iv) Cash kosh.

The gram panchayat shall have a panchayat fund and the income generated by the panchayat and funds given by the central and state governments, under various programmes/schemes, shall also go to the panchayat fund. The gram panchayat shall transfer this fund to the gram kosh, of the gram sabha/gram sabhas, falling under its jurisdiction, as per the guidelines of the State Finance Commission (SFC).

The basic philosophy of 'gram swaraj' is to make the village self-sufficient and also to promote people's participation in development works.

Sources of Income to Gram Sabha

- Taxes (house tax, sanitation tax, lighting tax, business tax)
- Income from minerals
- Income from fishery
- Grants-in-aids by the centre and the state government
- Income from the common property
- Income from the livestock

Taxation System (examples of a few taxes)

A. Land/House Tax

Particulars	Minimum Tax (in Rs.)	Maximum Tax (in Rs.)
1. If value of the house is between Rs. 6,000 and Rs. 12,000	20 paisa for every Rs. 100	30 paisa for every Rs. 100
If value is more than Rs. 12,000	Rs.1 for every Rs. 500	Rs.1.50 for every Rs. 500

B. Professional / Business Tax:

If any one is earning his livelihood from trading in the Gram Sabha area, the tax rates are as under:

Yearly income (in Rs.)	Minimum Tax (in Rs.)	Maximum Tax (in Rs.)
11000 to 15000	100	200
15001 to 20000	150	300
20001 to 30000	200	400
30001 to 40000	300	600
40000 to 50000	450	900
Above 50001	650	1400

C Tax on common toilets

D Bazaar fees

E Registration fees on cattle sold in the village

F Transportation tax on cattle, used for transportation of goods

G Tax on rickshaws and carts used for transportation purpose

H Water tax where gram panchayat has made arrangement of water supply in the village

I Pasture tax

Gram Panchayat

The gram panchayat shall be constituted for a population, minimum of 1,000 and maximum of 8,000 persons.

A gram panchayat may have one or more than one villages. Every village shall have its own gram sabha. Therefore, a gram panchayat may have more than one gram sabhas. The gram panchayat is divided into wards and a ward member shall be elected for a population of 100 persons and the gram panchayat may have 10-20 elected members according to the size of population. The election of sarpanch shall be held directly and all voters of the gram panchayat area will elect the sarpanch by casting their votes directly. There is also a post of a sarpanch, elected by the ward members.

Panchayat Samiti (Janpad)

Its members are directly elected. The total elected members of a samiti shall be between 10 and 25. Honorarium is paid to the chairman and vice-chairman while daily allowances are paid to the members of the samiti for attending its meeting. Every year one-tenth sarpanch of the janpad shall also be the members, on the rotation basis.

Zila Parishad

Its members are directly elected. The total elected members to a zila parishad may be between 10 and 35. The honorarium is paid to the chairman and vice-chairman of the zila parishad. The chairman shall have the status of a state minister. The daily allowances are paid to the zila parishad members for attending the meetings of the zila parishad.

Decentralization

The state government has transferred 25 departments to all the three-tier panchayats and gram sabhas. The peoples participation has been ensured to implement the action plans prepared by these bodies, in consultation with the concerned government departments.

Administrative powers

At present the gram panchayat, janpad, and zila parishad have powers to spent Rs. 5 lakh, Rs.10 lakh and Rs. 50 lakh respectively. These bodies can use their powers without any permission from the concerned department.

Financial Empowerment

Accepting recommendations of the Finance Commission, of the state, the government is allocating 2.91 per cent of the state budget, to the panchayati raj institutions (PRIs) for each financial year. Since 1998, the PRIs have received sufficient amount in the state:

(in Rs. lac)

Year	Amount received
1997-98	16730.50
1998-99	18911.00
1999-2000	15321.52
2000-01	21000.00
2001-02	12000.00
2002-03	-NA-
2003-04	11764.09
2004-05	18516.00
2005-06 (estimated)	20790.00

In addition, the panchayats/gram sabhas have been empowered to collect revenue by levying taxes for generating more resources in order to accelerate the process of development at the village level.

Implementation of the Scheduled Areas Act, 1996:

Conforming the provisions of the Scheduled Area Act, of 1996, the state government has added a new chapter, viz. 14-K in the present Panchayat Act, to protect water, forest and land (Jal, Jamin, and Jungle) of tribal areas as per the rituals and customs of the tribals.

Capacity Building

The state government is continuously imparting training to the representatives and functionaries of the PRIs to build their capacities for accelerating the process of rural development.

Panchayat Award

To promote the spirit of healthy atmosphere and holistic development in the rural areas, the state government has started a panchayat puraskar scheme. Under this scheme, the best zila parishad in the state, the best janpad in the district, and the best gram panchayat in the janpad, are given an award of Rs. 25 lakh, Rs. 1 lakh and Rs. 25,000 respectively.

Computerization of Accounts

During the first phase the accounts of the 116 janpads shall be computerized while in the second phase accounts of the remaining janpads shall be covered. This process will also be expanded to all gram panchayats in the near future.

Gokul Gram Yojana

The government has selected 1,150 villages in the entire state under Gokul Gram Yojana - a model of integrated development. This yojana was launched on 25 September 2004 and its main aim is to develop all 20,000 villages in the state. In 2005-06 budget, the state government has earmarked an amount of Rs. 20 crores for this yojana. The basic objective of the scheme is to develop the rural areas holistically on the sustainable basis and to make the administrative machinery of different departments more active, vibrant, and cooperative in the rural development process.

This scheme shall also do its best to make the administrative machinery accountable and transparent to the rural people. As a result, they would further show their interest in employment generation and development activities. It will also strengthen the community participation in the rural development process, in coordination with the panchayats.

The Gokul Gram Yojana integrates 19 departments of development and employment generation nature to implement the action plan, formulated by the gram sabha/panchayats, in coordination with the government officials and technical experts of various departments, and local legislatures and parliament members of the area.

Persons living below poverty line (BPL) shall be the main beneficiaries, under this scheme. Generally the scheme shall be focused on the agriculture-related and non-farm rural activities of skill basis. This scheme will especially emphasize on dairy activities. The households, falling under BPL, shall be given three cows each for generating income through dairy development. The scheme will not only generate income by producing more milk but also increase consumption level of the milk in those families.

As a result it will improve the quality of life of such families. The government will help these households for obtaining loan from the banks on cheap interest rates and also help them by giving the subsidy on the loan advanced by the banks.

About Ayodhya Basti

Of the total slums, a few slums have been adopted in all municipal areas. Selected slums in municipal areas will be adopted under Ayodhya Basti Scheme for integrated development with the active involvement of slums dwellers.

Urban Administration in Madhya Pradesh: Study of Municipal Corporation of Khandwa

- Preparation of the maps of all the properties through satellite under geographical information survey system.
- 13,000 new properties have been identified which have come under property tax.
- The survey has helped to find out the physical locations of all properties of various sizes, roads and lanes of the city, and also of drinking water distribution system. The collected information has been stored in computer.
- The management information system has been implemented.
- Computerization of accounts which includes property tax, shop rent, and water tax.
- Budget has been computerized.
- Tax deposit facility for the citizens through single window system.
- Double entry system has been implemented by preparing 34,000 records. As a result, a check in system has been developed to overcome all embezzlement in accounts.
- Property Index Numbers (PINs) have been allotted to all holders of properties for easy identification.

- PINs have made easy for administrative machinery to issue ration cards, distribution of social security pensions, births and deaths registration, issue of certificates for house construction and water connection.
- Implementation of dress code to promote discipline and national spirit among the employees and functionaries.
- Same dress code from class IV employees up to class I officers
- The office begins in the morning with National Anthem in which all functionaries participate.
- Water harvesting is taking place in corporation areas.

Main Departments of the Corporation are:

- General Administration.
- Health and Environment.
- Education, Social Justice, Food and Civil Supplies, and Cultural Relations.
- Buildings and Rehabilitation.
- Public Relations and Library.
- Fire Brigade and Transport.
- Electricity.
- Water Supply.
- Construction and Maintenance.
- Revenue, Property Tax and Livestock.
- Accounts.

MANAGEMENT PRACTICES OF THE LOCAL SELF-GOVERNMENT INSTITUTIONS IN MAHARASHTRA

Maharashtra is the third largest in terms of area and second most populous state of India. The considerable growth in its industrial and commercial sectors has attracted large scale uncontrolled migration and floating population. It has a rich development history, being one of the most urbanized states of India. However, inadequacy of affordable housing has given rise to many slum colonies, especially in Mumbai city. In Mumbai alone, about 60 per cent population lives in slums wherein the settlements are without proper sanitation facilities, which leads to unhygienic living conditions and health hazards. The highly complex housing facilities in slums provide safer home to all sorts of illegal activities. It is thus called a hub of activities ranging from highly organized to highly unorganized nature. It is thus difficult to imagine development path of Maharashtra free from diverse manifestations of development itself. Local Government institutions have an important role to play in providing basic services to the people.

URBAN LOCAL BODIES

Mumbai is the capital of the state and India's largest city. It is the first City Corporation to adopt the concept of a development plan (The Maharashtra Environment Status Report, 2002-2003). Wide ranging issues of slum management, traffic management, pollution control, solid/liquid waste management, administration and governance at local levels have always been a great concern to administrative authorities of Maharashtra. Notwithstanding wide ranging issues of concern, the development process of Maharashtra has witnessed many success stories in providing basic citizen services, efficient administration, and effective planning as emerged from the field experiences of the study visit to Maharashtra during 23-30 October 2005.

Structure of Urban Governance in Maharashtra

The Maharashtra state has six administrative divisions which are divided into 35 districts. The third tier of governance in Maharashtra comprise, 250 urban local bodies (ULBs) consisting of:

- 22 municipal corporations for the population of three lakh and above,
- 18 Class A Municipal Councils for population of 1-3 lakh, and
- 203 Class B and C Municipal Councils for population upto one lakh,
- three Cantonment Boards,
- and four Nagar Panchayats.

The history of evolution of the Corporation dates back to 1807 when the Court of Petty

Sessions with two Magistrates and a Justice of Peace was established. The Corporate body with one Municipal Commissioner and Justice of Peace was established in 1865, and a regular corporation with 64 members was formed in 1872 (vide Bombay Act no. III of 1872).

The four Acts governing the urban local bodies are:

- The Bombay Municipal Corporation Act 1888,
- The City of Nagpur Corporation Act 1948,
- The Bombay Provincial Municipal Corporation Act 1949 for the remaining 20 Municipal Corporations, and
- The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Township Act 1965 for Municipal Councils and Nagar Panchayats.

Areas covered during the study visit to Maharashtra

Management Practices of Local Self-Government Institutions in Maharashtra: e-Governance: <ul style="list-style-type: none">● <i>Computer Facilitation Centre,</i> Mumbai Corporation of Greater Mumbai. Solid/Liquid Waste Management: <ul style="list-style-type: none">● <i>Dumping Ground,</i> Brihanmumbai Municipal Corporation and Pune Municipal Corporation.● <i>Transfer Station,</i> Pune Municipal Corporation.● <i>Sewage Treatment Plants,</i> Pune Municipal Corporation. Pubic Private Partnership in Solid Waste Management: <ul style="list-style-type: none">● <i>Karad Vermiculture Plant,</i> Nagar Panchayat, Karad. Community Participation and Infrastructure: <p><i>Discussions/Meetings: Segregation of biodegradable and non-biodegradable waste at Source, Effective Self-Help Groups, and Participation in community development works,</i></p> <ul style="list-style-type: none">● <i>Khed Panchayat Samiti,</i> Pune, and <i>Gram Panchayat,</i> Pune. Discussion on Innovative Management Practices: <ul style="list-style-type: none">● <i>Substantial Devolution of Powers,</i> Dr. J.M.Pathak, Principal Secretary, Rural Development Department, Mantralaya, Maharashtra.● <i>Effectiveness of Self-Help Groups in Poverty Alleviation Programme,</i> Pune Municipal Corporation officials.● <i>Best Record Keeping Practices,</i> Chief Officer and the President, Karad Nagar Panchayat.● <i>Information Dissemination, Transparency, and Accountability,</i> Gram Sabha and Gram Panchayat members, President of Self-Help Group, and Village Community.

e-Governance

e-Governance is proved as the best option in improving the functioning of the local self-government institutions by providing speed and efficiency for effective delivery of wide ranging citizen services and meet the need of the ever growing population within its

limited resources. The citizen centric services are provided under perfect control and monitoring through completely integrated on-line functioning of the system.

Municipal Corporation of Greater Mumbai has embarked a successful comprehensive e-Governance initiative with the pilot project of setting up Computer Facilitation Centre (CFC) in the R/North ward at Dahisar, which is now extended in all its 24 wards. It is now aiming to interconnect all CFCs and establish the network in the entire Mumbai city.

The pilot project at Dahisar, the northernmost suburb of Mumbai was carried out in consultation with ABM Knowledgeware Limited.

Main features of the CFC at R/North ward are:

- Good horizontal integration, best for fixed user requirements;
- Facilitate paperless and cashless financial transactions, only pin number works;
- A single point contact for all the services of the Municipal Corporation;
- Integrated help desks, complaint desks, registry and delivery counters, and cash counters for payment of bills, fees, tax and other charges;
- Across the counter issue and renewal of certificates/licenses etc. Officers from Health Department are present to facilitate across the counter issue of birth and death certificates;
- The computer and other staff is well trained not only in operating the system but also in communication skills and public relations;
- Easy information and follow-up of complaints and grievances;
- Facilitates supply of blank application forms, online acknowledgement letters, printed complaint token numbers etc; and
- Facilities that do not require judgments, decisions, are made available to users beyond office hours and on holidays.

One time investment on its infrastructure, in any one ward, may make a good start to replicate the well-tested initiative of Maharashtra in Punjab. This effort has to be simultaneously supported by various administrative reforms.

Solid/Liquid Waste Management

Solid waste management is an obligatory duty of municipal body. With the notification of the Municipal Solid Waste (Management and Handling) Rules, 2000 by the Ministry of Environment and Forests, Government of India, under the Environment (Protection) Act, 1986, every municipal authority generating waste is responsible for its collection, segregation, transportation, processing and scientific disposal to protect human health and quality of environment. Various compliance criterias for ULBs as per provisions of MSW (M & H) Rules 2000 are:

- Prohibition of littering and providing adequate storage facility for MSW.
- Storage and segregation as per waste categories viz. biodegradable, recyclable, debris and construction waste.
- Collection and transportation of waste.
- Processing of biodegradable and recyclable waste.
- Disposal of non biodegradable, non recyclable and inert waste in sanitary landfills.
- Environmental monitoring viz. ground water and ambient air quality monitoring.
- Awareness and participation of citizens along with NGOs.

In order to facilitate effective implementation of the Rules, the Maharashtra Government has formed District level committee in every district under the Chairmanship of District Collector for the identification and selection of landfill and waste processing site under the said conditions. The Maharashtra Pollution Control Board (MPCB) in consultation with All India Institute of Local Self-Government has prepared checklist for identification of waste processing and disposal sites to facilitate effective implementation of the Rules. The MPC Board has extended financial assistance to five urban local bodies for setting up model/demo projects, which shall guide ULBs as a road map for development of Municipal Solid Waste (MSW) projects.

In compliance with the provisions of MSW (M & H) Rules, littering of municipal solid waste has been prohibited by all ULBs. Most of the local bodies have organized house-to-house collection of MSW by using Ghanta gaddies, collection bins, etc. At many places, housing societies are made responsible for house-to-house collection and disposal of segregated waste to the community bins. The waste from slaughterhouses, meat and fish markets, fruits and vegetable markets is mainly disposed by composting or vermicomposting. The segregation of MSW is generally done at source or in the transportation vehicle itself by the workers or in some cases, at waste disposal or processing facility by the rag pickers. Informal sector plays an important role in segregating the recyclable waste and taking it to processing units. The inert material, construction debris is disposed by land filling/leveling (Maharashtra Pollution Control Board, Government of Maharashtra).

The Municipal Corporation of Greater Mumbai records successful initiatives to manage solid waste of slums. Slum adoption scheme that aims at segregation of waste at source, was first tried in Dharavi in October 1997 and now it has spread to more than 87 slum pockets. To motivate segregation of waste at source, MCGM has involved community based organizations (CBOs) by providing some supportive grant. Similarly, its Advance Locality Management (ALM) initiative aims to form housing societies, mobilize resources for segregation of waste and disposal, motivate communities for vermiculture composting, and involve rag-pickers and sweepers to collect dry waste for recycling.

The main focus of solid and liquid waste management in Mumbai and Pune is to save underground and river water from pollution. Maharashtra is the first state to have Maharashtra Prevention of Water Pollution Board under the provisions of the Maharashtra

Prevention of Water Pollution Act, 1969. On the recommendations of the Board the State Government defined various (19) river bodies as 'Water Pollution Prevention Area', and cover discharge of water polluting agencies under consent. Various pollution abatement schemes available under the National River Conservation Plan are aiming to improve the water quality of rivers.

a) Transfer Station, Pune:

There are five transfer stations under Pune Municipal Corporation that are within the range of 12-25 kms from dumping ground. All small containers of the locality are brought here to transfer the waste into bigger containers. Different transport is used to transfer the waste from transfer station to the dumping ground. The transfer station is best in:

- Minimization of Transfer Cost and Time to improve efficiency of machines and manpower.
- Also, less number of vehicles carrying waste to the dumping ground is no trouble for maintaining traffic discipline on roads.

b) Dumping Ground, Mumbai:

Main features are:

- Only dumping, daily 600 tons of inflow of non-biodegradable, non-recyclable but inert waste. Segregation is done at source level.
- Good management and commitment to work among the staff at all levels.
- No privatization, only government vehicles are used.

c) Dumping ground/landfill area, Pune:

Land of soft rocks spread over 120 acres, which is at a distance of 5-7 kms from Pune Municipal Corporation office, is made available for dumping. Main points:

- Segregation is done at the source level. There are in total 6,000 rag pickers who are paid by the households, Rs 10 per household.
- Rag pickers are registered with Municipal Corporation and are given proper identity cards. Since rag pickers are exposed to health hazards, corporation provides them with health insurance schemes.
- Leachate (back runoff) that tips through the waste may seriously pollute water supplies and is a serious threat to underground water. Thus to prevent monsoon water percolation through waste heaps, waste heaps are made convex. To eliminate standing water below the refuse, it is re-circulated by spraying onto the refuse heaps and controls dust, or it is treated along with municipal waste water.

- An imported geo-textile sheet is used to provide airtight layer below waste heaps to prevent seepage of dirty water especially during rains and prevent underground water pollution.

d) Sewage Treatment Plants (STP), Pune:

Pune Municipal Corporation (PMC) has five sewage treatment plants of total 305 MLD capacity and two new plants of 146 MLD capacity are proposed for 100 per cent treatment of 451 MLD sewage generated within PMC limit. These STPs are planned to prevent river Mula-Mutha from pollution.

Before disposing the raw sewage in to the river or make it available for drinking and irrigation, it is diverted for treatment to these plants. 11.5 TMC water is made available for drinking to the Pune city and 6.50 TMC of treated water to the Krishna Khore Vikas (KKV) Mahamandal by discharge of waters in the canal as per PMC agreement with KKV Mahamandal. Pune Municipal Corporation is given special award of Rs. 10 lacs by the Government of Maharashtra under 'Sant Gadagebaba Cleanliness Drive' for its Sewage Management in the year 2004 (Environment Status Report 2004-2005, PMC).

Main features of the Sewage Treatment Plants (STPs) are:

- The STPs are operating to control river water pollution, save environment and maintain ecological balance.
- Bhairoba STP follows activated sludge process followed by anaerobic digestion, which gives comparative better quality of treated water. The plant is functioning since July 2003 and is treating 75 per cent of the total sewage water of the city. Because of its high quality of treated water, it provides water for drinking and 60 per cent is diverted for irrigation. The sludge is converted to manure that is distributed free to the local farmers.
- Erandwana STP is using modified activated sludge process with diffused aeration followed by aerobic digestion. Treated water from this plant is partly used for irrigation as there is no much agricultural land nearby and rest goes to the river, Mula-Mutha.

Likewise, Punjab urgently needs to look into the issue of river water pollution. Polluted river water if used for irrigation affects agricultural output, if consumed by animals affects animal's health and hence dairy products, besides proving immediate health hazard to peoples residing near the river.

Public Private Partnership (PPP) in Solid Waste Management

The need and the scope of the PPP have been clearly highlighted in the compliance criteria's of MSW (M & H) Rules 2000.

The karad vermi-compost plant in Pune is on contract with a private contractor. Eighty per cent of capital expenditure is borne by the corporation and rest by the private contractor who also bears the responsibility of operation and maintenance of the plant and employ own labour. The corporation has given land on a nominal lease rent for specific period of 15-30 years. The municipal body is to assure quality of garbage coming to the processing plant. In return, the contractor pays a royalty approximately 30 per cent of its income from the sale of manure. Main features of the plant are:

- All biodegradable waste of the city comes to this plant for composting. It provides good income and employment opportunities. The contractor employed eight local workers/labourers.
- Good technology: The plant has 24 containers with capacity to have two tons of waste, containers are covered by a sheet to avoid direct sunlight and rainwater to maintain standard temperature for easy movement of culture.
- Approximately one ton manure is prepared from a container of two ton waste. Manure is sold to the farmers at three rupees per kilogram. Time taken to convert waste to manure varies from 45-60 days.

Punjab has some such plants, but it needs to make it more popular even in the smaller areas. The scientific structure, technology, and maintenance requirements can easily be replicated in Punjab without much investment. Besides generating employment, it will also generate revenue to the municipality.

Water Treatment Supply, Case of Bhandup, Mumbai

A network of six lakes to store rainwater and 23 service reservoirs to store the treated water is used by the water distribution system in Mumbai. These lakes and the service reservoirs are mainly situated at a level higher than the city, thus water flows by gravity and power consumption is minimum.

The Bhandup water treatment plant is the largest in Asia that treats more than four-fifths of the total water supply to the city. Main features of the plant:

- Rainwater is stored in man-made lakes. Water purification station fulfills 75 per cent of the total drinking water need of the city.
- Water treatment is done in two phases, alum treatment in the first phase and aeration with 72 beds in the second phase, each bed having 8,200 nozals to provide required air pressure

Innovative Management Practices

Main points discussed with officials at Pune Municipal Corporation, Pune are:

- Municipal Corporation carries separate budget for poverty alleviation. In addition to the share from the Central government, a proportion of income of the corporation is also spent on poverty alleviation programmes.

- Neighbourhood groups (NHGs), formed under the Swarn Jayanti Shahiri Rozgar Yojana, are functioning actively. The Resident Committee Volunteers (RCV) selected by the NHGs serves two-way channel of information and communication; represent views of the NHG in committee meetings; mobilize community participation and motivate community contribution to community development fund. Neighbourhood committees are active and provide a good platform to discuss community needs, set priorities, and plan resources. Group organizers have direct contact with the councilors and municipal officers and work in full cooperation with group committees.
- Registered group committees are eligible to receive funds for community development activities.
- Self-Help Groups (SHGs) are very effective. There are 4,000 such groups engaged in various activities like masala-making, mushroom cultivation, tailoring, etc. and enjoy financial benefits under various community development schemes.
- Strong trade unions restrict privatization.
- Photo pass given to the slum population.

PANCHAYATI RAJ INSTITUTIONS IN MAHARASHTRA

It was much earlier to the 73rd amendment to the Constitution of India that Maharashtra state had made provisions for governance on the principles of panchayati raj such as provisions related to the Finance Commission, State Election Commission, reservation of seats for women and backward classes, etc. and the panchayat elections were more or less regular (Mahew, G. 2004).

The first election to the zilla parishads and panchayat samitis was held in 1962, followed by the elections in 1967, 1972, 1992, and 1997. Also, the Corporation became a fully elected body in 1952 (vide Bombay Act No. XLVII of 1950) and the elections were held for the first time in 1968 (vide Maharashtra Act No. XXXIII of 1966). Provisions for reservation of seats for councillors belonging to Schedule Castes were made in 1976 (vide Maharashtra Act No. XLII of 1976). However, many of these provisions were not actually functional.

The rural local bodies (RLBs) consists of:

- 33 Zilla Parishads (ZPs)
- 349 Panchayat Samities (PSs)
- 28,553 gram/village panchayats and
- 183032 elected representatives of PRIs.

Gram panchayats are for a group of villages and there are about 28,000 gram panchayats against 42,000 villages.

The integrated development of rural areas is required for raising the quality of life of the people and it is expected that panchayat can play a key role in it. The 73rd constitutional amendment act, 1992 is a step forwards the empowerment of panchayats, which advocate the decentralized governance through management of 29 items/subject listed in it. In the state of Maharashtra, the panchayats are functioning on the basis of two acts namely: (i) The Maharashtra Panchayat Samiti and Zilla Parishad Act, 1961 for Panchayat Samitis and Zilla Parishads; (ii) The Maharashtra Gram Panchayats Act, 1958 for Village Panchayats. The main feature of Maharashtra Panchayats Act 1994 are

Gram Sabha (GS)

Gram sabha in Maharashtra is a powerful body which meets twice in a year and review the functioning of panchayat. The Gram panchayat is required to place its annual statement of accounts, reports and other programmes proposed for current financial year.

Gram Panchayats (GPs)

The number of gram panchayat member shall be between seven & fifteen depending upon the population of the gram panchayat. The provision for co-opting members of the gram panchayats has been deleted. The GPs are headed by the sarpanchayats who are elected by and from amongst the elected members i.e. village head is elected through indirect election rather than direct election, where voter choose their head. One of the main advantages of this indirect election that the panchayats don't face any corum problems as faced by sarpanches in many other states where election is direct. For example in Punjab, this is one of the main problem of panchayats and in many panchayat, it is only the 'administrator' appointed by Block Development & Planning Officer (BDPO), who function as a head of the village. But in case of Maharashtra such situation does not arise because of the indirect election, because one can only become sarpanchayat if majority members are with him otherwise, he cannot hold office.

Reservation: Despite of reservation provided for women, SCs and STs, the act also provided 27 per cent reservation for backward classes and this is also applicable to the upper two tier of panchayat, i.e. PSs and ZPs.

Village Functionaries: The panchayat secretary is provided to every panchayat or group of panchayats and he belongs to district service class and his salary and allowances are paid from the district fund. The GPs may also appoint its own employee but the salary of such employee is from the panchayat fund. Such practice is seen in the visited village gram panchayat, khed, where sarpanch was from the women category. In this village panchayat, five employees were recruited for various purposes like sanitations, night watch man and water man also by village panchayats and panchayat is paying their honourium from the village panchayat fund.

Funds: Though a gram panchayat is competent to lease, sell or otherwise transfer its moveable or immovable property but it has to take approval from the Chief Executive Officer. Important provision under section 33 of the act to establish District Village Development Fund. The amount under this fund is contributed by panchayats. But funds are maintained, operated and spent according to the state government rule. Therefore there is no autonomy or freedom to panchayat to utilize this according to their priority (Mahipal, 1995).

Panchayat Samiti (PS)

Members of panchayat samiti are elected directly from each constituency and every member represents a population of 17,500 (section 57 & 58). As per section 77A of the Act, the panchayat samiti shall appoint a committee consisting of either 15 sarpanches or of sarpanches of one-fifth total number of panchayat. In the block; this committee shall be a consultative and advisory body and PSs should give the considerations to the advise of the commonly. The post of chairperson of the PSs are reserved for SCs/STs and women on a yearly rotation basis.

Zila Prishad (ZP)

The Zila Prishad member represents population of 35,000 and the total number of zila prishad members shall be between 50-75 depending upon population of the district. The chairperson of the Social Welfare Committee is elected by zila prishad members from amongst the elected members of reserved category only. The chairperson of the Women and Child Welfare Committee has necessarily to have women councilor of the zila parishad.

District Planning Committee

Maharashtra District Planning Committee (constitution and functions) Act, 1998 provides for the constitution of District Planning Committee (DPCs) to consolidate the plan prepared by the panchayats and the municipalities in the district to prepare a draft District Development Plan for the district as a whole. The DPCs will consist of not less than thirty and not more than fifty members of the total number of DPCs members not less than four fifth shall be directly elected by and from amongst the elected members of the zila parishad and municipalities in the district in proportion to the ratio between population of rural and urban areas in the district. The Members of Parliament (MPs) and Members of Legislative Assembly (MLAs) shall be permanent invitee to all the meetings of DPCs and shall have a right to take part in the meeting of the committee. The DPCs functions under the amended act are: (a) to consider and consolidate the annual plan prepared by the panchayats and municipalities in the district and to prepare the draft development plan for the district as a whole. (b) to consider the five year plan and respective plan prepared by the panchayats, municipalities and coordinate and prepare the draft five year plan and perspective development plan for the entire district and (c) to review and monitor the

progress of district annual plan and suggest reappropriate of its approved provision in accordance with the guidelines issued by the state government. In spite of provision in the act, DPC is not yet constituted and the state has a district level body with equal number of representation from elected representatives and nominated persons. Legislation for DPCs passed but not implemented. (Panchayati Raj Update, April 2006).

Devolution of Powers

The panchayati raj bodies, their committees and the office bearer enjoyed a wide variety of administrative and financial power under the Maharashtra Zila Prishad and Panchayat Samiti Act, 1961 and the Bombay Village Panchayat Act, 1958. The power of sanctions for undertaking works, and development schemes and also power for award of contracts of works or development schemes have been provided in the Zila Prishad and Panchayat Samiti Act very clearly. A decentralized pattern of administration is ensured by devolving powers to the committees on the one hand and empowering the committee chairperson on the other with administrative and financial powers in respect of subjects allotted to them. The panchayat samitis enjoy similar powers to revise or modify any decision taken by the chairperson or deputy chairpersons or Block Development Officer (BDO) or any officer working in the block (Anoop Kumar, 2000).

The government has transferred a number of district level schemes to zila prishad. The four categories of the schemes implemented by zila prishad are:

- (i) The schemes where ZPs enjoy substantial power in the matter of granting administration approval.
- (ii) Schemes where ZPs act as main agents of the state government and claim agency charges.
- (iii) Schemes implemented by the government by requisitioning the services of ZP. In such scheme ZPs have no control over the scheme and staff functions as if they are on deputation to the state government.
- (iv) Schemes which the ZPs and PCs can entrust to village panchayats.

Community Participation and Infrastructure Facilities

Community participation is an important component of effective governance at local levels. It means 'community empowerment' by individual and collective action to identify community needs, available opportunities, and plan for resources.

A common place with proper infrastructural facility provides an easy access to the people and regularizes the functioning of local bodies. Effective community participation demands transparency and thus makes the system accountable. Transparency in the working of local bodies can bring major developmental transformation and build trust and understanding among the people in the local governance system.

The spirit of real devolution of powers to the local bodies to function effectively with a desired level of transparency and accountability is yet to be fully addressed.

Best Practices of replicating nature

- e-Governance has taken roots in the functioning of the urban local bodies in Mumbai and Pune.
- Rag pickers are registered with the Municipalities. Rag pickers are given identity cards and are provided with health insurance schemes. The main focus of solid and liquid waste management in Mumbai and Pune is to save underground and river water from pollution. An imported geo-textile sheet is used to provide airtight layer below waste heaps to prevent seepage of dirty water especially during rains and prevent underground water from pollution. The sewage treatment plants treat sewage before disposing it in to the river to save water pollution, environment and maintain ecological balance.
- More than 90 per cent of the Gram/Village Panchayats have their own office buildings with adequate infrastructure.
- Monthly meetings are regular.
- Best record keeping. Hi-tech structure with sliding base occupies very less space to keep 150 years of records.
- Detailed information on full size board on the front wall at the entrance of the building is displayed in local language. It contains vital information pertaining to development projects, especially receipt of funds and how they are being spent.
- Community participation is effective to the extent that households including the poor are contributing in the Panchayats funds either in kind or cash.
- Panchayat has indirect elections, Sarpanch usually has the majority therefore panchayats in Maharashtra, unlike those in Punjab, have generally no internal strife.

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