

# Major Challenges before Urban Local Bodies: Key Issues (A Case Study of Nagpur District)

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## ABSTRACT

*Third largest Metro city of Maharashtra, Sub-capital of the state and the nodal city of farmers suicide prone Vidarbha region, Nagpur is also a seat of political power and gateway to the eleven districts of Vidarbha region. In addition to many other routine factors for city's growing population, uncertain incomes, losses from agricultural crops, repeated fragmentations of family owned farm lands, unemployment in the rural areas are also leading to the continuous rural to urban migration with the hopes of better and decent life therein. This growing urbanisation trend is posing many threats and challenges to the Urban Local Bodies in delivering the objectives for which they have been created. The present article attempts to study, analyse and understand the major challenges, key issues of governance, various factors, intricacies, impact of currents and undercurrents of the political power affecting the various dimensions of the desired efficient performance of the urban governance of Nagpur Municipal Corporation.*

**Keywords:** *e-Governance, Urbanisation, Digital India, Fiscal Decentralisation, Municipalities and Panchayats.*

Urbanisation and economic development have been two sides of the same coin, complementary to each other and necessary for raising the standard of life of citizens. Good governance is the soul of development, which is being instituted with well designed policies, programmes, schemes under Five-Year Plans and taken to the grassroots level through various ministries and institutions efficiently, with proper administration.

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The local governance comprises set of institutions, mechanisms, and processes through which citizens, pressure groups articulate their interests, needs and mediate their differences, exercise their rights and obligations at the local level. The building blocks of good local governance are many: such as citizen participation, partnership amongst the key actors at a local level capacity, across all the sectors, multiple flows of information institutions, of accountability, and pro-poor orientation. Local governance emphasises the need to look beyond the narrow perspectives of legal frameworks and the local government entities.

The local economic development is a transformation process of the way economic and political decisions are made at local level with the objective of improving the standards of the local society in an inclusive manner through efficient and sustainable use of the existing and potentially available resources.

In order to handle multiple challenges of emerging situations, the local government machinery has to be strengthened and empowered calling for its capacity building to respond to the dynamic demands and requirement of the society. Local government takes care of development and befitting service delivery issues both in rural as well as in urban areas through their respective institutions such as Panchayati Raj, Municipal Corporations and other allied agencies. In order to face the challenges of the herculean multidimensional tasks the administrative machinery needs to be strengthened and empowered appropriately with smart governance.

### **Trends of Urbanisation**

The 2018 Revision of World Urbanisation Prospects produced by the Population Division of the UN Department of Economic and Social Affairs (UN DESA) notes that future increases in the size of the world's urban population are expected to be highly concentrated in just a few countries. Together, India, China and Nigeria will account for 35 per cent of the projected growth of the world's urban population between 2018 and 2050. By 2050, it is projected that India will have added 416 million urban dwellers, China will have 255 million and Nigeria 189 million urban dwellers. At present 54 per cent of world's population lives in urban areas and is expected to increase to 66 per cent by 2050. The projections show that urbanisation combined with the overall growth of world's population could add another 2.5 billion people to urban population in 2050 with close to 90 per cent of the increase concentrated in Asia and Africa.<sup>1</sup> Urbanisation and economic progress are directly related. India with about 7.5 per cent growth rate is amongst fastest

growing economies of the world and ranks third in terms of GDP at purchasing power parity but still it has lowest per capita income due to widespread poverty, unemployment, regional disparities, social inequality together with low level of urbanisation going on. The growth of Indian economy in recent times is mainly attributed to expansion of service, quaternary and quinary sectors mainly agglomerated in large cities.<sup>2</sup> Urban development is very fused, indivisibly linked to the provision of good quality amenities to all its citizens living in the urban areas and empowerment of Urban Local Bodies (ULBs) to enable them to be financially sustainable. Democratic institutions capable of providing standard and good quality services through improved infrastructure and better evolved service delivery ensure rapid economic and sustainable growth of the city.

India is witnessing an increased pace of urbanisation. Despite its population being predominantly rural, it is emerging as one of the fastest urbanising countries. It was the second largest system in the world with an urban population of 39.37 per cent in 2017. There has been a steady increase in the country's urban population over decades. Cities are emerging as the engines of national economy and generator of wealth. Cities are also the centres of technology, innovation, creativity and economic growth and employment reservoirs of skills knowledge. The urban population is expected to rise to around 38 per cent by 2026. Amongst its major states Tamil Nadu is the most urbanised one with 43.9 per cent population living in urban areas followed by Maharashtra with 46.7 per cent<sup>3</sup> and Gujarat 37.4.<sup>4</sup>

India, with 2.4 per cent of the world's surface area, accounts for 17.5 per cent of its population. Uttar Pradesh is the most populous state with roughly 200 million people. Over half the population resides in the six most populous states, of Uttar Pradesh, Maharashtra, Bihar, West Bengal, Andhra Pradesh and Madhya Pradesh.

Nagpur's population has been increasing steadily since 1971. During the decade 1971-81, the population increased to 12.71 lakh from 8.66 lakh and reported a decadal change of 3.51 lakh and registered a decadal growth of 26 per cent. In the successive decade (1981-91), the city registered decadal change of 4.06 lakh population. This was followed by 4.24 lakh decadal change during the decade 1991- 01, reporting a decadal growth of 21 per cent. As indicated in Table 1, the decade 2001-2011 had registered the lowest decadal change. Discussions revealed that during this decade, NMC has witnessed only the natural growth, and the migration population accounts for only nominal growth.<sup>5</sup>

TABLE 1: POPULATION TREND IN NAGPUR CITY CENSUS YEAR

| <i>Census Year</i> | <i>Population (in lakh)</i> | <i>Decadal change (in lakh)</i> | <i>Growth rate (%)</i> |
|--------------------|-----------------------------|---------------------------------|------------------------|
| 1971               | 8.66                        | ---                             | ----                   |
| 1981               | 12.17                       | 3.51                            | 40                     |
| 1991               | 16.22                       | 4.06                            | 33                     |
| 2001               | 20.52                       | 4.29                            | 26                     |
| 2011               | 24.47                       | 3.53                            | 19                     |

*Source:* Census of India, 2011, and Centre for Railway Information System (CRIS) analysis.

Overall, the population trends in the city show a declining growth rate over the decades. The reason for this is availability of limited economic opportunities in the city. Even though Nagpur is a base for various economic activities, is home to the much-planned Multi-modal International Cargo Hub and Airport at Nagpur (MIHAN) project, and has the potential for the development of IT parks, it could not tap the advantage of the projects and the economic activities. Hence, in-migration in Nagpur due to jobs or work related reasons was negligible. The city has witnessed less in-migration during the period 2001-2011. This indicates that, perhaps, Nagpur has been unable to provide adequate employment opportunities.

As the urban population and incomes increase, many cities experience a steady decline in the quality of physical environment. One finds stressed physical infrastructure, inadequate delivery of the basic services, air and water pollution and uncollected wastes, etc. exposing the citizens to harmful pathogens and bacteria. Deteriorating urban health has become a crucial issue because of the emergence, and spurt in some of the diseases related to poor living conditions and environmental sanitation. But certainly the urbanisation is inevitable and needs to be considered as positive in national development. The urbanisation trend prominently reflects the following features:

- (i) Increasing concentration of urban population in larger cities is one of the major factors of urban India. The trend of concentration of urban population in large cities and agglomeration is getting stronger;
- (ii) Slowing down of urbanisation during 1981 -1991 and 1991-2001 as compared to 1971-1981; and
- (iii) Large variation patterns of urbanisation in various states and cities (See Table 2).

TABLE 2: PAST TREND OF GROWTH OF METRO CITIES IN INDIA

| <i>Particulars</i>                                  | <i>Year</i> |             |             |
|---|-------------|-------------|-------------|
|   | <i>1981</i> | <i>1991</i> | <i>2001</i> |
| Number of Metro Cities<br>(Population one Million+) | 12          | 23          | 35          |
| Population (Million)                                | 42          | 70          | 108         |
| Percentage of total population                      | 26          | 32          | 37.8        |

*Source:* Census of India.

The concentration of urban population in large cities has led to tremendous pressure on the resources like water supply, sewerage, drainage, solid waste management, transport, parks and gardens along with the open spaces. It has also led to the deterioration of quality of city environments. In several cities problems of traffic congestion, pollution, poverty slums, crimes, and social unrest are assuming alarming proportions. Inadequate drainage system in cities like Mumbai results in floods and causes huge economic losses. Moreover, grossly inadequate housing that forces more than 50 per cent population in some metropolitan cities to live in slums severely affects the quality of life and lowers the well being of urban population. There is a need to design policies and programmes to cater to the future urban sprawl. The basic objective of the 11<sup>th</sup> Five-Year Plan is to address and implement inclusive growth.<sup>6</sup>

All round development of local community in true sense is possible only if the plans and programmes aimed at the development of rural citizens effectively reach the end users. This necessitates the governance to be highly effective. Eight essentials of good governance, i.e. participatory, consensus oriented, accountable, transparent, responsive, effective, efficient, equitable and inclusive that follow the rule of law, have therefore, to be realised at grassroots level to make it a success. Hence, the basic foundation of good, smart governance along e-governance can ensure New Public Management (NPM) approach facing the challenges of new era at the global level. Good governance through the use of ICT and internet services is a current trend to meet the objectives of development.

Good governance is aimed at tackling three basic problems in governance which are, systemic improvement in effectiveness of government's planned expenditure on new programmes, improvement in customer satisfaction on delivery of services and means and ways to combat corruption which pose a serious threat to the government's initiatives for overall development of local population.

## **e-Governance, Good Governance and Smart Governance**

### *The Concept and the Objectives*

As emphasised repeatedly, the administration doesn't function in isolation but in a complex supra environmental system responding to the ever changing demands and challenges from the emerging situations in the society. The process of governance and the policy framing in the public interest calls for the micro level planning. The administrative set-up needs to be transparent and sensitive to the crucial demands of people from legal provision and human rights perspectives also.

The Government of India in its 12<sup>th</sup> Five-Year Plan 2012-2017 has put emphasis on good governance and corrective measures for the benefit of rural population:

- (a) Strengthening of local institutions; (b) Re-structuring of centrally-sponsored schemes; (c) Independent evaluation of offices; (d) Improving public system delivery; (e) Dissemination of information; and (f) Combating corruption and civil services reforms.

e-governance is in its essence, the application of Information and Communication Technology (ICT) to create a Simple, Moral, Accountable, Responsive and Transparent System (SMART). Revolution in ICT has introduced a new agenda for the wider participation of the citizens in public affairs and is based on the four pillars of the Technology, Resources, People and Processes.

The basic objectives of e-governance are to:

1. Reduce red tapism, delays and inconveniences through technology interventions;
2. To promote knowledge sharing to realise continuous improvement in the quality of the governance.

The ICT tools are emerging as important instruments towards achieving the goal of good governance:

- a) Better service delivery to citizens;
- b) Ushering in transparency and accountability;
- c) Empowering people through information;
- d) Improved efficiency within the government set-ups; and
- e) Improve interface with business and industry.

Ministry of Communication and Information Technology,<sup>9</sup> Government of India has taken concrete steps for introduction of

e-governance with a vision that “e-development of India as the engine for transition into a developed nation and an empowered society”. Main objectives of the ministry are as follows:

**e-Government:** Providing e-infrastructure for delivery of e-services.

**Department of Information Technology,** Government of India  
([www.mit.gov.in](http://www.mit.gov.in))

**e-Industry:** Promotion of electronics hardware manufacturing and IT-ITeS industry.

**e-Innovation/R&D:** Providing support for creation of innovative infrastructure in emerging areas of technology.

**e-Education:** Providing support for development of e-Skills and Knowledge network.

**e-Security:** Securing India’s cyber space.

The Government of India had laid down the emphasis on implementation of e-governance in 11<sup>th</sup> Five-Year Plan with an ambitious programme called National Rural e-governance Programme (NReGP). National e-governance Plan (NeGP) had been approved by the Government of India in 2006 to suffice the objectives and goals of local development.

### **Demographic profile of Nagpur District and City**

The Nagpur district consists of Nagpur Municipal Corporation, Municipal Councils - 14 (including Nagpur rural), Panchayat *Samitis* - 13 and *Gram Panchayats*, 778. The total area covered is around 9897 sq. km. of which Nagpur city accounts for 217.65 sq. km. (2.2%). The population of the district (as per Census of India - 2001) was 40.51 lakhs of which 20.52 lakhs (about 50%) were in Nagpur city.

### **Relevance and Rationale of the Study**

Development of the country is enhanced by its efficient governance. e-governance issues assume greater importance in the context of Nagpur district in the background of the various challenges arising from growing urban trends, implementation of Sustainable Development Goals, creation of Smart cities and AMRUT Mission, Development of MIHAN and SEZ, Establishment of Dry Port, Public Transportation through Metro Train, Challenges of Agro based society including farmers’ suicides in large numbers, Creation of health facilities and fighting with the pandemics like Corona and other diseases, disaster



management, floods and famine apart from improving the service delivery to citizens with the well spelled functions of local government. Nagpur is emerging not only as a Metro city but also the smart city working for its holistic development on war footing for meeting the global standards. The present study will certainly contribute in bridging the lopsided development gap between comparatively backward and forward regions of Vidarbha and Western Maharashtra respectively benefiting the progressive State of Maharashtra. Further outputs of this research would help local governments to locate, identify and improve upon the prevailing lacunae and deliver the services and functions more efficiently and successfully ensuring the Smart governance.

### **Observations**

The major issues influencing the local development of the Nagpur district and various remedial measures that can improve the performance of e-governance programmes in urban -rural areas of Nagpur district in particular to improve the present scenario are focused around:

- 1) Institutional capacity building of these bodies;
- 2) Problems related to handle the issues of e-governance;
- 3) Financial problems,/ fiscal decentralisation;
- 4) Training and capacity building of its employees and staff;
- 5) Developing positive administrative culture;
- 6) Computer literacy, and awareness of development programmes amongst the citizens;
- 7) Strengthening the local planning process;
- 8) Promoting rural industrialisation for employment generation and stopping migration;
- 9) Developing the clusters with backward forward linkages;
- 10) Restructuring and redesigning 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts (CAAs) to suit the changing needs and scenario;
- 11) Issues of efficient core service delivery of the municipal nature;  
and
- 12) Developing digital governance and professional work culture.

It has been observed that the facilities available and the issues mentioned above are being better handled and managed in urban government in comparison to that of rural government.



There is an acute need for developing industries so as to make the rural areas self-reliant, self-sustaining, providing the job opportunities, employment and other livelihood sources so that migration could be reasonably controlled. It is worth mentioning here that despite many standard reputed institutions of learning, the talented youth is forced to leave his place in search of appropriate job. Some of the findings of this study are based upon our joint research work with Bharti Polke conducted in 2014-15 for her Ph.D degree. The situation is much the same since then.

No doubt the development is moving ahead but at the snail's pace and needs to be expedited. For which the ICT and use of technology, e-governance play a crucial catalytic role, imparting transparency, corruption-free deals, contributing not only to the city but to Sustainable Development Goals (SDGs). But at the same time it is also not so easy to promote digital culture, implement the e-governance mode and paperless administration because of the various problems related to digital governance in urban local bodies.

### **Promoting and Facilitating Rural Industrialisation for the Development**

In the background of Mahatma Gandhi's philosophy of self-reliance, the village development through sustenance assumes greater importance. Rural economy depends mainly upon agriculture and allied projects such as fishing, horticulture, animal husbandry, poultries and dairies, etc. Following are the major requirements of Vidharbha which needs to be fulfilled by the local bodies.

- (i) Matching growth of infrastructure in city;
- (ii) Satisfactory, efficient service delivery equivocally / uniformly throughout the city;
- (iii) Latest and advanced technical equipments, techniques and technologies;
- (iv) Promotion of rural industrialisation programmes;
- (v) Development of clusters and peri-urban areas making them self-sustainable and lucrative, so as to minimise the migration; and
- (vi) Inclusive, standard quality education and job opportunities.

All these needs have to be met by:

- (i) Political willpower, vision and flexible bureaucracy;

- (ii) Adequate resources;
- (iii) Advanced, sound palatable technologies;
- (iv) Administrative work culture;
- (v) Capacity building of the institutions for Smart Urban Governance;
- (vi) Relooking at the various, statutory and legal provisions, structure of the Institutions which have become obsolete, outdated, irrelevant and unsuitable to the current needs and requirements and redesigning/restructuring them in the present context meeting the purposes and challenges of 21st Century. The renewed Panchayati Raj Institutions are looked upon as an effective instrument of rural industrialisation and have become synonyms with each other. It is with this great expectation PRIs have been given exhaustive powers and position in the governance. The very reference of rural development, indicates solid linkage between the Panchayati Raj Institutions and public participation. Hence, all activities including that of industrial nature would fall within the preview of Panchayati Raj Administration.

### **Urban Governance and e-governance**

Under urban governance sector, the need for augmenting the newly developed system by providing the required hardware and system was suggested by NMC officials. Also, in order to improve the coverage of the services and ensure that citizens get the most of the benefits from the recently implemented e-governance project, need of developing kiosks and facilitation centres was also identified.

### **Restructure the Fiscal Policies and Decentralisation: Strengthen the Finances of Local Bodies**

For intertwining all these interacting factors, e-governance is the most suitable and essential instrument to meet the need of the hour. But all these factors ultimately revolve about strong, back bone of fiscal policies, stable finances, timely availability, sanction, release of disbursement in the matching proportion of grants and GST /CSTs in addition to their own resources by way of taxes collection through these local government organisations. It is necessary to re-emphasise that local bodies have always been witnessing financial crunches on account of the paucity of funds with their meagre resources, insufficient grants, budgetary allocations and depend mainly on the property taxes, inadequate grants from the government. The policy makers and

the leadership should focus upon this one point agenda to augment financial arrangements and restructure the organisation to expedite the development of the Nagpur District through the use of efficient ICT and latest technologies.

As expressed in the above mentioned elaborations, fiscal decentralisation, policies, devolution of power and functions should be supported with the appropriate finances, grants, taxes etc. to support and carry on the functions as mentioned in 73<sup>rd</sup> and 74<sup>th</sup> Amendment Acts respectively. Finance Commission should reconsider and enhance the grants taking into the consideration the new challenges and tasks ahead. The property tax structure in the concerned local area should also be redesigned and enhanced, system of tax collection should be improved, share in GST / CST should be transferred to them in time. This will certainly eliminate the mismatch between functions mentioned in the 11<sup>th</sup> and 12<sup>th</sup> Schedule.

### **Financial Status as Backbone of the System**

It has been observed that the major constraint for the development work including that of digital governance, is shortage of funds and their timely availability. It is worthwhile to note the following points in this context:

Due to the economic slowdown in the country, declining construction activities, decreasing property tax collection, insufficient GST share and the wide gap created in the various sources of taxes to the local bodies most of the Municipal Corporations including Nagpur, Mumbai, Pune are facing financial bankruptcy. Nagpur Municipal Corporation is facing large deficit in their income. In the approved NMC budget of 2900 crore the expected income of NMC was 2900 crore against which it could collect only 1688 crore up to November 2020.<sup>7</sup> Further as per the conventions the percentage of administrative expenditure allowed is maximum 35 per cent but due to low income, it is going beyond 50 per cent expenditure, hence the expenditure on the basic infrastructural activities is remarkably going down and the lack of basic facilities is felt acutely while the population keeps growing. The basic source of income of NMC is property and water taxes but it could collect barely 40 per cent of the target. It is worth mentioning here that cash strapped NMC has miserably failed to raise and spruce its potential earning source on account of the lapses by the e-governance cell because of which publication of assessment registers was delayed too much. Resultantly, the property tax demands also lagged behind the schedule creating the shortfall of the funds. The standing committee of NMC had the target of 509 crore to the tax department but they could not complete

even the 40 per cent tax collection. Additionally the controversies were created against taxes collected from the property owners who dragged NMC to the High Court.<sup>8</sup> NMC is debt ridden with 529 crore amount, as mentioned in the white paper. NMC has to contribute the amount of 1994.67 crore<sup>9</sup> towards its share for Smart City project, AMRUT MISSION, Bhandewadi STP project and transport project for the further development. 92.96 crore is its monthly establishment expenditure.

As against the approved budget of 2266.97 crore in 2017-18 out of the expected property tax collection of 392.19 crore, NMC could raise only 138.75 crore, resultantly the development work got stalled and remained pending. Smart City Mission is to be completed by June 2021,<sup>10</sup> out of 21 related projects only two, i.e. KIOSKS and Safe and Smart City projects have been completed and the funds of 254 crore are lying unutilised. The compensation for the land acquired for the project has been paid to majority of land owners.<sup>11</sup> Outstanding dues of 600 crore from the previous year have been carried further resulting in the zoomed figure of 850 crore at the start of the financial year 2019-2020. So far NMC could collect 128.76 crore till December 14, 2020 as against the estimated figure of 223 crore. It is an extremely difficult task before NMC to net 810 crore property tax till this year ending.

TABLE 3

| S.No. | Project wise Long Range Payables of NMC (3-5 years) in crore | As on 25 <sup>th</sup> January 2018 Approved Budget 2017-18 : 2266.97 crore |
|-------|--|---|
| 1.    | Smart City Project<br>25% : 658.78                           | Electricity production from the solid waste : 90                            |
| 2.    | Amrut Mission 50% : 113.35                                   | Share in NMRCL : 73   |
| 3.    | Transport Project : 108                                      | Share in SRA Project : 114.28   |
| 4.    | Hudkeshwar-Narsala Development project 20% : 25              | LED Project (84 Instalments) 270.28 annual exp. 38.64                       |
| 5.    | Bhandewadi STP Project : 130                                 |   |
| 6.    | Solid Waste Management project 75% : 211.78                  | Grand Total : 1994.67 crore   |

Source: Maharashtra Times, Nagpur Mahanagar, dated 25<sup>th</sup> January, 2018. pp. 3.

NMC finances have been hit because of Covid-19 pandemic. As a result only 1393 crore revenue receipts were generated up to December 2020, whereas it was Rs.1688 crore in December 2019. During this period government grant was Rs.200 crore whereas last year in 2019 it was 396 crore. Therefore not only development works are stalled but the routine and duty bound matters under Section 63 of NMC Act like repair of

roads, installation of new electric lights, laying new sewerage lines, fixing of covers on the chambers, etc. are also suffering.

Everybody, including all elected representatives, standing committee members, chairman, etc. have been harping upon this financial crunch since long, and asserting about raising a new revenue model and introduce the reforms in NMC which will enhance and improve the taxes collection through the dues of mobile towers, advertisement. hoardings, vendors, etc. But till now nothing has been done in this context.

*Capital Investment Plan (CIP) : For Capacity Building of NMC*

Based on the suggestions provided by NMC officials, strengthening the existing e – governance system, capacity building and strengthening of NMC administrative system have been identified. For all 62 e-governance application modules have been developed and different MIS reports are generated on the dashboard. The Capital Investment Plan has been presented in Table 4.

TABLE 4: URBAN GOVERNANCE - CAPITAL INVESTMENT PLAN PROJECT

| <i>Urban Governance – Capital Investment Plan Project</i> | <i>Estimated cost in Rs. crore</i>             |       |
|---|--|-------|
| A   | Strengthening existing e-governance system     | 45.0  |
| B   | Capacity building                              | 102.9 |
| C   | Strengthening of the NMC administrative system | 12.5  |
| Total investment (2041)                                   | 160.4  |       |
| Investment envisaged for 2021                             | 80.2   |       |

*Project Details : Urban Governance*

Based on CIP as summarised in the above section, key projects and project details for urban governance are presented in Table 5.

*Develop Smart Villages in the Vicinity around Nagpur City*

Identifying the growing population with the spread of city area of Nagpur to the tune of more than 25 km, it becomes the cause of worry for the policy makers, administrators, planners and the citizens to cater to the huge chunk of population imparting them good quality life. True to the spirit of *Aatm Nirbhar Bharat*, it is suggested that along with the smart cities, smart villages should also be developed. The newly emerged villages in the vicinity of industrial areas like MIHAN, Hingna, Butibori, Kamptee Road, etc. industrial areas can be clustered group wise

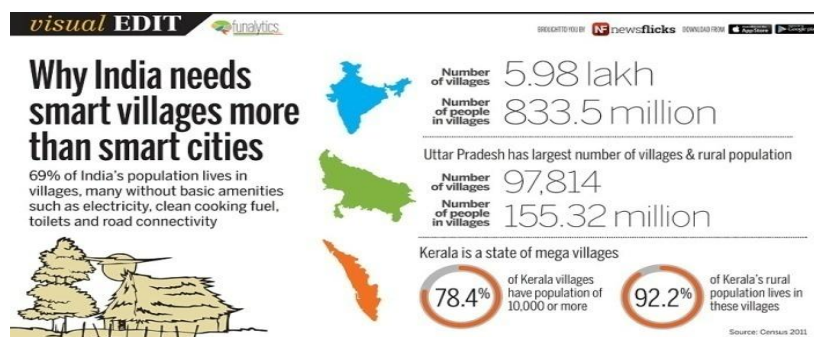
TABLE 5

| Project details Components |  | Project Details   |
|----------------------------|--|---|
| A                          | Strengthening existing e-governance system     | <ul style="list-style-type: none"> <li>• Various capacity building needs and requirements like indoor and outdoor trainings, exposure visits, technical studies, etc. have been identified</li> <li>• Capacity building requirement for NMC and needed investment has been considered for next 30 years.</li> </ul> |
| B                          | Capacity building                              | <ul style="list-style-type: none"> <li>• Various capacity building needs and requirements like indoor and outdoor trainings, exposure visits, technical studies, etc. have been identified</li> <li>• Capacity building requirement for NMC and needed investment has been considered for next 30 years.</li> </ul> |
| C                          | Strengthening of the NMC administrative system | <ul style="list-style-type: none"> <li>• Various projects for strengthening administrative system have been identified by NMC.</li> </ul>   |

Source: City Development Plan Nagpur 2041.Final Report Capacity Building for Urban Development Project.

establishing smart villages like that of South Korea’s Seoul Metropolitan Government (SMG) which has developed various combined platforms providing solutions to the multiple issues of citizenry by sharing city news, enabling two-way communication between the government and citizens using social media services.

Fig. 1



Source: <http://www.dailymail.co.uk/indiahome/indianews/article2791612/visual-edit-india-needs-smart-vil;ages-smart-cites.html>



The aim of the Smart Village is to provide an integrated sustainable ecosystem with strong back up of digital technologies bringing easy access to the government services, diversified job opportunities, technology-based micro enterprises, cashless transactions, ATMs, IT based classrooms, etc. One such Smart Project sponsored by Nokia is coming up to develop 10 such villages in each state. The 1st phase of the project announced in May 2018 has pilot rolled down in Haryana and Tamil Nadu which plan to digitalise villages by developing them into hubs to provide them connectivity and enable the applications in the domain of healthcare, education, entertainment, digital finance and governance.<sup>12</sup>

#### *Creation and Maintenance of Separate IT wing in NMC and ZP*

The world is passing through technological revolution with information technology and a communication media occupying a centre stage. This is a great transition from traditional pattern of administration to New Public Administration system of governance. Though significantly late, India is marching ahead in the field of IT as never before and set to surpass all by clearing the deficits in near future. But it is yet to percolate to the last man at the grassroots level. As most of the schemes and programmes are implemented by these local government bodies, there is an acute need for e-governance-friendly strong network which will protect common citizens', interests. It is suggested that the wide network of kiosks like that of PCOs should be established throughout the district, well-connected to the head office and its branches even in remote areas, where anybody can go and get the services free of cost. This itself will cost huge expenditure, human resources, and well-advanced technology ensuring the good connectivity and a separate IT cell which would be focusing only on these aspects.

Presently there is no separate wing in these offices. Only a small cell consisting of three persons are working in the office of NMC. An independent separate, well-equipped office with appropriately qualified, competent, meritorious and well-trained staff in sufficient numbers should be created which will also impart the regular training to the staff and also handle awareness generation programmes for the commoners. This cell should be given maximum possible autonomy to decide upon the technical matters.

#### *Problems regarding Digital Governance issues in Urban Local Bodies*

Reluctance / unwillingness of the citizens for online financial transactions is another impediment to the e-governance process.



Training and capacity building of the staff with the desired and necessary standards at affordable cost, is the need of the hour. The Enterprise Resource Planning (ERP)'s integrated system needs to be rebuilt to ascertain smart governance has been developed by TCS Pune and e-Gov. Foundation, Bangalore in which earlier 62 modules have been redesigned and converted into 38 modules for the effective integration with Smart Cities and G2C -NMC/ G2C-G2G.

#### *Sharing the Common Resources*

In Nagpur many ambitious projects like Smart City, AMRUT MISSION, MIHAN along with the local government institutions have adopted the e-governance mode as a way of their routine administrative matters. It is suggested rather than each organisation spending the large amount to streamline the system individually, there should be one common platform for all of them for raising the necessary infrastructure, technologies, other resources and share them jointly as e-governance is inevitable and common essential facility for local bodies. Similarly the Smart City Centre and City Operation Centre (COC) meant for vigilance over the city, should be merged into one unit sharing the common resources jointly.

#### *Focused efforts by the Rural Local Bodies to develop the Peri-urban areas as clusters and agglomerations*

About the newly emerged 721 villages on the periphery of Nagpur, city poses serious consideration, as on today not much has been done by NMC and they have no clear-cut demarcated status. Only villages falling under Hudkeshwar and Narsala ward have been included in the city but others are still awaiting their term. However, the Shyamaprasad Mukherji Rurban Mission Scheme (SPMRM) of the Central Government National Rurban Mission (NrUM) under the Ministry of Rural Development is planning to develop 300 peri-urban areas as clusters, identified in rural India covering 35 States and UTs with the objective of bridging rural-urban divide and Nagpur is one of them. The District should take the benefits of this Institutional arrangement to implement the Mission in accordance with various Mission guidelines and frameworks.

#### *Lack of Coordination between Urban-Rural Local Government Institutions and DPDC*

The offices of the NMC and Zilla Parishad are located within the distance of hardly two km, but not worth mentionable interactions, networking and the common efforts to work in coordination for

district development issues, plans, and implementation are observed. Further there is also a lack of coordination with the District Planning Development Council (DPDC) where the Planning for the entire district is done in consonance with the local government bodies including the financial allotments reviews, reallocation of unspent grants, etc.

*Mismatch between Functions Assigned and the Available Resources*

Globally the role of the local government is very important in ensuring the public access to the essential goods and basic services, including most marginalised communities and the citizens. Many of the United Nations Sustainable Development Goals have targets that are directly or indirectly related to the responsibilities of local actors, observed UNICEF (2019).<sup>13</sup>

The Constitution of India provides functional domain through Schedule XII, of CAA under Article 243 G indicates list of 18 functions assigned to municipalities and have been classified by 11<sup>th</sup>-Finance Commission as, Core Functions, Developmental Functions, Welfare Functions, and Agency Functions. As observed by the various Committees and Commissions, local government of Nagpur also remains in fiscal stress as a routine feature.

On the one hand these bodies have very limited fiscal autonomy, on the other hand, the citizens' expectations to get the quality services increase with the passage of time. As these institutions remain stressed and dependent for their fiscal devolutions, it is pertinent to understand how their fiscal capacity could be improved upon so that they may augment their own resources to discharge their responsibilities. In order to perform these tasks the municipal government has to be financially sound with commensurate amount of powers for raising the resources. While the Constitution has specified and listed expenditure responsibilities it does not provide clear regime taxes and revenue resources of the municipal Government. As such it is clearly observed that there is a mismatch of the resources and responsibilities because of which most of the times it fails to deliver the expected results. Since the CAA 1992 does not empower them with any defined own sources of finance they are dependent at rationality of their respective states. Strengthening these local government bodies in terms of their fiscal capacity it is a very critical issue in discharging their mandated responsibilities, keeping in mind the changing situations.

With the rapid urbanisation process, the demographic, technological, socio-economic, financial, environmental challenges for the growing cities are posing the tough challenges before the government. The

responsibilities for managing these cities, are divided between the Centre, state, and local government for the practical purposes, the matching well coordinated governance at the institutional levels is still not visible. Even though 74<sup>th</sup> Constitutional Amendment has strengthened the Urban Local Bodies (ULBs) but its implementation and the enforcement of the XII<sup>th</sup> Schedule tasks, effective decentralisation, financial dependence upon the State and Central bodies are still the cause of concern. Functional domain of ULGs is not updated as per Schedule XII<sup>th</sup> of the Constitution. Ever since the implementation of 74<sup>th</sup> Amendment practically much has been written about the failures of the State government to implement the implied provisions during last 27 years but now with Smart cities project the situation is all the more unsatisfactory owing to the creation of another independent development body with the overlapping of the functions and powers of its elected representatives in particular. "The implementation failure" narratives tend to focus upon how the local governments are financially bound and do not have the administrative capacity to carry out its functions".<sup>14</sup>

### **Future Pathways**

While the 74<sup>th</sup> Amendment has become a pivotal foundation for civic activism in many cities, it has certain inherent limitations as mentioned in the earlier elaborations. As the cities struggle to meet the basic needs of their inhabitants, there is an urgent need to re-examine the existing modes of organising the power in urban India. Unlike the 73<sup>rd</sup> Amendment which provides for three levels of Panchayats (village, *taluk* and district level) power in urban area is concentrated in a single municipal body, whether it is Municipal Corporation, Municipal Council or Nagar Parishad. However Nagpur city has grown exponentially over the last 25 years with crossing 10 million population mark (Presently about 46,53,570 lakh population after the last census in 2011).<sup>15</sup> There is an acute need for rethinking about the present model of urban governance that vests power in a single authority of Nagpur Municipal Corporation neglecting the other units at the appropriate levels. While urban governance reforms can take multiple shapes, they must be grounded in the local government's political empowerment which will further enhance local democratic accountability.

### **Footnotes**

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