India's Cities without Ownership
A Continuing Tale of Deficiency

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The 74th Constitution Amendment Act envisaged urban local bodies as "institutions of self-government" with empowered mayors; however, this is scarcely followed. The lack of a single point of authority with clear ownership is derailing our cities as this institutional arrangement does not allow for a single point of accountability. The challenges around creating empowered and legitimate city leaders in India are examined and a way forward is charted out.

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Cities are one of the most complex systems developed by humankind. Managing a city requires a meticulous city-systems approach. A city-systems approach, simply put, is about identifying cities as a complex network of several interconnected subsystems that help govern it and drive quality-of-life outcomes. The approach[1] looks at four core components of governance in cities: spatial planning; municipal capacities (both human and financial); political leadership; and transparency, accountability and participation. It helps diagnose as well as solve urban governance issues sustainably.

Of this, the most touted, but one that has seen the least action, is the component of political leadership. It is a widely-known fact that Indian cities have weak leaders to steer them forward. While we use salutations such as "worshipful" to address the mayor, in reality, our mayors are just glorified figureheads and our urban local bodies (ULBs) merely serve as glorified service providers. While the 74th Constitution Amendment Act (CAA) envisaged ULBs as "institutions of self-government" with empowered mayors, this is scarcely followed. The lack of a single point of authority with clear ownership is derailing our cities as this institutional arrangement does not allow for a single point of accountability.

This article tries to capture the challenges around creating/having empowered and legitimate city leaders in India and charts out a way forward. It draws from a study called the "Annual Survey of India's City-Systems (ASICS) 2017," carried out by the Janaagraha Centre for Citizenship and Democracy, on the state of urban governance in India covering 23 Indian cities across 20 states, seen in comparison with New York, London and Johannesburg.

This article is organised into three sections. The first section discusses the importance of having an empowered mayor. The second section discusses the state of city leaders in India from three respects: (i) the crippled mayoral system, (ii) the state of devolution in terms of funds, functions, and functionaries, and (iii) how the first two result in fragmented city governance. The last section concludes by discussing the reforms approach to build cities with empowered leaders. It also mentions the importance of starting conversations on metropolitan governance system and empowered leaders for India's metropolises, while continuing to fix such issues in municipal governance.

Empowered Mayor

Vibrant and democratic cities around the globe are led by empowered mayors and their team. The mayor is the key driver guiding the future of their city. Globally, there are several examples of mayors charting a new direction for their cities through their leadership.

Ken Livingstone, a former mayor of London, steered the efforts towards introducing the "congestion charge" which has helped reduce traffic congestion and pollution in Central London (Santos, 2008). Mayor Michael Bloomberg of New York, for three consecutive terms since 2001, introduced "PlaNYC—a Greener and Greater New York" to fight global warming and protect the environment. His "Million Trees NYC" initiative is said to be responsible for offsetting nearly 20% of greenhouse gas emissions (Kinney 2015). The mayor of Manila since 2013, Joseph Ejercito Estrada, has also served as the President of Philippines from 1998 to 2001. When he took over the mayoral position, Manila was struggling with more than $838 billion in debt. The city was also facing severe problems regarding socio-development, safety and security. Estrada's reform to boost the city's finances primarily by updating property taxes reflected a near doubling of property values which had been frozen since 1996. Through comprehensive efforts steered under his leadership, Manila, in 2015 was declared the most competitive city in the Philippines. It was also proclaimed the best city in terms of infrastructure, availability of utilities, economic governance, etc (Lopez 2016). Similarly, Joko Widodo, the former mayor of Surakarta, who later became governor and is now the President of Indonesia has an acclaimed track record in improving the city's bureaucracy, reducing corruption, improving healthcare infrastructure, etc, during his term as mayor (Yuwono 2014).

Of late, through networks such as the Compact of Mayors, Local Governments for Sustainability (ICLEI), C40 Cities, Climate Alliance and Cities for Climate Protection, mayors are leading the effort in combating climate change, thus becoming a significant global political force.

An empowered mayor can change the face of a city, knowing its pulse. Mayors are better placed to decide for their city compared to, say, the chief minister, who most likely sits miles away from the city. The mayor usually belongs to the same city and is better connected to that soil. As we have seen from the examples discussed above, when the mayor is empowered to decide for the city with powers over finance, functions, and functionaries, and is made accountable, the city stands a much better chance to flourish.

India has seen a significant amount of policy attention on the urban front, which began with the erstwhile Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and has continued evolving with the recently launched Swachh Bharat Abhiyan, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Smart Cities Mission, all aimed at urban transformation across various fronts. While the direction is right, the successful execution of such a vision requires able leaders with legitimacy—the most important being the mayor.

But, the mayors and councils of India's cities are toothless. The ASICS 2017 report scores Indian cities an average of 4.7 out of 10 on political leadership as compared to an average of 9.0 scored by the other cities these are being compared with (London, New York and Johannesburg). ASICS highlights the crippled mayoral system and the depressing state of devolution of power which have together led to fragmented urban governance. This section discusses each of these aspects in detail.

Crippled Mayor and Council

India's urban governance system is incapable of facing challenges, with cities being largely governed by state-appointed bureaucrats whose average tenure is a mere 10 months (ASICS 2017). In stark contrast are the powerful mayors with fixed tenures coterminus with the council, in some of the best governed cities across the globe. While the 74th CAA envisioned the functioning of municipalities as democratic units leading to greater participation of people at the grass-roots level in decision-making, the result has not always been as intended. This is primarily because cities are a state subject, and the detailed drafting of laws that ideally follow the spirit of the 74th CAA, was left to the states. But, the absence of clear provisions with regard to mayoral terms, powers and responsibility of the council and the mayor, the vagueness in financial devolution and the absence of a timeline for the implementation of provisions related to devolution, usage of the word "may" instead of "shall" in the case of provisions of devolution, etc, have allowed state governments to conveniently dilute the spirit of the 74th CAA.

The custodian of a democratic city must be an elected leader and their tenure is key to their leadership. As observed in Table 1, large cities, such as Bhopal, Kanpur and Lucknow, have a directly-elected mayor with a five-year tenure, compared to megacities such as Bengaluru and Delhi, which have an indirectly elected mayor with a one-year tenure.

Table 1: Mayoral Tenure vs Election Type

City	Is Mayor Directly Elected	Tenure of Mayor
Ahmedabad	No	2.5
Bengaluru	No	1
Bhopal	Yes	5
Bhubaneswar	No	5
Chandigarh	No	1
Chennai	No	5
Dehradun	Yes	5
Delhi	No	1
Guwahati	No	5
Hyderabad	No	5
Jaipur	No	5
Kanpur	Yes	5
Kolkata	No	5
Lucknow	Yes	5
Ludhiana	No	1
Mumbai	No	2.5
Patna	No	5
Pune	No	2.5
Raipur	Yes	5
Ranchi	Yes	5
Surat	No	2.5
Thiruvananthapuram	No	5
Visakhapatnam	No	5
Average tenure of directly elected mayor	5 years	
Average tenure of indirectly elected mayor	3 years	

Source: *ASICS (2017) Data Book*.

Urban governance is further complicated by states not following mandatory provisions such as holding regular elections and entrusting its responsibility to the State Election Commission (SEC). ASICS shows that although all states have formed a SEC, only four states have empowered the SEC to legally conduct the delimitation of wards. While the act does not specifically state that the responsibility of delimitation should lie with the SEC, Article 243ZA clearly vests all responsibilities regarding the conduct

of elections with the SEC, with delimitation clearly being one of them. It is also crucial to restrict delimitation within an independent body, which could otherwise be used as political bait.

It is fundamental for a democratic city to regularly conduct municipal elections. Cities such as Visakhapatnam and Chennai have not held municipal elections since 2011 and 2007, respectively (ASICS 2017), meaning that their 6.6 million residents are not governed by an elected body. Even in cities where municipal elections are held, ASICS shows that the voter turnout for municipal elections is much less than that for assembly elections. As seen in Table 2, Kolkata is the only exception to this trend. It is notable that many Indian cities perform far better in this component when compared to comparative cities like New York and London. Nevertheless, lower voter turnout in municipal elections raises concerns about the representative character of the elected body.

State of Devolution

ASICS shows that Indian cities have low levels of devolution of the proverbial three Fs: functions, functionaries, and funds. The state of these three types of devolution are discussed below.

Functional devolution: India's cities do not have full decision-making authority over critical functions and services such as planning, housing, water, environment, fire and emergency services, etc. On average, only nine out of the 18 functions listed under the 74th CAA have been effectively devolved to the ULBs as shown in Table 3 (p 18). In response to the question raised in the Rajya Sabha in the 2018 budget session, on the status of functional devolution to ULBs, the Ministry of Housing and Urban Affairs stated that as per the JNNURM review, eight states and one union territory have fully implemented such devolutions: Chhattisgarh, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Kerala, Maharashtra, Odisha, Punjab and Puducherry (Poddar 2018). Of these, Kerala is often celebrated for its progressive legal measures on devolution.

Under functional devolution, the state has gone one step ahead by layering and adding specificities to such functions. But, as seen in Table 3, the legal provision for functional devolution and the devolution in practice are diverging. Even in Kerala, a state which is treated as the beacon of decentralisation, the reality is "centralisation of decentralised services," with core functions such as planning, land-use planning, socio-economic planning, water supply, etc, under the authority of parastatals. ASICS 2017 shows that Mumbai and Pune have relatively high levels of devolution in practice, with 14 out of 18 functions effectively devolved. The comparative cities in ASICS have much greater authority over municipal functions; London and New York have effectively devolved all 18 functions and Johannesburg, 16.

While the divergence between the legal mandate and effective implementation is one issue, another one that is equally problematic is non-adherence to the constitutional provision itself. It is clear from the samples in Table 3 that states have chosen not to devolve some of the mandated functions by law. While the proactiveness of the state in implementing the true principle of subsidiarity is in question, this also highlights the weakness in the provision of the 74th CAA itself. Article 243w, which mandates functional devolution of the 18 functions under the 12th schedule, reads as follows: "the legislature of a state may, by law." Ideally, this should have been: "the legislature of a state shall, by law." That the law does not specify a clear timeline for devolution has given the scope for state governments to indefinitely delay it.

Functionary devolution: Functionary support is critical to handling functions that have been devolved to cities. But, India's mayors and councils cannot hire or fire their own management teams, severely constraining their ability to establish accountability for performance of city officials. This is in sharp contrast to the cities of London, New York and Johannesburg that have complete authority over hiring and firing of their bureaucratic team. In ASICS 2017, Indian cities, on average, score only 4.3 out of 10 on their power over staffing, which includes hiring, firing and initiating disciplinary action. The mayor/council does not have the authority to appoint the executive

Table 2: Voter Turn-out—Municipal vs Assembly Elections

Cities	Municipal Elections		Assembly Elections	
	Latest Year	Voter Turnout (%)	Latest Year	Voter Turnout (%)
Ahmedabad	2015	46.2	2012	66.6
Bengaluru	2015	45.0	2013	58.3
Bhopal	2015	56.7	2013	63.9
Bhubaneswar	2014	43.3	2014	43.1
Chandigarh	2016	59.5	No assembly election	
Chennai	No council election held since 2011		2016	61.2
Dehradun	2013	54.5	2017	58.0
Delhi	2017	53.6	2015	67.5
Guwahati	2013	56.2	2016	79.4
Hyderabad	2016	45.0	2014	52.7
Jaipur	2014	56.0	2013	72.8
Kanpur	2012	41.1	2017	55.0
Kolkata	2015	68.6	2016	68.5
Lucknow	2017	47.0	2017	56.6
Ludhiana	2012	63.3	2017	70.5
Mumbai	2017	55.3	2014	50.8
Patna	2017	46.0	2015	43.6
Pune	2017	53.6	2014	55.7
Raipur	2015	58.1	2013	65.2
Ranchi	2013	38.0	2014	53.4
Surat	2015	39.6	2012	66.8
Thiruvananthapuram	2015	62.9	2016	70.8
Visakhapatnam	No council election held since 2007		2014	62.5
London	2016	45.3	2017	70.0
New York	2013	21.7	2016	55.6
Johannesburg	2016	57.1	2014	72.6

Source: *ASICS (2017) Data Book*.

head of the ULB. Power over the functionary component is key to bottom-up governance, but state governments have been reluctant to devolve such powers.

Fiscal devolution: The 2018 Indian *Economic Survey* states that "Fiscal decentralisation is often embraced as not just a desirable economic but also as a political and philosophical principle" (*Economic Survey* 2018).[2] But, Indian cities are unfortunately handicapped in this respect as well, severely affecting their ability to deliver municipal functions and services. ASICS 2017 shows that, on average, the cities assessed in this study, generate only 39% of the funds they spend, leaving them highly dependent on state and central government grants. This, for the cities in comparison, is about 55%. In terms of devolution of tax (property tax, entertainment tax, profession tax and advertisement tax), the average score of Indian cities is 8 out of 10. Cities also have little freedom to invest or borrow and in finalising budgets. Only four of the cities being assessed can borrow without the sanction of state governments (owing to a debt-limiation policy), of

which one is a medium-sized city and three are large cities. Only seven cities—three large and four mega cities—can invest without prior state government approval. Only 11 out of 23 cities assessed have full independence in budget-setting: one medium-sized city, six large cities, and four mega cities.[3] As shown in Table 4, when cities are not empowered with the authority over functions they ought are best fit to do, their deficient institutional mechanisms fail to effectively deliver even the little that is currently expected of them.

The crippled mayoral/council system and the unachieved goals of devolution have resulted in municipalities becoming glorified service providers, far from a local self-government or a city government. Parastatal agencies such as the

development authorities (which cover planning), and water authorities (water and sewerage), and transport corporations (public buses) report directly to state governments, and to various departments and ministries within it. Exacerbating this fragmentation is the role of state departments in, for example, public works (roads) and police (traffic, law and order), which in many cities also have significant overlapping roles in infrastructure and service delivery. The average Indian city pays a hefty price for its fragmented state of governance and weak local bodies.

The Way Forward

More than two decades have passed since the enactment of 74th CAA and, yet, we continue to discuss the same basic

Table 4: How Empowered Are Our Cities and Their Leaders?

Factor	Large and Medium City	Mega City
Proportion of cities with a five-year mayoral tenure (%)	78	20
Proportion of cities with a directly elected mayor	33	0
Average score for taxation powers	8/10	8/10
Average of own revenues to total expenditure (%)	31	67
Average per capita capex (₹)	1,966	2,209
Average number of functions devolved	8/18	11/18
Average score for powers over staff	4.3/10	5/10

Source: ASICS (2017) Report.

Table 3: Functional Devolution—Law vs Practice

Sl No	Function	Thiruvananthapuram Claimed@	Thiruvananthapuram Reality#	Bhopal Claimed	Bhopal Reality	Bengaluru Claimed	Bengaluru Reality
Function-1	Urban planning, including town planning	No	No	No	No	No	No
Function-2	Regulation of land-use and construction of buildings	Yes	No	Yes*	No	Yes	No
Function-3	Planning for economic and social development	Yes	No	Yes*	No	No	No
Function-4	Roads and bridges	Yes	Yes	Yes*	Yes	Yes	Yes
Function-5	Water supply for domestic, industrial and commercial purposes	Yes	No	Yes	Yes	Yes	No
Function-6	Public health, sanitation conservancy and solid waste management	Yes	Yes	Partial	Partial	Yes	Yes
Function-6a	Public health	Yes	Yes	No	No	Yes	Yes
Function-6b	Sanitation conservancy and solid waste management	Yes	Yes	Yes	Yes	Yes	Yes
Function-7	Fire services	No	No	Yes	Yes	No	No
Function-8	Urban forestry, protection of the environment and promotion of ecological aspects	Yes	No	Yes*	No	Yes	Yes
Function-9	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	Yes	Yes	Yes*	No	Yes*	Yes
Function-10	Slum improvement and upgradation	Yes	No	Yes*	No	Yes*	No
Function-11	Urban poverty alleviation	Yes	0	Yes*	No	Yes*	No
Function-12	Provision of urban amenities and facilities such as parks, gardens, playgrounds	Yes	Yes	Yes	Yes	Yes	Yes
Function-13	Promotion of cultural, educational and aesthetic aspects	Yes	Partial	Partial	No	Yes*	Partial
Function-13a	Education	Yes	Yes	Yes	No	Yes	Yes
Function-13b	Culture and aesthetics	No	No	No	No	Yes	No
Function-14	Burials and burial grounds; cremations, cremation grounds; and electric crematoriums	Yes	Yes	Yes	Yes	Yes	Yes
Function-15	Cattle pounds; prevention of cruelty to animals	Yes	Yes	Yes*	Yes	Yes	Yes
Function-16	Vital statistics, including registration of births and deaths	Yes	Yes	Yes	Yes	Yes	Yes
Function-17	Public amenities, including street lighting, parking lots, bus stops and public conveniences	Yes	Yes	Yes	Yes	Yes	Yes
Function-18	Regulation of slaughterhouses and tanneries	Yes	Yes	Yes	Yes	Yes	Yes
Total functions devolved		16.5/18	9.5/18	16/18	9.5/18	15/18	10.5/18

* As per law, these are discretionary functions and not obligatory.
@ Functions that have been devolved by law.
# Functions that have been devolved in practice.
Source: ASICS (2017), Kerala Municipalities Act (Schedule 1), Bhopal Municipal Corporation Act (Sections 66 and 67) and Karnataka Municipal Corporation Act (Sections 58 and 59).

issues around municipal governance. What is often forgotten is the discourse on metropolitan governance. Despite the emergence of smaller towns, the underlying character of India's urbanisation is "metropolitan," with many new towns emerging within the proximity of existing large cities (World Bank 2013). The 53-million-plus cities or urban agglomerations in 2011 comprised 42.6% of the urban population in India. By 2030, India will have 71 metropolitan cities, of which seven cities will have more than 10 million population, according to the United Nations Population Division (2018).

Often, a city's most tenacious shocks, such as flooding, poor mobility, unaffordable and inadequate housing, impacts of climate change, etc, transcend municipal boundaries and must be examined and managed at the metropolitan level, and through regional collaborations. Already, the metropolitan regions of Bengaluru, Chennai, Hyderabad, Kolkata, and Mumbai account for around 10% of India's gross domestic product (Sivaramakrishnan 2015). Metropolitan regions will assume a greater role in the overall economy going forward. Despite their intrinsic importance, there is a serious governance deficit that has threatened the sustainable development of these metropolitan regions.

India is among the very few countries that lack a metropolitan governance frame. While it is a fact that India is still lamenting fragmented municipal governance, it should not hesitate to initiate efforts to govern its metropolises. It is high time that we have policy attention towards a democratic metropolitan governance structure, building capacity and competency to deliver metropolitan services while continuing to address the unresolved municipal level challenges. This will have a significant positive impact on India's environment, economy and equity.

Many countries, including those whose cities have been compared with Indian cities in ASICS, have successfully transformed their cities within a span of a decade. Such countries were able to achieve such transformation through strong governance reforms which addressed the questions: "Who will lead?"

and "Who is accountable?" (McKinsey Global Institute 2010).

While urban transformation requires institutional reforms across all levels of the government, the key transformational agent in India's urban space is the state government. ASICS suggests the following reforms to be undertaken across the levels of the government to empower a city's political leadership.

City government: (i) Create a national-level platform for mayors and city councils that can strengthen advocacy for decentralisation; and (ii) connect with citizens, build trust and gain their support for the decentralisation agenda.

State government: (i) Overhaul Municipal Corporation Acts to ensure mayors have five-year terms, critical functions are meaningfully devolved, and mayors and Councils have full powers over staffing and finances; and (ii) clarify reporting structures by ensuring, in a phased manner, reporting of parastatal agencies to the mayor and council.

Central government: (i) Amend the 74th CAA for it to meet its intended purpose of municipalities serving as local self-governments; and (ii) lead the effort on a metropolitan governance paradigm, evolve consensus with state governments.

Cities are expected to generate up to 70% of new jobs in India, contribute about 70% of India's GDP, and drive a near four-fold increase in per capita income by 2030 (McKinsey Global Institute 2010). Clearly India's future lies in its urban areas, and it will be crucial to ensure socio-economic prosperity and sustainable development within them. Our cities need to be led by

empowered leaders, with mayors becoming their best custodians.

NOTES

1 City-Systems approach as conceived by Janaagraha.
2 Refer Chapter 4, page 57, para 4.10 in the *Economic Survey* (2018).
3 Categorisation basis of city is as given below:
   (a) Mega city—5+million
   (b) Large city—1+ to 5 million
   (c) Medium city—up to 1 million.

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