



DAILY EDITORIAL ANALYSIS

TOPIC

**INDIA'S URBAN CRISIS DEEPENS
AS STATES CHOKE CITY-LEVEL
GOVERNANCE**

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Context

- Urban India is buckling under the weight of rapid, unplanned growth, with dysfunctions ranging from clogged drains and toxic air to flooded streets and crumbling infrastructure — highlighting the urgent need for empowered city-level governance, often stifled by state control.

About India's Urban Governance

- India's urban landscape is undergoing a profound transformation, shaped by rapid population growth, infrastructure expansion, and evolving governance frameworks.
- Currently, **over 30% of the population resides in cities in India** and contributes nearly 70% of India's GDP, and projections suggest that the population aims to rise to **nearly 50% by 2050**.

Governance Crisis in Urban India

- Unfulfilled Promise of Constitutional Framework:** The **74th Constitutional Amendment Act (CAA)** of 1992 granted constitutional status to Urban Local Bodies (ULBs), envisioning them as self-governing institutions responsible for urban development and service delivery.
 - The **12th Schedule of the Constitution** assigned **18 functions** to these bodies, including urban planning, sanitation, solid waste management, and poverty alleviation.
 - However, a **CAG Audit in 2024** exposes that on average, only **4 out of 18 functions** are under their full control, with state governments and parastatal agencies frequently intervening in local governance.
- Lack of Administrative Autonomy:** ULBs often cannot recruit their own staff — personnel assessments are conducted by state authorities, leading to severe staff shortages.
 - For example, the **Shimla Municipal Corporation** required 720 personnel but was sanctioned only 20 new posts.
 - Across 18 states, **one-third of all sanctioned positions remain vacant**, crippling ULBs' capacity to perform essential functions.
- Democratic Deficit and Institutional Neglect:** The 74th Amendment mandated institutional mechanisms like **State Election Commissions (SECs)**, **District Planning Committees (DPCs)**, and **Metropolitan Planning Committees (MPCs)** to ensure accountability and coordinated planning.
 - But, the CAG audit in 2024 found **widespread neglect** of these provisions:
 - 61% (1,600 of 2,625)** ULBs in 17 states lack an elected council.
 - Only **five states** appoint mayors through direct elections.
 - Just **10 states** have constituted DPCs, and only **three** have prepared annual district plans.
 - Of the nine states required to form MPCs, only **three** have functional committees.
- Financial Distress and Fiscal Dependence:** Many states have failed to **regularly constitute State Finance Commissions (SFCs)**, delaying fiscal transfers and weakening local finances.
 - According to the CAG, across 15 states, ULBs faced an **average shortfall of ₹1,606 crore** due to partial release of recommended funds.
 - Furthermore, despite being empowered to collect property taxes, ULBs **cannot fix or revise tax rates** independently, with many taxes still pegged at outdated values.
 - It leads to a **42% expenditure–revenue gap** across 11 states, forcing ULBs to allocate just **29% of their funds** to development activities — far below what is needed for sustainable infrastructure and service delivery.

Major Efforts & Initiatives in Urban Governance

- National Urban Digital Mission (NUDM):** It was launched to create a digital backbone for urban India;
 - It enables citizen-centric governance through platforms like:
 - India Urban Data Exchange (IUDX)** for secure data sharing;
 - SmartCode** for collaborative urban tech development;
 - Geospatial Management Information System (GMIS)** for project monitoring;

- **Smart Cities Mission:** Aims to develop 100 cities with smart infrastructure, e-governance, and sustainable urban planning;
 - ♦ Focuses on integrated command centers, intelligent traffic systems, and digital citizen services;
- **AMRUT (Atal Mission for Rejuvenation and Urban Transformation):** Targets improvement in basic urban infrastructure: water supply, sewerage, stormwater drainage, and non-motorized transport;
 - ♦ Encourages reforms in urban planning and municipal finance;
- **Compendium of Urban Reforms (NIUA):** It is the best practices in financial management, e-governance, and pro-poor reforms.
 - ♦ Promotes peer learning through the PEARL initiative under JnNURM.
- **Swachh Bharat Mission (Urban):** Focuses on sanitation, waste management, and behavioral change;
 - ♦ Introduced star rating protocols for garbage-free cities;
- **Ease of Living Index & Municipal Performance Index:** Benchmarks cities on governance, quality of life, and sustainability;
 - ♦ Encourages data-driven decision-making and citizen feedback loops
- **Annual Survey of India's City-Systems (ASICS):** Tracks municipal performance and governance quality across cities.

Strengthening Urban Governance in India: Pathways to Reform

- **Administrative Autonomy:** ULBs need to have full control over staff recruitment and management.
- **Democratic Strengthening:** State governments must ensure **regular municipal elections** through empowered SECs.
- **Functional DPCs and MPCs:** These bodies should be operationalized for integrated regional planning.
- **Fiscal Empowerment:** SFCs should be constituted and implemented on time, ensuring predictable fiscal transfers.
- **Local Tax Reforms:** Grant ULBs authority to assess and revise local taxes, improving revenue generation.

Conclusion

- India's urban future depends on revitalizing its **Urban Local Bodies**. Without real autonomy, both administrative and fiscal, cities will continue to struggle under weak governance and inadequate planning.
- Empowering ULBs through the faithful implementation of the **74th Constitutional Amendment** is not merely a constitutional mandate — it is a developmental necessity.
- Through strong, accountable, and financially independent local institutions can India's cities reclaim their promise as vibrant, productive, and livable spaces.

Source: BS

Daily Mains Practice Question

[Q] Examine how the centralization of power by state governments has contributed to the deepening urban crisis in India. Discuss the implications for city-level governance and suggest measures to strengthen urban local bodies.

