

# **MADHYPRADESH STATE LEVEL BACKGROUND PAPER**

**Laying Foundation For Urban Reforms  
Facility (UIRF)**

**with Focus on small and Medium Towns in India**

# **State level background Paper**

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# **Chapter-1**

## **Madhya Pradesh: Introduction and Overview**

### **Historical Background**

Madhya Pradesh was formed on November 1, 1956 comprising the seventeen districts of Mahakoshal, two districts of Bhopal, eight districts of Vindhya Pradesh, Sixteen districts of Madhya Bharat. At the time of its formation, the state had 43 districts. Subsequently, two large districts were bifurcated. Sixteen more districts were formed in the year 1998. The Chhattisgarh region, comprising of 16 districts, was separated to form a new state as per the provisions of Madhya Pradesh Reorganization Act, 2000 and recognized State of Madhya Pradesh came into existence on 1st November 2000. Again three new districts i.e. Burhanpur, Ashoknagar and Anoopur were formed in the year 2003. The total geographical area of the state is now 308 thousand sq. kms. Madhya Pradesh is situated in the very heart of India and it is surrounded by five states viz. Rajasthan, Maharashtra, Gujarat, Chhattisgarh and Uttar Pradesh.

### **Dimensions of Poverty**

During the past five years the incidence of poverty in the State (including Chhattisgarh) has declined from 42.52 in 1993-94 to 37.43 in 1999-2000 as against 26.10 per cent for the country as a whole. The State was the third poorest among 15 non-Special Category States in the year 1999- 2000, the first being Orissa with 47.15 per cent, followed by Bihar with 42.60 per cent. The incidence of poverty in rural areas is substantially lower than in urban areas. In 1999-2000 the percentage of population living below poverty line in rural areas was 37.06 as against only 38.44 for urban areas.

### **Growth in State Economy and State Income**

The State economy has grown at a compound (exponential) rate of 3.69 percent (divided M.P.) per annum during the ten year period 1993-94 to 2002-2003. The net state domestic product (NSDP) of Madhya Pradesh at current prices increased from Rs. 33937.27 crore in 1993-94 to Rs. 71386.53 crore in 2002-2003 thereby increasing nearly two times during the ten year period. Similarly the net state domestic product at constant (1993-94) prices increased to nearly 29.42 percent from Rs. 33937.27 crore in 1993-94 to Rs. 43923.41 crore in 2002- 2003.

The per capita income in the state at current prices increased from Rs. 6584 in 1993-94 to Rs. 11438 in 2002-2003 (Q) and at constant (1993-94) prices from Rs. 6584 to Rs. 7038 during the same period. Thus, in real terms the per capita income in the State increased at a compound (Exponential) rate of only 1.52 percent during the period 1993-94 to 2002-2003. The lower growth rate in per capita income is mainly due to a higher rate of population growth in the state during this period.

Per capita income is the single most comprehensive indicator of the level of the state's economy. The per capita income of Madhya Pradesh in 2002-2003 (Q), at current prices, Rs. 11438, which is below the all India per capita income of Rs. 17978 for the year 2002-2003. Madhya Pradesh is thus still classified as a low income state in company with Uttar Pradesh, Orissa and Bihar. In fact, the per capita income of some of the high income states like Punjab, Haryana, Maharashtra and Gujarat is more than twice than that of Madhya Pradesh. The per capita incomes of Andhra Pradesh, Karnataka and Tamilnadu are 50.55, 67.33 and 79.00 percent higher respectively than Madhya Pradesh.

Table: 1  
Basic Information of MP

Population	6,03,85,118 (Census 2001)
Male	3,14,56,873
Female	2,89,28,245
Scheduled Tribes	96,82,000 (19.94 %)
Scheduled Castes	74,78,000 (15.40 %)
Area in square km	308,000
Revenue Divisions	9
Districts	45
Tehasils	260
Development Blocks	313
Populated villages	51,806
Gram Panchayats	21,999
Literacy	64.11 percent
Male	76.80 percent
Female	50.28 percent
Density of Population	196 per sq. kms.
Male-Female Ratio	1000 : 933

## NATURAL RESOURCES

### Land and its Use:

The reorganized state has a geographical area of 307.55 lakh hectares, out of which 149.62 lakh hectares is the net area sown in 2001-02, and 14.99 lakh hectares are under permanent pastures, grazing lands and under miscellaneous tree crops. Another 12.41 lakh hectares are current and old fallow lands and 12.18 lakh hectares constitute cultivable waste land. The area under forests is 85.80 lakh hectares.

### Forest :

Madhya Pradesh has immense forest resources covering an area of 95.2 thousand square kilometers which is approximately 31 percent of the total geographical area.

### Water Resources :

The ten major rivers of the state, namely, Mahi, Narmada, Tapti, Chambal, Betwa, Sone, Wainganga, Ken, Sinath and Pench originate in Madhya Pradesh and flow to the five bordering states. These rivers of the state offer an availability of 56.9 MAF of water, about 70

percent of which could be harnessed for irrigation purposes. Besides, about 22.3 MAF ground water is also available, of which 50 percent could be utilized for irrigation purposes. In the year 2001-02 the net irrigated area in the State was 44.9 lakh hectares which was 30.7 percent of the net area sown.

### **Agriculture**

Though the contribution of the primary sector, which includes agriculture, to the total Net State Domestic Product is coming down, agriculture is still the mainstay of the State's economy, as about 77 % of the population is still dependent upon agriculture. Agriculture in the state is still traditional. Madhya Pradesh has a number of advantages in setting up industries. It has abundant natural resources, location advantage, peaceful industrial climate, better organizational delivery systems, availability of agricultural inputs and raw materials, and a number of State Government Undertakings for guidance and help.

The power position of the state is in deficit at present.

### **Health:**

In line with national health policy of 'Health for All', the State has formulated strategies for development of the three tier health infrastructure facilities. At present the State has 39 District Hospitals, 227 Community Health Centers, 1194 Primary Health Centers, 57 Urban Civil Hospitals, 7 T-B Hospitals and 8835 Sub-health Centers, along with facilities of Indian System of Medicine. Besides, National Health Programmes like, blindness eradication, tuberculosis control, leprosy eradication, malaria eradication, and family welfare etc. are also being implemented.

Madhya Pradesh is the second largest Indian state in size with an area of 308,000 sq. kms. The concept of District Governance has been implemented and District Planning Committees have been empowered to plan and execute development works. A system of village level governance, Gram Swaraj, has been put in place, from Jan. 26, 2001, under which Gram Sabhas have been bestowed with considerable powers for development of villages and welfare activities.

Table: 2  
Information about the Districts of MP

<b>Name</b>	<b>Area (sq.km)</b>	<b>Population</b>	<b>HQ</b>
Badwani		. 8,32,422	Badwani
Balaghat	9,229	13,62,731	Balaghat
Betul	10,043	11,80,527	Betul
Bhind	4,459	12,14,480	Bhind
Bhopal	2,772	13,50,302	Bhopal
Chhatarpur	8,687	11,58,853	Chhatarpur
Chhindwara	11,815	15,63,332	Chhindwara
Damoh	7,306	8,97,544	Damoh

Datia	2,038	3,97,743	Datia
Dewas	7,020	10,32,522	Dewas
Dhar	8,153	13,66,626	Dhar
Dindori .		5,83,019	Dindori
Guna	11,065	13,09,451	Guna
Gwalior	5,214	14,14,948	Gwalior
Harda .		3,80,762	Harda
Hoshangabad	10,037	13,65,970	Hoshangabad
Indore	3,898	18,30,870	Indore
Jabalpur	10,160	26,45,232	Jabalpur
Jhabua	6,782	26,45,232	Jhabua
Katni		8,81,925	. Katni
Khandwa (East Nimar)	10,779	14,32,855	Khandwa
Khargone (West Nimar)	13,450	20,26,317	Khargone
Mandla	13,269	12,91,313	Mandla
Mandsaur	9,791	15,55,481	Mandsaur
Morena	11,594	17,07,619	Morena
Narsinghpur	5,133	7,84,523	Narsinghpur
Neemuch .		5,98,339	Neemuch
Panna	7,135	6,84,721	Panna
Raisen	8,446	8,77,369	Raisen
Rajgarh	6,154	9,92 315	Rajgarh
Ratlam	4,861	9,71,309	Ratlam
Rewa	6,314	15,50,140	Rewa
Sagar	10,252	16,46,198	Sagar
Satna	7,502	14,62,412	Satna
Sehore	6,578	8,40,427	Sehore
Seoni	8,758	9,99,762	Seoni
Shahdol	14,028	17,43,068	Shahdol

Shajapur	6,196	10,32,520	Shajapur
Sheopur .		4,31,480	Shyopur
Shivpuri	10,278	11,31,933	Shivpuri
Sidhi	10,256	13,71,935	Sidhi
Tikamgarh	5,048	9,40,609	Tikamgarh
Ujjain	6,091	13,86,465	Ujjain
Umaria .		4,20,815	Umaria
Vidisha	2,742	9,71,097	Vidisha
Anuppur .			
Ashok Nagar . .			
Burhanpur			

.Table:3  
Madhya Pradesh at a Glance – 2003

ITEMS	UNIT	DETAILS
1. Geographical Area	In `000 Sq. Km.	308
2. Temperature		
Maximum Average	In centigrade	33.9
Minimum Average	In Centigrade	20.0
		2001-2002
3. Rainfall	In Mms.	702.9
No. of Rainy Days		32
4. Administrative Set-up 2001 (P)		
Revenue Districts	No.	48
Tahsils	No.	271
Development Blocks	No.	313
Tribal dev. Blocks	No.	89
Town	No.	394
Total Villages	No.	55392
Inhabited Villages	No.	52143
District Panchayats	No.	45
Janpad Panchayats	No.	313

Gram Panchayats	No.	22029
Municipal Corporation	No.	14
Municipalities	No.	85
Nagar Panchayat	No.	235
Special Area Development Authorities	No.	11
Dev. Authorities	No.	9
Vidhan Sabha Constituencies	No.	230
		<b>2001-2002</b>
Lok Sabha Constituencies	No.	29
Rajya Sabha Constituencies	No.	11

Table: 4  
Population (in million) of Female Target Groups  
For Madhya Pradesh & All India During 1991

State	Early Childhood 0-6	Girl Child 0-19 Yrs	Adolescent Girl 11-18 Yrs	Reproductive Age 15-44	Economically Active 15-59 Yrs.	Old age 60+ Yrs.
Madhya Pradesh	6.39	15.16	4.93	13.76	17.00	2.16
All India	73.10	187.41	65.41	181.51	223.39	27.39

Source: Census of India, 1991  
Figures for undivided Madhya Pradesh (MP+Chhatisgarh)

## Chapter-2

### The Process of Urbanization in Madhya Pradesh

Madhya Pradesh is one of the less urbanized states of India, with only 26.67% of its population living in urban areas, as against 27.78% in the country as a whole in 2001. In 1991, its urban population was 25.27% of its total population, as against 25.71% of India. Among the 10 major states of India, Tamil Nadu ranked first in level of urbanization in 2001, with 43.86% urban population, followed by Maharashtra with 42.40% urban population, Gujarat 37.35%, Karnataka 33.98% and West Bengal 28.03%. Among the 28 states of India, Goa has the highest level of urbanization, 49.77% in 2001. In the total urban population of the country in 2001, Maharashtra, U.P., Tamil Nadu, West Bengal and Andhra Pradesh, taken together, accounted for more than 50% of total urban population in the country. The share of Madhya Pradesh in total urban population of the country is 5.64%. The decadal growth rate of urban population of Madhya Pradesh has declined from 43.92% in 1991 to 31.19% in 2001 and annual compound rate of growth has decelerated from 2.41% to 2.18% during the same period. The decadal growth of urban population of M.P. (31.19%) in 2001 is marginally higher than the country as a whole (31.13%).

Table No. I  
Growth of Urban Population in Madhya Pradesh 1981-2001

Size-class	Population range	Number of towns			Percent of Total urban population in each size-class of towns			Decadal growth (Percentage)	
		1981	1991	2001	1981	1991	2001	81-91	91-2001
<b>All</b>		253	350	368	100	100	100	33.48	27.38
<b>I</b>	Above one lakh	11	18	26	46.18	49.70	55.77	32.15	30.55
<b>II</b>	50,000 to less than one lakh	21	23	26	16.89	13.94	12.00	41.79	26.64
<b>III</b>	20,000 - 50,000	35	56	89	13.26	13.13	15.95	31.09	30.01
<b>IV</b>	10,000 - 20,000	90	143	141	14.95	16.32	12.13	29.99	21.21
<b>V</b>	5,000 - 10,000	94	107	80	8.61	6.81	4.01	34.22	16.86
<b>VI</b>	Less than 5,000	2	3	6	0.11	0.10	0.14	20.50	-66.36

(Source - Census Report - Paper 2, 2001)

MP has a large and growing urban population, with nearly 55 per cent of the state's urban population, approximately 16 million people, living in towns of over 100000 people (Class I towns). A significant proportion of this population lives in the six major cities of Bhopal (1433875), Indore (1597441), Jabalpur (951469), Gwalior (826919), Ujjain (429933), and Ratlam (221267). The high growth rate is expected to continue, with the urban population rising by a further 70 per cent to over 25 million people living in the towns having more than 1 lakh population by 2021.

The state experienced modest population growth during the pre-independence period in the last century. The growth has, however, picked up since independence, the rate being much above the national average. In case of demographic growth in urban areas, the rate has always been above the national average during the past five Census decades, and is a subject of policy debate. It would indeed be important to probe into the dynamics of urban growth in the context of macro and micro level changes in the state economy.

The most significant demographic phenomenon in the state was a slump in the urban growth rate during the nineties. The decline was much more than that noted at the national level so much so that the national and state growth rates have become equal viz., 2.7 per cent per annum. Furthermore, the final population count for 2001 brings down the provisional figures of urban population by about one (0.85)

per cent, giving the revised urban growth rate as 2.6 per cent, which is below the national average. It may be pointed out that for all municipal corporations in the state except for Indore, Jabalpur, and Rewa, the decennial growth rates of population have declined during 1991-2001 compared to the previous decade. Even in the projected population estimation by the Census of India, urban population growth is at a modest 2.2 per cent per annum.

The urban structure in MP is top heavy, as urban population in towns with less than 20000 population was as low as 12 per cent compared to the figure of 13 per cent for the country in 1981. The figure has gone up to 16 per cent which is now above the national figure of 8 per cent in 2001. The growth rates of population in lower order towns in the state during the first four decades since independence were similar to, or higher than, those in class I cities. The growth rates for class II towns during the seventies and that of class III towns in the eighties are higher than those in class I cities. Importantly, the trends and pattern noted at the national level are different wherein the smaller towns have experienced a lower growth rate making the urban structure heavy at the top.

The nineties, once again emerge as a decade making a departure from the past. The state has seen significant deceleration in the growth of the small towns resulting in their population share coming down significantly in 2001, as mentioned above. Also, the number of new towns is only 39 as compared to the figure of 102 in 1991. Understandably, the percentage of population in new towns to the total urban population in the state has declined from 7.4 per cent in 1991 to 2.3 in 2001. Further, the number of declassified towns was 9 in 2001 compared to only 1 in 1991.

It is often argued that the states trapped in the vicious circle of poverty report high urban demographic growth. All characteristics of poverty that lead to high fertility and demographic growth, such as low levels of literacy, poor medical facilities, and poor social and economic infrastructure, are arguably present in MP. A part of the explanation for the state reporting urban population growth above the national average can possibly be found within this poverty syndrome. Importantly, however, the migration factor has also played an important role in pushing up the demographic growth.

Table:2  
Urbanization Rate in M.P.

Census Year	Total number of UAs/Towns	Total Population	Total Urban Population	Urban Population (Per cent)	Decennial Growth		Annual Exponential Growth Rate
					Absolute	Percent	
1901	97	12679214	1329445	10.49	-	-	-
1911	98	14249382	1172290	8.23	-157155	-11.82	1.17
1921	99	13906774	1277021	9.18	104731	8.93	-0.24

1931	118	1532687 9	1565868	10.22	288847	22.62	0.97
1941	138	1717572 2	2058412	11.98	492544	31.46	1.14
1951	167	1861493 1	2768908	14.87	710496	34.52	0.80
1961	171	2321791 0	3864520	16.64	109561 2	39.57	2.21
1971	190	3001662 5	5576875	18.58	171235 5	44.31	2.57
1981	253	3816850 7	8528287	22.34	295141 2	52.92	2.40
1991	350	4856624 2	1227414 4	25.27	374585 7	43.92	2.41
2001	368	6038511 8	1610259 0	26.67	382844 6	31.19	2.18
<b>Estimated Urban Population</b>							
2005			1756700 0	26.9			
2006			1796900 0	27.1			
2007			1837000 0	27.2			
<p><i>Note:</i> UA—Urban Agglomeration.  <i>Source:</i> Census of India (2001).</p>							

## **Status of Urban Development**

A growing urban population in MP, increasing rates of urban poverty, and the economic leadership of urban centres is fast making our cities and towns the most crucial areas of focus in the coming decades. Not only is urban MP housing a quarter of the population, the cities and towns are also the gateways to the state and its principal economic engines. Urban areas have to be a focus area not only to ensure good living conditions for the middle class but also to ensure that cities and towns have fewer slums and remain basically clean with adequate water supply and roads. In terms of their economic impact, it is currently being estimated that the contribution of urban areas to India's Gross Domestic Product (GDP) was about 60 to 65 per cent in 2005. However, our cities and towns, by and large, have not received their due share of attention and public investment.

If the current rate of growth of urban population continues, MP would have approximately 2 crore urban dwellers by 2011 and 2.4 crore by 2021 (conservative estimates). The share of urban population would also have reached the near 30 per cent mark and then on to the nearly 40 per cent mark by the end of the fourth decade of this century.

This would also mean that we should have around 550 towns and cities by that time. These numbers exhibit the pressures that are going to emerge for urban civic and basic amenities. This shall also suddenly bring into focus the challenges of sanitation, drinking water, garbage disposal, law and order, and the most critical of all, housing for the poor on the one hand and maintaining and preserving the current green belts, green cover, and open public and required spaces for common facilities and uses in urban locations on the other.

Much of increase in urban population in the state is due to increase in number of towns and less due to increase in population of existing urban areas. Table No. 1 reveal some important facts in respect of the process of urbanization. The table shows that the number of towns in the state has increased from 253 in 1981 to 350 in 1991 and 368 in 2001. The increase may be partly due to the emergence of new towns within the proximity of large cities, new centres of industrial and commercial activities, thermal power stations and partly due to the creation of urban local bodies by the state government in what were formerly rural areas. The majority of towns, numbering 227 out of 368, are small towns, each with a population of 20,000 or less. These small towns are mostly outgrown villages, exhibiting rural characteristics. The class I cities, each with a population of one lakh and above though increased in number from 18 in 1991 to 26 in 2001, have shown a deceleration in decadal growth rate of population from 32.15% during 1981-91 to 30.55% during 1991-2001. The class II towns with a population in the range of 50,000 to less than one lakh each, have recorded a decline in decadal growth rate from 41.79% in 1981-91 to 26.64% during 1991-2001, mainly due to size-class jumping and also due to small increase in their number from 23 to 26.

The table also brings out this fact that urban population is highly concentrated in class I cities which have increased their share in total population from 49.70% in 1991 to 55.72% in 2001. The percentage shares of all classes of towns in total urban population of the state, except of class I and III, have declined. Small towns numbering 227, accounted for only 16.28% of total urban population of the state. This analysis shows imbalance in the urban hierarchy of the state.

Table No. 3 presents the decadal growth rate of population of Municipal corporations in Madhya Pradesh.

Decadal growth rate of population of Municipal Corporation in M.P.

Sl. No.	Municipal Corporation	Decadal growth rate of population (percentage)	
		1981-91	1991-2001
1.	Indore	31.63	46.33
2.	Bhopal	58.38	34.92
3.	Jabalpur	20.80	28.24
4.	Gwalior	28.15	19.71
5.	Ujjain	28.53	18.68
6.	Sagar	21.79	18.93
7.	Ratlam	28.85	20.66
8.	Dewas	96.93	40.33
9.	Satna	67.99	43.95
10.	Burhanpur	22.50	12.54
11.	Katni	32.85	14.26
12.	Singrauli	-	208.24
13.	Rewa	28.16	42.06
14.	Khandwa	26.51	18.50

(Source - Census of India - Paper 2 page 16)

The table no.3 shows that with the exception of Indore, Jabalpur and Rewa Municipal Corporations, all other Corporations have recorded deceleration in their decadal growth rates of population. The highest decadal growth of population was recorded by Singrauli Municipal Corporation in 2001 which had attained the status of corporation for the first time during 1991-2001. This was followed by Indore Corporation which manifested a growth rate of 46.33% in 2001. The lowest rate was recorded by Burhanpur Municipal Corporation.

The deceleration in population growth rates in most of the class I cities may be attributed to slackening of economic activities, declining employment growth, dispersal of industrial development to new growth centres within the proximity of these cities and sluggish agricultural growth in their respective hinterlands.

Urbanization in the state is taking place not so much in response to industrial development as due to push factor operating in the rural economy, as revealed by slow rate of growth of rural population in the state (22.02% during 1991-2001) and also due to the emergence of new towns.

The 2001 census has shown the emergence of 18 new towns in the state as against 97 in 1991. Had these new towns not emerged on the scene, urban population growth in the state would have been smaller. Agricultural development, by and large, gives rise to the emergence and growth of small towns but industrialization tends to strengthen

agglomeration tendencies. Out of 368 towns, 227 are small towns, mainly mandi towns, catering to the needs of rural settlements but the number of small towns in the State has declined from 253 in 1991 to 227 in 2001, due to size-class jumping and sluggish agricultural growth.

The above discussion shows that urban hierarchy in the state is becoming increasingly distorted, characterized by concentration of more than half of urban population in class I cities. The urban structure is not yet stable and is likely to manifest further imbalances and distortions unless we formulate an urbanization policy in the state and adopt urban planning for integrated development of towns. It is through regional planning that the present dichotomy between rural and urban development can go. The problems of the two areas are inextricably intertwined.

At present, the state has only two cities Indore and Bhopal, with population of more than 10 lakhs each. There are 4 cities in the population range of above 5 lakhs, and 10 with population in the range of one to five lakhs. The state does not have a very high level of urbanization. It is in the initial stage of urbanization and does not face the problems which mega cities are facing. But because of high potential for industrial development and spurt in migration from rural to urban, the state is likely to witness an increase in the tempo of industrial development and as a consequence, rapid urbanization in the near future. We have to prepare urban local bodies in advance for meeting the requirements and needs of urban population, by ensuring adequate funds for improvement of urban facilities and infrastructure. The gaps to be filled up are very large.

### **Basic Amenities and Housing Conditions**

Way back in 1991, according to the Census, basic amenities available to urban citizens in MP were rather abysmal. Only 44.7 per cent of urban house-holds had access to all the three facilities of electricity, potable water supply, and sanitation while 8.1 per cent had none of the three facilities. Chhatarpur, Panna, Rewa, and Satna were the most backward districts with less than 30 per cent of the urban house-holds having access to any of these facilities. The percentage of urban households with all the three amenities of safe drinking water, electricity, and sanitation went up to 62.2 per cent by 2001. Though this increase is significant it is still a very long way from universal access to basic urban amenities. About 12 per cent households in 2001 did not have access to safe drinking water. However, the survey undertaken by NSS in 2002 reveals that 20 per cent households did not get sufficient water in urban MP, and this is, particularly, true for people dwelling in slums and squatter settlements.

Regarding the quality of water, while there is little direct evidence of household access and quality of water, only 36.5 per cent households filtered drinking water before drinking it. Very

few precautions are taken by households to treat the water in some manner before consumption. With fairly poor drain-age systems, wells and hand pumps providing most of the drinking water, and no use of latrines, water quality cannot be assumed to be satisfactory directly from its source.

The basic amenity, for which the state's performance can be commended, is electrification. The state reports the percentage of households having electricity connection as 70 per cent, and 92 percent for urban MP, well above the national average of 55 per cent in 2001. Per capita power consumption, however, falls short of the national per capita figure of 355 Kwh.

From Census 2001, it is also assessed that about 76 per cent households did not have access to sanitation/latrines. The percentage of households without latrine facility is also corroborated by NSS 58th round survey on housing conditions in India, 2002, where it was found that 71 per cent urban households had no bathroom, and 77 per cent had no latrine facility.

### Slums

The latest information on slum is available from the 2001 Census. In 2001, there were nearly 24 lakh persons residing in slums in MP. This is almost 15 per cent of the total urban population of the state, and 4 per cent of that of the entire state. The maximum slum population is found in the cities of Indore, Bhopal, Jabalpur, and Gwalior. There is clear evidence from the in-migrating pattern that the population residing in slums is increasing. This population will increase, if the current rate of urbanization remains the same or increases, and very little is happening by way of provision of low cost housing or solutions to look after the migrating population which has no recourse except slums at the given income levels.

**Table:4**  
**District-wise Number of Slum Pockets and Population**

S.No.	District	District-wise No. of Slum Pockets	
		Total No. of Slum Pockets	Slum Population
1	Morena	32	66201
2	Sheopur	35	11714
3	Bhind	96	42358
4	Gwalior	254	229998
5	Shivpuri	61	32481
6	Guna	74	56367
7	Datia	37	19343
8	Bhopal	282	318831
9	Sehore	103	31625
10	Betul	136	27582
11	Rajgarh	119	22470
12	Vidisha	81	52139
13	Raisen	89	20998
14	Hoshangabad	135	61172
15	Harda	49	14546
16	Indore	445	331220
17	Dhar	54	23819

18	Khargone	69	35828
19	Barwani	69	21033
20	Khandwa	186	104077
21	Jhabua	41	13363
22	Ujjain	277	155582
23	Ratlam	162	75540
24	Dewas	116	49309
25	Mandsaur	88	28727
26	Neemuch	85	27138
27	Shajapur	112	29295
28	Sagar	313	111684
29	Panna	87	12753
30	Tikamgarh	45	16252
31	Damoh	67	38391
32	Chhatarpur	107	29135
33	Jabalpur	399	252519
34	Katni	148	16627
35	Mandla	69	20364
36	Dindori	22	0
37	Narsimhapur	45	21168
38	Balaghat	67	32698
39	Chhindwara	180	56010
40	Seoni	66	21487
41	Rewa	452	38694
42	Shahdol	165	42791
43	Umaria	47	6081
44	Sidhi	56	44470
45	Satna	202	56015
	<b>Total</b>	<b>5824</b>	<b>2719895</b>

*Source: Department of Urban Development 2004*

### Urban Housing

In terms of shelter, in the undivided state of MP, the proportion of pucca houses in urban areas was lagging behind the national average. Only Morena (85.13 per cent pucca houses), Gwalior (84.11 per cent), Shivpuri (80.01 per cent), Hoshangabad (77.50 per cent), Sagar (76.69 per cent), and Bhind (73.93 per cent) were the districts above the national average (72.75 per cent). The Working Group on Housing for the tenth Plan, Government of India had estimated a shortage of the order of 0.32 million in urban areas and 0.38 million in rural areas of MP for 2001. The Census 2001 also estimated that of the total houses used for residence, 36.5 per cent in urban areas in MP were either just livable or in a dilapidated condition.

### Trends in Income, Poverty, and Gender in Urban MP

According to the last major national estimation of poverty in 1999-2000, it has been assessed that 38.5 per cent of urban residents in MP were BPL. This amounted to nearly 81 lakh persons, and was the highest amongst all states except Orissa. The national poverty ratio was 24.1 per cent at the same time. The low economic growth in the state, particularly in agriculture, forestry, and non-farm rural activities, is responsible for high poverty, both in urban and rural areas of the state, way above the national average.

Urban poverty was below rural poverty during the seventies, as was the pattern at

national level. It is in the early eighties that urban poverty overtook rural poverty in the state and this continues to be the case at present. This is because rural poverty declined significantly during 1977-83 and 1983-87. Urban poverty, on the other hand, came down only marginally. It may be hypothesized that urban growth in the eighties and nineties was induced by poverty as this was very high in less developed regions. Urban centres seem to have absorbed a segment of rural poor through the window of migration or emergence of new towns, relieving the pressure of poverty in rural areas.

This opportunity, however, seems to be drying up in the nineties, reflected in much slower reduction in rural poverty. Correspondingly, cities and towns in the state are experiencing a much lower rate of immigration and urban growth. The capacity of the towns and cities to provide livelihood and basic infrastructure has been severely constrained due to low economic growth in the state. As a result, poverty levels in urban areas have been very high in the nine-ties, significantly higher than those in rural areas. Understandably, employment growth in MP during the eighties was low—2.2 per cent per annum, much below the national figure of 2.7 per cent. During the nineties, the growth rate for the state fell to 1.2 per cent which was similar to the national figure. Importantly, inequality among casual workers in both rural as well as urban areas turns out to be low here compared to the national average which has to some extent ameliorated the conditions of the poor.

As per the data from NFHS III, malnourished children in urban areas of MP were 52.8 per cent, much higher than the national average of 36.4 per cent. The pace of reduction in child malnutrition during 1992-98 in the state has been much slower than that at the national level. After the previous survey of NFHS in 1998, the rate of malnutrition has actually increased in MP, which is a major concern for the state.

### **Development of Urban Infrastructure**

The major factor responsible for low economic growth and high regional disparity in the state is deficiency in infrastructure. Transport and communication facilities in the state are not as well developed as in most other states. The road network is much below the national average. In case of railway lines also, the state's position vis-à-vis most states, especially keeping in mind that it is centrally located and hence must naturally benefit from rail lines that connect India, is poor.

In urban MP, the Census estimated that 18.5 per cent urban residents had a telephone compared to 23 per cent nationally. Despite a five-fold increase in the figure during 1995-2004, the gap with the national figure has gone up significantly due to faster rate of expansion in most other states.

The urban IMR was as high as 56 per 1000 in 2004, against the national average of 40. Undoubtedly, the state has to accord far greater attention to improving the health delivery system if it has to ensure a minimum quality of life to its population and improve its ranking

among the states in terms of human development.

One area, where the achievement of MP seems to be satisfactory, is in the field of primary education and amelioration of illiteracy. The state has allocated significant resources to the education sector. This has resulted in high growth in the number of educational institutions and school-going children, and also literacy rate. It has almost caught up with the national literacy figure of 80.3 per cent in 2001, despite being 2.41 percentage points behind the national figure of 73.08 per cent in 1991.

### **State's Response to Urbanization**

#### Urban Infrastructure

The last few years have seen the state focusing on urban infrastructure through various projects. Urban Water Supply and Environmental Improvement Project in MP (UWSEIMP) is aimed at promoting sustainable growth and poverty reduction in the project cities of Bhopal, Gwalior, Indore and Jabalpur.

Another programme named Water for Asian Cities (WAC) is being implemented in the four cities of Bhopal, Indore, Gwalior, and Jabalpur with a view to promoting sanitation in poor households and their participation in the community-managed water supply system. The latest thrust to the urban infrastructure development has, however, come from the Jawaharlal Nehru National Urban Renewal Mission

(JNNURM) that was launched by the Government of India on 3rd December 2005. Madhya Pradesh has been a front-runner in submitting the projects to the Centre and first state in the country to enter

into a tripartite Memorandum of Association (MoA) on urban sector reform with the Government of India and Bhopal Municipal Corporation. The need of infrastructure in the smaller towns is

being taken care of through the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) that aims to improve infrastructure facilities, help create durable public assets and quality oriented services in cities and towns, enhance PPP in infrastructure development and promote planned integrated development of towns and cities. The programme aims to utilize a major share of funds available on urban water supply augmentation schemes in order to address the fact that only 55 per cent of the urban local bodies are able to provide daily water supplies. Apart from the widening of roads/streets under various schemes, the Bus Rapid Transit System (BRTS) in Indore has also been a response of the government to problems of congestion of traffic in urban areas. The project has been taken up through the PPP route. The initial response has been encouraging and attempts along similar lines have been initiated in Bhopal as well.

#### **Poverty Alleviation and Employment Generation**

There has been an honest attempt at earmarking of the budget to provide basic services to the urban poor. Generally, 10-15 per cent of the budgets of the Urban Local Bodies (ULBs)

are allocated for the urban poor. Major activities covered under the budget allocation for urban poor are water supply, sanitation, paving of lanes, construction of drains, roads, street lighting, and slum rehabilitation. The share of the budget for the urban poor will be increased in the next few years.

The government is focusing on providing/facilitating creation of livelihoods through the Swarn Jayanti Shahri Rozgar Yojana (SJSRY) in the urban areas. The programme is funded on a 75:25 basis between the centre and the states. The programme is targeted at the urban poor and has two components, namely, Urban Self Employment Programme (USEP) and Urban Wage Employment Programme (UWEP).

Every year, more than 7000 beneficiaries are given credit through USEP. In addition, more than 11,000 beneficiaries are given training under the USEP-Training component. Another livelihood related initiative of significant importance is the Urban Street Vendors Policy and Programme. The programme is aimed at providing and promoting a supportive environment for

earning livelihoods to the street vendors, as well as easing congestion and maintaining hygiene in public spaces and streets. The programme envisages the creation of 'hawking zones' in the urban development/ zoning plans, giving legal status to the vendors, promoting self-compliance among the vendors, promoting organizations of street vendors to affect their empowerment, rehabilitating child vendors, facilitating social security (pension, insurance etc.) and access to credit through the promotion of SHGs / cooperatives / federations/Micro Finance Institutions (MFIs) etc. and capacity building to improve entrepreneurial skills.

### **Urban Housing**

The Integrated Housing and Slum Development Programme (IHSDP) has been started by the state with the basic objective of striving for holistic slum development with a healthy and enabling urban environment through providing adequate shelter and basic infrastructure facilities to the slum dwellers in the identified urban areas. Under this scheme, 62 cities have prepared their projects. The state is also targeting the urban poor residing in Bhopal, Indore, Jabalpur, and Gwalior through the 'Madhya Pradesh Urban Services for the Poor (MPUSP)' Programme. This programme is to be implemented over a period of 5 years beginning 2006 and would be extended to 10 more towns in due course of time. It is aimed at promoting a pro-poor approach towards urban poor.

### **Municipal Reforms**

The urban sector reforms are aimed at strengthening and reforming the ULBs. The State Municipal Act has been suitably amended by incorporating the provisions of 74th Constitutional Amendment Act and including the functions of ULBs in 12th schedule. The

Urban Land (Ceiling and Regulation) Act, 1996 was repealed in 2000. The state is also planning to amend the MP Accommodation Control Act to suit the changing scenario in urban housing. The MP Bhumi Vikas Niyam, which regulates building permission and development of sites, has been simplified to a great extent and the process of examining its provisions, with a view to further streamline the approval process, are underway. A system for self assessment of property tax was introduced as early as 1996.

## **THE ROAD AHEAD**

### **Urban Housing for Poor**

Provision of reasonable housing for the urban poor is one of the most challenging tasks that the incumbent and future state governments will have to face. With the present trend of urban population growth, the demand for housing will continue to increase at a higher rate. The construction sector in recent times has been one of the primary contributors to the economic growth in the country. This has put an extraordinary pressure on the limited land resource. Due to increasing demand and pressures from construction industry, as in many other states, MP has also witnessed a sharp increase in the real estate prices. The quantum of increase has made it extremely difficult for the urban poor to secure housing in the vicinity of their work place. A recent relocation of slums in the state has seen an increase in the distance that a relocated slum dweller has to commute to reach his work place. It is expected that with increasing corporatization of real estate business, the challenge of urban housing for the poor will reach unmanageable proportions. The present schemes of urban housing for the poor seem quite inappropriate to handle the problem. The state government will have to take a hard look at the policies followed in this regard, so that the challenge may be met with resolve in the coming years.

### **Unplanned Expansion**

Unplanned expansion of towns and cities has been the bane of urban development in our country. The existing laws, rules, and regulations are either not adequate to ensure planned expansion or, if they exist, are not implemented in their true letter and spirit. The ULBs are supposed to provide civic amenities to the citizens. However, unplanned expansion puts severe constraints on ULBs' limited resources and abilities. The Town and Country Planning (TCP) tries to regulate the expansion in selected cities. However, many a times, TCP is viewed not as complementary body but as an adversary by the ULBs resulting in poor co-ordination between the two. The need of the hour is to build capacities in TCP as well as ULBs by training the existing workforce and inducting well-trained professionals to deliver the goods.

The planning department's co-ordination with the elected ULBs leaves much to be desired. The government will have to find ways of improving capacities all around and strengthening the co-ordination between the ULBs and the Town Planning Department in the state.

The problem is more acute in the case of smaller towns and cities. Today's small towns and cities are expected to grow into larger towns and cities over the next few years. The limited capacity of TCP is presently utilized in the planning of larger cities and smaller cities and towns are left out. The state's response to the problems of civic amenities in smaller cities and towns is UIDSSMT which appears to be highly inadequate in terms of resources as well as capacities of the ULBs to execute the projects. Moreover, at present, the funds under this programme are being used for strengthening water supply systems only. While there is no gainsaying the fact that strengthening of water supply systems should be accorded the highest priority, it must be understood that the government will have to mobilize more funds for planned development and expansion of small cities and towns.

### **Urban Drinking Water Supply**

The state has been poorly endowed in terms of perennial rivers, Narmada being the sole such river. Mindless exploitation of groundwater for irrigation purposes, especially in the western part of the state, has put severe pressure on the groundwater table as well. The result has been a severe drinking water crisis in many towns and cities. Whatever be the government response to meeting the challenge of urban drinking water supply, many of the towns and cities in the state go without daily drinking water supply and those who do get the supply on a daily basis, get it only for a limited duration during the day. While citizen forums talk about round the clock water supply in developed countries, the fact remains that many towns and cities in the western part of the state do not get daily water supply even for limited hours. Thus, round the clock water supply appears to be a distant dream for the whole state. Water supply systems need to be improved and expanded to reduce the degrees of Unaccounted For Water (UFW) to 20 per cent by the year 2010 and by 15 per cent by the year 2021, and to attain supply coverage of 90 per cent of the urban population through individual house connections, under full time pressurized and treated water distribution systems.

The water supply components should consist of optimization of existing systems in reducing losses, improvement of distribution network systems, expansion of existing distribution systems into as yet un-served areas/zones, augmentation of intake source, requisite treatment and transmission, inclusive of the line storage and pumping requirements. All this requires a huge support from the government in terms of resources. Apart from the resources available at its end, the state also needs to exploit the potential of generating private resources. The first urban and industrial drinking water supply system under the PPP has been set up in Dewas. Though this scheme is not truly meant for domestic purposes (the project aims to provide water to industries), this is surely a good beginning and the state needs to ensure doing more of this in the near future. Many a times, the quality of municipal water supply is wanting and sometimes, it even poses serious health risks to the population. The state government will have to substantially strengthen its response to the rather poor condition of its urban drinking water supply systems if this challenge is to be met squarely.

## **Sanitation**

Contrary to basic environmental and health requirements, municipal corporations do not have adequate sewage treatment provisions, as they continue to prioritize the exclusive development of water supply components, with only marginal provisions given to wastewater requirements. Development of adequate wastewater disposal systems, as an integral part of the urban development process is, therefore, required. Municipal corporations currently do not attend to the immediate need of providing treatment of wastewater generation, which are becoming particularly acute once increased reticulated water supply schemes are implemented. The ultimate objective should be for full sewerage collection connectivity within the urban core areas and complete eradication of open defecation practices. Wastewater systems should include new or improved sewage collection systems, inclusive of individual house sewer connections. New sewage treatment plants and hydraulically located intermediate pumping stations are required to be constructed as part of the overall city wastewater development master planning. Appropriate on-site sanitation facilities should also be constructed in less affluent areas inclusive of pour flush latrines and community sanitation facilities.

Solid waste management systems are to be developed under integrated master planning processes for the municipal corporations, which are to be designed to extend the coverage and increase the efficiency of collection and disposal services of the corporations. Particular targets should be established for improved coverage in the core urban and periurban areas. Solid waste management systems should also be developed according to the provisions of Municipal Solid Wastes (Management and Handling) Rules, 2000, with appropriately designed containers for collection, vehicles for transportation, and the development of sanitary landfill sites for safe disposal. Optimization of the disposal system, together with minimized transportation costs, can be achieved by the construction and utilization of strategically located solid waste transfer stations.

## **Traffic Congestion and On-road Air Pollution**

The last few years have seen a quantum jump in the number of four wheelers and two wheelers on the roads. It is apparent that the anticipation for future traffic while constructing roads has proved wrong. As a result of this, the traffic congestion levels during peak and non-peak hours have mounted in the big cities such as Indore, Bhopal, Gwalior, and Jabalpur. In some of the state's cities and towns, jams during peak hours will soon become routine. Proper planning and construction of not only roads, but also of parking spaces will help ease traffic troubles. The BRTS started in Indore and Bhopal does seem to provide some solution but much more is required if the present trend of traffic growth continues. Further, with an increase in traffic congestion, the on road air pollution encountered by the commuters has increased the risk to their health. Switching to cleaner and cheaper fuels like Compressed Natural Gas (CNG), as has been done in some of the metro cities, would not only reduce the risk to the health of the commuters but also improve the incomes of the auto and taxi owners. Besides, it will also help to keep the cost of commuting down for the

city dwellers.

### **Municipal Reforms**

The growing urbanization and the problems associated with it make many laws and processes either irrelevant or obstructive in growth. For example, the MP Accommodation Control Act was the need of hour in the past to protect the rights of renters. However, it now impedes the development of the housing sector and puts premium on houses available for rent. This needs to be revisited in the changing scenario. The stamp duty on registration of land transfers is very high at present. The high cost induces people to various avoidance strategies resulting in ownership disputes, risk premium, and other complications. The state needs to pay attention to this cost so that extra-legal transactions do not hamper the development of the real estates market.

The municipal bodies have limited capacities and exposure to handle the problems of high urban growth. The revenue generation is also almost stagnant due to lack of capacity in the staff and lack of willingness on the part of elected bodies. The ULBs are highly hesitant in either imposing new taxes or increasing the existing taxes. This puts them in a permanent kind of financial crisis situation and forces them to look towards the government for extra revenue. The need of the hour is to strengthen these bodies and inculcate some sort of fiscal discipline in them. This is certainly not an easy process but the alternatives are limited and sooner or later, the ULBs have to realize this in order to improve their financial conditions and provide the basic amenities in a qualitative manner.

### **Conclusion**

The state has seen rapid growth in urbanization comparable to overall national urban growth and at times even higher than the national growth. This rapid growth puts severe pressure on the ability of the local bodies to provide basic amenities that affect the quality of life. Thus, urbanization poses major challenges to the state in terms of human development. So far, the state's response has been an increased investment in the areas such as roads, drinking water, sanitation, electrification etc. The new interventions under JNNURM, UWSEIMP, Backward Area Grant Fund, and increased resource transfer to ULBs, in a way try to minimize the drudgery of people living in urban areas. However, the state/ULBs need to do much more and at a much increased scale to improve the quality of life in urban MP. The areas that require major interventions are city planning, housing, drinking water, drainage, sanitation, strengthening of ULBs, their capacity building, and institutional reforms.

### **Chapter-3**

## **Urban Governance in India**

Municipal bodies have a long history in India. The first such Municipal Corporation was set-up in the former Presidency Town of Madras in 1688; and was followed by similar corporations in the then Bombay and Calcutta in 1726. The Constitution of India has made detailed provisions for ensuring protection of democracy in Parliament and in the state legislatures. However, Constitution did not make the local self-government in urban areas a clear-cut constitutional obligation. While the Directive Principles of State Policy refer to village **Panchayats**, there is no specific reference to Municipalities except the implicitly in Entry 5 of the State List, which places the subject of local self-governments as a responsibility of the states.

In order to provide for a common framework for urban local bodies and help to strengthen the functioning of the bodies as effective democratic units of self-government, Parliament enacted the Constitution (74<sup>th</sup> Amendment) Act, 1992 relating to municipalities in 1992. The Act received the assent of the President on 20 April 1993. The Government of India notified 1 June 1993 as the date from which the said Act came into force. A new part IX-A relating to the Municipalities has been incorporated in the Constitution to provide for among other things, constitution of three types of Municipalities, i.e., **Nagar Panchayats** for areas in transition from a rural area to urban area, Municipal Councils for smaller urban areas and Municipal Corporation for large urban areas, fixed duration of municipalities, appointment of state election commission, appointment of state finance commission and constitution of metropolitan and district planning committees.

#### **Criteria for Municipalisation of the ULBs**

Three types of the ULBs have been classified under the provision of Article 243Q of the 74<sup>th</sup> CAA. These are Municipal Corporation, for larger urban areas, Municipal Councils for smaller urban areas, and the Nagar Panchayats for transitional areas. No quantitative dimension for area or population has been specified for their identification. The 74<sup>th</sup> CAA lists five criteria for constituting the ULBs, namely, (i) Population, (ii) Density; (iii) Revenue generated per annum, (iv) Percentage of employment in non-agricultural activities, and (v) Economic importance of the local body

In addition, several states have specified their own criteria for the purpose, the State Legislatures setting up the criteria while amending their Acts. For example, Karnataka has stated that all the Taluka Head quarters are given the status of Nagar Panchayats irrespective of their population whereas Uttar Pradesh has specified criteria on the basis of

density, revenue and share of non-agriculture workforce can be notified as the government may deem fit. The others have left the interpretation of the rules to their respective governments. As a result, state specific differences emerged in the conformity of legislation.

### **Composition of ULBs**

The Act stipulates that the seats in all the constituencies in municipalities shall be filled in by persons chosen through direct election. The Act, however, provides for representation of Members of Parliament (MPs), Members of Legislative Assembly (MLAs) and persons having special knowledge of municipal administration, according to the discretion of the state legislature.

### **Elections held in ULBs**

Under Articles 243K and 243ZA, the preparation of electoral rolls is the responsibility of the State Election Commissioner. Under the provision of the 74<sup>th</sup> CAA, it is mandatory for the states to hold elections every five years or before expiration of a period of 6 months from the date of its dissolution. Accordingly; all states have conducted their first round of elections.

### **Delimitation of Wards and Ward Committees**

The 74th CAA provides for the constitution of Ward Committees, consisting of one or more wards, within the territorial area of a Municipality having a population of three lakhs or more. It further provides that the Legislature of the State may, by Law, make provisions with respect to the composition and the territorial area of the Wards Committees, the manner in which the seats in Wards Committees shall be filled and the responsibility of delimitation of wards. In the States of Andhra Pradesh, Haryana, Karnataka, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu and Uttar Pradesh, the task of delimitation of constituencies rests with the State Government whereas in Gujarat, Kerala, Maharashtra and West Bengal, the State Election Commission is vested with the power.

### **Reservation of Seats**

In order to provide for adequate representation of SC/ST and of women in the municipalities, provision have been made for reservation of seats in Article 243T. Seats shall be reserved for Scheduled Castes (SCs)/Scheduled Tribes (STs) in every municipality and the number of seats so reserved shall bear the same proportion to the total number of seats to be filled by direct election in that municipality as the population of the SCs/STs in the municipal areas bears to the total population of that area. And such may be allotted by rotation to different constituencies in a Municipality.

Not less than one-third (including the seats reserved for women belonging to SC and ST) of the total number of seats to be filled by direct election in every Municipality shall be reserved for women and such seats may be allotted by rotation to different constituencies in a Municipality.

Most of the States have amended their laws to conform to this. The reservation for Other backward Classes (OBC) over and above the reservations stipulated by the Constitution have been made in some of the States like Andhra Pradesh, Maharashtra, Bihar and Karnataka.

### **Functional Responsibility of ULBs as listed in 12th Schedule**

Unlike the functional jurisdiction of the States, which follows a Constitutional delimitation, the functional domain of local bodies in India, including municipal governments, is derived from the responsibilities, which are delegated by States to the Municipalities, through legislature. Article 243W of the Constitution read with the Twelfth Schedule provides the basis for the State Legislatures in India to assign the functions to the municipalities in the respective States. It is also noted that the provisions of the Article are not mandatory and it is for the Legislature of a State to decide as to which powers and authority it may devolve on a municipality.

The various functions listed in the newly inserted Twelfth Schedule and the corresponding entries in List II (State List) and List III (Concurrent List) in the Seventh Schedule to the Constitution are as follows:

#### Functional Responsibility of ULBs as listed in 12th Schedule

1. Urban Planning including Town Planning
2. Regulation of Land – use and construction of buildings
3. Planning for economic and Social Development
4. Roads and Bridges
5. Water supply for Domestic, industrial and commercial purposes
6. Public Health, sanitation, conservancy and solid waste management
7. Fire Services
8. Urban Forestry, protection of the environment and promotion of ecological aspects
9. Safeguarding the interests of the weaker sections of the society, including the  
handicapped and the mentally retarded
- 10 Slum improvement and up gradation
11. Urban poverty alleviation
- 12 Provision of urban amenities and facilities such as parks, gardens and playgrounds
13. Promotion of cultural, educational and aesthetic aspects

14. Burials and burial grounds: cremations, cremation grounds and electric crematoriums
15. Cattle pounds; prevention of cruelty to animals
16. Vital statistics including registration of births and deaths
17. Public amenities including street lighting, parking lots, bus stops and public conveniences
18. Regulation of slaughter houses and tanneries

Most of the states while amending the Municipal Acts included the list of functions enlisted in the 12th Schedule of the Constitution under the provision of Article 243W. These functions were supposed to be reviewed by the states before introducing in their respective Acts. It was observed that only a few states have carried out this exercise comprehensively, before the amendment. The states of Kerala, West Bengal and Tamil Nadu have transferred these responsibilities to the ULBs. These states have not restricted to the subject matters as envisaged in the 12th Schedule but also devolved some additional functions to the ULBs.

### **District Planning Committee (DPC)**

Considering the importance of integrated area planning at the District level, the 74<sup>th</sup> Amendment has provided for the obligatory Constitution of DPCs. The DPCs are to act as a platform for integrated planning at the district level. Devolution of planning and decision making powers have made the 'district' an important building block with District Planning Committee as a key institution to ensure integrated urban and rural development at the district level. Preparation of the District Plan is a constitutionally mandated responsibility of the District Planning Committees (DPCs).

Article 243ZD(3) stipulates that every District planning Committee shall, in preparing the draft development plan will have regard to:

- Matters of common interest between the Panchayats and Municipalities including spatial planning;
- Sharing of water and other physical and natural resources;
- Integrate development of infrastructure and environment conservation;
- The extent and type of available resources, whether financial or otherwise
- Consult such institutions and organizations as specified

The district development plan therefore must make an assessment of resource potential and the problems of the resources of the district. Article 243ZD(2) stipulates that four-fifths of the total number of members of such Committee shall be elected by and from amongst

the elected members of the Panchayats at the district level (Zilla Parishad) and the Municipalities in the district in proportion to the ratio between the population of the rural areas and the urban areas in the district. The rest one-fifth are to be nominated. The composition of DPC has been conceived as a platform of representatives from elected members in the district panchayats and urban local bodies. It has not been conceived as a professional body. Most of the States repeated the constitutional provision in their respective Panchayati Raj and municipal acts or have enacted separate Acts for this purpose. However, so far some states have not taken steps to constitute them.

### **Role of NGO's in Urban Governance**

Lately, NGO's have assumed independent responsibility as intermediaries between government institutions and communities in the delivery of services, and the development of skills and provision of financial support at the community level. States like Karnataka, Kerala, Maharashtra and West Bengal have kept the provision of NGOs and similar civic bodies in their respective municipal legislation. Out of these States especially in Karnataka and Maharashtra, a large number of NGOs are working in various municipal areas. The basic commonality or condition for such provision in these states is that such organizations working within the territorial limits of the respective wards shall be the constituents of Ward Committees.

In Maharashtra, in addition to the basic criterion, two more conditions are applicable for an NGO/ CBO to function within a municipal system. First, persons of such organizations should be registered as electors in the wards within the jurisdiction of wards committee and these members should be nominated by the councilors representing the ward.

### **Amendments**

The Parliament on 22 March 2003 enacted the Election Laws (Amendment) Act, 2003 and Conduct of Elections (Amendment) Rules, 2003 which came into force with effect from 22 September 2003. By these amendments in the Act and Rules, those service voters belonging to the Armed Forces and members belonging to a Force to which provisions of the Army Act applies, have been provided the facility to opt to vote through proxy. Such service voter who opt to vote through proxy have to appoint a proxy in a prescribed format and intimate the Returning Officer of the constituency.

The Election and Other Related Laws (Amendment) Act, 2003 (46 of 2003) was enacted in 11 September 2003. By this amendment, new Section 29B and 29C were inserted in the Principal Act providing for contribution by any person or company other than a Government company to political parties, subject to the condition that any contribution in excess of Rs 20,000 shall be reported to the Election Commission for any claim for Tax relief under the Income Tax Act, 1961. The Act also inserted Part A (Section 78A and 78B) regarding supply of copies of electoral rolls and certain other items to candidates of recognised

political parties. This Act also amended Section 77(1) regarding maintenance of election expenses by candidates whereby expenditure incurred by specified number of 'leaders' of a political party on account of travel by air or by any other means of transport for propagating programme of the political party alone shall be exempted from being included in the account of election expenses incurred by the candidate in connection with the election.

The Parliament on 1 January 2004 enacted the Delimitation (Amendment) Act, 2003 whereby Section 4 of the Principal Act was amended to provide that the Delimitation will be held on the basis of the 2001 Census figures.

The Parliament on 28 August 2003 enacted the Representation of the People (Amendment) Act, 2003 whereby open ballot system was introduced at elections to the Council of States. In this system an elector who belongs to a political party is required to show the ballot paper after marking his vote to an authorised agent of that political party. The requirement that a candidate contesting an election to the Council of States from a particular State should be an elector in that particular State was also

## **Chapter-4**

### **Urban Local Self-Government in Madhya Pradesh**

In an earlier chapter, we have made a quick review of the evolution of local self-government in India. Therefore, it does not seem necessary to recount the developments which had taken place earlier to independence. This chapter deals with developments in the field of urban local self-government in India and Madhya Pradesh in the post-independence period.

#### **Post-independence Developments**

The independence of the country opened a new chapter in socio-economic reforms. The

state policy visualized that civic administration was no longer a mere training ground for local people in the art of self-governance but also destined to be an integral part of the whole system of public administration and an important instrument of planning. Since independence, three important committees appointed at the national level, made enquiries, inter alia, into the finances of urban local bodies. The Local Finance Enquiry Committee which reported in 1951, had examined the finances of municipalities in details and made comprehensive recommendations for augmenting their resources. In 1953, the Taxation Enquiry Commission examined, besides central and state finances, the finances of municipal bodies and made important recommendations in respect of taxation of urban local bodies. The Zakaria Committee in 1963, studied in-depth the financial position of urban local bodies and came to the conclusion that taxation powers of urban local bodies were just at the same level, as during the days of Lord Ripon and with the passage of time, their resources had become inadequate to meet their expenditure even on essential services. Apart from these committees appointed at the national level, a number of state governments had also appointed, from time to time, committees and working groups to examine the functioning as well as finances of municipal bodies in their respective states. Despite plethora of recommendations made by these committees, the situation has not improved much because of the magnitude of the problems created by rapid urbanisation, indifference of the state governments, lack of political will to initiate reforms and enforce the recommendations and indifference on the part of local bodies to raise adequate resources to meet their needs.

Indian Constitution though gives a directive to the state to take necessary steps in the direction of creating and strengthening local self-government institutions, does not earmark a separate list of local taxes to be deployed by local bodies. Municipalities, therefore, have to depend upon the state governments for conferring upon them their taxation powers from the list of state taxes. Even the 74th Constitutional Amendment Act, 1992, does not make any separate provision in this regard, though it provides constitutional legitimacy to local bodies and also makes provision for improving their structure and enlarging their functional domain, by making them instrument of planning for economic development and social justice at the local level.

### **Urban local bodies in Madhya Pradesh**

Madhya Pradesh is no exception to the general trend obtainable in the country as a whole in the field of local self-government in the post-independence period, though the state had to face some peculiar problems arising out of the re-organization of states in India in 1956 and then in 2000. The new state of Madhya Pradesh, inherited a diverse legislation and administrative system, varying from the provincial autonomy of the former Madhya Pradesh, to the central control and direction of Bhopal and Vindhya Pradesh states which

were part 'C' states, prior to their merger in the new state. The developments in the field of local self-government in different regions comprising the new state, did not manifest a uniform pattern. The Mahakoshal region which formed a part of the British India, had long and well-established traditions in the field of municipal government, whereas developments in the former states of Bhopal, Vindhya Pradesh and Madhyabharat which were constituted consequent upon the amalgamation of princely states, had not taken place on a well-conceived basis. The following Acts were in operation earlier to the formation of new state of Madhya Pradesh and were also continued in operation till their replacement by new legislations.

1. The Central Provinces and Berar Municipalities Act, 1922, as amended between 1927 and 1956, applicable to Mahakoshal region
2. The Jabalpur Municipal Corporation Act, 1948
3. The Madhyabharat Municipalities Act, 1954
  
4. The Vindhya Pradesh State Municipal Act, 1954
5. The Madhyabharat Municipal Corporation Act, 1954
6. The Bhopal State Municipal Act, 1955

In July, 1957, the M.P. Government appointed the Local Self-government (Urban) Committee, to suggest modifications in existing legislations, with a view to bringing about uniformity in the structure and working of municipalities in the state. The Committee submitted its report in 1959 and in the light of the recommendations of this committee, the State Government, enacted the following legislation, replacing the diverse legislations in operation in different parts of the state:

1. The Madhya Pradesh Municipalities Act, 1961
2. The Madhya Pradesh Municipal Corporation Act, 1956

The Constitutional amendment Act, 1992, gives local bodies a constitutional status, assigns them a large number of functions (Annexure I), ensures them stability, provides a suitable framework to function with greater freedom and also makes institutional arrangements for devolution of larger financial resources. To meet the constitutional requirements and aspirations, the Madhya Pradesh government made necessary amendments in the existing legislations relating to local bodies in the state. Under the new dispensation, three types of urban local bodies have been set up in the state:

1. Municipal corporations to be constituted in large urban areas.
2. Municipal councils for smaller towns
3. Nagar Panchayats for urban areas, with less than 20,000 population. These

are transitional areas from rural to urban.

The following table presents the number of different types of urban local bodies, their population and percentage share of each type in total urban population in the re-organised state of Madhya Pradesh : (2001 Census)

Table No.1  
Urban local bodies in MP

Type of urban local body	Number	Population in the category	Average Population	Percentage of total urban population of ULBs (2001 Census)
1. Municipal Corporations	14	70,71,237	5,05,088	47.12%
2. Municipal Councils	85	45,95,057	54,059	30.62%
3. Nagar Panchayats	235	33,39,397	14,210	22.26%
<b>TOTAL</b>	<b>334</b>	<b>1,50,05,691</b>	<b>44,927</b>	<b>100.00%</b>

The new state of Madhya Pradesh has 14 Municipal Corporations, 85 Municipal Councils and 235 Nagar Panchayats. The Chhattisgarh state has 4 Municipal Corporations, 18 Municipal Councils and 46 Nagar Panchayats.

Of the total 368 towns, the State has urban local bodies in 334 towns, the rest of the towns have notified area committees, cantonment boards, special area development authorities, etc. There has been gradual usurpation of local functions by the state government. The tendency of the state government has been to execute most of its capital works in larger cities through its own agencies.

The plan funds are also gradually being spent through these bodies. But when assets are created, they are transferred to municipalities for maintenance. The urban local bodies do not have enough resources for the maintenance of such assets. The result is that the maintenance gap widens over time. Many functions hitherto performed by municipalities are now being performed by parastatals and urban development authorities. At present the responsibility of urban development is fragmented into different departments dealing with housing, local self-government, Town and Country Planning, slum improvement, Public Health Engineering and Capital Project. The entire planning function is to be entrusted to a single agency which can be the

municipal body. It is necessary that all agencies operating in the field of urban development should withdraw from the legitimate domain of municipal functions, and if at all they are to continue because of their expertise, they should function as wings of the city government. This is essential for entrusting urban planning function to a single agency for integrated development. The Town and Country Planning Department may prepare plans for towns and cities but within the framework and guidelines provided by urban local bodies. Within the town plans, the experts of different sectors may prepare plans for their respective

sectors on the basis of financial ceilings and requirements and priorities of municipal bodies. This is a long term recommendation.

### **Main features of Municipal Act and City Corporation Act.**

The section 66 of chapter V of the Municipal Corporation Act, 1956, (Annexure-2) as amended from time to time and section 123 chapter VI of the M.P. Municipalities Act, 1961, (Annexure-3) make provision for obligatory and discretionary functions of city corporations and municipalities respectively. In addition to such functions, municipal bodies will perform such functions which are entrusted to them by the state government as the agent of the state government. The functions of municipal authorities include public health, public safety and convenience, public education and recreation, welfare activities, upliftment of weaker sections, poverty alleviation and planning for economic development and social justice.

Under Article 243 S of the 74th Constitutional amendment Act, municipalities, with population of more than 3 lakhs, would set up ward committees for one or more than one wards. Such a decentralized management of municipal services will improve efficiency in the delivery of services. In pursuance of the constitutional provisions, the legislation of the state makes provision for the constitution of ward committees but the composition and territorial areas of a ward committee and in the manner in which seats will be filled up, are to be determined by legislation of the state. An amendment of the Act in 1997 has changed the composition of municipal corporations, making provision for the direct election of the mayor and for reservation of seats, provision for the election of the speaker, non-confidence motion against the mayor and the speaker. An amendment of the Municipal Corporation Act in 1998 makes provision for the constitution of mayor-in-council, consisting of 10 members holding charge of such departments as desired by the mayor.

### **Taxation Powers**

Section 132 of chapter XI of the Municipal Corporation Act (Annexure-4) and section 127 of the municipal council Act, as amended in 1997, (Annexure-5) make provision for the imposition of taxes by corporations and municipalities respectively in their

jurisdictions. The compulsory taxes to be imposed are property tax, a water tax, a general sanitation tax, a general lighting tax and a general fire tax and tax on the entry of goods as may be declared by the government, for consumption, use or sale within the area of a local body at a rate not exceeding 4% of the value of goods.

In addition to compulsory taxes, city corporations and municipalities may levy, subject to the general or special order of the state government, a latrine tax or conservancy tax, a drainage tax, profession tax, a tax on owners of vehicles or animals, fees for registration of cattle, market dues on exposing goods for sale in any market, betterment tax on property, tax on advertisement other than published in newspapers, a tax on pilgrims, toll tax, a tax on theatre, theatrical performances and other public entertainments, a terminal tax on goods or animals exported from the limits of the local body and any other tax which the state government has the power to impose under the constitution of India with the prior approval of the state government. The imposition of all taxes shall be subject to the regulation of the state government in respect of minimum and maximum rates of taxes. The state government retains the power to make rules regarding taxes imposed by urban local bodies. Under section 162 of the Municipal Act, the state government may require the municipal council to impose any tax which it is empowered to impose under section 127 or enhance the existing tax, in case the state govt. finds that revenue is insufficient for the discharge of its duties or obligatory functions under section 324 of the Act.

Under an amendment of the Act in 1998, under section 133A, a city Corporation has been empowered to impose additional stamp duty on transfer of immovable property situated within the limits of the corporation, equal to one percent of the value of property. But the tax is being realized by the state government along with stamp duty and the state government has agreed to pay each corporation every year, grant-in-aid approximately equal to the extra duty realized in respect of property situated within the area of each corporation, after deducting the cost of collection as the state government may determine. Although the Act empowers municipal councils and corporations to impose a large number of taxes, most of the local bodies are imposing compulsory taxes and a very few optional taxes.

The limitations of local bodies are coming more and more to light against the background of inadequacy of finances for serving the needs of growing urban communities, though finance is not the only factor accounting for their unsatisfactory performance. With the present level of revenue and expenditure, even obligatory functions are being inadequately performed. Municipal services and amenities are chronically short of basic requirements. With the present level of funds at their disposal, municipalities are incapable of meeting, leaving alone expanding, existing facilities in their charge. Ugliness is the dominant external characteristic of most of our towns and cities.

## **TWELFTH SCHEDULE**

### **(Article 243 W)**

1. Urban Planning including town planning.
2. Regulation of land-use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges
5. Water supply for domestic, industrial and commercial purpose.
6. Public health, sanitation conservancy and solid waste management
7. Fire services
8. Urban forestry, protection of the environment and promotion of ecological aspects
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded
10. Slum improvement and upgradation
11. Urban poverty alleviation
12. Provision of urban amenities and facilities such as parks, gardens, play-grounds
13. Promotion of cultural, educational and aesthetic aspects
14. Burials and burial grounds, cremation grounds and electric crematorium
15. Cattle ponds, prevention of cruelty to animals
16. Vital statistics including registration of births and deaths
17. Public amenities including street lighting, parking lots, bus stops and public conveniences
18. Regulation of slaughter houses and tanneries

## **Functions of Municipal Corporations**

### **Obligatory and Discretionary Duties of the Corporation**

**Matters to be provided for by Corporation :** (1) The Corporation shall make adequate provision, by any means or measures which it may lawfully use or take, for each of the following matters, namely:-

- (a) lighting public streets, places and buildings.
- (b) cleaning public streets, places and sewers and all spaces not being private property, which are open to the enjoyment of the public, whether such spaces are vested in the corporation or not; removing noxious vegetation, and abating all public nuisances;
- (c) disposing of night soil and rubbish and, if so deemed desirable, preparation of compost manure from night soil and rubbish;
- (d) the maintenance of the fire-brigade for extinguishing fire, and protection of<sup>1</sup> [life] and property when fires occur;
- (e) regulating or abating dangerous or offensive trades or practices;

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<sup>1</sup>Substituted by Section 3(2) of the M.P. Act 13 of 1961.

- (f) removing obstructions and projections in public streets and places, and in spaces not being private property, which are open to the enjoyment of the public whether such spaces are vested in the Corporation or the Government;
- (g) establishing and managing cattle ponds;
- (h) securing or removing dangerous buildings or places;
- (i) acquiring and maintaining, changing and regulating places for the disposal of the dead and disposing of unclaimed dead bodies and dead bodies of paupers;
- (j) constructing, altering and maintaining public streets, culverts and Corporation boundary markets, latrines, urinals, drains, sewers and providing public facilities for drinking water; watering public streets and places;
- (k) The management and maintenance of all municipal water works and the construction and maintenance of new work and means for providing a sufficient supply of suitable water for public and private purposes;
- (l) the erection in proper and convenient situations on municipal land of water closets, closet accommodation, urinals, and other conveniences for the public and the maintenance and the cleansing of the same;
- (m) the construction and the maintenance of public market and slaughter houses and the regulation of all markets and slaughter houses;

(n) <sup>\*</sup> [Omitted]

- (o) the maintenance of an ambulance service; (p) naming streets and numbering houses;
- (q) registering births, marriages and deaths; (r) public vaccination;
- (s) establishing and maintaining primary schools;
- (t) taking measures to prevent the out-break, spread or recurrence of infectious diseases;
- (u) the maintenance of municipal office and of all public monuments and other property vested in the Corporation;
- (v) provision of traffic signs;
- (w) printing and publishing such annual reports and returns on the administration of the Corporation as the Government may by general or special order, require the Corporation to submit;
- (x) the maintenance of public park, gardens, recreation grounds, public places and open spaces in existence and vested in the Corporation;
- (y) fulfilling any obligation imposed by this Act or any other law for the time being in force;
- (z) construction and maintenance of veterinary dispensaries.

(2) No suit for damages or for specific performance shall be maintainable against the Corporation or any officer or council or thereof, on the ground that any of the duties specified in sub-section (1) have not been performed.

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**Omitted by M.P. Act No. 13 of 1961.**

**Matters which may be provided for by Corporation at its discretion** - In addition to the other powers and duties, conferred or imposed on it by or under this Act or any other Act for the time being in force, the Corporation may in its discretion provide from time to time either wholly or partly for all or any of the following matters, namely:-

- (a) reclaiming healthy localities, laying out, whether in areas previously built upon or not, new public streets, and acquiring land for that purpose, including plots of land for building on such streets;
- (b) constructing, establishing or maintaining public parks or gardens, library, museums, halls, theatres, stadiums, offices, sarais, rest houses and other public buildings;
- (c) constructing and maintaining residential quarters for municipal officers and servants;
- (d) construction, maintenance and cleansing of washing and bathing places;
- (e) furthering educational objects other than the establishment and maintenance of primary schools and making grants to educational institutions;
- (f) planting and maintaining road side and other trees;
- (g) taking a Census and granting rewards for information tending to secure the correct registration of vital statistics;
- (h) making a survey;
- (i) the destruction or the detention of ownerless dogs or stray pigs, or detention of animals causing nuisance;
- (j) securing or assisting to secure suitable places for the carrying on offensive trades or practices;
- (k) supplying, constructing and maintaining pipe and other fittings for the supply of water to private premises from water-works maintained by the Corporations;
- (l) supplying, constructing and maintaining receptacles, fittings, pipes, and other appliances on or for the use of private premises for receiving and conducting the sewage thereof into sewers under the control of the Corporation;
- (m) fairs and exhibitions, or athletics or games competitions or tournaments;
- (n) constructing and maintaining such roads and buildings and other Government works as the Government may transfer to the Corporation;
- (o) organisation and management of chemical or bacteriological laboratories for the examination on analysis of water, food or drugs, for the detection of disease or for researches connected with public health; and
- (p) the construction and maintenance in the public streets of drinking fountains for human beings and water - troughs for animals;
- (q) the prevention of cruelty to animals;
- (r) the playing of music in squares, gardens or other places of public resort;
- (s) the construction, purchase, organization, maintenance or management of tramways or motor transport facilities for the conveyance of the public;
- (t) preparation and presentation of address to persons of distinction; (u) prevention of vagrancy; establishing and maintaining poor houses;
- (v) establishing and maintaining a farm or factory for the disposal of sewage;

- (w) organization and maintenance of maternity homes and infant welfare centres;
- (x) the organization, maintenance or management of institutions, for the care and training of blind, deaf, dumb or otherwise disable persons;
- (y) swimming pools, public wash houses, bathing places, and other institutions designed for the improvement of public health;
- (z) dairies of farms within or without the city for the supply, distribution and processing of milk or milk products, for the benefit of the residents of the city;
- (aa) establishment and control of gwala colonies and cattle pans within or without the city:
- (bb) the purchase of any undertaking for the supply of electric energy or gas or starting or subsidizing of any such undertaking;
- (cc) the acquisition and maintenance of grazing grounds within or without the city;
- (dd) granting rewards for information regarding the infringement of any provisions of this Act or of any other Acts, the enforcement of which is entrusted to the corporation by regulation or standing order thereunder;
- (ee) the construction and maintenance of sanitary stables for animals or vehicles, or garages;
- (ff) measures to meet any calamity affecting the public in the city
- (gg) the regulation of lodging houses, and boarding houses in the city;
- (hh) the grant of loans for building purposes or for purchase of conveyance to municipal officers and servants, on such terms and conditions as may be prescribed [by bylaws] by the corporation;
- (ii) any other measures for the welfare of municipal servants;
- (jj) contribution towards any public fund raised for the relief of human sufferings within the city or for the public welfare;
- (kk) establishing and maintaining pre-primary schools;
- (ll) establishing and maintaining public hospitals and dispensaries and carrying out other means necessary for public medical relief;
- (mm) any other matter likely to promote the public health, safety or convenience of the public.
- (nn) Urban planning including town planning;
- (oo) Regulations of land-use and construction of buildings; (pp) Planning for economic and social development;
- (qq) Urban forestry, protection of the environment and promotion of ecological aspects;
- (rr) Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded; and
- (ss) Urban poverty alleviation.

## **Functions of Municipal Councils**

**Duties of Council.-** (1) In addition to the duties imposed upon it by or under this Act or any other enactment for the time being in force, it shall be the duty of a Council to undertake and make reasonable and adequate provision for the following matters within the limits of the Municipality, namely:-

- (a) lighting public streets, places and buildings;
- (b) cleansing public streets, places and sewers, and all places, not being private property, which are open to the enjoyment of the public whether such places are vested in the Council or not; removing noxious vegetation, and abating all public nuisances;
- (c) disposing of night-soil and rubbish and preparation of compost manure from night-soil and rubbish;
- (d) extinguishing fire and protecting life and property when fire occurs; (e) regulating or abating offensive or dangerous trades or practices;
- (f) removing obstructing and projection in public streets or places and in spaces not being private property, which are open to the enjoyment of public, whether such spaces are vested in the Council or in the State Government;
- (g) acquiring, maintaining, changing and regulating places for the disposal of the dead;
- (h) taking special measures as may be required by the prescribed authority or any other authority empowered to issue a direction in this behalf under any law for the time being in force for disposal of dead bodies during epidemics and other unforeseen emergencies;
- (i) securing or removing dangerous building or places, and reclaiming unhealthy localities;
- (j) constructing, altering and maintaining public streets, culverts, Municipal boundary marks, markets, slaughter - houses, latrines, privies, urinals, drains, sewers, drainage works, sewerage works, baths, washing places, drinking fountains, tanks, wells, dams and the like;
- (k) establishing and managing cattle pounds, including, where the Cattle Trespass Act, 1871 9 1 to 1871), is in operation, all the functions of the State Government and the Magistrate of the district under sections 4, 5, 6, 7, 12, 14, 17 and 19 of that Act;
- (l) obtaining a supply or an additional supply of water, proper and sufficient, for preventing danger to the health of the inhabitants and domestic cattle on account

of insufficiency or unwholesomeness, of the current supply when such supply or additional supply can be obtained at a reasonable cost and having such water analysed periodically;

- (m) naming streets and parks and numbering houses; (n) registering births, marriages and deaths;
- (o) public vaccination;
- (p) providing suitable accommodation for any calves, cows and buffaloes required within the Municipal limits for the supply of animal lymph;
- (q) registration of cattle and carrying out the census of agricultural cattle at such intervals as may be prescribed;
- (r) taking such measures as may be required to prevent the out-break or spread or recurrence of infectious disease;
- (s) preparing such annual reports on the Municipal administration as the State Government may, by general or special orders, require the Council to submit;
- (t) erecting substantial boundary marks of such description and in such position as shall be approved by the Collector, defining the limits or any alteration in the limits of the Municipality;
- (u) constructing and maintaining residential quarters for the conservancy staff of the Council;
- (v) establishing and maintaining primary schools;

Provided that the State Government may, by notification and subject to such conditions as it may like to impose, exempt any Municipality from any of the provisions of this section.

(2) In addition to the duties imposed under sub-section (1) a Council shall, in times of distress such as out-break of an epidemic or famine or other natural calamity, render such assistance and co-operation as the State Government may require for the following matters, namely:-

- (a) providing special medical aid and accommodation for the sick;
- (b) giving relief to, and establishing and maintaining relief works for destitute persons within the limits of Municipality.

(3) No suit for damages or for specific performance shall be maintainable against any Council or any officer or Councilor thereof, on the ground that any of the duties specified in this section has not been performed.

**Discretionary Powers of Council.-** A Council may, at its discretion provide, either wholly or partly out of the Municipal property and fund, for all or any of the following matters namely :-

- (a) reclaiming unhealthy localities, laying out, whether in areas previously built upon or not, new public streets, and acquiring land for that purpose, including plots of land for building to abut on such streets.

- (b) constructing, establishing or maintaining public parks, gardens play-grounds and open spaces, libraries, museums, lunatic asylums, halls, offices, dharamshalas, rest-house and other public buildings;
- (c) furthering educational objects;
- (d) planting and maintaining roadside and other trees; (e) watering public streets and places;
- (f) playing of music in squares, gardens or other places of public resort;
- (g) taking a census, for local purposes and granting rewards for information which may tend to secure the correct registration of vital statistics;
- (h) making a survey;
- (i) paying the salaries and allowances, rent and other charges incidental to the maintenance of the Court of any stipendiary or honorary Magistrate, or any portion of any such charges;
- (j) destruction or the detention of dogs and pigs which may be destroyed or detained under the provision of this Act or under any other enactment for the time being in force in the State.
- (k) securing or assisting to secure suitable places for the carrying on of the dangerous and offensive trades specified by or under this Act;
- (l) supplying, constructing and maintaining receptacles, fittings, pipes and other appliances whatsoever, on or for the use of private premises for receiving and conducting the sewage thereof into sewers under control of the Council;
- (m) establishing and maintaining a farm or factory for the disposal of sewage;
- (n) promoting the well-being of Municipal employees or class of employees and of their dependents;
- (o) providing housing accommodation for any class of employees of the Council other than the conservancy staff;
- (p) the construction of sanitary dwelling houses for the poorer classes;
- (q) making contribution towards the construction establishment or maintenance of educational institutions including libraries and museums, hospitals, dispensaries or similar institutions providing public medical relief or engages in social work or other institutions of a charitable nature;
- (r) the acquisition and maintenance of pasture lands or grazing grounds and the establishment and maintenance of dairy farms and breeding stud;
- (s) the setting up of dairies or farms for the supply, distribution and processing of milk or milk products for the benefits of the inhabitants of the Municipal area;
- (t) securing and distributing either free or at reduced price, particularly for the use of expectant and nursing mothers, children and invalids, full-cream or skimmed milk, condensed milk, evaporated milk, milk powder and synthetic and so
- (u) establishing and running lodging and boarding houses;
- (v) establishing and running eating houses such as refreshment rooms tea shops, sweetmeat shops, restaurants, cafes, canteens, hotels and any such place where food and drinks are served;
- (w) providing and maintaining public bathing places or swimming pools with sheds, booths and other conveniences;
- (x) undertaking any commercial enterprises;

- (y) constructing and maintaining such roads, buildings and other Government works other than irrigation works, as the State Government may, in accordance with rules made under this Act, transfer to the Council;
- (z) providing for the maintenance and treatment of lunatics and lepers residing within or removal from the Municipal area at an asylum, hospital or house approved by the State Government;
- (aa) arranging for the removal of lunatics, lepers and persons needing anti-rabic treatment to an asylum, hospital or house whether within or without the Municipal limits set up for the treatment of such persons;
- (bb) holding melas and fairs;
- (cc) establishing ashrams for destitutes, blind, crippled, lame, disabled and old persons;
- (dd) establishing and maintaining veterinary dispensaries;
- (ee) any public reception, ceremony, entertainment or exhibition within the Municipality at a cost not exceeding such amount as may be prescribed by rules in this behalf;

Provided that a resolution in that behalf is passed by the Council at an ordinary meeting;

- (ff) Any matter likely to promote the public health, education, safety and convenience of the public not otherwise provided for;
- (gg) establishing and maintaining hospitals and dispensaries; (hh) Establishing and maintaining poor houses; and
- (ii) Urban planning including town planning;
- (jj) Regulation of land use and construction of buildings; (kk) Planning for economic and social development;
- (ll) Urban forestry, protection of the environment and promotion of ecological aspects;
- (mm) Safeguarding the interest of weaker sections of society including the handicapped and mentally retarded; and
- (nn) Urban poverty alleviation.
- (oo) any other matter with the previous approval of the State Government.



## **Taxation Powers of Municipal Corporation**

**Taxes to be imposed under this Act.-** (1) For the purpose of this Act, the Corporation shall, subject to any general or special order which the State Government may make in this behalf, impose in the whole or in any part of the Municipal Area, the following taxes, namely:-

- (a) a tax payable by the owners of buildings or lands situated within the city with reference to the gross annual letting value of the buildings or lands, called the property tax, subject to the provisions of Sections 135, 136 and 138.
- (b) a water tax, in respect of lands and buildings to which a water supply is furnished from or which are connected by means of pipe with municipal water works.
- (c) a general sanitary cess, for the construction and maintenance of public latrines and for removal and disposal of refuse and general cleanliness of the city.
- (d) a general lighting tax, where the lighting of public streets and places is undertaken by the corporation.
- (e) a general fire tax, for the conduct and management of the fire service and for the protection of life and property in the case of fire.
- (f) a local body tax on the entry of such goods as may be declared by the State Government by notification in the official Gazette into the municipal area for consumption use or sale therein at a rate not exceeding four percent of the value of goods.

In addition to the taxes specified in sub-section (1), the Corporation may, for the purpose of this Act, subject to any general or special order which the State Government may make in this behalf, impose any of the following taxes, namely:-

- (a) a latrine or conservancy tax payable by the occupier or owner upon private latrines, privies or cesspools or open premises or compounds cleansed by Corporation agency;
- (b) a drainage tax, where a system of drainage has been introduced;
- (c) a tax on persons exercising any profession or art or carrying on any trade or calling within the city.
- (d) a tax payable by the owners on all or any vehicles or animals used for riding, driving draught or burden or on dogs, where such vehicles, animals or dogs are used within the city, whether they are actually kept within the city or not;
- (e) a toll on vehicles and animals used as aforesaid entering the city but not liable to taxation under clause (d).

- (f) fees on the registration of cattle sold within the city;
- (g) market dues on persons exposing goods for sale in any market or in any place belonging to or under the control of the Government or of the Corporation;
- (h) a betterment tax on properties whose value may have improved as a result of town planning scheme undertaken by the Corporation;
- (i) a tax on pilgrims resorting periodically to a shrine within the limits of the Corporation;
- (j) a tax on persons occupying, houses, buildings or lands within the limits of the Corporation according to their circumstances and property; (k) a toll on new bridge constructed by the Corporation;
- (l) a tax on advertisements other than advertisements published in newspapers;
- (m) a tax on theatres, theatrical performances and other shows for public amusement;
- (n) a terminal tax on goods or animals exported from the limits of the Corporation; and
- (o) any other tax which the State Government has power to impose under the Constitution of India, with the prior approval of the State Government.

The State Government shall every year pay to each Corporation from the Consolidated Fund of the State a grant-in-aid approximately equal to the extra duty realised under sub-section (1) in respect of the property situated within the area of each such Corporation after making such deductions on account of cost of collection as the State Government may determine.

**Imposition of Property-Tax.-** Notwithstanding anything contained in this Act, the tax under clause (a) of sub-section (1) of Section 132 shall be charged, levied and paid, at the rate not less than six percent and not more than ten percent of the annual letting value, as may be determined by the Corporation for each financial year.

**Exemptions.-** The property tax levied under section 135 shall not be leviable in respect of the following properties, namely :-

- (a) buildings and lands owned by or vesting in - (i) the Union Government;  
(ii) the State Government;  
(iii) the Corporation;
- (b) buildings and lands the annual value of which does not exceed six thousand rupees in case of Municipal area having population of one lakh or above and four thousand eight hundred rupees in case of Municipal area having population below one lakh.

Provided that if any such building or land is in the ownership of a person who owns any other building or land in the same city, the annual value of such building or land shall for the

purposes of this clause, be deemed to be the aggregate annual value of all buildings or lands, owned by him in the city;

(c) buildings and lands or portions thereof used exclusively for educational purposes including schools, boarding houses, hostels and libraries if such buildings and lands or portions thereof are either owned by the educational institutions concerned or have been placed at the disposal of such educational institutions without payment of any rent;

(d) public parks and play grounds which are open to the public and building and land attached thereto if the rent derived therefrom is exclusively spent for the administration of parks and play grounds to which they are attached;

(e) buildings and lands or portions thereof used exclusively for public worship or public charity such as mosques, temples, churches, dharamshalas, gurudwaras, hospitals, dispensaries, orphanages, alms houses, drinking water fountains, infirmaries for the treatment and care of animals and public burial grounds, or other places for the disposal of the dead :

Provided that the following building and lands or portions thereof shall not be deemed to be used exclusively for public worship or for public charity within the meaning of this section, namely:-

(i) buildings in or lands on which any trade or business is carried on unless the rent derived from such buildings or lands is applied exclusively to religious purposes or to public charitable institutions aforesaid;

(ii) buildings or lands in respect of which rent is derived and such rent is not applied exclusively to religious purposes or public charitable institutions aforesaid.;

(f) buildings and lands owned by widows or minors or persons subject to physical disability or mental infirmity owing to which they are incapable of earning their livelihood, where the main source of maintenance of such widows or minors or persons is the rent derived from such buildings and lands :

Provided that such exemption shall, relate only to the first <sup>2</sup>[twelve thousand rupees] of the annual value of such buildings and lands.]

<sup>2</sup>[(g) buildings and lands owned by freedom fighters, retired members or Defence Services and their widows during their life time if they are exempted from income tax.

(h) buildings and lands owned by blind persons, abandoned women and mentally incapacitated persons.

(i) buildings and lands in occupation of owner for his residence shall be exempted from property tax to the extent of fifty percent.]

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<sup>2</sup>  
Substituted / Inserted by M.P. Act No. 18 of 1997. Published in M.P. Gazette (Extraordinary)  
dt. 21.4.97.

## **Taxation Powers of Municipal Council**

<sup>3</sup> **Taxes to be imposed under this Act.**- (1) For the purpose of this Act, the Council shall, subject to any general or special order which the State Government may make in this behalf, impose in the whole or in any part of the Municipal Area, the following taxes, namely:-

- (a) a tax payable by the owners of buildings or lands situated within the city with reference to the gross annual letting value of the buildings or lands, called the property tax, subject to the provisions of Sections 126, 127-A and 129;
- (b) a water tax, in respect of lands and buildings to which a water supply is furnished from or which are connected by means of pipe with municipal water works;
- (c) a general sanitary cess, for the construction and maintenance of public latrines and for removal and disposal of refuse and general cleanliness of the city;
- (d) a general lighting tax, where the lighting of public streets and places is undertaken by the Council;
- (e) a general fire tax, for the conduct and management of the fire service and for the protection of life and property in the case of fire.
- (f) a local body tax on the entry of such goods as may be declared by the State Government by notification in the official Gazette into the municipal area for consumption use or sale therein at a rate not exceeding four percent of the value of goods.

(6) In addition to the taxes specified in sub-section (1), the Council may, for the purpose of this Act, subject to any general or special order which the State Government may make in this behalf, impose any of the following taxes, namely:-

- (a) a latrine or conservancy tax payable by the occupier or owner upon private latrines, privies or cesspools or open premises or compounds cleansed by Council agency;
- (b) a drainage tax, where a system of drainage has been introduced;
- (c) a tax on persons exercising any profession or art or carrying on any trade or calling within the city;
- (d) a tax payable by the owners on all or any vehicles or animals used for riding, driving draught or burden or on dogs, where such vehicles, animals or dogs are used within the city, whether they are actually kept within the city or not;

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<sup>3</sup> Substituted by M.P. Act No. 18 of 1997 published in M.P. Gazette (Extraordinary) dated 21.4.1997

- (e) a toll on vehicles and animals used as aforesaid entering the city but not liable to taxation under clause (d).
- (f) fees on the registration of cattle sold within the city;
- (g) market dues on persons exposing goods for sale in any market or in any place belonging to or under the control of the Government or of the Council;
- (h) a betterment tax on properties whose value may have improved as a result of town planning scheme undertaken by the Council;
- (i) a tax on pilgrims resorting periodically to a shrine within the limits of the Council;
- (j) a tax on persons occupying, houses, buildings or lands within the limits of the council according to their circumstances and property;
- (k) a toll on new bridge constructed by the Council;
- (l) a tax on advertisements other than advertisements published in newspapers;
- (m) a tax on theatres, theatrical performances and other shows for public amusement;
- (n) a terminal tax on goods or animals exported from the limits of the Council; and
- (o) any other tax which the State Government has power to impose under the Constitution of India, with the prior approval of the State Government.