

Town Level Background Note

AKOLA

BY:
RESOURCES AND LIVELIHOODS GROUP, PRAYAS, PUNE
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List of Abbreviations

AMC: Akola Municipal Corporation

APMC: Agricultural Produce Market Committee

CSOs: Civil Society Organizations

D.P.: Development Plan

GB: General Body

IHSDP: Integrated Housing Development Project

KIIs: Key Informant Interviews

KIs: Key Informants

P-P-P: Public-Private-Partnership

SC: Standing Committee

SWM: Solid Waste Management

TDC: Town Development Committee

TLBN: Town Level Background Note

ULBs: Urban level bodies

VCC: Vidarbha Chamber of Commerce

WCDC: Women and Child Development Committee

BACKGROUND

Nearly 50% of India's burgeoning population would reside in urban areas in the near future, according to a number of studies. To address the pressure of such increasing urban population on the urban service provisioning, funds were earmarked in 2005 in the form of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Large parts of the funds in JNNURM were allotted to the large cities, while the small and medium towns (SMTs) seemed to have not received a proportionate share of the funds. At the same time however, the reforms that formed a part of the package for funds allocation were applicable to the SMTs as much as to the larger cities.

This allocation of funds and of the reforms necessitates a comprehensive response in terms of assessing the opportunities presented by the reforms regime, as well as the threats that may entail the reforms. The larger cities demonstrably possess knowledge base and capacity of the administration as well as the citizenry (including the CSOs, CBOs, the academic institutions, and the citizens). The SMTs arguably lack this kind of knowledge base and capacity; focus therefore needs to be on the SMTs to enable such comprehensive response to the reforms and the projects (based on funding) regime in the SMTs as required. The response is necessitated especially because of the potential impacts the reforms and the projects are likely to have on basic service provisioning. The Urban India Reforms Facility (UIRF) was thus established keeping in mind the capacity building of the stakeholders of the basic urban service provisioning, and especially in the SMTs. A study examining in detail the local conditions in terms of impacts of the reforms and the projects regime on the basic service provisioning in ten SMTs was carried out as an activity of the UIRF¹.

The output of these studies in the selected SMTs encompasses a Town Level Background Note (TLBN). As the name suggests, the TLBN attempts at building a background to the study of the basic service provisioning in the SMTs. For this purpose, it considers the development of the town as it is seen today, its social, economic and demographic fabric, and other aspects of the development of the town that are linked to the provisioning of basic services in the town. This understanding is evolved on the basis of Key Informant Interviews with activists/civil society representatives of the town, detailed interactions with the staff of the Municipal Councils/Corporations and review and analysis of documents pertaining to the governance of the councils/corporations².

This report aims at presenting the background for scrutinizing development issues in Akola, which was one of the ten towns selected for the study.

ABOUT THE REPORT

Akola, one of the significant towns in the Vidarbha region in Maharashtra; an oft traversed station on the railway route as well as national highway; the town presents a typical profile of industrial town in the Vidarbha region.

¹ For further information on the UIRF, please refer to the base note compendium here: <http://tiss-uirf.org/downloads/bc.pdf>

² For further information on the methodology used for preparation of this report, please refer to the Tools-and-Resources Kit (TRK) here: <http://tiss-uirf.org/index.php/trk.html>

We had a short but intensive round of fieldwork in this town, which provided us some insights into the main development issues of the town. Interactions with the AMC officials and residents also made us aware of the issues involved in the efficient and effective functioning of AMC. Documents provided by the AMC officials helped us understand some nuances of these issues, and reflect on the possibilities introduced by the JNNURM reforms. In this note, we have made an effort to put all these pieces of information and insights into one coherent picture. This picture may not give nuanced and very detailed information on all the aspects of the town; but it would certainly provide background on such aspects, which may prove helpful while discussing the short term as well as long-term interventions for the development of the town.

We have divided this report into three sections: the first section provides basic information about the geo-environmental and socio-eco profile, as well as main development issues in the town. Section 2 provides details about the administrative and financial status of AMC along with analysis of financial reports. Section 3 is the last section of this report; it presents the status of JNNURM reforms and possible implications in the AMC, and the report concludes with a consolidated comment on all the three sections.

1 BASIC INFORMATION ABOUT THE TOWN

The purpose of this note is to present sector-specific and broader development issues in Akola in the context of current status of AMC, current status and possible impact of reforms on the overall governance of AMC. This discussion however needs to be placed in the background of geo-historical, socio-economic and political scenario in the town. Part I of the report precisely aims at providing this background.

1.1 GEOGRAPHICAL AND ENVIRONMENTAL ATTRIBUTES

Akola, one of the major towns in the Vidarbha region is a district-headquarter for seven blocks in the district. These blocks are mainly known for rain fed agriculture, though some parts benefit from the Purna river which forms the northern border of the district. The town is surrounded by Melghat hills on the north and it is situated on the eastern and western banks of Morna River, which is a tributary of Katepurna river. Mahan dam on this river is the most important sources of water for the town. Another dam called 'Dagad Parava' on the same river is also another stipulated source of water for the town. Except these, there are no natural water bodies in the town.

The climate of the town is extremely dry and hot, as in many other towns in the Vidarbha region. The topography of the town is almost level except a few low-lying and undulating areas along the banks of the Morna river.

The town is known as a major railway junction due to broad gauge railway line running from Mumbai to Howhra, and meter gauge railway line running from Khandwa to Secunderabad. The Mumbai - Calcutta National Highway No. 6 (NH6) and the State Highway No. 68 and 69 pass through the municipal limits of the town. Thus the town is well-connected with a number of cities, states and adjoining districts.

The next two sections describe how these geo-environ and administrative attributes have shaped the historical and economic profile of the town.

1.2 HISTORY

In this section, we are discussing two aspects of history of Akola, (i) political and (ii) economic.

1.2.1 Political

Historically, Akola and its surrounding areas have witnessed regimes of many Hindu as well as Muslim rulers almost from 2nd century. Hindu rulers were predominant till the 14th century, while Muslim rulers were predominant till 18th century. From 18th century till British era, the area was under the rule of Marathas, who were defeated by the British around 1853. As a result, the area came under British rule. This area and many other parts of Vidarbha were termed by the British as 'Central Province and Berar'. British divided Berar area into eastern and western parts and Akola was included in western Berar, which was leased to Nizam of Hyderabad in 1903 by the East India Company. After that, Akola remained under Nizam's regime almost for a span of fifty years. After independence, Central Province and Berar area were reorganized in various states. Akola became part of the then bi-lingual Bombay state in 1956 and in 1960 it became part of Maharashtra state³.

1.2.2 Economic

Pre-British Period: Prior to British rule, Akola was a small town and agriculture and allied activities were the main economic activities. Cotton, oilseeds, especially groundnut, pulses and food grains such as jowar were the main crops in Akola and villages around Akola. Balapur, a nearby town was perceived as a centre of various economic activities.

British Period: It was during East India Company's regime that Akola was recognized as a 'riche supplier of raw material' for the western markets. It is relevant to note in this context that in those days, western markets, especially markets in England were facing crisis of raw material. No wonder Akola was among the first towns that came on the rail-map in 1860, and it was also accorded the status of 'district headquarter', which was previously a part of then existing Narnala district.

East India Company started exporting cotton to England via Mumbai rail-route. Eventually, Akola became a hub of cotton, oil and pulses -based trading activities. For example, first ginning and pressing factory was started in 1879; textile industries were first established in 1903 with the initiative of the then in operation ginning – pressing and spinning factories. In 1912, there were 12 ginning factories, 12 pressing factories and 2 cotton mills in the town, as per the district gazette of Akola. Berar Trading Company, the first oil industry in the town was established in 1882. D.P. provides the following statistics on the size of industrial activity in 1961: 2 cotton spinning and weaving mills, one hydrogenated oil mill and about 202 small-scale industrial establishments such as dal mills, oil mills, saw mills, metal forging units and so on.

This growth of industries further led to development of various other trading activities in Akola. Today's Mangaldas market was a densely populated market place during pre-independence period. People involved in various trades started residing in Akola, and lanes or parts of the town were recognized by those trades. Some of these names (such as burud

³ Gazette, Akola District

galli: those involved in bamboo work, teli galli: those involved in oil business, lakad galli: those involved in wool-trading) prevail even today.

As a consequence of rapid industrial growth, Vidarbha Chamber of Commerce (VCC) was also established in 1933, though it became active in the post-independence period. The agriculture market produce committee (APMC), which was established in 1866, also followed a similar trajectory.

Post-Independence Period: Post-independence period, i.e. first half of 20th century witnessed further growth of a number of cotton and oil-based industries in Akola. Major among these included textile mills such as Mohta and Sawataram, oil mills such as Berar and Laxmi, big workshops such as Vijay Industries and hardware industries, many ginning and pressing industries, and dal-mills. Smaller industries included soap factories, ice factories, food-grains trading centers and so on. Transport industry also flourished in the town, especially due to connectivity with national highway (NH 6) and state highways (as mentioned in 1.1). These industries gradually replaced the traditional trade activities and majority of the residents were employed in these industries and their allied offshoots.

VCC became active during this period; it played a vital role in ensuring reach of the industrial activity in the export markets. Development of these commercial - industrial activities led to development of banking sector in the town and according to the DP report, there are more than 30 banks in the town, which include nationalized, cooperative, as well as rural banks, and all of them have a good credit record during 1990s.

As mentioned earlier, Agricultural Produce Market Committee also gained momentum during the post-independence period. This gave impetus to many agro-based commercial and trading activities in the campus of APMC, which is located in the heart of the town.

Strategic location of the town led to further development of trades, industries and professions in the second half of the 20th century. As mentioned in the D.P. of the town, around 1961, there were two cotton-spinning and weaving mills, one hydro-generated oil mill, and about 202 small scale establishments like dal mills, oil mills, saw mills, metal forging units etc.

In the later decades, companies such as Leben Laboratories (a pharmaceuticals company), Mahabeej, National organic Chemicals Limited (producer of rubber chemical) were among the important additions in the industrial profile of town. Two industrial zones (MIDCs) developed in the outskirts of the town. The total land occupied by these MIDCs is around 6.25 square kms. Thus by the end of 20th century, Akola came to be recognized as one of the major centre of agro-based as well as other commercial and industrial activities in the region.

Current Status: Recent decade, i.e., 2001 - 2010 saw closing down of some historical textile mills viz., Mohata mills and Sawataram mills as well as some ginning and pressing factories. This was a setback to the workers employed in these industries; however, this did not seriously affect the industrial activity in the town, as along with transport, construction business and hardware business were flourishing in the town. Shopping complexes established by the AMC (Akola Municipal Corporation) have further added into these economic activities.

Though the employment potential of MIDCs is not available, the fact that 25 (3 big and 22 small/medium) industries are in operation indicates that there is an addition in the

employment opportunity. MIDC, Akola has also approached government of Maharashtra for setting up of 'agro-based special economic zone (SEZ) in the vicinity of Akola and the proposal is likely to be materialized in near future.

As mentioned earlier, APMC in Akola has made remarkable progress especially during the last two decades. The committee's main office is in Akola and it owns a total of 36.35 acres of land in the town; it houses a shopping complex for 478 agro-based trading shops, and the number of APMC license-holders (for different jobs related to APMC) is approximately 1,000; the number of village-level panchayats engaged in transactions with APMC is 118 (no. villages is 188), which implies that farmers from these many village-panchayats are associated with Akola APMC, giving rise to another chain tertiary sector activities such as small-vending and food-industry in surroundings of APMC. The committee's financial condition is remarkably sound; it has gained a surplus of Rs. 1.03 crore in 2007-08, and surplus for 2008-09 is Rs. 1.96 crore.

In addition to major centers of economic activities, Akola houses a number of educational institutions including, schools, colleges, and universities Dr. Panjabrao Deshmukh University, hospitals and clinics, and last but not least, several government offices such as Collector office, Z.P., district court, headquarters of block-level offices and so on. Most prominent among this variety of professions is medical profession. The D.P. report for the town states that number of private hospitals and maternity homes is 71, while no. of private dispensaries is 157. These figures report the status in 1998 (as DP report was submitted in 1999); though the exact number for 2010 could not be obtained, it is evident that current number of both types of health facilities is much higher.

These multiple economic activities generate substantial employment for manual labor; for example, driving cycle-rickshaw, driving auto-rickshaw (these replaced the traditional horse-carts), loading and driving trucks, tempos, had-carts, working as (licensed as well as non-licensed) porters on railway station, running small grocery shops, bakeries, small vending, collecting, classifying and selling solid waste and so on. Factories, especially ginning and pressing mills, ice factory, and soap factory also engage a substantial number of contract-laborers on daily basis. In fact, a round in various parts of the town underscores the prominent presence of residents engaged in hard, labor-intense works. Along with these manual and low-earning occupations, the town is reported to house some illegal trades, such as trading of variety of addictive components as well as sex-trade. Certain pockets in the town are infamous for these activities. The KIs inform that working as agents in the sex trade has become a lucrative activity in these pockets. Some parts of the old town are also recognized as red-light area⁴ and according to the KIs, though the reported number (estimate) is around 300, the actual number is likely to be five times more.

In short, along with organized sector, unorganized sector occupies a substantial portion of Akola's economic profile. Though the statistics on unorganized sector could not be obtained, CSOs in the town report that presence of unorganized sector is high compared to unorganized sector.

⁴ Patients from this area as well as many other slum areas, especially Muslim areas often come to Dr. Chandrakant Panpalia, who is also committed to the cause of eye-donation, and is also associated with Akola Vikas Parishad, an informal association of some influential citizen in the town.

Thus, there are two facets to the economic profile of Akola, one is that of ever rising and flourishing industries and professions, and the other is that of non-remunerative, labor-intensive and at time legally and socially stigmatized activities. The next section describes the socio-economic background of residents engaged in these multiple economic activities.

1.3 SOCIAL COMPOSITION

Owing to the Muslim and Hindu regimes, the town accommodates both Hindu and Muslim residents. In fact, the reported population of Muslim residents is almost 40% of the total population. Though it is difficult to provide the exact numbers, findings from citizen survey and interactions with KIs provide basis for making some statements about the socio-economic profile of the Muslim residents.

Majority of the Muslim residents are typically slum-dwellers, and they reside in specific pockets populated typically by Muslim families, for example, Khair Mohammad Plot, Baidpura, some parts of Akot fail and so on. Majority of them are engaged in low-paying labor intensive jobs such as driving cycle-rickshaw, working on daily wages (many times as low as 40 rupees), selling groundnuts and/ eggs, working in licker shops, loading trucks, tempos, loading and pulling hand-carts and so on. Literacy-levels are remarkably low, both among men and women. It is reported that underemployment/no employment, low levels of literacy and poverty make the youth in these sections susceptible to addiction and crime; illegal trade of addictive materials and sex-trade are adopted as ways of breaking the vicious cycle of poverty. The fact that majority of the commercial sex-workers in the red-light area come from lower socio-economic strata is revealing in this context.

Along with these 'lowest in the social ladder' sections, there are slightly better off sections among Muslims, who reside in slightly better off locations in the same pocket. Compared to slum-dwellers, literacy-levels are higher among them, and they are engaged in auto-rickshaw driving, bakery-industry, mutton-market, and hardware industry; government offices have also provided service to some of them. Yet, it is remarkable, that very few among Muslim residents are well-to-do professionals such as doctors and professors.

Among non-Muslims, dalit families constitute a major component of the total population. Just like Muslim residents, dalit residents are located in specific pockets. Majority among dalits are also slum dwellers, though owing to the legacy of Ambedkarian movement, literacy levels among them are higher in comparison with Muslims. Dalits have also been staying in the town for a long period. Many of them are migrants from various villages in the district, who had to seek resort in the town in search of livelihood. Dalit families are also observed to be engaged mainly in labor-intensive jobs, and they are also engaged in small-scale industries in the town as well as in the MIDC in outskirts of town. Women and elderly are typically involved in domestic work and solid-waste related activities. However, scrap-market is typically dominated by the Muslim community, so these activities are limited to collection, segregation and sale of waste to scrap-market dealers.

Other than Dalits and Muslims, there are OBC and Kunabi families in larger numbers; majority of them are in the service sector; majority of them were residents of villages in the vicinity, for example, Kaulkhed, Umari, which were later included in the municipal limits. Many of them have had more or less land-holdings, which made them economically privileged in comparison with the dalit and Muslim slum-dwellers. Substantial numbers are either professionals, mainly teachers or they are employees in government or private

companies. These sections generally live in apartments, housing colonies or societies. Khetan Nagar, Krishna Nagar, New Khetan Nagar, MHADA colonies (old and new), water-works' employee's colony, Adarsh colony are some typical examples. Many of them have houses in their native villages as well as in Akola. There is a comparatively less well-off section among these communities, who are involved in cattle rearing. Among non-OBC Hindus are upper caste Brahmins, who are also engaged in government service as well as banking sector.

In addition, the town houses people from Marwadi, Sindhi and Sikh communities. Among Sikhs there are two sections, upper class and lower class, which are equivalent to 'upper caste and lower caste system' among Hindus. Upper caste Sikh are engaged in trading and transport business as owners or managers, while lower caste engaged in these very occupations as laborers.

Marwadi and Sindhi communities are known as richest communities in the town. The source of financial prosperity is business. Members from Sindhi community are engaged in large scale licker business Cloth market in Akola is reported to be dominated by the Sindhi community. While Marwadi Sikh communities have settled in Akola business from historical times, Sindhi communities were rehabilitated in the town as 'refugees' after the partition of India. Though first generation residents had to begin from scrap, the next generations have settled very well in the town, and they are considered as one of the privileged sections in the town. Like the Muslims, Sindhi families also stay in certain pockets of the town. These parts are known as 'Kacchee Kholi and Pakki Kholi', implying poor slum type area and well-developed area, though in reality both these areas are occupied by well-to-do and rich Sindhi families.

Thus social composition of Akola is complex; it consists of both, upper and lower class from multiple religions; these groups have distinctive identities, and their interests are too varying. Thus there is a lot of heterogeneity in the town. The town is also known as a communally sensitive town, though no such events have occurred during recent years.

As indicated in this discussion, social composition has definite implications for overall composition of the town. Therefore let's explore whether there are any implications for geographic and demographic aspects of the town in the next section.

1.4 GEO-DEMOGRAPHIC COMPOSITION AND GROWTH

As discussed in section 1.1, Morna river divides the town in 'eastern' part and 'western' part. Eastern part of the town is relatively well developed with large premises of various government institutions and offices, good educational, health and commercial facilities, and wide roads with orderly development. Predominant areas in this part include Ratanlal Plot, Jathar Peth, Gajanan Peth, Tapadia Nagar and so on. Western part of the town comprises the old congested settlements with narrow lanes and roads. Predominant areas in this part include Shivaji-Nagar, Harihar Peth, Nawabpura etc.

The railway lines (broad gauge and meter gauge) run in the East - West direction and they are located in the northern part of the town. They have divided the northern part of the town towards their east and west. The part of the town to the east of meter gauge railway line comprises of Akot Fail (which is a slum area) and railway quarters. The part of the town to the east of the meter gauge and north of the broad gauge railway line comprises of Naigon gaathan, which has now been incorporated in municipal limits, and Naigon trenching

grounds, which inhabit large slums, which are recognized Naigon slums. While the well-developed part is towards the east of the railway station, slum-areas and congested parts are mainly concentrated in the western part of the railway station.

Thus eastern part of the town has already exhausted capacity for development, in western part there is no scope, in northern part the railway lines act as artificial barriers; therefore southern part of the town is the only part which allows further development of the town. This part comprises of well-developed houses on Gorakshan road, and in the proximity of Saint Tukaram Hospital, spacious houses in Sindhi colony, Adarsh Nagar, Guru Nanak Nagar, newly built, but not very well-developed habitations in the vicinity of Morna river, which include Khetan Nagar (new and old), Krishna Nagar, Mhada colonies (new and old), and many other housing societies. Slums occupy a very small portion in this part, and they are located mostly in the 'Khadan' area (closed down colliery). This area is closer to the MIDC, and hence, and laborers seeking employment in and around MIDC have resided in this slum area. Khadan area has not yet been completely occupied and hence, new constructions are being erected in this area, which will be occupied by the middle class. There are two reasons for growth of middle class in this area: first, proximity to Morna river ensures availability of water-supply through out the year; second, being area in the proximity of slums, the prices of land in this area are not very high.

It is also evident from this description, that socio-economic status of residents has played a vital role on defining their locations for residence. The congestion in western area owes to the fact that majority of the market activity takes place in this area, and people have preferred to settle down in the proximity of work places. AMC representatives reports that congestion in this area has increased with rise of population especially in the decade of 1991. Given below is the change in the size of population in the span of three decades:

Year	Population
1981	2,25,412
1991	3,28,034
2001	3,99,778
2007	4,43,184
2010 (estimate)	5,50,000

Table 1: Population of Akola: 1981 - 2010

Source: D.P. report, Akola, AMC estimates

The D.P. states that the growth rate of population is the highest (4.66) in the decade of 1991, as compared to other decades. The D.P. also accords this rise to the establishment of textile mills (Mohta and Sawataram) and Dr. Panjabrao Deshmukh Agriculture University (1969). Representatives of AMC state that substantial numbers of Akolites have migrated from the rural hinterlands in search of employment options. The table indicates that growth rate is again high in 2010, which can be attributed to rapid development of commercial activities in the town. The proposed development of SEZ is likely to lead to further increase in the population. The increasing size of population implies existence of multiple development issues and increase in the responsibility of the AMC. Let's first take an overview of development issues in the town.

1.5 MAIN DEVELOPMENT ISSUES

Our transect walks, citizen survey and key informant interviews with various experts in the town reveal that most of the development issues are generic issues of the town, i.e. almost all the residents suffer from them to more or less extent. These are discussed below.

1.5.1 Water

Most common among generic issues are issues related to basic civic services viz., water-supply, sewerage, solid-waste management, and roads and transport. We found that most critical among these is the issue of water-supply. At the very beginning of summer, AMC was able to ensure hardly once a week water supply for various areas in the town.

The crisis however is not a recent one. From last four years the town has been facing water scarcity. Here it is necessary to note that at present the town gets water from three sources: (i) Kapashi lake, the oldest source of water constructed by AMC (earthen reservoir) which is at about 10 kms from the town (ii) Kaulkhed water works (infiltration wells connected to the infiltration gallery in the river-bed of Morna), post 1950 source of water constructed by AMC; and (iii) dam on Katepurna river at Mahan (which is known as Mahan dam); this is the latest, i.e. post 1990s construction. Yet many residents rely on private bore-wells for water rather than water supplied by AMC. The number of bore wells is reported to be as high as 75,000. This number sounds indeed high; however, the fact that the official figure reported in 2006 was 18,000 indicates that this is likely to be the actual figure.

Water crisis became acute from 2006, when water in Mahan dam was completely exhausted and water table level in the town had gone down by three to five meters. Bore wells in the town had also dried up during this year. The crisis has continued since then, though intensity may have varied to more or less extent. Residents staying in the southern part of the town do not suffer from this crisis as proximity to Morna river ensures sufficient water level for bore-wells. In other parts of the town, well-developed areas are largely dependent on bore-wells, and during summer, water supplied by AMC⁵ is also an important source of water, as water-level in majority of the bore-wells start going down in summer. Some residents from well-developed areas have done roof-top-water harvesting in their societies or colonies, and they shared (and it was also observed) that roof-top water harvesting has led to recharging of ground-water, which in turn has resulted in increased level of water in the respective bore-wells. However, this number is small. The worst hit by water crisis are slum-dwellers in the town, as in the absence of private as well as public wells, tap-water supplied by AMC is the only recourse for them. Water quality is also reported to be bad in various parts of the town, and it is especially problematic in slum areas; water-borne diseases are also reported in these parts.

Budget reports of the AMC reveal that along with general water tax, 'special water tax' is also levied on the citizens from 2002 onwards, and the collection from this tax in 2007-08 is to the tune of Rs. 2 crore and 70 millions. The tax-paying residents were not aware of this special tax, though they were remorseful about the high amount of tax irrespective of poor service.

⁵ Prior to 2006, the responsibility of water-supply and distribution was looked after by the MJP, however due to huge dues to MJP, AMC took over the task on its own. AMC has made partial payment of the dues, and also asked for concession on the rest on account of

According to some KIs, AMC needed to take up works such as improving storage capacity of the dams on an urgent basis, instead of taking up big-budget schemes like IHSDP and underground drainage; AMC officials on the other hand state that they have organized for increasing the quota of water from Mahan dam; water will also be reserved for the town from the Dagad Parawa dam on Katepurna, which will address the water crisis in a satisfactory manner.

On the issue of ground-water crisis (as experienced by the residents), AMC states that it has made roof-top-water harvesting mandatory for all the new constructions; in addition, AMC had also declared 10% (or Rs. 1,000/-, whichever is smaller) rebate on property tax for those residents organizing roof-top-water harvesting for their houses. AMC had taken up a special drive for this purpose in 2006-07, when ground-water crisis was acute. However, no details are available about follow-up in the consecutive years.

Experience of 'Jalasanjeevani'⁶, a CSO in the town is revealing in this context. This organization introduced some revisions in the mainstream model in order to make it more cost-effective as well feasible for common people. Testing of this model revealed that this model was cost-effective (cost for one model catering to a housing complex of 20 houses was 5/6,000); in addition, it achieved harvesting of rain-water as well as household drain water. Usually people find it cumbersome to organize the logistics (for example organize for contractor who will get required amount of sand) for one model, and restrain from getting it done, in spite of its utility. Jalasanjeevani decided to do take agency for this purpose. During 2006-07, approximately 200 families got roof-top harvesting done from Jalasanjeevani. As mentioned earlier, these families have certainly benefited from the ground-water recharge. Jalasanjeevani approached AMC to take agency for roof-top harvesting on behalf of AMC, as they were doing this work in a mission mode. (Even today, Jalasanjeevani aims at initiating and facilitating efforts for rain-harvesting) The then commissioner appreciated Jalasanjeevani's work also promised to issue the order in Jalasanjeevani's name. In practice, the order was issued in someone else's name who was clearly not interested in the mission; as a consequence, the drive initiated by AMC came to a standstill in a span of few months. As of now, AMC does not have any concrete plans for ensuring ground-water recharge.

1.5.2 Sewerage - Drainage

In well developed areas, there are septic tanks for carrying sewerage in some houses, however, people complain that they are not cleaned by the AMC staff regularly, and hence, they have to get it suctioned by employing workmen on their own. In less developed areas, especially in slum areas, obviously there are no individual toilets, in fact, number of public toilets is also inadequate and very often they are in a deplorable conditions; residents from Khair Mohammad Plot, Baid Pura, Nawabpura, especially women and elderly often suffer from this situation. Residents report that previously there were 'basket-toilets', which were picked up by the scavengers for dumping at predetermined places. Residents feel that this system was suitable to the situation in Akola. However, AMC decided to do away with this traditional system in order to adopt the modern system, which is responsible for current

⁶ President of Jalasanjeevani is an active member of a citizen group in the town. This group is not a formal group, though members of this group are active on various political (most of them represent the opposition in the AMC) and non-political formal forums; the group has been recently formulated, and it is known as 'Akola Vikas Parishad'.

situation. Lack of independent sewerage line leads to water contamination according to residents as well as key-informants. This happens especially in slum areas, which are as it is extremely congested and lack basic amenities.

Drainage is another generic issue in the town. There are open drains in the entire town, though in very few parts, residents themselves have closed the drains in order to avoid logging of drains due to solid waste. Wherever the drainage is saturated in open spaces, it creates serious problems for residents in the concerned areas. Such pockets are located in various parts of the town irrespective of the socio-economic status of the residents. Residents in these pockets feel very much troubled especially during monsoons, when drainage is littered on the internal roads and at times it also paves in the road-touch houses located on the ground floor; in addition, foul smell and mosquitoes are reported as serious problems by these residents.

According to them, the reasons for this situation are multiple, i.e., irregular cleaning of drains, lack of proper place to dispose waste, insufficient width or breadth of the drains and so on. Many of them also approach the respective corporator in order to get the grievance redressed, but to no avail.

In slum areas, majority of the residents are so engrossed in their struggle for livelihood that they manage to survive without complaining.

1.5.3 Solid Waste Management

Solid waste is also a generic issue in the town. Just as in case of saturated drainage-ponds, heaps of waste and overflowing community-bins is a common sight in the town. Against this backdrop, let's have a look at the receipts and expenditure from grants from 12th finance commission, which are supposed to be utilized for SWM. Table no. 2 shows that AMC has received these receipts from 2006-07. The figures show that these receipts are substantial, especially during 2007-08 and 2008-09. Expenditure from the fund is nominal in 2006 – 07; however it shows a remarkable increase in the following years. The figures for these years show that Rs. 3.53 crore and Rs. 4.17 crore have been spent in 2007-08 and 2008-09 respectively. Details of works taken up from these could not be obtained; however, the expenditure is certainly not reflected in the status of waste in the town. The AMC does not have any system for processing the waste; it is dumped near katepurna Dam.

Year	Receipts	Expenditure	Balance
2006-07	2,57,71,665	40,10,500	2,17,61,165
2007-08	6,19,34,165	3,53,76,766	2,65,57,399
2008-09	4,53,32,715	4,17,55,723	35,76,992

Table 2: Receipts and Expenditure from 12th Finance Commission

AMC has mobilized another Rs. 1crore 60 million from SJSRY for 128 SHGs, each comprising 15 members. These SHGs are given the siren-cars on lease and in turn the women members of these SHGs manage to organize the task of door-door collection through the siren-cars.

It was reported in the citizen survey that though these siren-cars reach main roads and prime areas regularly, they do not reach out to the inner lanes, and they seldom reach out in slum areas.

After the system of siren-cars, community-bins in the town have been removed in many places, to make the town 'community-bin-free'. In the absence of siren car, residents are compelled to dump the waste in open spaces in their surroundings. People complain that this waste is also not picked up regularly, and hence, it is dispersed in the surroundings by wind, and many times, it logs the open drains. In monsoon this scenario gets more problematic as decaying waste generates foul smell and mosquitoes. As in case of drains, people usually do not approach AMC or their corporators for redressal of this issue. Disposal of solid waste becomes more critical in areas where there are slaughter houses. These are typically slum areas populated by Muslim residents, who are neither aware nor united to voice this problem.

1.5.4 Roads/Transport

Along with the above-discussed issues related to basic services, deteriorated condition of the roads in the town is also an issue of concern for the residents, especially those involved in transport business. Porters engaged in loading and unloading of goods on handcarts and pulling those handcarts in various parts of the city, especially to and fro from various godowns in the market are the worst-hit by this phenomenon. There is transporters' association in the town, who is also mobilizing the porters for demanding speedy and quality repair of these roads. The situation of internal roads in the town is also not promising, except in a very few well developed parts such as Ratanlal plot and Gorakshan road. The situation of internal roads is all the more pathetic in majority of the slums.

In addition to deteriorated condition of roads, traffic jam in all congested parts of the town is an issue of concern expressed by the middle and higher-middle class residents. As mentioned earlier, the roads in the old town, i.e. western part of the town are narrow; most of the market area is also situated in this area, and hence, traffic jam during peak hours is a typical problem in this area. To add to this situation, parking spaces are also not well organized in these areas.

Discussion so far on status of basic services indicates that the situation is far from satisfactory for most of the resident groups; while it is far more worse for the slum-dwellers; while red-light areas being the lowest on the socio-economic ladder are perhaps the worst affected by these issues.

1.5.5 Town Planning

As indicated in 1.4, development of the town has not taken place in an organized manner. A few experts in town-planning shared that random encroachments have played a major role in increasing congestion in the town. Constructions are made without obtaining legal permissions and they are 'regularized' later, with the help of AMC staff from the PWD department. That is why rates of land are lower in Akola in comparison with other towns; for example, land worth Rs. 2000 sq.ft. is available at a price of Rs. 1,200-1,300/- This concern of the experts is also validated informally by the residents, who feel that this recourse is adopted in the absence of well-lead out and user-friendly procedure. Residents and KIs both express their concern about lack of vision in town planning. One of the examples given to support this argument was that the area which is today known as Sindhi

Camp, was once upon a time (post-independence) the river-bed of Morna. Another example given is that of absence of a proper 'hawkers' zone' in spite of substantial number of hawkers. Experts also shared that in spite of clear directions in the D.P., municipal limits have not been revised during last 10 years, which keeps the AMC free from obligations to ensure access and quality of basic services for residents. Due to industries and many other commercial activities, there is a large in-flow of people from rural hinterlands, which overburdens the already inefficient systems. The town is growing at a rapid pace; it has become a corporation in 2001, however, 'zone' system is not being implemented leading to further mismanagement. In a nutshell, the KIs held the AMC responsible for the current sorry status of town.

In fact, it is a strong feeling not just among the KIs, but also among variety of resident groups that 'AMC ranks the last among all the ULB's'. Almost all the interactions with citizens either begin or conclude on this note. This feeling assumes special significance in the context of fact that a large number of residents are vulnerable due to their socio-economic status. Indeed, what is the status of AMC? Which factors affect its efficient functioning? In the context of above-mentioned development issues, what are the challenges and opportunities that the AMC is facing/will have to face due to JNNURM reforms? Part II aims at exploring these very questions.

2 AMC: HISTORY, CURRENT STATUS AND ISSUES

2.1 HISTORY

Initial Period: AMC was established during British period, in 1866 under the Town Development Act 1850. At that time, all the members of AMC were nominated by the government. The first election of AMC took place in 1868. However, the AMC became active in the true sense of the term during post-independence period. Up to 1970s, the AMC is reported to have performed various development tasks in the town. These include establishment of various systems for provision of basic services, for example, ensuring street lights in the town, constructing earthen dam at Kapasi, waste-collection and disposal and so on; The gazette of Akola district specifically mentions that AMC took various works related to town-planning; these include, construction of bridge on Morna river, construction of Sundarbai tower in the heart of the town, beautification of the historical fort, erecting garden in the fort as well as developing gardens such as Nehru park in the town and so on. It is remarkable to note in this context that residents of Akola, especially middle-aged and senior citizens also feel that Akola was a graceful, well-built town till 1970s/80s.

Transition from 'Council to Corporation': AMC was an 'A' class municipal council till 2001. As per norms of population size, it was transformed into a D class Corporation from 2002-03. This was a major transition, as it led to major changes in the HR profile of AMC. Some posts got replaced by one or more new posts, for example the post and role of C.E.O. got replaced by Commissioner and deputy commissioner, roles of President and Deputy President were taken over by Mayor and Deputy Mayor. In addition to such replacements, new structures were also created, for example, 'Town Development Committee (TDC), Women and Child Development Committee (WCDC), and Law Committee' were newly established; a separate post was created for 'town-planner'. There was a substantial change in the administrative structure, for example, the town was divided in four zones for the purpose bringing in

administrative efficacy; zonal committees comprising of 15 members (among corporators) and a chairperson were established for each zone. Except Commissioner and Deputy Commissioner, the rest of the posts were to be appointed on the basis of election; thus, there was a substantial rise in the number of inter-AMC elections. Setting up zonal committees led to additions in procedural work. Transition from Council to Corporation also implied rise in the size of budget and hence, increase in the proceedings of accounts department. In short, the transition resulted in increase in the overall scale of functions of AMC.

Against the backdrop of this transition, it would be relevant to review the current status of AMC, which would help us understand factors that influence the functioning of AMC.

2.2 POLITICAL COMPOSITION

At present, there are 71 corporators, each representing one ward. Prior to 2007, BJP-Shivasena alliance was in power both in AMC as well as state level; at the central level, RPI (BMS) was in power. These equations changed in 2007 elections; for last three years, Congress – NCP alliance is in power in the AMC; among the supporters (outside) are RPI (BMS, 11 members), and independent members have also formed a coalition called 'Akola Shahar Vikas Aghadi'. BJP and Shivsena have gone into opposition in AMC, but it is still in power at state level, while NCP has replaced RPI (BMS) at the central level. At the state level, BJP is supposed to have stronghold and the current MLA Mr. Gowardhan Sharma has won the MLA seat for four consequent years. On the other hand, though RPI(BMS) has lost the seat of MP, even today, owing to the high number of Dalits in the town as well as in the district, Akola is known as the constituency of the then MP Dr. Prakash Ambedkar, the highest cadre leadership of RPI(BMS). According to some KIs, as well as corporators from the ruling party, the change in power equation, (i.e., presence of opposing parties at the town and at the state level) has become a major hurdle for the AMC; the case of AMC is misrepresented in at the state level; the central level and the state level leadership are also not serious about development issues in the town; as a consequence, political will required for development of any town is practically absent.

The corporators in the AMC represent majority of the socio-economic groups in the town. The number of Muslim is considerable, (almost 20) while corporators representing dalit communities are also substantial in number (approximately 15); another 4/5 members represent Sindhi community. It is evident from these numbers that caste and religion are major factors ruling election politics in the town. Citizen Survey also confirmed the association of cast and religion factors with electoral politics.

2.3 ADMINISTRATIVE STATUS

2.3.1 Zonal Committees

As mentioned earlier, AMC has become a Corporation from 2002, and hence, it is expected that administrative structures are created and are functional as per the norms and rules applicable to corporation.

Status of Zonal Administration: Division of the town into zones and establishment of appropriate structures is perhaps the key among them, as it holds direct implications for day-to-day governance of ULBs. On paper, the town has been divided into four zones viz.,

southern, northern, eastern and western. Each zone comprises of 17/18 wards. As mentioned earlier, zonal committees have also been appointed through elections. However, rules and procedures for the functioning of these committees have not yet been formulated by the state government, which leaves the newly formed⁷ corporations clueless about the do's and don'ts of functioning of these committees. It was found that some of the corporators are not even aware about the role and functions of zonal committees. As a consequence, the committees are almost dysfunctional.

Office for southern zone has been almost set up in one of the AMC owned premises; the administrative head informed that requisite furniture has also been purchased and organized in the office; however, department heads and corporators have not made any plans for interdepartmental transfer of AMC staff in this office. The administrative head has issued several reminders for this purpose, but to no avail. Similar is the scenario with respect to acquisition of land for setting up other three zonal offices. These offices have not been set up, just because concerned committee members have not taken any initiative to identify location. According to the senior officials in AMC, this is due to sheer apathy and lack of seriousness on the part of corporators, and most importantly, due to lack of perspective and discipline on the part of commissioner.

In the absence of effective, rather functional zonal administration, many day-to-day issues have remained unaddressed, which adds to bad reputation of AMC, is the feeling expressed by some of the senior officials in the AMC.

2.3.2 Town Development Committee

As mentioned earlier, TDC has also been established and a separate cell has also been set up for the committee. This is a recent development; elections for the committee were conducted in 2008. The members as well as chairperson are elected, and it was informally shared that these elections too involved substantial monetary transactions. At present a separate office has been set up for the committee; two staff (class four) has been appointed in this office and a separate vehicle (preferably Jeep/Car) is also kept reserved for the chairperson of the committee. During our one week of stay in the town (and almost daily visits to the AMC) we could hardly find this office open during office hours. The staff appointed used to be present, however they were clueless about the role of committee, and they could not even recall when the last meeting of the committee was conducted. With consistent follow-up we had a short interaction with the chairperson, who himself was not very clear about the mandate of the committee. On probing, the chairperson informed that a proposal for beautification of the town was underway and that the estimated cost of the proposal was eight million.

In the context of experience of town development committee, it would be relevant to share the experience of Mr. S.D. Deshmukh⁸, who has very creatively developed Nehru Park, the AMC-owned garden into a beautiful 'water and amusement park'. What is striking is that the work is very much cost-effective unlike many such centres. Mr. Deshmukh shared that in 2004, the then commissioner was very much impressed and requested him to develop proposal for 'beautification of some parts of the town'. Mr. Deshmukh promptly developed the proposal, which was fitting well within the financial norms prescribed by AMC; the

⁷ 15 other municipal councils were transformed into Corporations in 2002.

⁸ Mr. Deshmukh is also one of the active members of Akola Vikas Parishad.

Commissioner appreciated this proposal, however, it was never sanctioned. Since then, Mr. Deshmukh has never received any communication on the subject.

We found that the chairperson of the TDC was neither aware about this proposal, nor did he feel that it was necessary to identify resource persons in the town for the purpose of finalizing design of the plan for beautification of town,

We could not interact with members of other newly established committees' viz., WCDC and law committee; however, senior officials in the AMC reported that these committees too were non-functional, though they accessed the similar benefits (office, staff, and vehicle); these committees had not organized a single meeting during the span of last two years.

In short, transition of the AMC from a council to a corporation has not taken place effectively, which is an important reason for the 'development backlog' of the town, according to most of the KIs. This backlog is reflected in the status of execution of D.P.

2.3.3 HR and Status of Reforms in Staffing Pattern

The fact that new structures and procedures are not in place implies increased work burden for the existing staff. In such a situation 'revision of staffing pattern', i.e. Akrutibandha, which is expected to be a tool of 'efficient HR management' in the ULBs, assumes special significance. Table no. 2 (pl see the next page) provides the post-reform and on paper status with respect to availability of HR in the AMC. Presented below are a few observations on the basis of this table as well as information obtained from KIs

1. Vacancies among Class III and Class IV Staff

The above table (table no. 2) clearly reveals the inverse proportion of sanctioned posts to posts in service. As a result almost one fourth of the posts are vacant.

Row on class III posts shows highest number of vacancies; these posts include mainly assistant type posts in all the departments, which play an important role in day to day execution in the ULBs.

Similar is the case with class IV employees, and the above table shows considerable number of vacancies in their case too. The AMC officials informally shared that no posts have been filled up during the last 10 years, which is reflecting in the current status of HR in the AMC. They are also of the opinion that paucity of class III and class IV staff is one of the major reasons for poor performance of AMC with respect to provision of basic services. The analysis of the AMC officials assumes significance in the context of the fact that class III and class IV staff play a critical role in provision of basic services by the ULBs.

Type	Regular				Promotions, New Appointments			
	Sanctioned Posts	Posts in Service	Additional	Vacancies	Sanctioned Posts	Posts in Service	Additional	Vacancies
Class I	8	1	0	7	10	2	0	8
Class II	8	2	0	6	23	9	0	14
Class	150	77	6	79	459	320	25	164

III								
Class IV	926	748	0	178	63	44	1	20
Total	1092	828	6	270	555	375	26	206

Table 3: Status of Reform in Staffing Pattern

Source: Akrutibandha Document provided by AMC

2. Vacancies among Class I and Class II Staff:

The number of these vacancies is comparatively less; however, these posts too play a vital role in giving direction to the concerned department. It was observed in the AMC and it was also informally shared that though these posts are vacant on paper, they are occupied in practice by class III staff; staff who aspire for upward mobility prefer to work on higher posts without increase in remuneration. Class I posts are to be appointed by the State Government, however state government has kept these appointments pending for a long time, which prompts the Corporation to adopt this 'coping mechanism'.

However, some corporators shared that 'mismanagement' of the existing HR is an issue of concern rather than 'paucity of human resource'. According to senior officials in administrative department, some posts are unnecessary in majority of the departments. Re-organization of human resource as expected in Akrutibandha can lead to effective use of available human resource. However, this re-organization doesn't take place as department-heads do not show any initiative; in case initiative is taken and orders for intra-departmental transfers are issued, they are hardly followed, as concerned staff approach corporators who in turn intervene in the matter.

In a nutshell, though Akrutibandha is expected to bring in efficiency in HR management in the ULBs, lack of discipline and vested interests in the AMC seem to fail the objective.

2.4 FUNCTIONING OF GENERAL BODY (GB)

2.4.1 Frequency

GB and SC are vital mechanisms of decision-making in the ULBs. Administrative department is the in-charge for convening and documenting the meetings of GB and SC. The concerned personnel in the AMC informed that GB meetings are supposed to be minimum bi-monthly meetings, while SC meetings are supposed to be minimum bi-monthly meetings; however, the frequency of these meetings is very irregular in the AMC. Review of minutes of GB meetings during 2007 – 2009-10 reveals that for example, the number of GB meetings in 2007-08 is two, while it is 10 in 2008-09, and 5 meetings were conducted till April 2010. We could not get the exact details on frequency of SC meetings, however, concerned personnel informed that since SC assumes high powers, elections of SC are often highly contested, and at times they are also kept pending till all the parties agree upon negotiations. This invariably affects the frequency of SC meetings, as it happened in AMC during 2007-08, when only one meeting could take place at the end of year after the elections of standing committee.

2.4.2 Decisions

As mentioned above, we could access only GB minutes, and hence, the observations below pertain to GB alone:

- a. On an average, 5 to 10 decisions are discussed in one GB meeting
- b. The regular topics of decision include: (i) sanctioning budget, suggesting revisions in the budget (ii) sanctioning proposed works and budget for respective works from capital grants received by the AMC, for example, Dalit Vasti Improvement Fund, Basic Amenities Provision Fund, (iii) Modifications in D.P. (change in reservations), (iv) departmental issues such as appointments, disciplinary actions etc., (v) sanctioning works and budget for respective works in specific wards on demand from concerned corporator, (vi) appointing technical staff on contract basis (vii) miscellaneous subjects such as construction of sports ground, awards for sports persons, renaming/naming roads/squares in the town after eminent historical personalities and so on
- c. Among occasional topics are: (i) need to increase revenue from property tax and appoint private contractor for the task of collection, (ii) demand for withholding replacement of Octroi tax by Cess, (iii) Water crisis in the town and remedial measures, (iv) reduction in tax burden on the citizens
- d. Among regular topics, sanctions for taking up works and their respective budgets is the most common topic of discussion. Almost all the works are construction activities such as building drains, culverts, repairing, concretizing roads, water-supply related activities such as fitting of hand pumps, construction and repair of tanks, and activities related to electrification of roads in various parts. The minimum budget sanctioned for each work is five to seven millions. Officials in the AMC, as well as residents of Akola both emphatically state that these works do not benefit the residents, because of their poor quality; the works are bound to be of poor quality because the contract is often given by corporators, who 'share' the contract with the contractor, who by doing substandard work 'bears' the burden.
- e. It is also observed that these works have not been planned for areas like Khair Mohammad Plot, Baidpura, Nawabpura, where most of the basic services are in a pathetic situation.
- f. It is remarkable, that the issue of water-supply has been discussed only twice in the span of three years, and there is almost no discussion on the underground drainage scheme, which is a big budget (Rs. 132 crore) scheme sanctioned under UIDSSMT. Options for increasing income of ULB are also among the least discussed topics. In spite of several proposals for building, concretizing and repairing roads, the dismal condition of roads in the town has also never come on the agenda during the last three years.

Though these observations are based on the minutes of GB alone, they certainly indicate that the prime issues in the town do not get sufficient priority in the GB meetings, as the agenda is many times directed by financial interests of the corporators. The status of execution of D.P. reports is another pointer of this ground reality.

2.5 EXECUTION OF D.P

The fact that the process of preparing D.P. was initiated in after 1990, reveals that ‘town-planning’ was a highly neglected area. The first D.P. covers the span of 20 years, from 1996 to 2016, which means that this D.P. is in operation as from last 14 years.

2.5.1 Main highlights

- a. Old town, i.e. western part of the town mostly comprises of slum area; it is highly congested and lacks basic civic amenities such as proper road network, water-supply, drainage, sewerage lines, playgrounds, primary schools, hospitals, gardens and so on
- b. Roads in old town are in a dismal condition, they need to be repaired and widened in order to accommodate busy traffic in the area
- c. Many parts of the city, especially squares are ‘accident-prone’, hence, these areas need to be widened, and proper parking zones need to be planned
- d. There is no connectivity between the old town and the new town, new bridges need to be constructed for this purpose
- e. The overall number of playgrounds and gardens in town is very meager, which indicates that the development of the town has not taken in a well-planned manner
- f. AMC needs to revise its taxes, especially property tax and tax on utility services, in order to increase its income; AMC could also take up special efforts for mobilizing funds from grants, which can be utilized for taking up development works with respect to above-mentioned aspects; AMC also needs to keep aside at least 3% of its budget for the execution of the D.P.
- g. The expected cost for development works proposed in the D.P. is Rs. 1826.04 millions (Rs.1712.04 for acquiring and developing land, and Rs.114.00 millions for acquiring land and constructing roads)

2.5.2 Status of Execution

From the transect walk, the citizen survey as well as from the KIs it is evident that majority of the prescriptions laid in the D.P. have not been implemented in the span of past 10 years. Experts in town planning are of the opinion that the D.P. was prepared prior to AMC’s transition to ‘corporation’; hence, it is necessary to revise the D.P. at the earliest, in order to do justice to the demands of rapidly growing population. It was explicitly stated in the KIs with experts in town-planning that lack of political will and poor financial status of the AMC are the two factors responsible for non-execution of D.P.

In the context of discussion so far, we need to review the financial status of AMC, in order to understand how it affects the basic functions of AMC towards its residents.

2.6 FINANCIAL STATUS

In order to gain insight into the financial status of AMC, we relied on two sources: (i) Interactions with the AMC staff and corporators, and (ii) Budget Reports of AMC (for a period of 2001-02 – 2008-09)

2.6.1 Interactions with AMC Staff and Corporators

Presented below are some insights obtained from these interactions:

- a. Misappropriation: It is a common concern of the AMC staff as well as corporators that the financial status of AMC is not sound. Recent strike of the AMC sweepers (class IV workers in Health and Convenience Department) for getting the long-delayed salaries, grievances of unions of AMC workers also confirm this concern. In fact, one of the senior officials also shared that delay in salaries of the staff and consequent strikes is a routine phenomenon in AMC from last four years. It was also 'unofficially' shared that majority of the funds in the AMC are shared among all party corporators and the commissioner on a 'mutual basis', this erodes the AMC of its reserves for making salaries of the employees. As a result, many class III and class IV employees simultaneously take up another job, say in the evening or early morning. Consequently, the entire staff of various departments is rarely present in the department/involved in the departmental work throughout the designated office hours.
- b. Mismanagement and Lack of Discipline: This was quoted as one of the important reasons for poor financial status of AMC. Example given was that of revision in property tax. Tax assessment of the town has also not been conducted during last 10 years, due to which property tax has also not been revised during last 10 years, which is a loss for the AMC. Taxes on basic services have also been reduced⁹ by the corporators. One of the senior officials as well as one of the corporators shared a classic example of loss due to sheer mismanagement: AMC was supposed to pay telephone bill for the year 2002-03; this bill was not paid till 2007-08; finally BSNL issued a notice of compensation worth Rs. 45 millions, and AMC had to pay this fine. AMC did not pay this bill on time, just because it was not collected. The climax part of the episode is that the BSNL office is just next to the AMC! Another classic example shared was: AMC runs a welding workshop. There are 13 employees in this workshop. During 2008-09, these 13 employees completed welding of three vehicles in six months!
- c. Pending/dismissed Proposals for Increasing Revenue: Some corporators have given concrete suggestions and project ideas for reducing loss and increasing revenue. Some of these are:
 - Instead of running a welding workshop, AMC could take the vehicles on rent;
 - If AMC is short of funds, then tax assessment of the town could be done with the help of government engineering college, who are very much willing to extend cooperation; this proposal was not attended to by the decision-makers in the AMC;
 - Another project proposed was, plantation of Australian Babul in the surroundings of Kapasi lake; the land is owned by the AMC and at present, it is lying fallow. AMC has unutilized balance of 1.15 crore in tree cess; instead of buying tree-guards, which leaves a lot of scope of misappropriation, grown-up Babul trees could be purchased and planted at the onset of monsoon and their maintenance

⁹ Minutes of GB on 24th July 2009 show that 3% reduction in all the taxes has been sanctioned by the corporators in order to provide respite to the residents. Whether all the sections in the town needed this concession was an issue raised by one of the KIs from AMC.

could be handed over to voluntary organizations in the town¹⁰; this proposal has also not been taken into account by the AMC.

- As of now, AMC does not have any mechanism of processing waste; waste is dumped alongside the river-bed of Katepurna. PKV (the Agricultural University) had expressed willingness to produce gas from the waste for the use of AMC; however, PKV required AMC to hand over sieved waste to them, as they themselves did not have sufficient resources for that purpose; taking into account the underemployed human resource in AMC and minimal cost involved, this was a viable proposal; however, AMC discarded this proposal on the grounds that AMC was facing paucity of human resource.

- d. Recently some big-budget schemes have been sanctioned for the AMC. These include: (i) Integrated road development project (Rs. 132 crore, out of which Rs. 85 crore will be sanctioned in the first phase, which is planned in 2010 -2011), (ii) Underground drainage scheme under UIDSSMT (Rs. 132.75 crore), (iii) IHSDP: Rs. 60 crore. These schemes pose possibility of a brighter future as against the current grim situation. However, the KIs express due concern about effective utilization of these funds, against the backdrop of disheartening experiences so far.

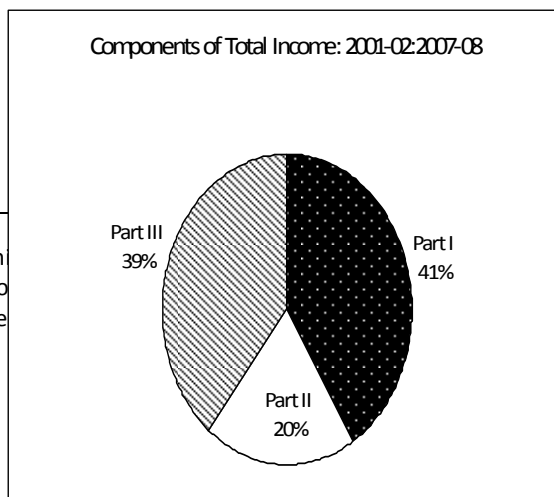
These interactions and insights from previous discussion on development issues in the town raise multiple questions. What is the actual financial status of AMC? Is paucity of funds really an issue? Whether available funds are being utilized effectively for ensuring provision of basic services? We have attempted to explore these questions with the help of budget reports of AMC.

2.6.2 Budget-reports of AMC

In any budget report, there are two basic components, (i) income and (ii) expenditure. In order to understand the financial position of any group, we need to review the status of these two components independently, as well as compare them with each other. We also need to review and compare the sub-components of these two components, in order to obtain trends regarding various aspects. In the following paragraphs, we have followed the same methodology for analyzing budget-reports of AMC.

2.6.2.1 Income: components and sub-components

Review of AMC budget reports shows that there are three main components under the heading 'Income': (i) Part I: Revenue Receipts, (ii) Part II: Capital Receipts, (iii) Part III: Receipts from sale of bonds, investment and items of disbursement such as pension and PPF. Graph no. 1 (Components of Total Income) presents the share of each of these components in the total income of AMC.



Graph 1: Components of Total Income

As presented in the Pie chart (Graph no. 1), Revenue Receipts and Receipts under Extraordinary Debt and Suspense Head are the major

¹⁰ In the collaboration with the members of WWF are active in the town and in the task of counting the trees in the town. One of the members is from Vikas Parishad.

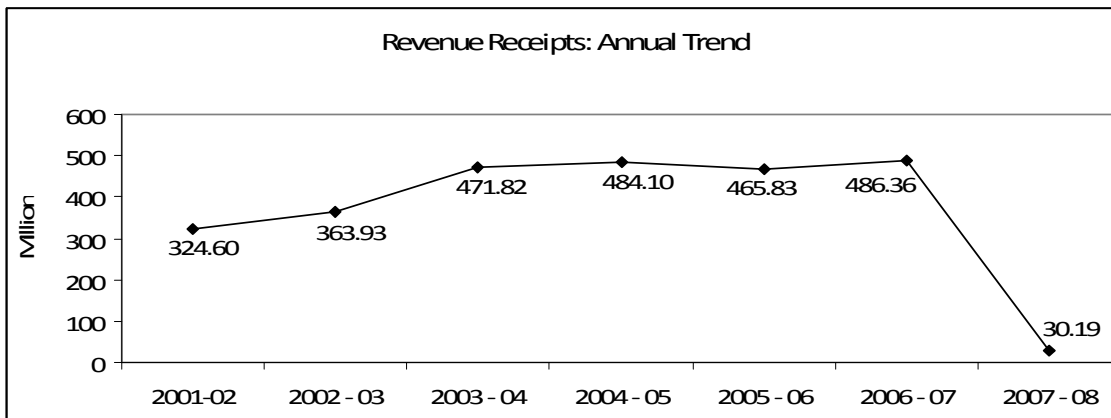
components, while Capital Receipts form a smaller component of total income of AMC. Let's review the sub-components of each of these components, in order to be able to interpret this varying weightage.

a. Part I: Revenue Receipts

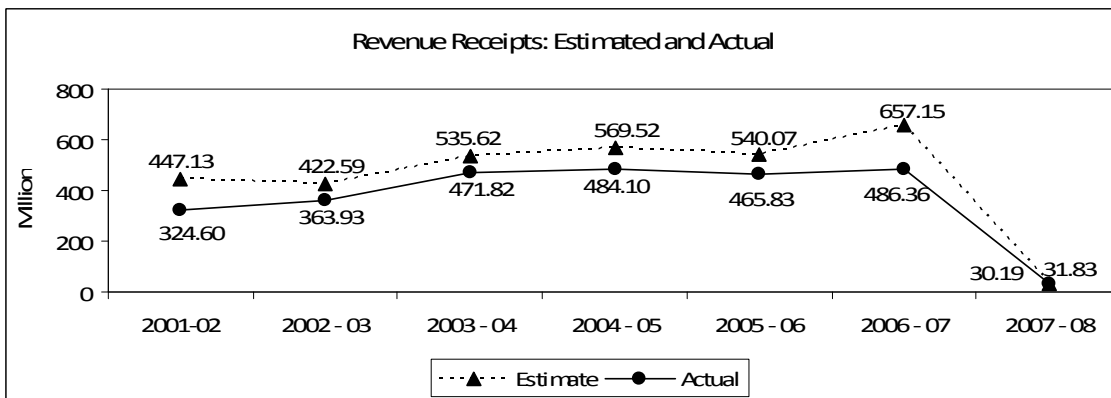
Revenue receipts are supposed to be the major component of ULBs' own income, as all its sub-components except grants are not dependent on any external factors. Hence, the share of revenue receipts in the total income determines the financial sustainability of ULBs. Therefore, the fact that share of revenue receipts in the total income of AMC is less than 50% assumes special significance.

As the line chart (Graph 2) depicts, income from revenue receipts is on the rise between 2003-04 and 2006-07; while there is a dramatic decline in 2007-08. Whether this decline was expected, and whether the rise was also stipulated will help us understand if income from revenue receipts has been more or less stable during recent years. Hence, let's also have a look at the estimates and actual income from revenue receipts (Graph 3) and gap between the two (Graph 4)

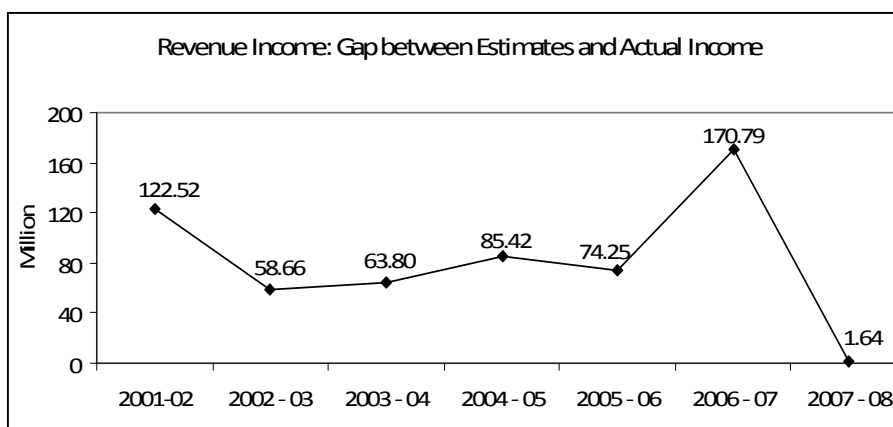
Graph 2: Revenue Receipts: Annual Trend



Graph 3: Revenue Receipts: Difference between Estimates and Actual

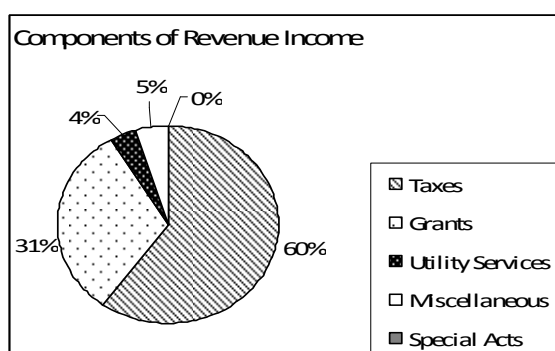


Graph 4: Revenue Income: Gap between Estimates and Actual Income



Graph 3 shows that gap between estimates and actual receipts is comparatively high in 2001-02 and 2006-07, though actual receipts are closer to estimates between 2002-03 and 2005-06, as well as in 2007-08. A look at graph 4 in the context of graph 2 reveals that the gap between estimated and actual receipts in 2007-08 very low, which implies that the ‘dramatic’ decline was not dramatic, it was stipulated. On the contrary, though receipts seem to be on the rise in 2006-07, the gap between the estimated and actual income is very high in this year. In order to understand the source these variations, we need to review the sub-components of revenue receipts, which are presented in graph 5.

Graph 5: Components of Revenue Income



It is evident that receipts from taxes, fees from utility services and miscellaneous sources are among the most important sources for ULBs’ income. Graph no. 5 presents these sub-components and their respective share in the Revenue receipts of AMC. As presented in this graph, ‘taxes’ occupy the largest share (60%), the share of ‘grants’ is 50% (31%) of the

receipts from taxes, however, it seems to be the second largest source of revenue receipts; compared to these sources and even otherwise, the contribution of utility services, miscellaneous receipts and fees from collection under special Acts is very nominal.

Collection under special Acts is anyway not an expected source of regular income of AMC, and ‘grants’ is an external source; hence, ‘taxes’ and receipts from utility services’ are the only two substantial sources of revenue income for ULBs. Status of income from these sources assume special significance as ‘100% recovery’ has been considered as one of the key indicator of ‘efficiency’ (and hence, liability for getting funds) of the ULB’s. Therefore, it will be appropriate to review the contribution from these two sources.

i. Receipts from Taxes

Review of AMC budget reports shows that there are multiple sub-heads under the head ‘receipts from taxes’. In all, AMC levies 12 types of taxes. These include: tax on land and property, tax on provision of basic amenities such as water supply and sanitation, tax on

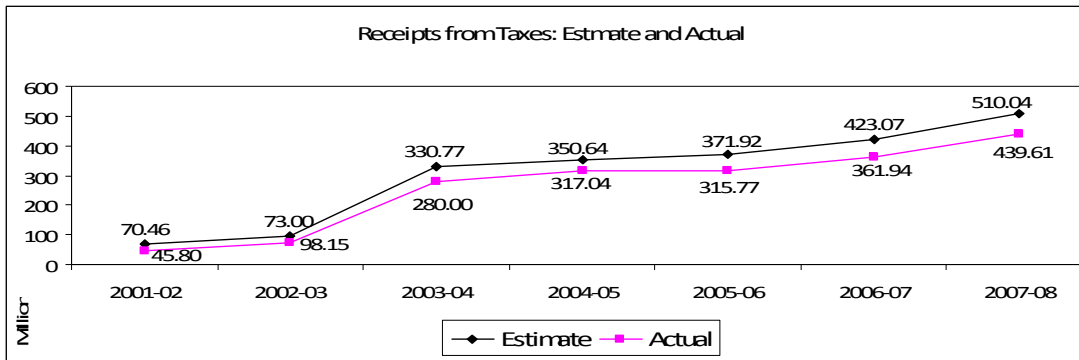
public utilities and facilities such as street lights, entertainment, tree-plantation, education, cattle-pounds, fire-management, use of vehicles and advertisement. AMC has also included receipts from 'Octroi' as a component of tax.

Graph 6 presents the estimates and actual receipts from taxes for a span of seven years. As presented in this graph, receipts from taxes have increased from 2003-04.

However, this rise is not substantial except for the first three years. As a consequence, the receipts have hardly doubled up during the span of four years (2003-04 and 2007-08: from 280 millions to 439 millions)

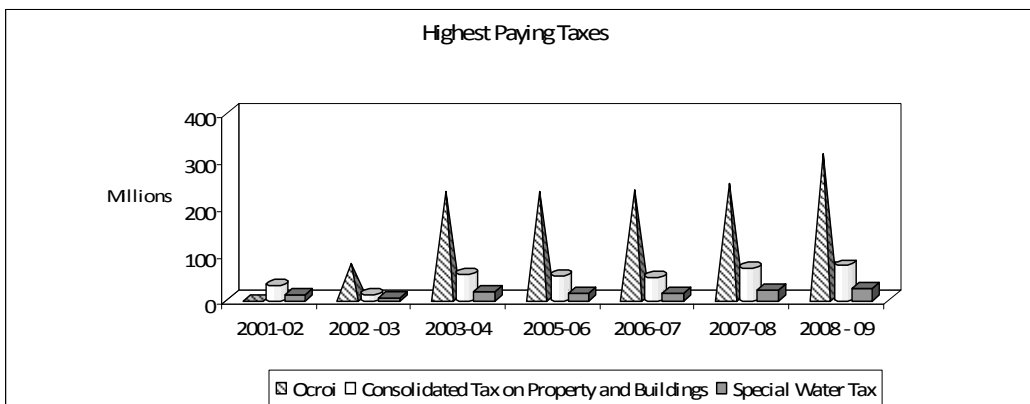
The gap between estimates and actual receipts has remained more or less constant and it is remarkable to note that actual receipts are always lower than the estimates.

Graph 6: Taxes: Estimates and Actual Receipts



Review of sub-components of tax receipts reveals that octroi, consolidated tax on land and property, and special water tax occupy the largest share of total collection of taxes. Graph 7 presents this trend.

Graph 7: Taxes making Highest Contribution



It is clear from graph 7 that 'Octroi' is the largest paying source among the three. (In fact, it occupies the largest share, i.e., more than 60% of total income from various taxes. Receipts from octroi are on a constant rise from 2002-03, and hence, it has a decisive influence on the total size of receipts from taxes, as presented in graph 6. The table below gives the actual receipts (in millions) from these three taxes, which validate the presentation in Graph 7.

Years	2001-02	2002 -03	2003-04	2005-06	2006-07	2007-08	2008 - 09
Octroi	0	716.12	2257.89	2281.29	2316.31	2450.32	3080.81
Consolidated Tax on Property and Buildings	315.16	125.71	563.04	535.61	494.12	683.91	746.79
Special Water Tax	126.64	50.04	184.35	168.42	161	219.72	270.91

Table 4: Contribution of Highest Paying Taxes

However, ULB's, specifically Municipal Corporations have been instructed by Urban Development Department to replace Octroi by a cess from April 2008 or April 2009; hence, octroi can be no more treated as a sustainable source of income for Municipal Corporations. This is applicable to the municipal councils as well; however, they receive an annual contribution from Octroi grant, which is given by the state government. Municipal Corporations are not given these grants as they are supposed to be more autonomous in all the matters including financial. Is AMC really autonomous in financial matters? In this context, it would be relevant to refer to the discussion in GB and SC meetings. Members of SC and GB have unanimously demanded compensation for this replacement. The argument they have made is: octroi is the single most substantial source of income for AMC, and that without this source, AMC would not be in a position to make payments of essential bills such as electricity bill, nor would it be able to take up development works for the benefits of residents.

Discussion in GB and SC also highlights that income from other taxes is not substantial enough to suffice loss of income from octroi. We could not access data regarding percentage of collection of other taxes; however, senior officials from AMC informally shared that tax collection in AMC has hardly exceeded 30-40% of the estimates. Collection of 'property tax' is reported to be especially low in the town; in fact, both senior officials and corporators shared that some parts of the city are not taxed for years together irrespective of number of big properties in those areas. Another official in AMC shared that tax assessment for the town has not taken place during last 10 years, which results in low receipts from property tax.

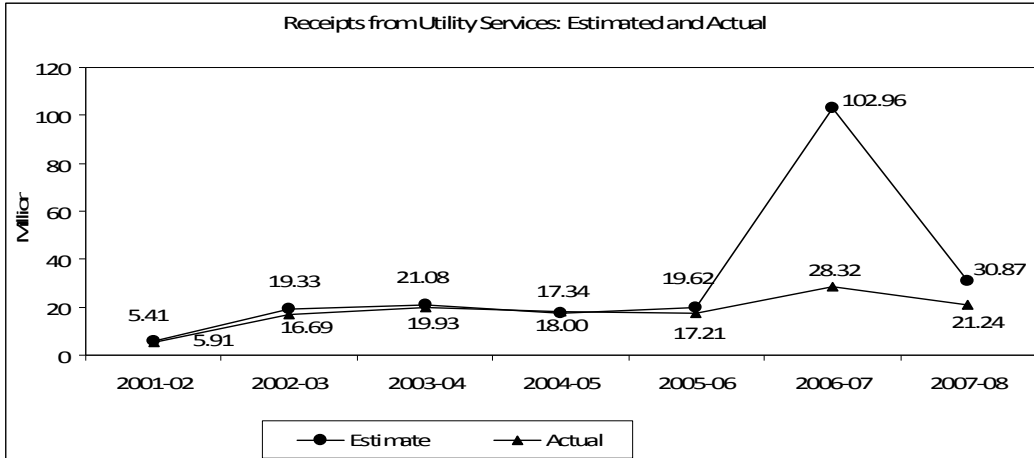
The rest of the two sources are certainly among the regular sources of income for AMC, however, compared to Octroi, they are small in size. Other than these three sources, other sources, i.e. receipts from rest of the taxes are even smaller. Especially receipts from tax on vehicle and other public utilities are among the smallest receipts through out all the six years.

Thus in the absence of receipts from Octroi, income from 'tax receipts' will not be the largest source of revenue income for the AMC; consequently, (revenue income being the largest components of total income of AMC) size of AMC's total income will also be reduced in the absence of receipts from octroi.

ii. *Receipts from Utility Services and Miscellaneous Services*

Review of AMC budget reveals that 'receipts from fees/charges on utility services' are comprised of rentals and charges on Municipal property and other utility services. Among these, Warrant Fees, Notice Fees, Income from Educational Institutes, Fees for Water Supply from Tankers are the smallest receipts, while land permit fees, rent on buildings, license fees, gunthewari development fees are among the larger sources of these receipts. Graph 8 presents the annual trend of total receipts from these sources.

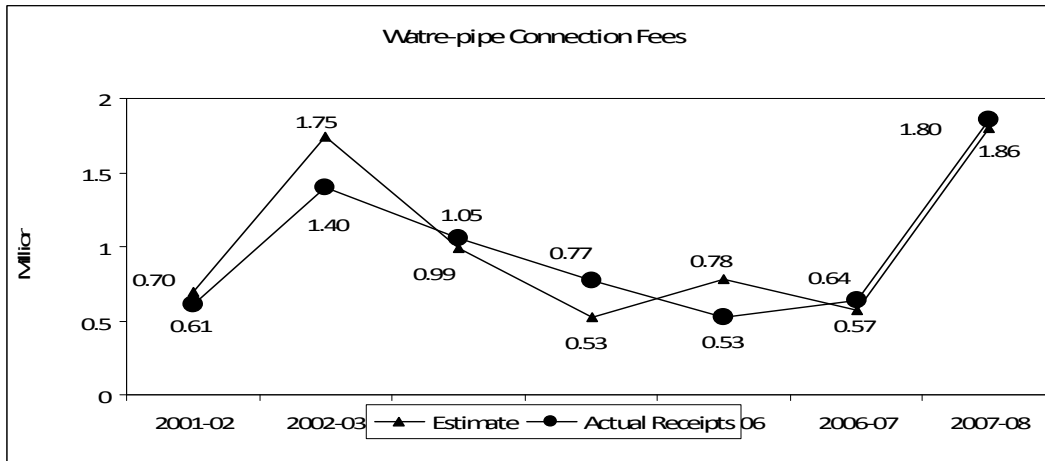
Graph 8: Receipts from Utility Services: Estimated and Actual



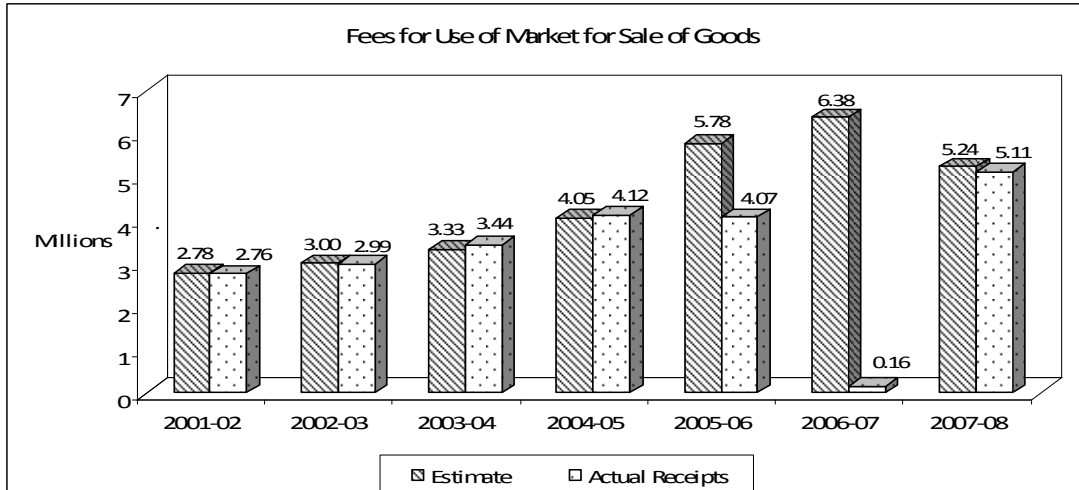
As presented in this graph, receipts have been more or less constant except in 2001-02. The gap between estimates and actual receipts has been consistently nominal, except in 2006-07.

Review of receipts from Utility services reveals that receipts from two sources, viz., fees for use of market for sale of goods, and fees for providing water-pipe connections to residents. Graph 9 and Graph 10 show the annual trend regarding these receipts, as well points out the gap between estimates and actual receipts for every year.

Graph 9: Fees from Water-pipe Connections



Graph 10: Receipts from fees for Use of Market for Sale of Goods



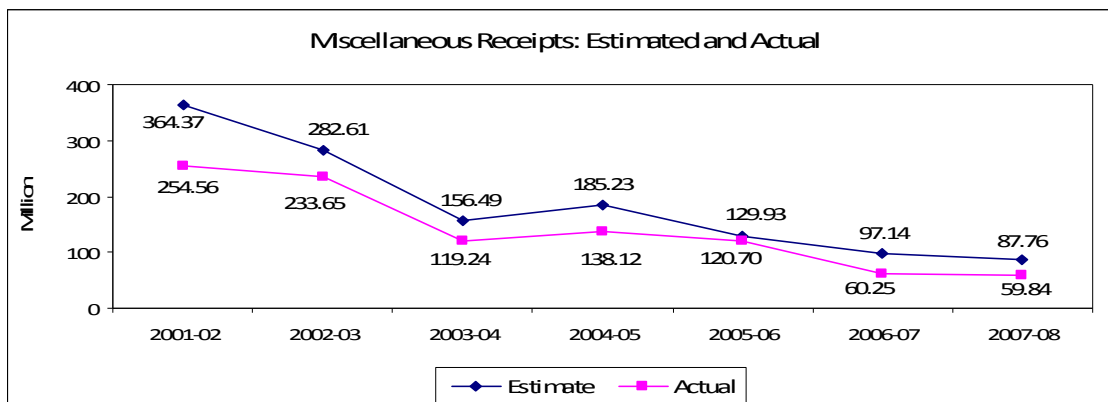
These graphs (9,10) show that though these receipts are an important source for receipts from utility services, fees from water-pipe connections show remarkable variation across year; while fees for use of market for sale are comparatively stable, however, AMC staff report that they have not increased substantially over the years, as they should have been.

Review of budget report for 2006-07 shows that receipts from some heads were dramatically low than the estimates. These included: receipts from gunthewari development license fees (by Rs. 37 crore), fees from educational institutions (by Rs. 7 crore), and license fees (by Rs. 17 crore). This example may be a single example, yet it indicates that AMC is not receiving expected fees/dues from the utility services.

It would be appropriate to associate the statistics on receipts from utility services with information obtained from KIs with ULB officials. Officials in AMC informally shared that AMC has been consistently facing revenue loss during last five to seven years. In support of this argument, we were given statistics regarding revenue from market: Revenue collection from market, (which is an important component of receipts from utility services) was contracted in 2004-05. During this year, revenue collection was Rs. 54 crore; in 2005-06, it came down to Rs. 44 crore, and in 2007-08, AMC earned market revenue of just Rs. 34 crore/- Another corporator shared that revenue from charges on utility services such as advertisement, display of flecks has been constantly low, just because AMC has never taken strict disciplinary action on illegal use of public spaces for fear of vote politics.

In a nutshell, interactions with AMC officials explain, why receipts from utility services occupy such a nominal share in revenue receipts.

Graph 11: Income from Miscellaneous Receipts



Graph 11 presents estimated and actual receipts from miscellaneous sources. Receipts from these sources include receipts from interest on municipal investments, receipts from charges on some municipal services such as birth-death registration, charges for development of private layouts, charges from voters’ list, penalty for non-submission of completion certificate after completion of constructions, fees charged for providing duplicate documents, income from public transport services and so on.

These receipts are certainly higher than the receipts from utility services; however, the graph shows that receipts as well as estimates for this source are on the decline from 2002-03 and that the decline is more prominent in the recent years. The fact that receipts from municipal services are low indicates that AMC is not providing these services efficiently. In this context, we were told by 4/5 representatives of AMC that from 1999 – 2002, AMC had a very disciplined and efficient commissioner, which led to increase in the efficiency of functioning of AMC, which did not happen in the consequent years after the transfer of this Commissioner. The information suggests the fact that ‘lack of discipline’ is likely to be an important factor responsible for decline in the receipts from miscellaneous sources.

So far we have reviewed status of income from taxes, miscellaneous sources and utility services, two major sources of ULB’s own income. This review reveals that the status of AMC with respect to both these sources is certainly not promising. In fact, it validates the grievances and concerns of AMC staff as well KIs.

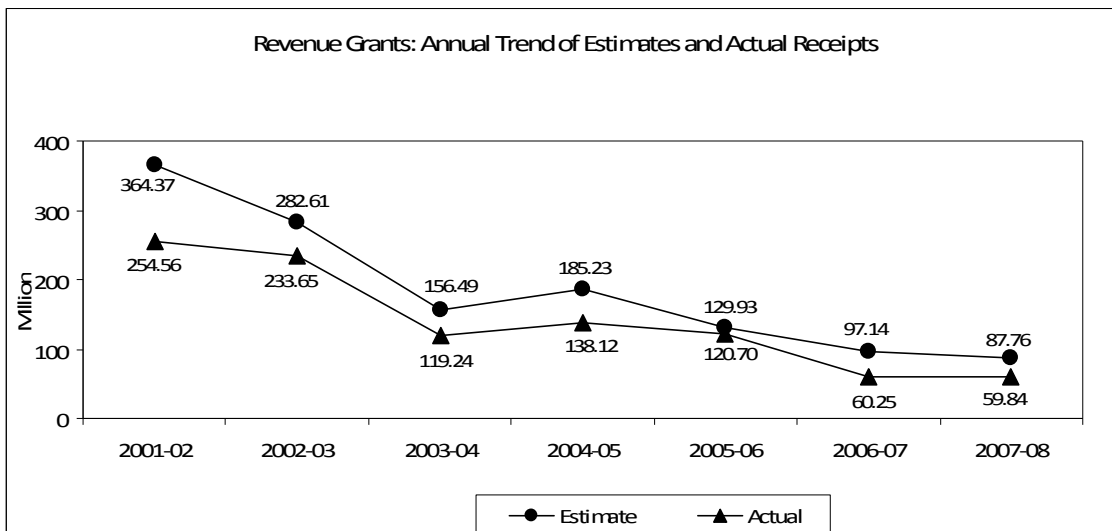
Against this backdrop, let’s review the contribution from grants, which is another major component of revenue receipts of AMC.

iii. Receipts from Grants

In the context of these grants, we need to take into account the fact that unlike capital grants, these are small grants/subsidies given by the state government. The purpose behind these grants is to provide a cushion to the ULBs, so that they are able to perform their functions more effectively. These subsidies for example include subsidies for primary education, entertainment tax, dearness allowance, road grant, grant for child development project, grant for pulse polio, family-welfare, aids-eradication, special grant for malaria-eradication and so on. In addition ULB’s are given ‘incentive grant’, which is a complimentary grant for the municipal councils. These grants are meant mainly for the municipal councils, while municipal corporations are expected to be financially more

independent, and hence, all these grants, especially incentive grant is not provided to the municipal corporations.

Graph 12: Contribution of Grants to Revenue Receipts



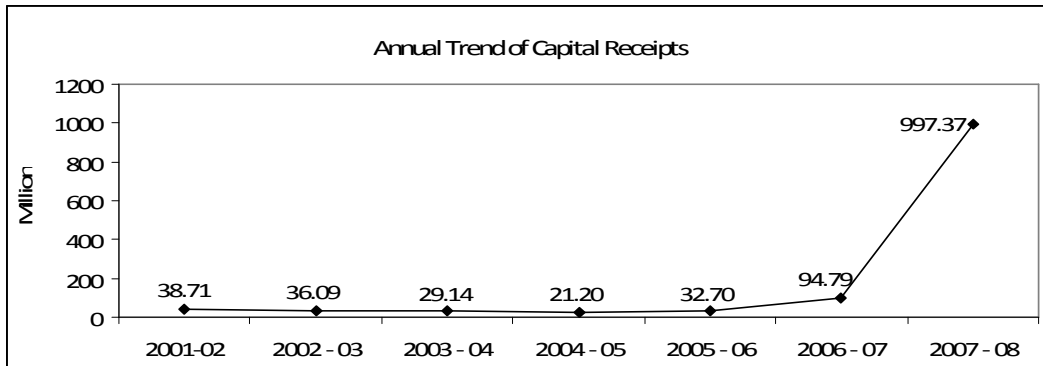
A glance at graph 12 reveals, receipts from the grants are on a substantial decline from 2001-02, the year, in which Akola Municipal Council was transformed into Akola Municipal Corporation. Various stakeholders in the AMC are of the opinion that the AMC was not really prepared for this transition. Income from its own sources of income (revenue income) remained consistently poor, though there was a reduction in the supplementary and complimentary grants from the state government. Transition on the other hand led to increase in the scale of functioning, which in turn led to substantial increase in expenditure of AMC. This information prompts us to take review of expenditure pattern of AMC. Yet, before taking review of this aspect, we need to look at the other two main components (Capital Receipts and Receipts from loans and investments) of total income of the AMC.

b. Part II: Capital Receipts

Capital receipts as shown in Graph 1 constitute for only 20% of the total income of the AMC. Let's try to understand, why this is not a major source of income for the AMC.

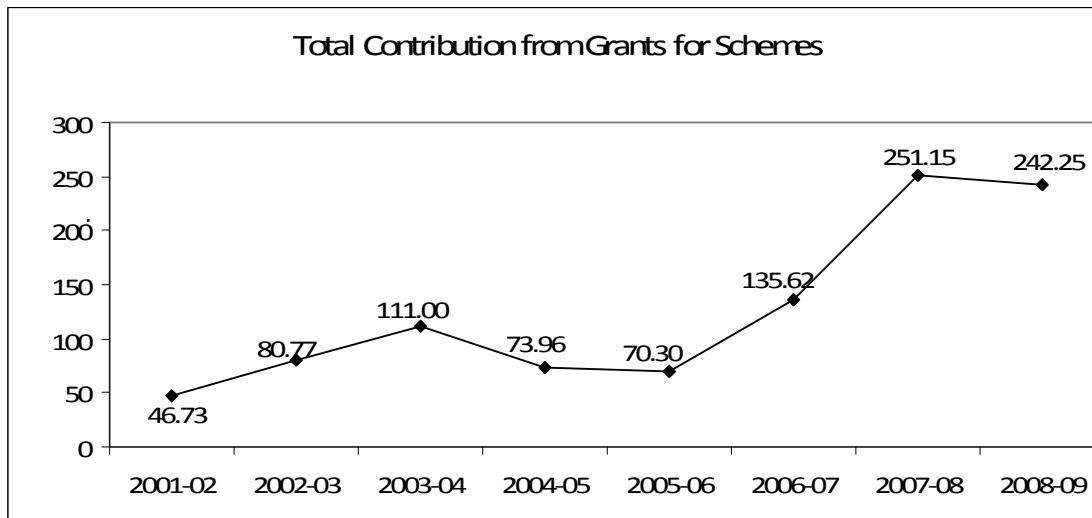
As the title indicates, these receipts are capital receipts, i.e. major grants from the state and central government, which are aimed at equipping the ULB's for taking up major development works in the town on a regular basis. These include grants from 10th, 11th and 12th Finance Commission, Dalit Vasti Improvement Fund, Fund for Development of Basic Amenities, National Slum Development Program (NSDP), IDSMT and UIDSSMT, S.J.S.R.Y, grants from Vidarbha-level Regional Legislative Board, Vidarbha Vikas Package (a special package for ULBs in Vidarbha region) and so on. In all AMC receives grants from 14 grants. However, graph 13 reveals that these receipts are very small compared to revenue receipts, though there is a sudden and dramatic rise in 2007-08; the reason as found in the budget report for 2007-08 is, a major receipt from S.J.S.R.Y grant.

Graph 13: Annual Trend of Capital Receipts



In order to gain a more realistic picture of receipts from capital grants, we referred to 'annual accounts statements' of AMC, which are given at the end of each report. These statements provide details on actual receipts from various grants during these grants. Total of these receipts for each year shows the annual total contribution of capital grants which is presented in Graph 14.

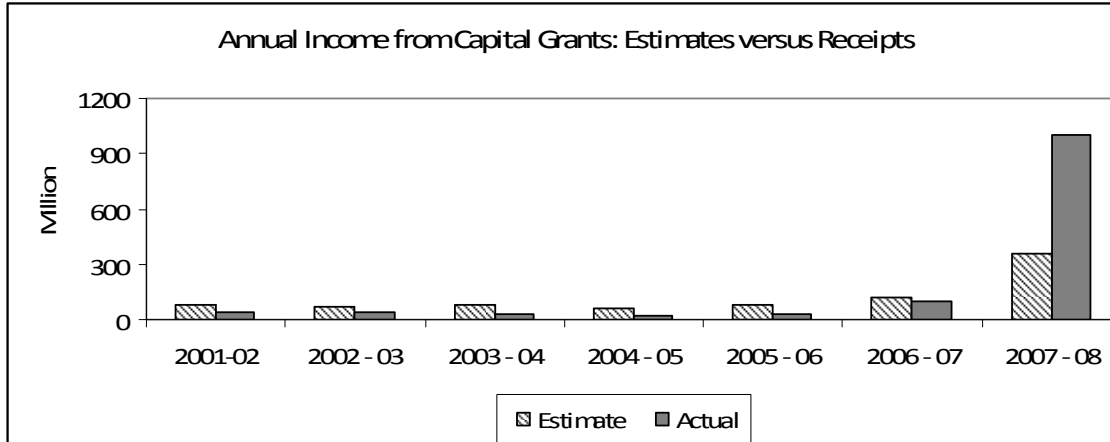
Graph 14: Total Contribution from Capital Grants (figures in lakh)



This graph shows a remarkable variation in the annual receipts. Though there is a substantial rise in the receipts in 2007-08 and 2008-09, this is not a consistent rise, indicating that capital receipts may not be considered as a sustainable source of income for the AMC.

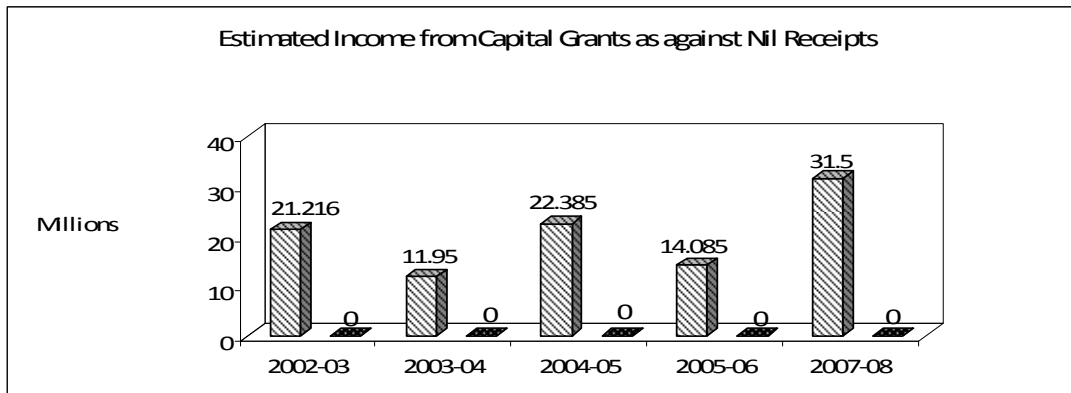
Graph no. 14 further reveals that the estimates have always been higher than the actual receipts, except in 2007-08, when receipts are higher than the estimates.

Graph 15: Annual Income from Capital Receipts: Estimates versus Actual Receipts



The fact that contribution from grants is not satisfactory in AMC gives rise to another issue, whether AMC has received grants as per its estimation. Review of the budget reports reveals that in every year there are some grants, which have not been received by AMC irrespective of AMC. Graph 16 presents the total amount of these estimates in each year as against nil receipts.

Graph 16: Estimated Capital Grants with Zero Receipts



The graph reveals that on an average, AMC has to face annual loss of 20 millions with respect to grants. The table below (table no. 5) gives the names of these grants, for which AMC had prepared estimates.

Table no. 5 and Graph no. 15 reveal that every year, in spite of preparing estimates, AMC has not received minimum four to maximum seven grants. These grants include grants by state government, as well as regional boards and central government.

Year	Grant Name
2002-03	(1) IDSMT Grant, (2) Recovery of loan low cost Sanitary scheme, (3) Child development Grant, (4) 75% of NAA grant, (5) Hutatma smarak Grant
2003-04	(1) Stamp duty Grant, (2) Vidarbha Vaidhanik Vikas Mahamanadal, (3) Public Health Grant
2004-05	(i) IDSMT Grant, (2) Vidarbha Vaidhanik Vikas Mahamanadal, (3) Child development Grant, (4) Stamp duty grant, (5) Magistrate Fine Grant
2005-06	(1) Stamp duty Grants, (2) 12th finance Commission, (3) Vidarbha Vikas package, (4) Vidarbha Vaidhanik Vikas Mahamanadal

2006-07	(1) Child development Grant, (2) Special Malaria Grant, (3) Gadage Baba Abhiyan, (4) 11th Finance Commission, (5) IDSMT, (6) Vidarbha Vaidhanik Vikas Mahamanadal, (7) Vidarbha Vikas package
2007-08	(1) IHSDP, (2) Vidarbha Vaidhanik Vikas Mahamanadal, (3) Child development Grant, (4) Special Malaria Grant, (5) Urban Health Grant

Table 5: Grants which Received Nil Contribution

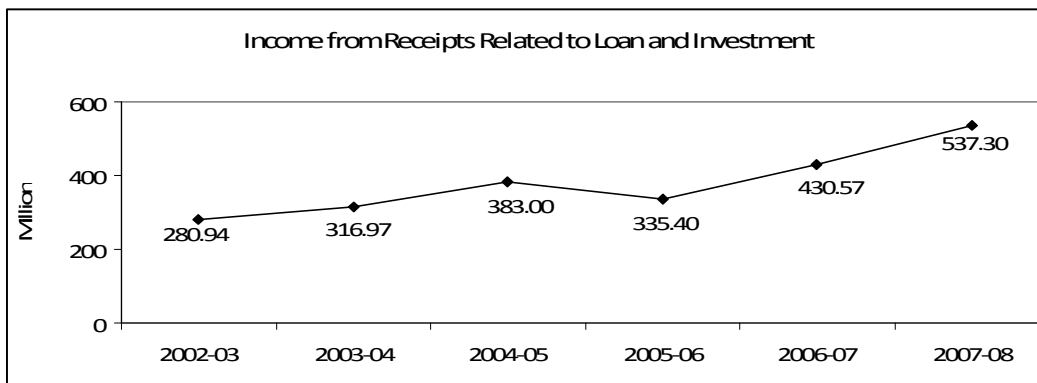
In a nutshell, contribution of capital grants to AMC Fund is not satisfactory. It is said that availability of grants for ULB's depends upon the initiative and negotiation power of political leadership, as well as 'image of the ULB' in the eyes of senior officials in UD. Corporators, as well as other senior officials in ULB shared that AMC is weak in both these respects.

Against this backdrop, let's have a look at the income from Part III, i.e., income from receipts related to bonds, investments, and disbursement items such as pension and PPF.

c. Part III: Receipts from Bonds, Investments and Items of Disbursement

As presented in Graph I, this component, viz., receipts from bonds, investments and items of disbursement is the second largest component of income of AMC. (It constitutes of 39% of the total income of AMC). Graph 17 presents the total receipts from this component.

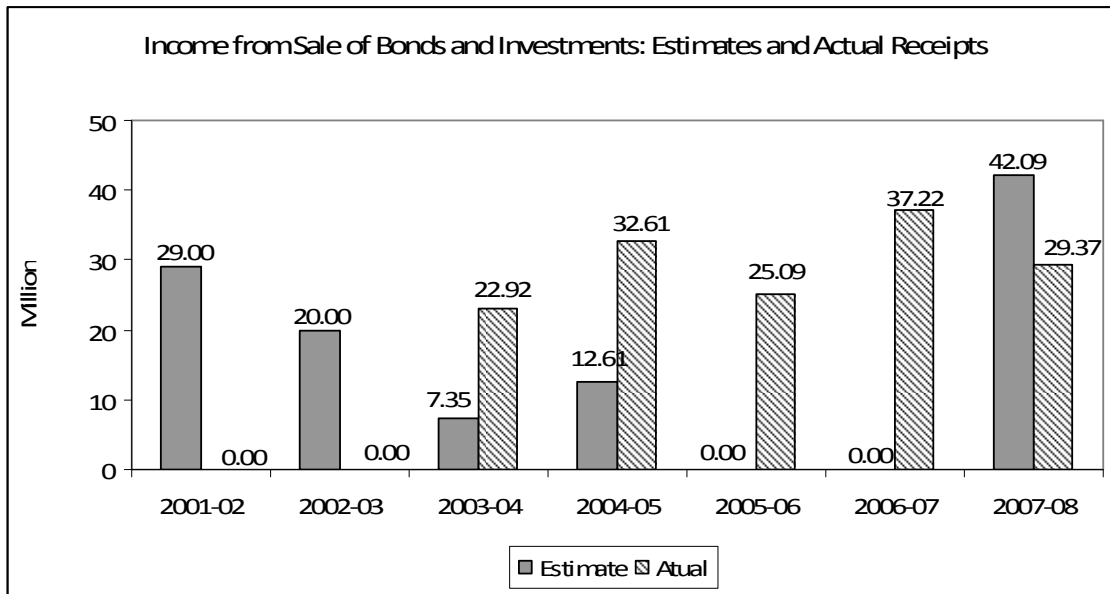
Graph 17: Total Receipts from Part III



Figures presented in the graph show that the receipts are almost as high as or at times even higher than the revenue receipts of AMC (graph 2), which constitute the largest component of AMC's total income. In order to understand why these receipts are so high, we need to look at the sub-components of these receipts.

The sub-components include: and sale of bonds and interest on investment, and items for disbursement include receipts for pension and PPF. Receipts from sale of bonds and interest on investments are clubbed together under one head. Graph 18 presents the income from these receipts.

Graph 18: Income from Sale of Bonds and Investments: Estimates and Actual Receipts



This graph points out that the receipts from this source are not compatible with estimates; they show lot of variation across the years, and finally they occupy a very small share in the total receipts under the heading 'Part 3'. Thus it is clear that receipts from sale of bonds and interest on investments are not a decisive component of total income from Part 3.

The second component of total receipts from Part 3 is receipts for items of disbursement, such as pension and PPF. This component is slightly higher than sale of bonds and interest; however, these receipts are transferred in the bank accounts of AMC staff, and hence, cannot be considered as 'income' of the AMC in the true sense of the term.

Thus both disbursement items and receipts from bonds, investments are small components of total receipts from Part III. The major share of total receipts is occupied by 'transfer from capital grants'. The headings of these grants show that headings in Part 2 (Capital Receipts) and these headings are one and the same. These receipts increase the size of total receipts from Part 3, which gives the picture provided in graph 1.

We could not understand why these receipts are included in Part III, and what is meant by 'transfer' of these receipts. One of the very senior AMC officials explained this phenomenon as follows: *there is a mismatch between the annual expenditure and income of AMC. Most of the times expenditure exceeds AMC's own income and AMC is compelled to use the capital grants for fulfilling routine expenditure needs. This requires that they are deposited back in the account of AMC. Usually account of Part 3 is run as an 'account on paper'. Therefore it is convenient to show the transfer of these amounts in the same account.* Thus these receipts are not a part of income from Part 3 in the true sense of term.

In a nutshell, revenue receipts is the only substantial source of income for the AMC, which as discussed earlier is not in a sound position.

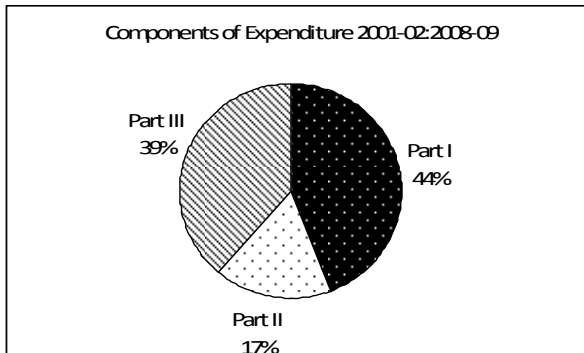
Against this backdrop, what is the expenditure pattern of AMC? Does it really exceed the income? What is the status regarding utilization of various funds meant to be spent for resolving development issues in the town? What is the loan liability of AMC? What is the financial position of AMC at the end of every year? We need to analyze the expenditure

component from the budget reports in order to gain answers for these questions. Next section is focused on this very aspect.

2.6.2.2 Expenditure: Components and Sub-components

Review of AMC budget reports shows that there are three main components under the heading ‘Expenditure’: (i) Part I: General Administration, (ii) Part II: Capital Expenditure, (iii) Part III: Disbursements. Graph no. 19 presents the share of each of these components in the total expenditure of AMC.

Graph 19: Components of Total Expenditure

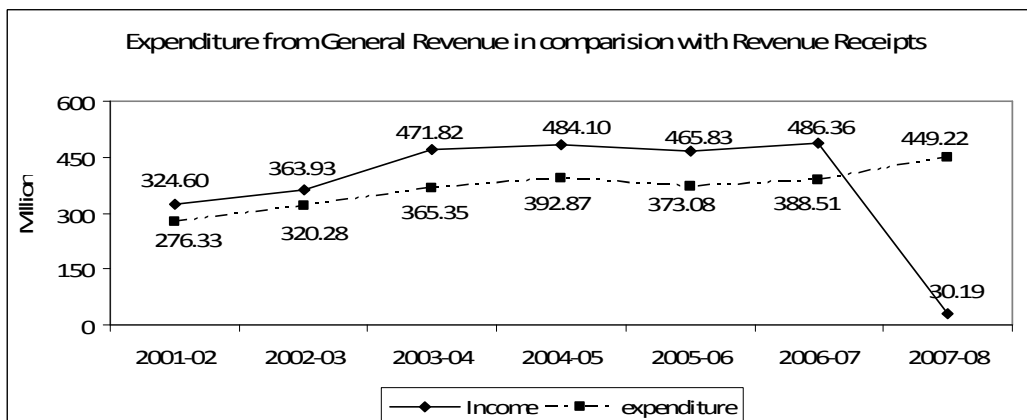


As presented in this Pie chart, Part I, i.e., General Revenue is the largest expense head, which is followed by Part III, i.e., Disbursements, while Part II, i.e., Capital Expenditure occupies the smallest share in the total expenditure of AMC. Let’s have a closer look at these components, in order to be able to interpret this varying weightage.

a. Part I: General Revenue

General Revenue is expected to be the ULB’s expense head for routine expenses as well expenses for provision basic services to the residents. It is expected that ULBs, especially corporations are expected to manage this expenditure from their own income, i.e., from revenue receipts. Against this backdrop, let’s review the annual trend of Revenue Expenditure with Revenue Receipts (Graph 20)

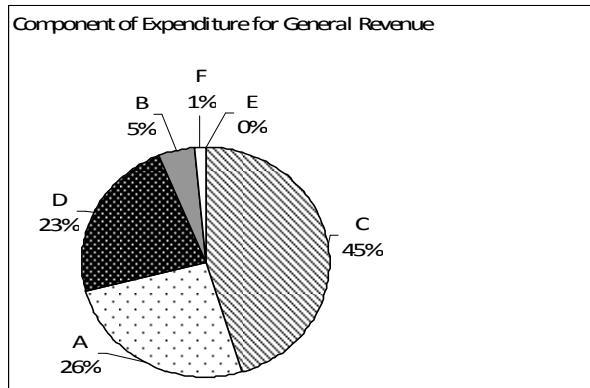
Graph 20: Comparison between Revenue Expenditure and Revenue Income



As presented in graph 20, except in 2007-08, revenue receipts have exceeded revenue expenditure in all the years. In 2007-08, the difference between receipts and expenditure is

very high. It is significant to note that the AMC had faced severe financial crisis during this year. We have not been able to obtain figures for 2008-09 to 2010-11; however, as per the information from AMC officials, though the situation is not so grave in these years, revenue expenditure continues to exceed revenue receipts, which is a major factor responsible for poor financial status of AMC according to the senior officials. While we have discussed the factors affecting increase in revenue receipts, we also need to review the factors which determine the size of revenue expenditure. For this purpose, we will need to have a closer look at the components of revenue expenditure. Graph no. 21 presents these sub-components and their respective share in the total revenue expenditure.

Graph 21: Components of General Revenue



Graph 21 shows that there are six main components of expenditure on 'general administration', which are indicated by alphabets from A to F. These alphabets signify the following components: A = General Administration, B = Public Safety, C = Public Health and Convenience, D = Establishment of Education Department, E = expenditure on Contributions from various grants, and F = Miscellaneous items

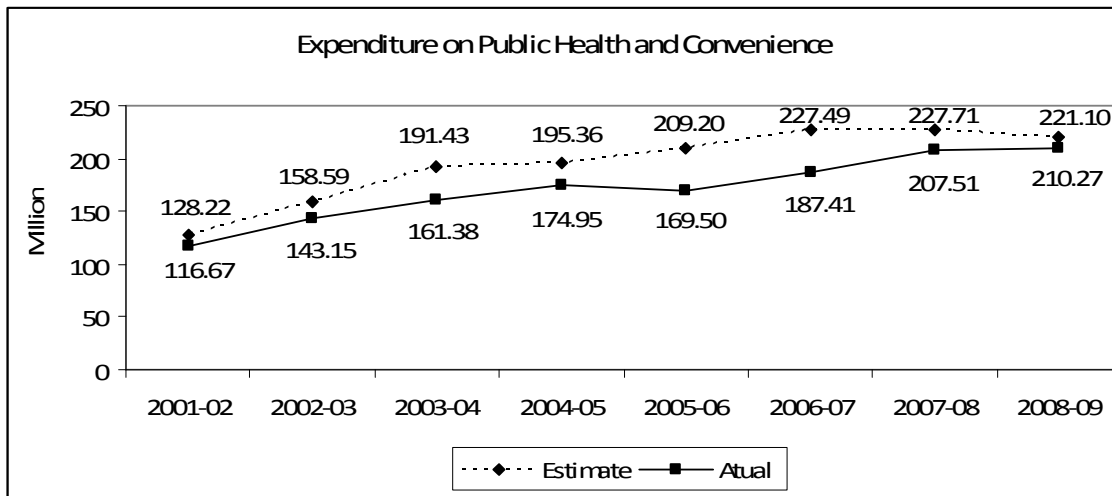
As presented in the graph, 'C', 'Public Health and Convenience' is the largest expenditure head under General Revenue, while 'A', i.e. General Administration is the second largest expense-head, which is followed by 'D', i.e., 'Establishment of Education Department'. The rest of the components are nominal, and hence, C, A, and D are critical components of expenditure on General Revenue. Let's review the composition and contribution of each of these components in the subsequent paragraphs.

i. *Expenditure on Public Health and Convenience*

As indicated in the graph (21), this is the largest expense head of revenue expenditure. As the name indicates, expenses under this heading pertain to provision of range of basic services related to health and multiple tasks related to overall maintenance of the town. Basic health services include three main services, i.e., water-supply, sanitation and solid-waste management, and multiple other services such as PHC, hospitals and dispensaries, registration of births and deaths, vaccination, measures on epidemics and so on; expense heads related to maintenance of the town are also multiple. For example, market and slaughter houses, public washing places, cattle ponds, public gardens, public halls, clock tower, children's play ground, PWD works of repair and maintenance and so on. In addition, there are some project related heads, for example, Bal Vikas Project, agriculture, experimental agriculture and so on. In all, there are 22 sub-heads under expenditure on

'Public Health and Convenience'. Before analyzing the weightage of these components, let's have a look at the annual trend of expenditure under this head.

Graph 22: Expenditure on Public Health and Convenience: Estimated and Actual



The line graph (22) shows that the actual expenditure as always been lower than the estimated figures. In spite of the fact that there are multiple heads in this account, there is no substantial rise in the expenditure during the span of eight years. On reviewing the budget reports for this component one finds that though there are multiple expense-heads, the items of expenditure under each head are very few. In fact, 'contingency' is the single item of expenditure under majority of the expense-heads. This explains the slow pace of increase in the annual expenditure under this head.

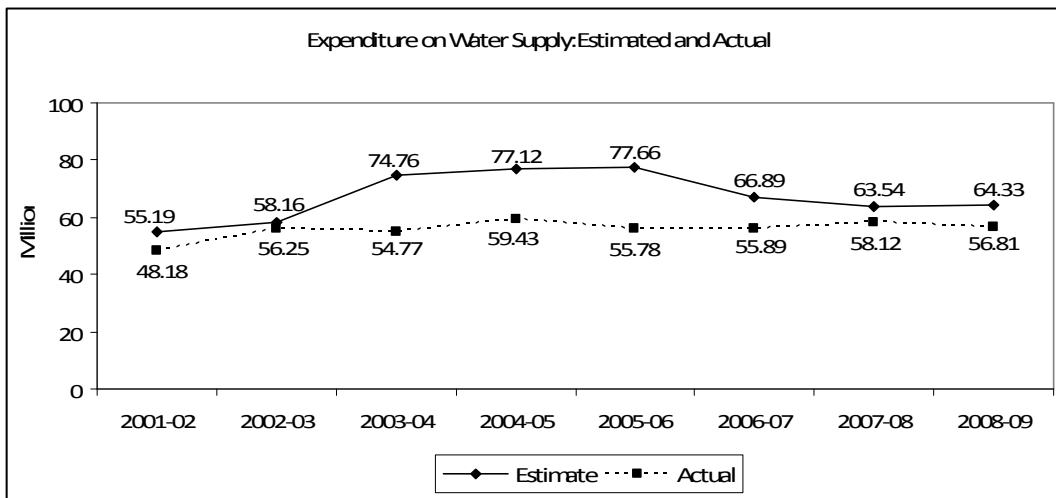
We found one more striking commonality among the sub-heads under this heading. Almost all the sub-heads have 'permanent establishment' as an item of expenditure. This means, the AMC bears expenses for establishment of almost 20 sub-sections on a regular basis. It is evident from the titles of expense heads that majority of them can be either clubbed together, which would minimize the cost of administration; however, no such measure has been taken till the date.

Thus heads related to basic services are the only heads having varied items of expenditure. Let's review the pattern of expenditure under these heads. In the subsequent paragraphs, we have taken review of expenditure on three basic services which are covered under 'Public Health and Convenience': water-supply, sanitation, and solid-waste management.

Graph no. 23 presents estimated and actual figures of annual expenditure on water-supply. This graph shows that except in 2002-03 and 2007-08, figures for actual expenditure are always lower than the estimated figures. It is striking that the pattern has continued even in 2006-07, when water crisis was acute in the town. It is also striking that the actual expenditure has increased at a very slow pace and taking into account the growth of population during the span of eight years, this rise is nominal (from 48 millions to 56 millions). Review of sub-components of expenditure for water-supply reveals that 'cost of

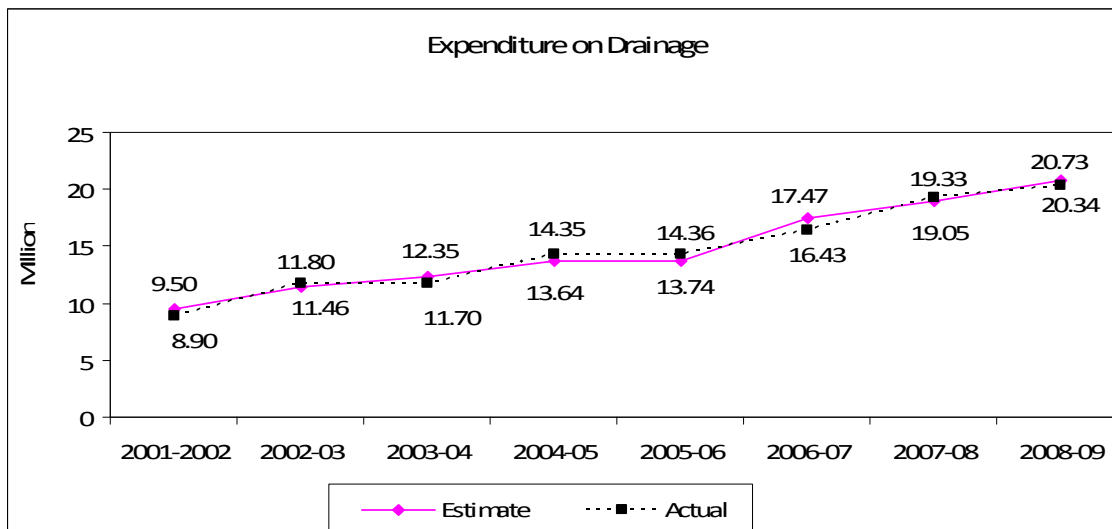
water' is the highest item of expenditure till 2005-06, while from 2006-07 onwards, 'permanent establishment' is the highest item of expenditure.¹¹

Graph 23: Expenditure on Water Supply: Estimated and Actual



Expenditure pattern on sanitation leads us to similar inferences. It was observed that majority of the sub-heads were related to construction, repair and maintenance of drainage lines in the town, hence we have termed this expense head as expense head for 'drainage'. Graph 24 reveals that though the estimate has always remained slightly higher than the actual expenditure, the gap between the two is very nominal. In addition there is slow but consistent rise in the estimates as well as actual expenditure. However, the status of drainage lines in majority of the parts is far from satisfactory, and one cannot help but wonder about the outcome of this expenditure. Review of sub-components of this expense head reveals that 'permanent establishment' has consistently remained the highest item of expenditure across the span of eight years.

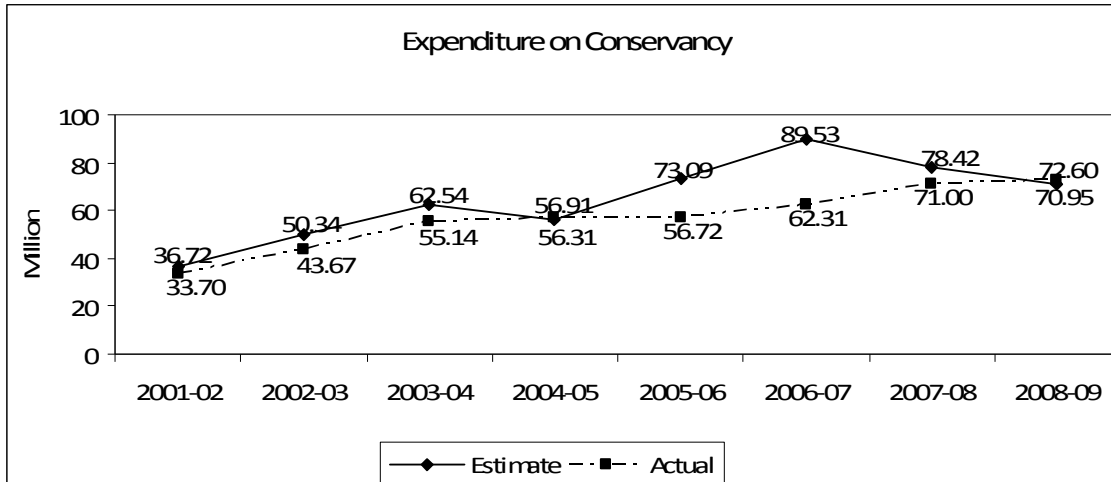
Graph 24: Expenditure on Drainage: Estimated and Actual



¹¹ This difference needs to be associated with the fact that till 2006-07, AMC had handed over the task of water-supply to Maharashtra Jeevan Pradhikaran (MJP)

The expenditure pattern under the head 'conservancy' is also not promising. Review of sub-components of this heading reveals that all of them are related management of solid waste in the town. Graph 25 points out that in comparison with the above two expense heads, this head occupies a larger share in the total expenditure on public health and convenience.

Graph 25: Expenditure on Conservancy: Estimated and Actual



Though there is a variation in the figures for estimates, figures for actual annual expenditure show a steady rise. However, actual expenditure has always remained lower than the estimates. As in case of drainage, the status of waste in several pockets of the town does not justify this expenditure. We were amused to see that 'digging trenches for Composting and hiring labor for the task' is one of the (though small) sub-components under this heading. Review of sub-components also reveals that 'permanent establishment'

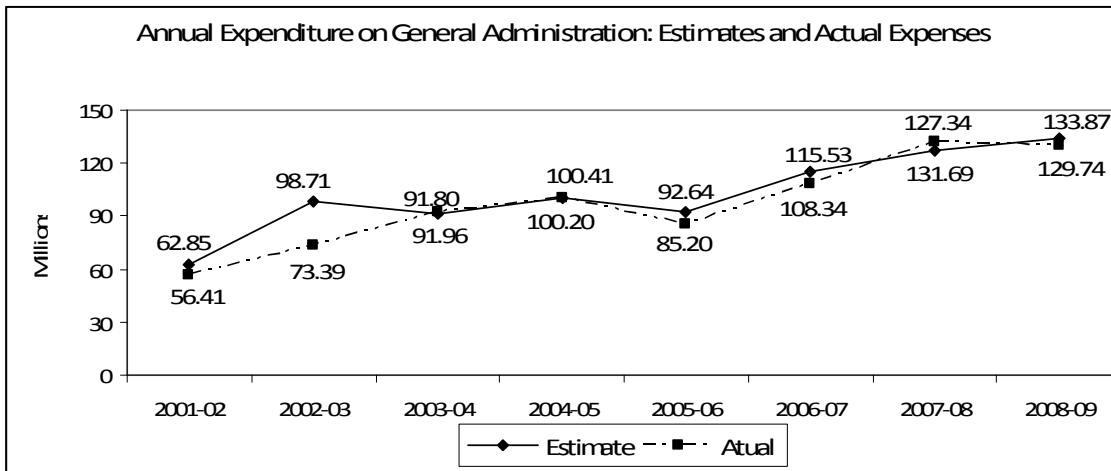
It is remarkable to note that for all these three basic services, which assume vital significance for all urban residents, 'permanent establishment' is the highest component of expenditure; review of this sub-component reveals that the expenditure for this sub-head has most often exceeded the estimated amounts across all the eight years. These statistics validate the AMC officials' opinion that expenditure on establishment often exceeds expenditure on actual service delivery to the residents.

Against the backdrop of status of largest component of revenue expenditure, let's review the status regarding the second largest component of revenue expenditure, viz., General Administration (component A of revenue expenditure.

ii. *Expenditure on General Administration*

AMC budget reports reveal that this head includes expenses overall establishment, T.A. and meeting-allowance of AMC staff and corporation members, training of officials and employees, contribution to reserve fund for making salaries, office related expenses such purchase and repair of furniture as well as that of vehicles and printing, collection of various taxes, and last but not the least, establishment. It is evident from these titles that the expenditure is purely administrative. Graph 26 shows that expenditure on these items has doubled up in the span of eight years, and except in 2002-03, it is also consistent with the estimates. However, it is a common grievance of residents and corporation members that administration of AMC is not at all efficient, irrespective of substantial expenditure on establishment.

Graph 26: Annual Trend of Expenditure on General Expenditure



Expenditure on ‘establishment of Education office’ (component D of revenue expenditure) is another substantial component of revenue expenditure. As the name itself indicates, the expenses are allotted mainly for establishment related matters of education section in the AMC. The annual trend for this component does not show substantial increase over the years; in the span of eight years, the expenditure has reached to the tune of 93 millions from the initial expenditure of 86 million.

As a single component, this component certainly does not play a decisive role in shaping the size of revenue expenditure, however, it certainly adds into the overall expenditure on ‘establishment’. As of today, AMC has to bear expenditure for establishment of 27 departments. It is also significant to note that on an average, for last four years, the reported¹² percentage of expenditure for on ‘establishment’ is consistently around or more than 40% of the revenue income of the AMC.

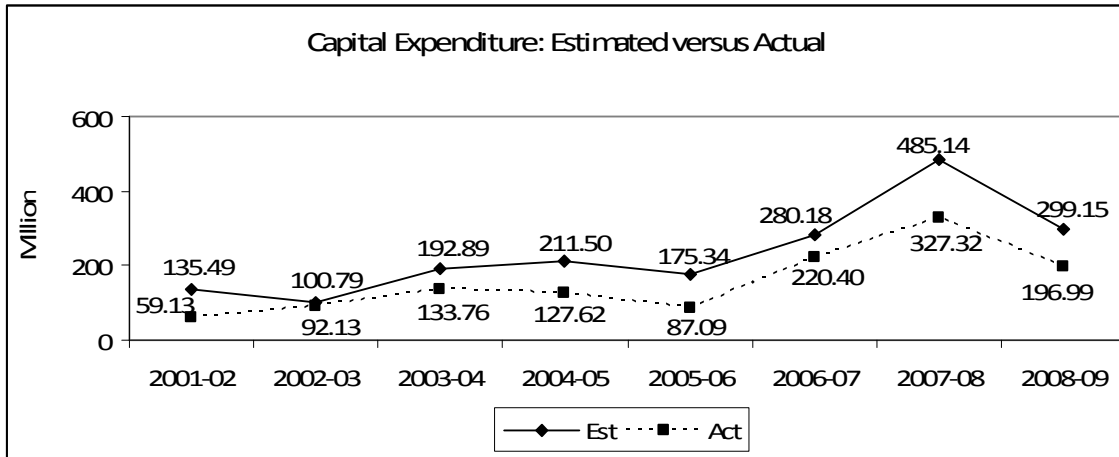
In a nutshell, review of ‘revenue expenditure’ highlights the incongruity between regular and substantial expenditure on establishment and poor service delivery for the residents, especially those living in difficult circumstances. Review of Capital Expenditure provides further instances of mismatch between receipts, expenditure and service delivery for the residents.

b. Part II: Capital Expenditure

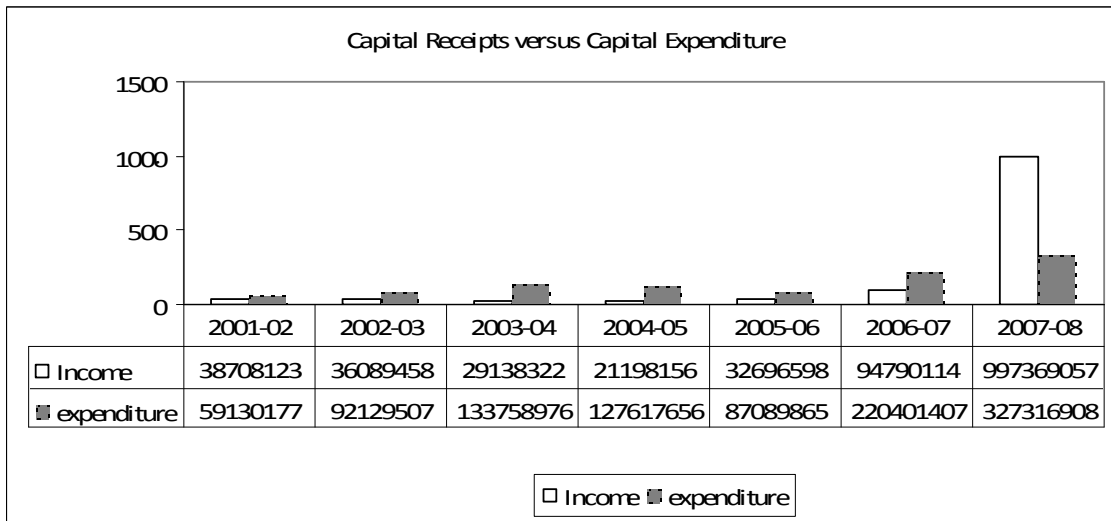
As presented in graph 19, capital expenditure occupies the smallest share in the total expenditure of AMC. Capital receipts are expected to equip the ULBs for taking up major development interventions in the town. The fact that expenditure from this head is the lowest among the rest of the expense heads suggests that expenditure on development interventions is given least priority in the AMC. Graph 27 shows that there is a nominal increase in the capital expenditure during the span of eight years, except sudden rise in 2007-08 (which is again followed by a substantial decline during the next year). The next graph (graph 28) however reveals that the expenditure has always exceeded the receipts, except in 2007-08.

¹² Budget reports for 2006-07, 2007-08 and 2008-09 provide this calculation; while the percentage for 2009-10 was shared by concerned responsible official.

Graph 27: Capital Expenditure: Estimated and Actual

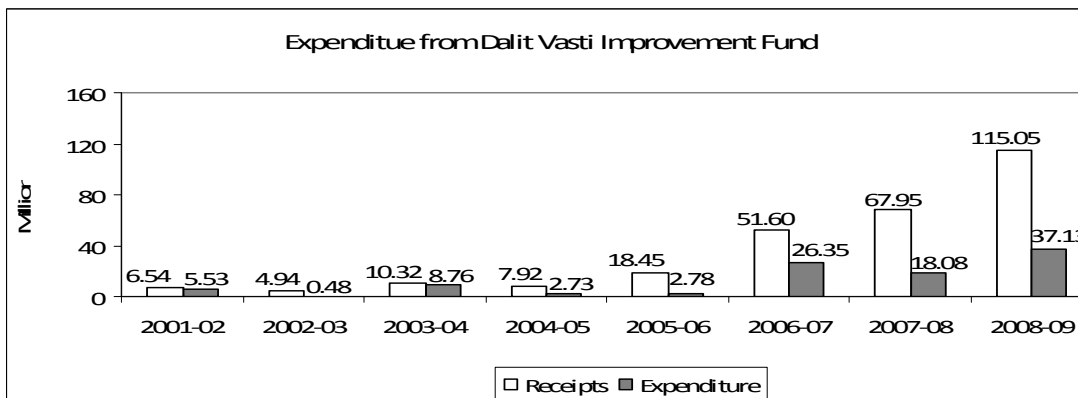


Graph 28: Capital Expenditure in the Context of Capital Receipts

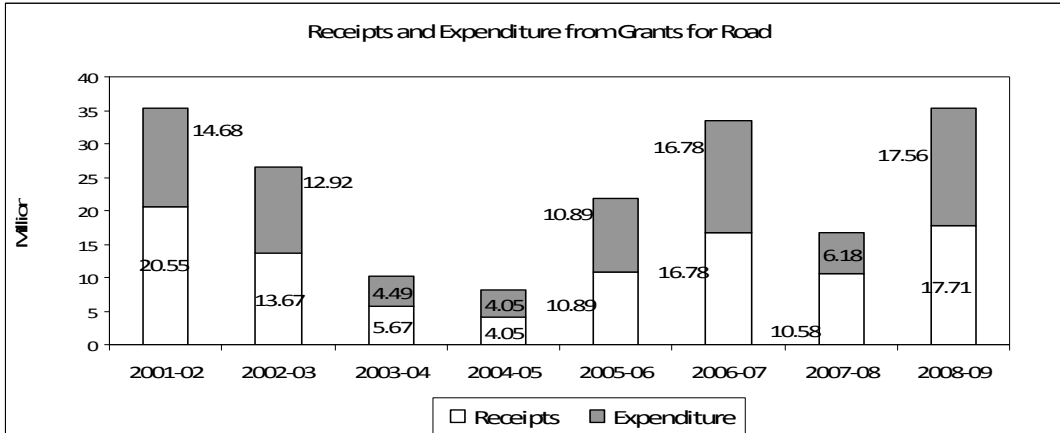


Review of both these graphs makes us infer that 'low receipts' are responsible for low expenditure. In order to validate this inference, we need to review the receipt-wise expenditure from the capital grants, which is presented in the next couple of graphs:

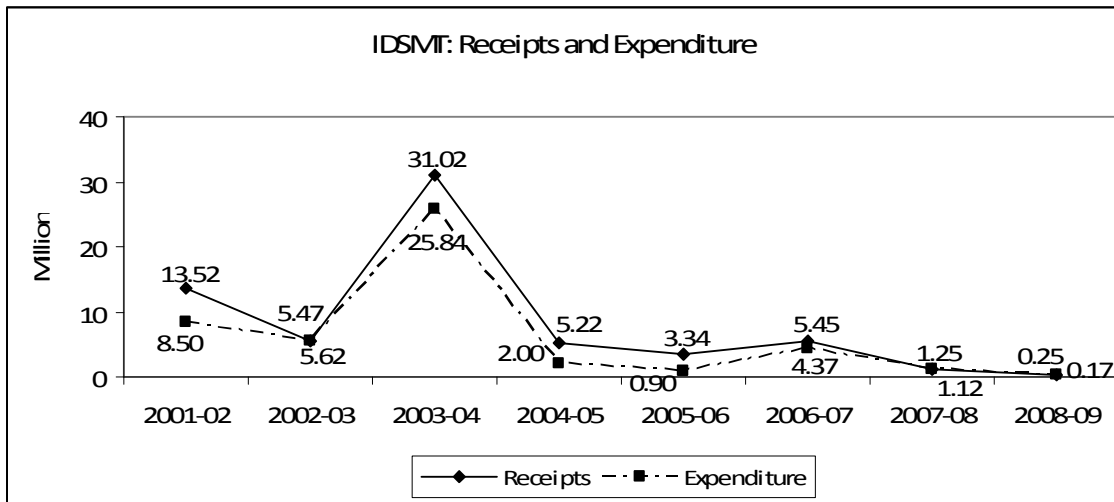
Graph 29: Expenditure from Dalit Vasti Improvement Fund



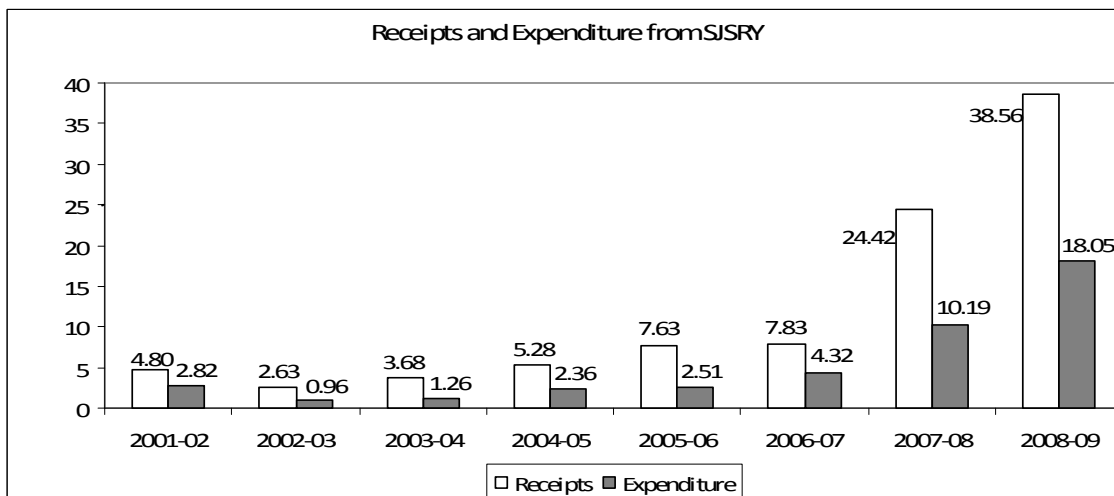
Graph 30: Receipts and Expenditure from Road Fund



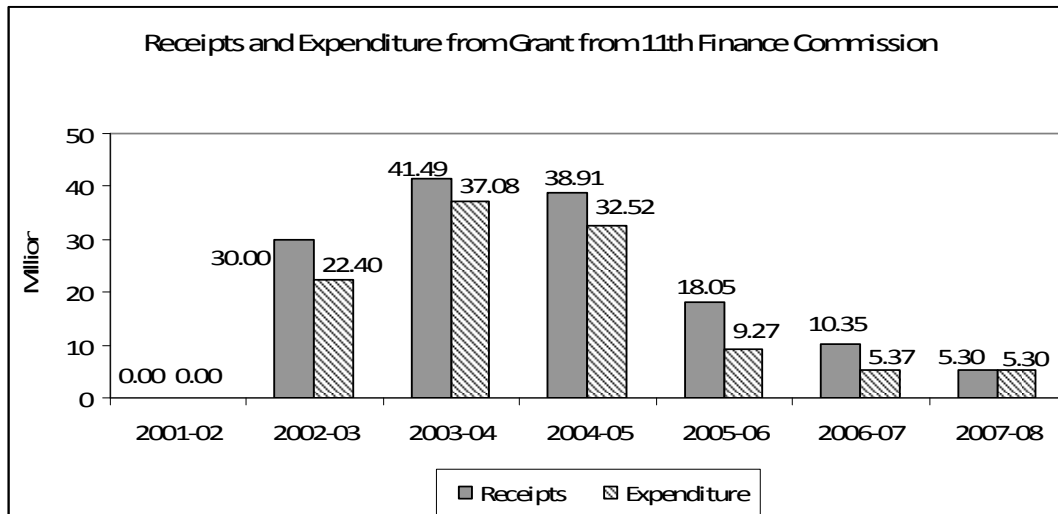
Graph 31: IDSMT: Receipts and Expenditure



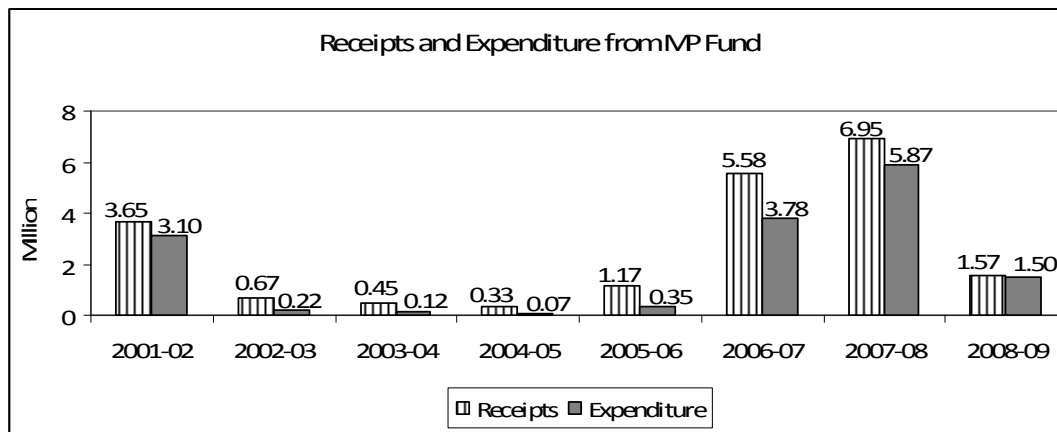
Graph 32: Receipts and Expenditure from SJSRY Grant



Graph 33: Grant from 11th Finance Commission: Annual Receipts and Expenditure



Graph 34: Receipts and Expenditure from MP Fund



Year	Receipts	Expenditure
2001-02	387.51	355.12
2002-03	0.47	0
2003-04	0.81	0
2004-05	1.69	1.44
2005-06	11.39	8.07
2006-07	1.23	0.86
2007-08	2.7	1.62
2008-09	3.06	3.87

Table 6 : Receipts and Expenditure from MLA Fund
(Figures in Millions)

These graphs validate our inference that low receipts from various grants are responsible for low scale of expenditure. At the same time, they also draw our attention to the comparison between receipts and expenditure from these grants. These comparisons highlight that in case of all the grants, expenditure has consistently remained lower than the receipts. In most cases, the utilization is less than 50% or at the most 50%, though utilization

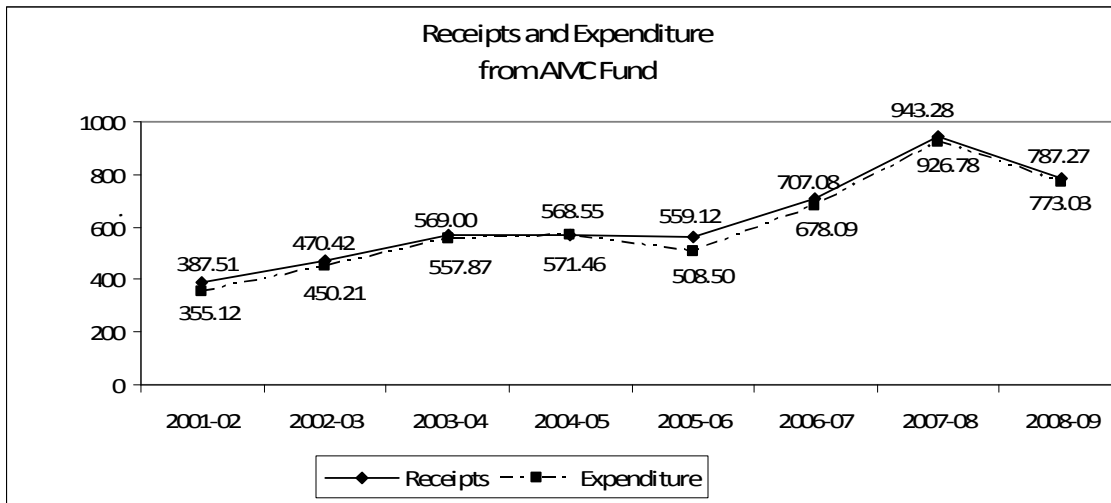
is higher in case of grants from Finance Commission, and to some extent, grants from MP fund, though the fund in itself is very minimal.

We could not obtain details of works completed from these grants. However, in most of the slums including those inhabited largely by the Dalits, the status of roads and drainages is far from satisfactory. The overall status of infrastructure, especially roads, open spaces, parking zones, gardens is in a dismal situation, which does not justify the expenditure from concerned funds, however small it may be; hence, expenditure from grants meant for infrastructure development also comes under question.

Apart from expenditure from capital grants, the head 'capital expenditure' shows multiple expenses such as construction of public toilets, construction and repair of road, tree plantation, renovation or beautification of public spaces and so on. In addition, from 2006-07 onwards, there is a separate head on 'basic services for urban poor' under the same component. A closer look at all these figures however reveals that they are remarkably small in comparison with expenditure from capital grants. What is most striking is that the head for 'basic services for urban poor' consistently shows zero expenditure. The AMC officials share that this head has been introduced during the JNNURM reforms regime, however due to continual financial crisis, AMC has neither been able to make any special allotment nor has it been able to make any expenditure from this head.

Review of the annual account of AMC shows that among all the funds, AMC fund is the largest fund. Resolutions of GB show that this fund has been used most frequently for taking up developmental works in various wards. In fact those corporators are considered powerful, who are able to 'draw' maximum AMC fund for their wards. A few areas in the town such as Gorakshan road, Adarsha colony, Guru Nanak Nagar, Ratanlal plot present a better picture in terms of infrastructure and even drainage and waste-management. Residents from these areas inform that 'their' corporator has taken up developmental works in their respective areas. On this background, it would be relevant to have a look at the receipts and expenditure from AMC fund, which are presented in graph 35.

Graph 35: Receipts and Expenditure from AMC Fund



The graph shows that the size of the fund has increased over the years, though it shows a remarkable decrease in 2008-09. Unlike other capital receipts, AMC fund has been (almost) completely utilized by the AMC, as is shown in the graph. One is left to wonder as to why

the status of development works is not satisfactory in all the wards. The justification provided by some corporation members and even officials is: the size of AMC fund is small. This fund may appear largest compared to other funds, however, taking into account the number of corporators (71), is corporator is able to get a maximum of 13 million per year, which is a rare case. On an average corporators get a sum of 5/7 million, which is a small amount for taking up major development works.

In a nutshell, amount available from a range funds does not suffice the needs of town on one hand, and on the other hand, the corporators and the AMC staff are not able to utilize the available grant completely and effectively. As a result, capital expenditure occupies a small share in the total expenditure of AMC.

The third component of AMC’s expenditure is ‘disbursements’. As presented in graph 19, this component is larger (38% of the total expenditure of AMC) than the capital expenditure. Let’s review the status regarding this component in the next sub-section.

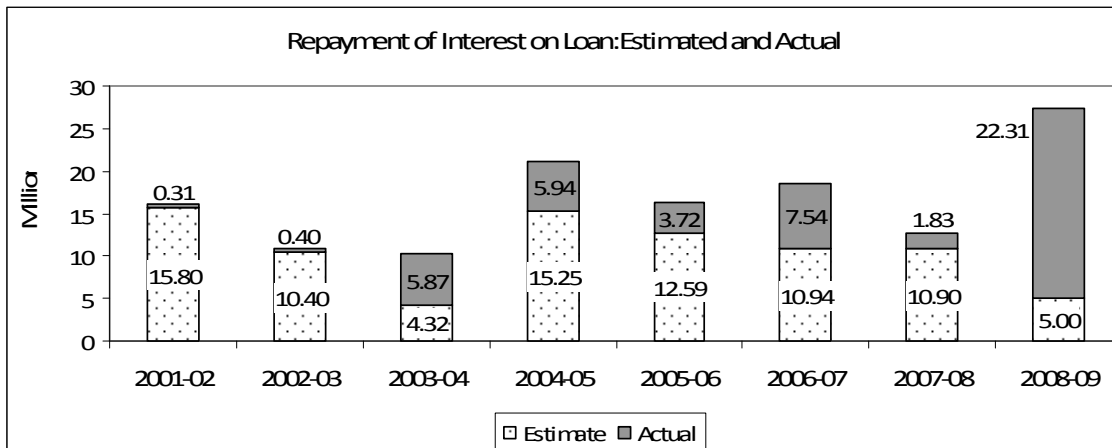
c. Part III: Disbursements

AMC budget reports show that there are three sub-heads under the heading ‘disbursements’: (i) Disbursements related to establishment, such as PPF, Pension, (ii) Repayment of Loan, (iii) transfer to various capital grants.

Disbursements under PPF and Pension are obviously the largest heads of expenditure, which is obvious taking into account the size of AMC.

Graph no. 36 presents the status regarding repayment of loan, which is surprisingly a small item of expenditure under this head.

Graph 36: Annual Repayment of Interest on Loan: Estimated and Actual



As presented in this graph, there is a mismatch in the estimated repayment and actual repayment of loan. Except in 2008-09, the figures of actual repayment as well estimates are nominal. In fact, the overall size of repayment in itself is very low. Upon enquiry we came to know, that these figures represent ‘interest on loan’, and not actual loan. We were also informally told that the figures of actual repayment are also indicative, meaning they are repaid only on paper. The details regarding actual loan/s on AMC are not found in the budget report. There is a separate ‘loans and assets statement’ which provides these details. We could not access this statement, but we were told by concerned responsible officials that at present the loan liability of AMC is to the tune of 300 crore and. Major

portion (to the tune of 295 crore) is that of loan taken from MJP. The rest of the loans are smaller and they are taken from banks and other financial institutions in Akola for the purpose meeting expenses of furniture or vehicles for the AMC. AMC officials feel that some day or the other they will be able to repay these loans one-by one, provided there are systematic efforts for increase of revenue income; however, it is beyond the capacity of AMC to pay the loan from MJP. In fact, AMC is not even paying interest on this loan for a long time. MJP has expressed willingness to cancel the rest of the amount if AMC makes one time payment of 125 crore; AMC is obviously not in a position to make this payment. AMC officials informed that many other ULBs are facing a similar crisis with respect to MJP loans, and none of them are making repayments.

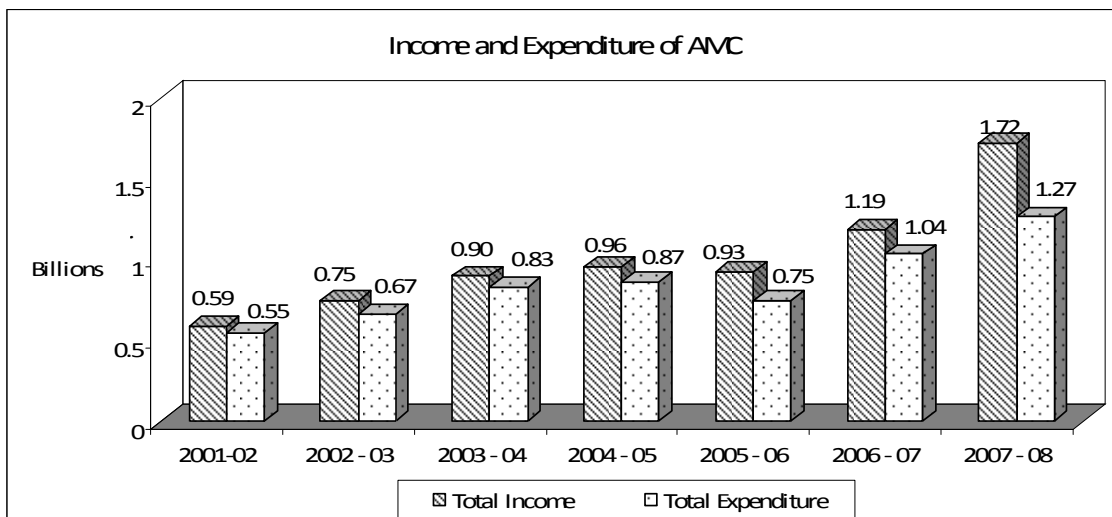
Let’s assume that repayment of MJP loan is a complex issue faced by many ULBs, and it may require some policy intervention from the state level authorities. However, rest of the loans are purely related to day – to – day needs of AMC, and it is revealing that AMC is not able to meet them from its income.

Transfer to the capital grants’ is the third component of expenditure under ‘Disbursements’. In order to understand the implications of these ‘transfers’, we need to refer back to our discussion regarding ‘Part III: Income’ of AMC. The same phenomena use of amounts allocated for capital expenditure for other type of expenses, and therefore need to show the transfer of those amounts in the disbursement head) is replicated under the expenditure head. When we tried to probe further in this aspect, the concerned official told us not to ‘pay any attention to details in part III, and focus only on part I and part II’. This reaction of the concerned personnel is revealing in itself.

2.6.2.3 Concluding Comment on the Financial Status of AMC

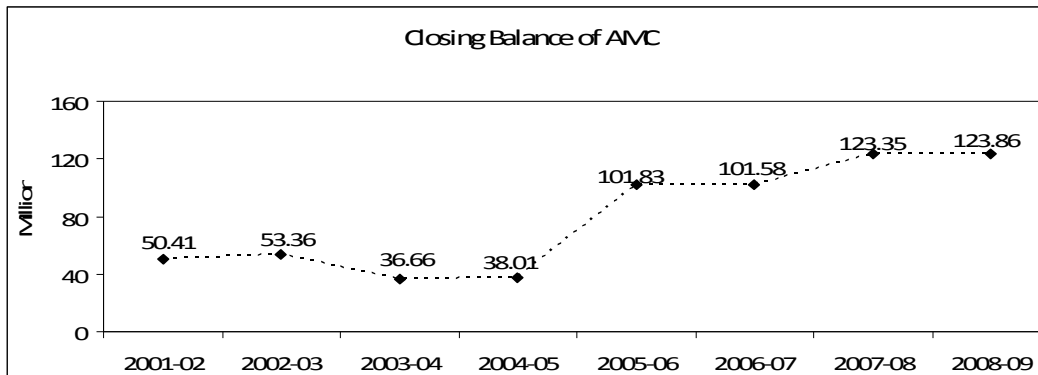
It is clear from our discussion so far on the income and expenditure of the AMC that financial position of AMC is certainly not sound. Graph 37 provides apt statistics in this respect. As presented in the graph, income as well as expenditure of AMC has never crossed the limit 1.75 billion during the span of eight years. This size is certainly not commensurate with the town which is a ‘corporation and houses almost 6 million population.

Graph 37: Annual Income and Expenditure of AMC



Graph no. 38 further substantiates this statement by providing statistics on closing balance of the AMC. As presented in this graph, the closing balance, i.e. surplus income has increased substantially after 2004-05; however, it has remained more or less constant after 2005-06. The amount of surplus income is also not substantial; even the highest surplus is less than 150 million.

Graph 38: Closing Balance of AMC



Year	Cash In Hand	Investment
2001-02	59.03	9.64
2002-03	7.26	9.64
2003-04	39.19	31.14
2004-05	50.99	41.25
2005-06	137.84	42.29
2006-07	108.99	47.36
2007-08	133.27	42.5
2008-09	129.12	31.71
Total	665.69	255.53

Table 7: Cash in Hand + Investment

Combined look at the 'cash in hand and total of investments'¹³ also substantiates the inferences drawn from graph no. 37 and 38. The figures for both, cash in hand and investments do not show substantial increase, on the contrary, there are intermittent declines under both the heads.

Discussion so far also draws our attention towards the factors responsible for this critical financial situation: lack of financial discipline, and disproportionate weightage to non-development/ establishment related expenses. In short, these two are most critical factors affecting AMC's financial health and provision of quality basic services to residents in turn.

Against this backdrop, let's review the status of execution of various JNNURM reforms in the AMC. Is AMC is prepared to see the opportunities as well threats to be brought in by reforms? Whether execution of reforms would make any change in the provision of basic services and infrastructure development, which are long neglected development issues in the town? The next section attempts to seek answers for these questions.

¹³ AMC has made investments in six nationalized banks and in one post-office.

3 STATUS OF REFORMS AND PROJECTS EXECUTED UNDER REFORMS REGIME

The JNNURM claims that reforms are meant for complete rejuvenation of the ULBs, in order to improve their efficiency and thereby effectiveness. Therefore, execution reforms introduced under the reforms regime assumes special significance in the case of AMC, which is in a critical position with respect to finance as well as its administration. We could not obtain any document regarding the status of execution of reforms. However, our interactions with the senior officials in the AMC have helped us gain some insights into this aspect; these are discussed below.

3.1 ACCOUNTING REFORMS

As indicated in the analysis of budget reports, AMC is certainly not following 'double-entry' system for accounting. Upon enquiry we came to know that the AMC has decided to appoint one consultant for this purpose, who has not been appointed as yet. Our interactions with various officials in the AMC pointed out some critical factors that would need to be addressed for initiating and streamlining double entry system. These are summarized below:

- a. Availability of Competent Human Resource: Whether appointing consultant would really initiate the process depends on the availability of competent human resource in the AMC. Minimum competency required in this case is competency in operating computers, which is very scarce in the AMC. We were informed that though many employees have passed the M.S.C.I.T. exam as per the government circular, very few among them are able to operate computers efficiently. AMC staff was invited twice for the trainings organized by state government in order to equip the ULB staff for following double-entry system; however, in the absence of competent persons for attending the session, these trainings did not achieve expected result. Transforming the existing system of accounting into double entry system is an intensive task, and hence, availability of competent human resource is likely to become a critical bottleneck in this process.
- b. Administrative and Political Will: Analysis of current budget report and our interactions with AMC officials starkly underscore the lack of financial discipline in the AMC. Analysis of capital receipts and capital expenditure also suggests that budget reports are used to manage the malpractices in the AMC. Against this backdrop, whether the transparency brought in by the double entry system would be palatable to the bureaucracy and politicians remains an unresolved issue.

3.2 FINANCIAL REFORMS

P-P-P: Among financial reforms, AMC has plans for introducing P-P-P and user charges during the course of next five years. Initial discussion with respect to P-P-P have been initiated in the GB and SC of AMC, and construction of public amenities such as shopping complex, gardens, parking zones may are under consideration. AMC officials have also been thinking about applying P-P-P for water-supply along similar lines in Chandrapur and

Nagpur, though no concrete measures have been charted out as yet. Since P-P-P is one of the committed reforms, AMC will have to initiate the process some time or the other. It was evident from the interactions with AMC officials that they have not yet thought of various possibilities of P-P-P. Hence, they were not able to envisage its implications for service delivery.

The current status of affairs is far from satisfactory in the AMC. Majority of the corporation-members look at P-P-P another avenue for engaging with contractors. From the KIIs we realized that there are some persons in the town who are willing to work on development issues of the town irrespective of their political inclinations. P-P-P could be looked at as an avenue for engaging with these people for designing infrastructure development projects, town-beautification activities, as well as for taking up small-scale initiatives on various development initiatives in the town. AMC is certainly not prepared to take up such proactive measures. Potential private partners in the town are too disgusted with the functioning of the AMC. In such a situation, the future of P-P-P in Akola does not seem positive.

User-charges: This is also one of the committed reforms by AMC. However, AMC has not made any plans in this regard as yet. While AMC officials are of the opinion that user charges need to be levied on basic amenities in order to improve the financial position of AMC, corporation members are not in favor of this idea due to fear of negative impact on their vote bank. As mentioned earlier in the discussion of GB resolutions, corporation members have already passed reduction in the taxes on the residents, in order to reduce their financial burden. On the other hand, residents in the town are so distressed with the functioning of AMC, that they feel that it is in vain to pay the routine taxes in the AMC.

3.3 ADMINISTRATIVE AND STRUCTURAL REFORMS

Among administrative and structural reforms, AMC has committed execution of reform in staffing pattern and e-governance. We have already discussed the status of Akrutibandha in section 2. It is evident from the analysis of budget reports as well KIIs with AMC officials (past and current) that Human Resource Management is a very sensitive area in AMC, and revision in the staffing pattern may indeed reduce the HR burden on the AMC. The current status of HR reveals that this has not happened due to non-execution Akrutibandha. In fact, AMC has not given a serious thought to HR management for a long time, is a due concern of some of the KIs who had been working in the AMC in some or the other capacity.

On the background of competency issues in the AMC, it is no wonder that AMC has not made in progress with respect to e-governance.

In short, AMC is not prepared to execute the accounting, financial and administrative reforms. If reforms are executed due to pressure from state and central government, it may lead to another unsuccessful transition (like the current one, from council to corporation). Thus for executing any of these reforms, it is a non-negotiable pre-requisite that issues related to discipline, HR and transition are resolved in transparent and accountable manner, and planning is made for resolving competency issues.

Against this backdrop, let's review the status of projects under UIDSSMT

3.4 UIDSSMT

As mentioned earlier, two projects, viz., Underground Drainage Scheme and IHSDP have been sanctioned for AMC in 2009. This in itself is considered as a major achievement by the AMC staff, who are well aware of the fact that getting the DPRs sanctioned is a tough process of negotiation between the ULBs and the state.

The funds for underground drainage have not been released as yet; however, DPR for this project has been sanctioned by the state government. The AMC officials and corporators feel that this will solve the problems related to sanitation. However, experts in town planning feel that availability of water is critical for any underground drainage scheme; in fact it is a pre-requisite for taking up underground drainage scheme. AMC officials do not agree with this opinion. According to them AMC has already initiated measures for improving water-supply, by getting sanctioned the proposal for reserving water from the Dagad Parawa dam for the town.

The residents and experts in town are skeptical about whether the scheme will be executed in a technically sound manner, and whether it will really address the issue of drainage. Experience of IHSDP reveals that they have every reason to be skeptical. The table below (table 8) provides statistics on fund utilization for IHSDP.

As shown in the table, AMC has received grants for IHSDP between 2006-07 and 2008-09. Though we could not obtain details for 2009-10 and 2010-11, we were told that AMC has received these grants in the current year for phase II of the project. AMC was given this grant on (on paper) completion of 60% work during Phase I. Table 8 shows that funds for Phase I have been spent only during the third year of the receipts. The figures for expenditure also show that more than 80% of the funds have been spent during this year.

Year	Opening Balance	Receipts	Expenditure
2006-07	0	75.12	0
2007-08	75.12	15.97	0
2008-09	15.97	44.39	118.28
2009-10	17.21	NA	NA

Table 8: Receipts and Expenditure from IHSDP

(Figures in Millions)

According to the corporation members (those representing opposition), even half of these funds have not been spent for constructing houses in the poor. Wherever houses have been constructed, they are of a sub-standard quality. During town-walk we found that housing is indeed a pressing issue for the slum-dwellers; to our surprise, the scheme had not reached any of the slums we visited¹⁴.

AMC has received substantial grant under Integrated Road Development Project. The first installment of this grant (Rs. 85 crore) has been sanctioned by the central government, and the AMC officials and corporation members believe that this project will be started soon.

¹⁴ It is essential to note that we visited those slums, which are considered as 'most poor areas'

Experience of previous projects however raises question on the quality of work done under this project.

In contrast with the dissatisfaction and distress among the residents and experts in town-planning, senior Politicians in the AMC feel very satisfied about these projects. They portray a very optimistic picture of future of the town. However, the facts and insights from our fieldwork do not validate this rosy picture.

4 TO SUM UP..

In view of the entire discussion, one is compelled to say that Akola is a complex town. Presence of multiple contrasting attributes as well stakeholders is at the root of this complexity. On one hand, there is a huge backlog of development, striking presence of working class who come from the low socio-economic strata of society and constitute for almost half of the population, financial, administrative and political crisis in the AMC and depleted natural resources, especially water; on the other hand, there is presence of flourishing industrial activity, strategic geographic location favorable for growth of industrial and trading activities, economically and politically strong APMC, presence of civil society actors who are willing to contribute for the development interventions in the town. Whether these contrasting attributes and stakeholders can become complimentary for the purpose of addressing critical development issues of the town, is a challenge that needs to be met in immediate future.

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5 ANNEXURE

5.1 REFERENCES

1. Gazette of Akola District
2. D.P.
3. GB and SC Reports
4. Budget Reports (2000- 2008)

5.2 LIST OF NAMES OF KIIS

Civil Society

- | | |
|----------------------------|----------------------|
| 1. Sandeep Pundkar | 9. Santosh Kaynde |
| 2. Dr Dharyasheel Phundkar | 10. Ganesh Bhattad |
| 3. Shri Janbhor | 11. S.D.Deshmukh |
| 4. Arundhati shrisath | 12. Dr. Agarkar |
| 5. Dr Rehaman Khan | 13. Surendra Shah |
| 6. Dilip Gade | 14. Prabhajit Bacher |
| 7. Dr. Kishore Malokar | 15. Dr. Pampalia |
| 8. Sachin Deshpande | |

AMC

1. Vaibhav Aware
2. Shri Ghanabahaddur
3. Harish Meerchandani
4. Vijay Pillai
5. Prakash Bhasagar
6. Sajid Khan
7. Manoj Gayakwad
