

STATE LEVEL BACKGROUND PAPER ON RAJASTHAN

K.N.JOSHI

INSTITUTE OF DEVELOPMENT STUDIES

8-B, Jhanlana Institutional Area

Jaipur-302 004 (India)

E-mail:- knjoshi@idsj.org Fax:-91-141-2705 438,

Phone (O) 91-141-2705 726, (R) 91-141-2780 407, (M)

09929455983

Contents

Chapters	Pages
I Background of Urbanization of Rajasthan	3 - 23
II Rajasthan Economy	24 - 41
III Urban Local Bodies in Rajasthan	42 - 57
IV Resource Mobilization and Budgeting	58 - 68
V Housing and Urban Development	69 - 84

CHAPTER – I

Background of Urbanization of Rajasthan

Geographical Location

The geographical location of the state on the globe, topography and climatic condition plays an important role in determining the land use. Rajasthan extends between $23^{\circ} 3'$ north to $30^{\circ} 12'$ north latitudes and $69^{\circ} 30'E$ to $78^{\circ} 17'$ east longitudes. In terms of area it is the second largest state in India and covers about 3,42,000 square kilometers. Rajasthan is a largest state of India, accounting for 10.41 percent of geographical area. In the state of proportion of urban population (23.39%) is below the national average (27.78%). The adjoining state like Gujarat (37.35%) , Punjab (33.95%), Haryana (29.00%). And Madhya Pradesh (26.67%) are more urbanized than Rajasthan.

Rajasthan History

Ancient

Rajasthan is a state of Indian Union situated in the north western part. The history of Rajasthan is as old as the Harappan Civilization and dates back to 1000 BC. Some excavated sites bring forth the records of this period. Several ruins and relics found in the region suggest that it was inhabited by Pre-Aryan race. This part of Indian sub continent was also influenced by the Jains and Buddhists and the faiths were spread at large here. In the bygone era Rajasthan has been ruled by different rulers at different periods of time. Some great dynasties that left behind their impressions here include the dynasties of Magadha, Kushana, Maurya (321-184BC) and Gupta(400 AD). From 6th century onwards Rajputs established their supreme power over this area and under them the region attained its present glory. Rajput rulers established several kingdoms throughout and the area came to be known as Rajputana or the state of Rajputs.

Medieval

During 12th century, a part of Rajasthan came under the Muslim rulers as tributary state but the Rajputs were able to resist the supremacy of Mughals. During 13th century, some of the powerful regions or princely states of Rajasthan were Nagaur, Ajmer and Mewar.

Modern

Under the rule of Akbar, the whole of Rajasthan was a unified province. With the decline of Mughal power in the 18th century, political breakdown of Rajasthan started and a part of Rajasthan came under the control of Marathas. In the mid 18th century, they occupied Ajmer. During early 19th century (1817-1818) independent Rajput kingdoms signed treaties with British Power to eliminate the Maratha threat. Hence, the rule of British over Rajasthan got established.

Post Independence

Prior to independence Rajasthan state comprised of 19 princely states, two small villages ruled by chiefs of Lava and Kushalgarh and a British administrative territory of Ajmer-Merwar. All were ruled by different administrative systems and were disintegrated. After independence, the region has undergone a long process of integration and exists as a state of Indian Union from the year 1956. Under British control the region was popular as Rajputana and after Indian independence it came to be known as Rajasthan.

At present, there are 32 district, 105 sub-division and 241 tehsils. The Rajputana influence is the dominating one, the essence of which can be felt by the monuments located in various cities of the state and the culture prevailing throughout. The magnificent palaces and forts still describe the prosperity and glory of the past.

The state displays a wide variation of physical features, climatic conditions, and population distribution. It is bounded by Pakistan in the west and international border with Pakistan runs for about 1070 Kilometers. India does not have a cordial relation with Pakistan. Its adjoining states also present a wide disparity in their level of development. Therefore, Rajasthan present a typical case of Indian urbanization, where extreme socio economic characteristics exist and planned development has now completed is more than sixty years under peaceful democratic set up.

Environmental Profile

Rajasthan stretches two of India's major physiographic divisions, namely the Great plains (Indian Desert) and the Central Highlands. The Aravalli range of hills intersects the state diagonally from southwest to northeast, extending right up to Delhi. While the area east of the Aravalli falls in the northern part of the Central Highlands. The Aravalli forms the Watershed line between catchment streams flowing into Arabian Sea and Bay of Bengal respectively. It has a steep but discontinuous front to the Thar plains in the west and a relatively gentle slope to the alluvial basins in the north and the east. The central part of Aravalli consist of an important basin of interior drainage is gifted with Sambhar lake. This area is full of sand hills and typical landscape with several low depressions.

The climate of Rajasthan, west of the Aravalli as of other desert and semi-desert regions, which rapidly gets heated during the day and cool down quickly after dusk, variations of as much as 22^o c is noted in the maximum and minimum temperature. In the east and south of Aravallis there is considerable variation in the temperature and amount of rainfall. Climatically the Rajasthan is driest State in the country.

The rainfall is only the source of water in the State, which is received from south west monsoon which usually arrives by the middle of June and continues with intervening breaks till almost September end. The annual rainfall varies from less than 100 mm to 1000 mm. As one moves from southwest to northeast, the rainfall goes on decreasing. It is maximum on the Aravalli near Mr. Abu where it exceeds 1000 millimeters. The average rainfall in north-western parts of Jaisalmer district ranges between 1 to 100 millimeters while in Banswara, Chittorgarh and Jhalawar districts it varies between 901 to 1000 millimeters. The state has about 528 millimeters average rainfall.

Overview of Urbanization in Rajasthan

The urban population in state which stood at 150656 in 1901 census has gone upto 13214375 in 2001 census showing a growth of 752.18 percent over 100 Years. The census statistics of the last 100 Years further reveal the apart from the set back received during 1911-1921 when epidemics were rampant in many parts of the state, the population is gradually increasing in absolute term. There is no change in total number of towns in 2001 as compared 1991 which stood at 222 however, it may be mentioned that the number of statutory towns decreased from

193 in 1991 to 184 in 2001, but the number of census towns increased from 29 in 1991 to 38 in 2001. There has been addition of 87 towns the past 100 Years.

The urban population has grown more than eight times over the last century (1901-2001) from 15.50 lakh in 1901 to 132.14 lakh in 2001. There has been a steady growth in a urban population as well as the number of urban areas in the state since independence except 1961 census. In took six decades to become nearly double, 15.50 lakh in 1901 to 32.81 lakh in 1961, but after this, the pace of urbanization in the state too momentum in absolute terms, And, it took two decades to reach next double urban population 100.67 lakh in 1991 from 45.44 lakh in 1971.

The urban population of the state increased to 13.21 million in 2001 from 10.07 million 1991, showing an increase of 3.14 million in absolute terms. The percentage decadal growth of urban population during 1991-2001 was 31,26 percent but it was 39.62 percent during 1981-91. Thus it shows as also down of decadan increase, thoughts not in absolute terms. The percentage of urban total population of Rajasthan in 2001 stood at 23.39 percent, whereas in 1991 census it was 22.88 percent. (Table – 1)

Table :- 1 Rajasthan : Trend and level of urbanization 1901-2001.

Census Year	Numbers of Cities and Towns	Total Population	Urban Population	Urban Population As Percentage of Total Population	Decennial Growth rate of urban population percentage	Decennial growth of urban population absolute
1901	135	10294090	1550656	15.06	-	-
1911	138	10983509	1475829	13.44	-4.83	-74827
1921	147	10292684	1475335	14.33	-0.03	-494
1931	150	11747974	1729205	14.72	17.21	253870
1941	157	13863859	2117101	15.27	22.43	387896
1951	227	15970774	2955275	18.50	39.59	838174
1961	145	20155602	3281478	16.28	11.04	366203
1971	157	25765806	4543761	17.63	38.47	1262283
1981	201	34261862	7210508	21.05	58.69	2666747
1991	222	44005990	10067113	22.88	39.62	2856605
2001	222	56507188	13214375	23.39	31.26	3147262

Source :- Compiled from various district census report

The decadal growth of urban population of Rajasthan has been shown in (table-1). It is evident from Table-1 that the urban population is increasing steadily, decade after decade. Still the proportion of urban population (923.39) in 2001 cannot be considered as very high. By and large Rajasthan continues to be predominantly rural in character.

The numbers of cities and towns has been fluctuating from decade to decade. The highest number 227 registered in 1951 census. The definition of an urban centre in India was rationalized and made more strict at the time of 1951 census. Consequently, 82 towns were declassified in the state. After the 1961 census, however, the number of towns increased significantly.

Pattern of urbanization

The pattern of urbanization in Rajasthan is characterized by continuous concentration of urban population in class towns. The proportion of population in class I have increased from 10.33 percent in 1901 to 56.32 percent in 2001. For the first time in the census history of the state of the Jaipur was earned the distinction of being classified as a metropolitan city (1.45 million) in 1991 census. However, in 1991 the population of the city constituted 14.49 percent of the total urban population, whereas in 2001 the proportion was 17.58 percent. There were only two class I B cities with 500,000 to 999,999 population, namely Jodhpur (666279) and Kota(537371) in 1991 which combined from 11.95 percent to the total urban population in the state. In 2001 the numbers increased to three with the addition of Bikaner (529690) and thus accounted 15.78 percent to the total urban population of the state. On class IC cities with 100,00 to 499,999 population, it was seen that there were 11 such cities in 1991 census which increased to 15 in 2001, accounting for 23.10 percent and 22.79 percent respectively to the total urban population of the state.

The proportion of class II towns of population of Size 50,000 to 99,999 decreased from 15.74 percent in 1921. Thereafter, the proportion fluctuated till 1991 and the 2001 census saw an increase in proportion of 14.67 percent over the 1991 proportion of 13.64 percent.

However, there was a reverse trend in the class V and class VI towns where the proportion of the population to urban population fell rapidly from 27.77 percent in 1901 to 1.18 percent in 2001 and 8.07 percent to 0.15 percent in class VI towns.

It may be observed that the number of towns has fluctuated decade to decade because of variation of definition and concept of urban areas in different census. Considering the distributions of towns by size classes, one would notice a continuous increasing trend in the number of towns in class I group while in other categories there is mixed trend. The number of class mixed I towns increased from one in nineteen in 2001.

Therefore, it can safely be concluded that there has been a rapid increase in the population of class I cities particularly after 1971 census. The important contributing factor in this phenomenon is the tendency of smaller towns to move in to the higher class owing to the sharp rise in the growth of population up to class III and rapid decrease in class IV, V, VI. The migration of rural people to the urban area is a result of industrial development and employment opportunities in towns, especially after the independence.

Table 2

Rajasthan: Growth in the Number of Cities & Towns and Percentage of Population in Each Class to Total Urban Population : 1901-2001.

Census Year	Number of cities and towns						Percentage of Total urban population					
	I	II	III	IV	V	VI	I	II	III	IV	V	VI
1901	1	4	8	26	54	32	10.33	15.74	16.21	21.88	27.77	8.07
1911	1	3	9	24	60	41	9.29	13.64	17.68	21.60	26.97	10.82
1921	2	2	7	20	58	58	15.84	9.69	14.82	18.26	26.77	14.62
1931	2	2	9	26	64	47	15.25	10.45	16.99	20.83	26.20	10.28
1941	4	2	13	82	74	36	27.26	5.38	17.69	18.30	25.01	6.36
1951	4	4	20	36	96	67	26.58	8.92	19.11	15.93	21.47	7.72
1961	6	4	23	52	51	9	37.84	7.35	20.34	21.56	11.87	1.04
1971	7	7	31	67	41	4	40.94	10.75	20.03	20.62	7.30	0.36
1981	11	10	55	101	23	1	45.85	9.18	23.00	19.21	2.70	0.06
1991	14	20	74	87	55	2	49.54	13.64	21.72	13.00	2.03	0.07
2001	19	27	90	61	20	5	56.32	14.67	20.52	7.16	1.18	0.15

Source : Census in India 2001.

Class I 1 lakh or more population

Class IV 10,000-19,999 Population

Class II 50,000-99,999 population

Class V 5,000-9,999 Population

Class III 20,000 - 49,999 population

Class VI Less than 5,000 population

Migration

Migration is a significant component of population growth. The only source of information on

migration is the decennial Census, which provides some data on the place of last residence and the place of birth of an individual. The lifetime migration data (based on the place of birth concept) available from the 1951, 1961, 1971, 1981 and 1991 censuses show that the extent of inter-state migration was very much limited and did not affect the growth of population in the State in any significant manner. Rajasthan has been characterized as a net out-migration state, as about 5 per cent of Rajasthan-born population was enumerated in other states of India (Table 3), while only 3.7 per cent of the State's population was born in other states (Kothari 1990).

However, if we concentrate only on those migrants who moved in and moved out during the 1980s and 1990s, the data indicate that the inflow of migrants into Rajasthan exceeds the outflow, as noted earlier. Most of these migrants are from the contiguous states - Uttar Pradesh, Madhya Pradesh, Punjab, Haryana and Gujarat. Females dominate the inter-state migration stream; movement of females across the State boundary is twice that of males. The data relating to the migration indicate that about 70 per cent moved into the State and 63 per cent moved out of the State for the same reason as a consequence of marriage. Among the male inter-state migrants, employment was the main motivational factor for moving into the State as well as moving out of the State.

Table 3. Rajasthan: Number of inter-state migrants, 1971 and 1981

Migration Stream	Persons (in '000)	Males (in '000)	Females (in '000)
1971 Census	856	298	558
In-migration	1366	648	718
Out-migration	-510	350	-160
Net-migration			
1981 Census	1227	419	808
In-migration	1683	721	962
Out-migration	-456	-302	-154
Net-migration			

Source: Deuendra Kothari, Growing population in Rajasthan: Some emerging Issues,IIHMR Occasional Paper No.1, Institute of Health Management Research,Jaipur; 1990

Demographic Scenario

From a demographic perspective, Rajasthan is one of India's most critical states. The State recorded the highest growth rate amongst the major states of India in the 1971-81 and 1981-

91 decades. With a decadal growth rate of 28.3 percent during the nineties (1991-01), the State ranked second after Bihar which recorded the highest growth rate of 28.4 percent in the country. Table 4 provides some basic demographic information about India and Rajasthan.

Table 4. Socio-demographic profile, India and Rajasthan, 2001

Item	India	Rajasthan
Population (in 000)	10,27,015	56,473
Population growth rate 1991-01 (percent)	21.3	28.3
Sex ratio (females per thousand males)	933	922
Population density (persons per sq.km)	324	165
Percent urban	27.8	23.4
Literacy rate total (percent)	65.4	61.0
Literacy rate male (percent)	75.8	76.5
Literacy rate female (percent)	54.2	44.3
Total fertility rate (children per woman), 1997	3.3	4.2
Crude birth rate (births/1000 population) 1999	26.1	31.1
Crude death rate (deaths/1000 population) 1999	8.7	8.4
Infant mortality rate (infant deaths/1000 births), 1999	70	81

Source: Registrar General, India, Government of India, New Delhi.

With a population of 56.5 million in 2001, the State has added more than 1.4 million people in the year 2000-01 compared to less than 0.4 million in the year 1956-57 when the present State of Rajasthan is a relatively recent phenomenon. After decades of very slow or minimal population growth, the State's population began to increase rapidly in the 1950's as a result of improvements in public health, which contributed to a steep decline in death rates without a corresponding decline in birth rates. The population grew from 10 million in 1901 to 16 million in 1951, but from 1951 to 2001 it grew about three and a half times to 56.5 million in 50 years. The table also shows that the State's population has been doubling in less than 30 years since independence. The most important reasons for the accelerating growth rate of population in Rajasthan is the nearly constant fertility and rapidly declining mortality, as will be discussed shortly.

Table 5. Rajasthan: Trends in population growth, 1901-2001

Year	Population	Absolute	Persons	Annual growth
-------------	-------------------	-----------------	----------------	----------------------

	(in million)	Increase (in million)	per sq.km	rate (in percent)
1901	10.3	-	30	-
1911	11.0	0.7	32	0.7
1921	10.3	-0.7	30	-0.7
1931	11.8	1.5	34	1.3
1941	13.9	2.1	41	1.6
1951	16.0	5.7	47	1.4
1961	20.1	4.1	59	2.3
1971	25.8	5.7	75	2.5
1981	34.3	8.5	100	2.8
1991	44.0	9.7	129	2.5
2001	56.5	12.5	165	2.5

Source: Census of India, 2001, Rajasthan, Series-9 Provisional Population Totals

The population of an area or state grows as a result of both natural increase (births-deaths) and the inflow of migrants exceeding the outflow. The role of in-migration has not been appreciable in Rajasthan in the past since it was a net out-migration region. However, since 1981, migration from outside has contributed to some extent to the growth of the population of the State. During the 1990s the State's population increased by 12.5 million; out of this, 93 percent was contributed by natural increase and the remaining 7 percent were due to net in-migration. During the 1980s, net in-migration contributed only 5 per cent of the total increase of 9.7 million persons (see Table 6).

Of the total population in 2001, 29.38 million were males and 27.09 million were females, giving a sex ratio of 922 females per 1000 males, which is lower than the sex ratio observed at the national level (933). The sex ratio has been adverse to females, and it has declined from 921 in 1951 to 910 in 1991. Thus, an increase in the sex ratio was one of the positive findings of the Census of India, 2001. However, a sudden rise of 12 women for every 1000 men in the overall female population in the latest census could be a "calculation mistake". It can only be explained in terms of extraneous reasons such as migration of males from Rajasthan due to three consecutive droughts.

Table 6. Components of population growth in Rajasthan, 1981-91 and 1991-2001

Item	Number (in 000)	Percent
A. Population -1991	44,006	

B. Population -1981	34,262	
<i>Net increase in Population (1981-1991)</i>	9744	100.0
Increase due to:		
* Natural increase	9,266	95.1
* Net in-migration	478	4.9
C. Population - 2001	56,473	
D. Population - 1991	44,006	
<i>Net increase in Population (1991-2001)</i>	12,467	100.0
<i>Increase due to:</i>		
* Natural increase	11,598	93.0
* Net in-migration	869	7.0

Note: Calculation is based on data obtained from Census of India, 2001 and Sample Registration System

Source: Kothari, Rajasthan: Emerging Population Scenario and Agenda for Population Stabilization, FPA, Occasional Paper No.1, Forum for Population Action, Jaipur;2002.

The sex ratio of the child population in the age group of 0-6 years has declined significantly from 916 female children for every 1000 male children in 1991 to 909 in 2001. The decline was relatively more in the developed districts (Kothari 2001). Thus, out of a little over 10 million children in the age group 0-6 years, the number of young girls is less by almost half a million. Though it may be a welcome sign that the number of females for every 1000 men has gone up in the total population, it is baffling to note that the number of young girls has gone down. The fall in the number of girl children may be due to the spread of the small family concept, which has reached even the rural areas. But, minds are still obsessed with preference for the male child. If couples go in for a small family, they want a male child and ensure it by having a sex determination test after pregnancy and abortion of the foetus if it happens to be female.

However, this appears to be a temporary phase, as has also been observed in Kerala and Tamil Nadu during the fertility transition. It is interesting to note that the proportion of girl children has gone down more among developed districts of the State than in relatively less developed districts.

The State registered the highest growth in literacy among the major states of the country with its literacy rate going up from 38 percent in 1991 to over 61 percent in 2001. An impressive

hike of 24 percentage points in female literacy from 20 percent in 1991 to 44 percent in 2001 was also reported. The increase in the overall literacy rate is due to persistent efforts made by the State Government to enroll and retain children in schools and to effectively implement adult education programmes. It appears that Rajasthan has made significant progress in literacy in recent years, as has also been reported by the 53rd round of NSSO in 1997 and National Family Health Survey conducted in the year 1998-99.

Regional Variations

Rajasthan presents a peculiar case in terms of the immense regional disparities in demographic characteristics. According to the 2001 Census, Jaisalmer district, located on the western border of the State, had a population of about half a million, accounting for less than 1 percent (0.9 percent) of the total population of the State, and more than 11 percent of its area (Jaisalmer district has an area of 38,401 sq km, which is larger than the area of the State of Kerala). On the other hand, Jaipur district accounted for around 9 percent of the State's population, but less than 1.5 per cent of its area. The population of the State increased by 28.3 percent during the intercensus period of 1991-01. However, the growth rate varied at the district level from slightly less than 20 per cent in Rajsamand district to 47 per cent in Jaisalmer district. Similarly, the density of population which was 165 persons per sq km for the State as a whole, varied from 13 persons per sq. km in Jaisalmer district to 471 persons per sq km in Jaipur district, in which the State capital is located. The regional variation was also observed in the literacy rate. For example, the lowest literacy level was found in Banswara district (44 per cent), whereas the highest literacy level of 74 per cent was recorded in Kota district. Similar disparities can be seen in the literacy level by sex, as shown in Table 7.

Table 7. Rajasthan: Demographic variations by district, 2001

Item	Rajasthan	Range* Lowest Highest	
Population (in million)	56.4	0.5 (Jaisalmer)	5.2 (Jaipur)
Decadal population growth (percent)	28.3	19.9 (Rajsamand)	47.5 (Jaisalmer)

Density (per sq. km.)	165	13 (Jaisalmer)	471 (Jaipur)
Sex ratio (females per 1000 males)	922	821 (Jaisalmer)	1027 (Dungarpur)
Literacy rate (percent) (7 years and above) - Persons	61.0	44.2 (Banswara)	74.4 (Kota)
- Males	76.5	60.2 (Barmer)	86.6 (Jhunjhunu)
- Females	44.3	27.5 (Jalore)	61.2 (Kota)
Population doubling time in years	28.0	39 (Rajsamand)	18 (Jaisalmer)
<i>Note: * Figures relate to a district and the name of the district is given in parenthesis.</i>			
<i>Source: Kothari, Rajasthan: Emerging Population Scenario and Agenda for Population Stabilization, FPA, Occasional Paper No. 1, Forum for Population Action, Jaipur; 2002.</i>			

The decadal growth rate showed a marginal decline from 28.4 percent in 1981-91 to 28.3 percent in 1991-01 at the state level. There are, however, district and regional variations in the growth rates. Only two of the 32 districts have decadal growth rate less than the national average of 21.3 per cent. These districts are Rajsamand (19.9) and Jhunjhunu (20.9). It is interesting to note that the decadal growth rate has increased in 17 districts as compared to the previous decade. Most of these districts are located in the eastern and western parts of the State. The distribution of population by districts along with some other information is given in Table 8:

Table 8. Rajasthan: Population distribution, decadal growth, sex ratio and density by district 2001

S. No.	District	Male	Female	Total	% of Total Population	Decadal variation 1991-2001	Sex Ratio	Density per sq km
1	Bikaner	885722	787840	1673562	3.0	38.2	887	61
2	Churu	986867	936041	1922908	3.4	24.6	948	114
3	Ganganagar	955027	823460	1788487	3.2	27.5	873	224
4	Hanumangarh	800796	716594	1517390	2.7	24.3	895	120
5	Alwar	1585046	1405816	2990862	5.3	30.2	887	357
6	Bharatpur	1130010	968313	2098323	3.7	27.0	857	414
7	Dausa	693438	623352	1316790	2.3	32.4	899	384
8	Dhaulpur	537733	445082	982815	1.7	31.1	828	324
9	Jaipur	2769096	2483292	5252388	9.3	35.1	897	471

10	Jhunjhunu	983158	929941	1913099	3.4	20.9	946	323
11	Sikar	1172129	1115100	2287229	4.0	24.1	952	296
12	Barmer	1035813	927945	1963758	3.5	36.8	896	69
13	Jaisalmer	278973	229026	507999	0.9	47.4	821	13
14	Jalore	736029	712457	1448486	2.6	26.8	968	136
15	Jodhpur	1509563	1371214	2880777	5.1	33.8	908	126
16	Pali	917320	901881	1819201	3.2	22.4	983	147
17	Sirohi	437534	413222	850756	1.5	30.1	944	166
18	Ajmer	1128763	1051763	2180526	3.9	26.1	932	257
19	Bhilwara	1023086	986430	2009516	3.6	26.1	964	192
20	Nagpur	1421455	1352439	2773894	4.9	29.3	951	157
21	Tonk	625719	585624	1211343	2.1	24.2	936	168
22	Banswara	758379	742041	1500420	2.7	29.8	978	298
23	Chittor garh	917023	885633	1802656	3.2	21.5	966	166
24	Dungarpur	546096	560941	1107037	2.0	26.6	127	294
25	Rajsamand	492736	493533	986269	1.7	19.9	1002	256
26	Udaipur	1335017	1297193	2632210	4.7	27.4	972	196
27	Baran	535745	486823	1022568	1.8	26.2	909	146
28	Bundi	503827	457442	961269	1.7	24.8	908	173
29	Jhalawar	612357	567985	1180342	2.1	23.3	928	190
30	Karuli	648837	556794	1205631	2.1	30.0	858	218
31	Kota	827647	740933	1568580	2.8	28.5	895	288
32	Sawai Madhopur	590716	525315	116031	2.0	27.4	889	248
	Rajasthan	2938165 7	2709146 5	5647312 2	100.0	28.3	922	165

Source: Census of India, 2001, Rajasthan, Series-9 Population Totals: Paper 1 of 2001.

Education in Rajasthan

The improvement in literacy rate recorded by Rajasthan between 1991 and 2001 is the highest in India. Literacy levels in the state rose from 38.6 percent to 61.03 percent, with literacy rate for males moving from 54.99 percent to 76.46 percent and for females from 20.44 to 44.34 percent. Despite the high decadal growth rate, the challenge of Education for All is still substantial especially for rural areas, women, Scheduled Castes and Scheduled Tribes. Thus the education scenario is doubly constrained: not only is the achievement level relatively low in absolute terms, but also its distribution across social groups is highly uneven. Therefore, some people suffer more than others in educational

terms. That is why large-scale inequalities are observed in the literacy achievements of groups located at the polar extremes of the socio-economic prosperity scale. For example, in 1991 the literacy rate of 79 percent for men in urban areas and only about 5 percent for Scheduled Caste women in rural areas represents two practically incompatible realities and raises serious doubts about the equity effects of the state's education system (Table 9).

Table 9: Literacy Rates (in percent) in Rajasthan in 1991 by area and community

Category	All	Scheduled Castes	Scheduled Tribes
Total	38.6	26.3	19.2
Male	55.0	42.4	32.9
Female	20.4	8.3	4.4
Rural	30.4	22.1	18.2
Rural Male	47.6	37.6	31.7
Rural Female	11.6	4.7	3.6
Urban	66.1	43.4	44.5
Urban Male	79.1	61.4	62.2
Urban Female	51.2	22.9	21.9

Source: Registrar General of India, "Primary Census Abstract Rajasthan and Special Tables for Scheduled Castes and Scheduled Tribes", Rajasthan, Census of India 1991, available on Computer Disk.

There are large inter-district variations in literacy, although remarkable improvements have been recorded in the last decade. In 2001 most districts can claim to have more than half of their population literate, while in 1991 only Kota (excluding Baran), Ajmer and Jaipur (excluding Dausa) districts could make such a claim. In 2001, the lowest literacy rate was 44.22 percent (Banswara), while in 1991 was 23 percent (Barmer). Educational deprivation of Rajasthani women, especially those in rural areas, continues to be high in almost all the districts of the state, despite the substantial improvements recorded in the last decade. Moving from a situation where twenty-one out of thirty districts (excluding Karauli) had female

literacy below 20 percent, and two of them had female literacy even lower than ten percent (Barmer with 7.7 percent, and Jalore with 7.8 percent), in 2001 seven districts out of thirty-two recorded female literacy rates above fifty percent. In 2001 Kota continues to record the highest female literacy rate (61.25 percent), while at the other end of the spectrum is Jalor (27.53 percent). Gender disparities are vividly captured in the education component of the district level GDI estimates, which range from a high of 0.416 in Kota to a low of 0.130 in Jalore. Barmer, Baswara and Jaisalmer also had educational GDI values below 0.200.

The comparison between literacy rates of Rajasthan and India and changes therein between 1981 and 1991 seemed to indicate that the state was caught in a “low-level, low-growth” trap, from which it seems to be emerging as indicated by data from the 2001 Census. Although its literacy rate was 12.9 percentage points behind the national average in 1981, its decadal progress in this respect was slower than that of the nation as a whole (Table 10). However, between 1991 and 2001 Rajasthan has recorded higher improvements in literacy, both among women and men, than the country. Further, the proportion of male literates in Rajasthan is as high as that in the country, while that of women lags behind that of India.

While literacy figures in a way bear the results of past action (or inaction), enrolment statistics provide an idea about how the education scene is likely to evolve. According to estimates of the 1991 Census of India the number of school going children in the age group six to fourteen years was 38.9 percent for the state as a whole, 26.3 percent for girls, and just 19 percent for rural girls²⁶

The overall enrolment rate in schools for the age group of five to fourteen years in Rajasthan was estimated in 1998/99 at 67.6 percent. The enrolment for boys is estimated at 85 percent , while girls still lag far behind at 48 percent (refer to gender related development index). Enrolment rates must be read with some caution as they do not necessarily reflect the actual number of children attending schools with regularity. The number of children enrolled in class I in all schools, especially in rural areas, usually accounts for all eligible children in an attempt to have full coverage. This number drops sharply after initial enrolment and by class II and beyond, it drops even further.

Table 10: Literacy (in percent) in India and Rajasthan in 1981, 1991 and 2001

Area	Total	Male	Female
India : 1981	43.6	56.4	29.8

India : 1991	52.2	64.1	39.3
Difference	8.6	7.7	9.5
Rajasthan : 1981	30.7	45.5	14.5
Rajasthan : 1991	38.6	55.0	20.4
Difference	7.9	9.5	5.9
India: 1991	52.20	64.1	39.3
India: 2001	65.49	76.0	54.0
Difference	13.29	12.0	15.0
Rajasthan: 1991	38.6	55.0	20.4
Rajasthan: 2001	61.03	76.0	44.0
Difference	22.43	21.0	23.6
Rajasthan Literacy to India			
Literacy in 1981	70.4	80.7	48.7
Rajasthan Literacy to India			
Literacy in 1991	73.9	85.8	51.9
Rajasthan Literacy to India			
Literacy in 2001	93.2	1	81.5

Source: Literacy rates derived from Census of India 1981, 1991, 2001

The scenario of education in Rajasthan seems to be characterized by the persistence of illiteracy, especially among women. Many children, especially girls, either do not attend school at all or leave it soon after joining. Probing somewhat deeper, we will analyse the education system in three parts: the first relates to access and provisioning, the second to quality of teaching and the third to social and environmental factors.

Literacy in cities of Rajasthan

Udaipur City has recorded the highest literacy of 87.90 percent in 2001 surpassing Ajmer UA which was at top in 1991. Ajmer UA has not been relegated to second spot with literacy rate of 84.05 percent. It is followed by Alwar UA (83.80 percent), Beawar (82.72 percent) and Kota UA (81.33 percent). Jaipur, which is the largest city of the state has recorded the literacy rate of 78.65 percent attaining 7th spot. On the other hand, Tonk is at the bottom among all the 20 cities of the state with literacy rate of 64.47 percent.

Among males, again Udaipur city has registered the highest literacy rate of 94.10 percent in the state. It is followed by Alwar UA (92.34 percent), Beawar UA (92.27 percent), Ajmer UA (90.40 percent), and Kota UA (89.60 percent) Tonk is again at the bottom with 76.12 percent.

As far as female literacy rate is concerned, Udaipur city has remained at top with 81.02 percent followed by Ajmer UA (77.10 percent) Alwar UA (73.86 percent), Ganganagar UA (72.74 percent) and Beawar UA(72.39 percent). But here also Tonk has registered the lowest female literacy rate of 52.02 percent.

Thus, among the cities of the state, Udaipur has achieved the distinction by attaining the highest literacy rates in all the segments i.e. for persons, males and females, whereas Tonk has recorded the lowest literacy rates in all the segments as can be seen from the following table

Table : 11 Literacy Rates in Cities of Rajasthan Having Population of 1 lakh and Above

S. No.	Name of cities	Literacy Rates 2001		
		Persons	Males	Females
1.	Jaipur	78.65	86.96	69.14
2.	Jodhpur UA	77.56	86.41	67.43
3.	Kota UA	81.33	89.60	71.92
4.	Bikaner	76.97	85.87	66.70
5.	Ajmer UA	84.05	90.40	77.10
6.	Udaipur	87.90	94.10	81.02
7.	Bhilwara	77.14	87.50	65.36
8.	Alwar UA	83.80	92.34	73.86
9.	Ganganagar UA	81.02	87.90	72.74
10.	Bharatpur UA	77.93	88.15	66.08
11.	Pali	73.43	86.75	58.37
12.	Sikar UA	75.97	87.43	63.59
13.	tonk	64.47	76.12	52.05
14.	Hanumangarh	75.62	83.97	66.00
15.	Beawar UA	82.72	92.27	72.39
16.	Kishangarh	73.81	85.38	61.04
17.	Gangapur City UA	73.04	86.52	57.66
18.	Sawai Madhopur UA	75.68	88.66	61.08
19.	Churu UA	74.54	87.08	60.88
20.	Jhunjhunun	72.75	84.68	59.86

Source : Primary Census Abstract of Rajasthan Census of 2001, Registrar General of India.

Some Urban Issues

Urbanization has led to an alarming deterioration in the quality of life of urban dwellers, who have to cope with poor sanitation and disposal of solid waste, water shortage, pollution, poor transport system, frequent epidemics, inadequate health facilities etc. The deficiency of proper housing facilities results in the proliferation of kutchi basties (shanty towns)/slums and lack of support for the social and economic development of disadvantaged population. Sewerage, sanitation, waste water disposal and management of solid waste in the cities are dismal.

Air Pollution

Ambient air quality monitoring is being conducted by Rajasthan State Pollution Control Board in 5 major towns namely Jaipur, Udaipur, Jodhpur, Alwar and Kota. The air quality monitoring is being conducted at three locations in each town located in residential areas and industrial areas. The information is collected regarding suspended particulate matter (SPM) Sulphur Dioxide (SO₂) Nitrogen oxide (NO₂), because the major source of air pollution are natural dust, industry and vehicles.

Table -12 Air Quality Data in 5 Towns of Rajasthan (1995 - 2002)

S.No.	Name of Town	SPM		SO ₂		NO ₄		RSPM	
		Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
1.	Jaipur								
	Res.	92	352	5.9	17.6	27.4	43.8	96	97
	Ind.	86	350	12	23.5	21	40	117	134
2.	Udaipur								
	Res.	171	271	6.5	26	24	69	58	87
	Ind.	284	412	9	40	29	98	67	100
3.	Jodhpur								
	Res.	254	526	4	36	11	33	87	131
	Ind.	261	579	5.5	51	15	32	88	135
4.	Alwar								
	Res.	170	350	13.6	32	54	82	128	165
	Ind.	247	555	13	32	53	84	103	125
5.	Kota								
	Res.	151	315	4	17	19	92	71	102
	Ind.	151	263	6	16	18	73	69	98
6.	NAAQS Standards (Annual average)								
	Res.	140		60		60		60	
	Ind.	360		80		80		120	

Source :- State of Environment Report 2007

The monitoring is being done from the year 1995. The results of monitoring in all these towns are depicted in table 12. The trends in SPM concentration in all the cities reveal that SPM has

exceeded the standard limits in all the towns both in residential and industrial areas. This is obvious due to the fact that Rajasthan has arid climatic conditions where dust storms are quite frequent. Also the wind velocity is high which picks up dust particles from the surface on its way. The SO₂ content in all the five towns are also well under the prescribed limit of NAAQS. In residential areas the value is between 4 to 36 mg/M³ but in industrial areas it is between 6 to 51 mg/M³. The NO limit is generally below the prescribed limit of 60 mg/M³ for residential areas; but at certain locations in Alwar, Kota and Jodhpur (Sojati Gate) the maximum level is high because of vehicular pollution. In industrial areas NO is below the limit in Jaipur, Jodhpur, Kota and Alwar, but is higher in Udaipur. The RSPM level is generally higher than the prescribed limit, mostly because of emissions of the vehicles, which are more in number in these towns.

Solid Waste Disposal

The proper collection and disposal of garbage and other waste materials in urban areas is a serious problem related with sanitation and health of the people. The management of garbage waste is the responsibility of municipal body. The responsibility lies with cleaning of streets collection from households, transportation to disposal sites and also ensures the proper disposal.

In urban areas of Rajasthan about 6600 MT of waste is generated per day at the rate of 500 grams per capita daily. Most of the waste is dumped in low depressions in or around the town as filling material for the pits. Its scientific management for its use as manure or power generation is yet to start. Though government is taking up this aspect seriously and municipal bodies have been directed to find out ways for proper use of the waste.

A detailed study on solid waste management for Jaipur has been conducted by Development Research Group of World Bank programme. The survey data suggest generation of 0.75 kg per capita daily waste which amounts to total waste at 1740 MT/ day in Jaipur collects only 975 MT of solid waste and thus Jaipur Municipal Corporation collection efficiency is only 50%. The JMC has notified 2868 collection sites, out of which only 230 are containerised. Thus 90% sites are open dump sites posing problems to health. Transportation is done through tractors, JCB, Dumpers, loader etc. JMC has developed 3 waste disposal sites 6 to 17 km.

from the city. These sites are not sanitary land fills. The survey results also bring out some important facts:

(i) Generally 60% households of Jaipur do not have access to the collection service and resort to open dumping.

(ii) The waste collection from door to door is done by Municipal Sweepers, paid sweepers and private contractors which seems to be working well because about 89% households have daily service.

(iii) The frequency of street cleaning is not good as only 23.3% households have reported daily cleaning.

(iv) The service of NGO for the door to door collection and street cleaning has good results. The centre for development and communication is providing door to door waste collection, street sweeping and drain cleaning services from 1998 covering more than 50,000 households and charging Rs. 20 to 30 per house per month.

(v) There is strong evidence of increase in waste generation with increase in welfare level. Daily waste generation varies from one liter with poor families to 3.5 litres with rich class people.

Drainage and waste Water Management

None of the towns of state, except Jaipur, do have proper sewage collection, treatment and disposal system. As regards industrial effluent small scale industries located in and around urban areas do not have any treatment facility. Here again some industrial areas in Pali, Balotra, Jodhpur, Bhiwadi have installed Common Effluent Treatment Plants (CETP). Rapid growth in population and indiscriminate construction has blocked even the storm water drainage system as a result of which even with a small amount of rainfall, several roads and colonies are flooded. In other five major cities of Jodhpur, Kota, Ajmer, Jodhpur and Bikaner, the laying down of sewage system along with treatment plant is now being undertaken under RUIDP scheme. In other towns the sewage and sullage water is carried through open drains running along the roads and it is ultimately discharged into a nala/tank or river thus polluting the surface water body and ground water. Construction of septic tanks is a common practice in towns not provided with sewerage system. These too contaminate the ground water. Unfortunately in several of such towns water supply to the township is also drawn from this

contaminated groundwater strata. Though these problems will be solved through the Rajasthan Urban Infrastructure Development Project (RUIDP) at least in six largest cities, yet due to lack of resources other cities and towns will continue to face these problems.

CHAPTER II

Rajasthan Economy

The main economy of Rajasthan is agrarian based. Agriculture is the leading economy of the state accounting for 22.5 per cent. The total cultivated area of the state encompasses about 20 million hectares and out of this only 20% of the land is irrigated. The principal crops Barley, Wheat, Gram, Pulses, Oil Seeds, Bajra, Pulses, Jowar, Maize Ground Nuts, fruits and vegetables and spices. Agriculture provides livelihood to almost two thirds of the population and contributes about 30 per cent to the NSDP (Table – 1).

Table – 1 Growth Trends in Rajasthan's GSDP

Year	Current Prices		Constant (1999-2000) Prices	
	2006-07 (P)	148849	15.73	117630
2007-08 (Q)	169918	14.15	125997	7.11
2008-09 (A)	191990	12.99	132904	5.48

Next to the agricultural sector, the Industry of Rajasthan plays a major role in the economy. The industrial sector accounts for about 32.5 per cent of the total share of the state's economy. The main industries of Rajasthan include textile, rugs, woolen goods, vegetable oil and dyes. Heavy industries consist of copper and zinc smelting and the manufacture of railway rolling stock. The other industries related to Private Sector include steel, cement, ceramics and glass wares, electronic, leather and footwear, stone and other chemical industries. Rajasthan is also known for its textile industry and the state is the fourth largest producer of spun yarn in India. Rajasthan is also the major producer of cement contributing to 15 per cent of the national cement production.

Rajasthan is the third major salt producing state of the country and accounts for one-tenth of the national salt production.

Rajasthan is the second largest mineral producing state in India and houses about 90% of the total mineral reserves of the country. It shares 24% of the aggregate national production of non-metallic minerals. Thus the Mining sector is a very important revenue earner for the state. From this sector Rajasthan earns as mineral royalty an annual income of more than US\$ 100 Million.

Another most important revenue contributor of the state is Tourism and accounts for about 15% of the economy of Rajasthan. Rajasthan contributes about 11.2 per cent and 3.3 per cent share in India's foreign and domestic tourist arrivals respectively. The Rajasthan government has brought down the luxury tax from 10% to 8% to boost the tourism industry of Rajasthan.

The services sector accounts for 45 per cent of the GDP of the state. Other sources of economy for the state are Infrastructure, Transportation, Energy, Power, Telecommunications, and Banking & Financial Institutions.

Economic Stimulus - Recent Development and Initiatives

The global financial crises and the recessionary trends have impacted the National as well as State's Economy. Rajasthan has on its part taken steps to minimize this impact by taking a number of steps to deal with the emerging challenge. Acutely aware of the need to supplement efforts being made by the Government of India, the State is making all efforts to provide a contra-cyclical stimulus via enhanced Plan expenditure in the current year as well as in the next year.

Rajasthan has taken all possible steps to speed up expenditure, both under State Plan as well as Central Sector Programmes and Centrally Sponsored Schemes. By 2008 Rajasthan had spent around 70% of targeted plan expenditure of Rs. 14,020 crores and the Revised Estimates for 2008-09 has been taken at Rs. 14,915 crores. Similarly, expenditure under Central Sector Programmes and CSS is also taking place at a brisk pace.

The State has prepared an Action Plan for January-March, 2009 with well defined goals and targets. The Action Plan Reviews are done every fortnight to ensure effective and smooth implementation of schemes and projects.

In line with the several measures to stimulate the economy announced by the Government of India and facility of additional market borrowings, Rajasthan has made provisions to absorb additional funds under PMGSY, JNNURM, NREGA, Indira Aavas Yojana, ARWSP and many other programmes.

Rajasthan would be achieving the target of road connectivity under PMGSY and Bharat Nirman in 2008-09 by covering all the habitations of 500 and above in general areas and 250 and above in Tribal /Desert areas except a limited number of habitations where work is held up due to litigation or otherwise.

Rajasthan would be the first State in the country achieving the target of connecting habitations under PMGSY in the current year itself. Rajasthan has also been ranked as number one State in PMGSY on physical and financial achievements, as well as quality of works. The State is in a position to take up habitations in the lower population range of 250-499 in the general areas and 150-249 in the tribal and desert areas, if agreed by Government of India, in 2009-10.

Expenditure level has also gone up significantly in National Rural Health Mission, JNNURM, Indira Avas Yojana and other programmes. The pace of implementation stands sufficiently accelerated in the State.

The steps being taken by the State Government to support the initiatives of the Government of India, in bringing back the economy to earlier high growth path through enhanced plan expenditure in 2009- 10 would provide fillip to the economy at this critical juncture. State must be allowed additional market borrowings of 3.5 % of GSDP in the year 2009-10 also as the impact of slowdown in Economy and that of Pay Commission would be more in the next year.

Eleventh Five Year Plan (2007-12) & Annual Plan 2007-08

Planning Commission, Government of India has approved the Eleventh Five Year Plan of Rajasthan of Rs. 71,731 crores. Against this, Rs. 13794.69 crores was spent during the Annual Plan 2007-08.

The major head wise approved outlay for the 11th Five Year Plan and expenditure incurred during the Annual Plan 2007-08 (Table – 2)

Table – 2 Expenditure incurred during the Annual Plan 2007-08**(Rs. in crores)**

S. No.	Head of Development / Sector	Approved Outlay (2007-12)	% to total	Actual Expenditure 2007-08	% to total
1	Agriculture & Allied Services	2269.07	3.16	519.40	3.77
2	Rural Development	4295.14	5.99	986.69	7.15
3	Special Area Programme	1759.43	2.45	86.64	0.63
4	Irrigation and Flood Control	7302.06	10.18	877.07	6.36
5	Power	25606.75	35.70	5692.38	41.26
6	Industry & Minerals	958.65	1.34	170.17	1.23
7	Transport	4683.06	6.53	678.22	4.92
8	Scientific Services	29.70	0.04	2.81	0.02
9	Social & Community Services	19719.83	27.49	693.87	5.03
10	Economic Services	731.04	1.02	3929.03	28.48
11	General Services	4377.25	6.10	158.41	1.15
	Total	71731.98	100.00	13794.69	100.00

Source :- Eleventh Five Year Plan (2007-12) & Annual Plan 2007-08

State Government has already spent 19.23 per cent funds during the year 2007-08 of the approved plan size for the 11th Five Year Plan.

Financial Resources for 2009-10

The Plan resources for the Annual Plan 2009-10 have been worked out at Rs. 17,093.69 crores at current prices. The estimated projections for financing of the Annual Plan 2009-10

Table – 3 Estimated projections for financing of the Annual Plan 2009-10**(Rs. in crores)**

(Rs. in crores)	Item	Amount
-----------------	------	--------

A.	State's Own Funds	(-) 42.97
a	Balance from Current Revenue	(-) 251.12
b	Miscellaneous Capital Receipts (Net) (excluding deductions for repayment of loans)	78.15
c	Plan Grants under from GoI (TFC)	130.00
B	State's Budgetary Borrowings (Net)	7,287.09
a	Provident Fund and State Insurance	1,281.82
b	Small Savings	
c	SLR based Market Borrowings	6,340.00
e	Negotiated Loans	700.00
f	Other Loans	-
g	Loan portion of ACA for EAPs	313.00
h	Loan for EAPs (back to back)	210.00
i	Repayments of Loans	(-) 1, 557.73
C	Central Assistance	2,164.88
a	Normal Central Assistance	471.43
b	ACA for EAPs	129.50
c	Central Assistance for 'Others' (Tied)	1563.95
D	Resources of PSEs	6,606.50
a	Internal Resources	(-) 3,638.73
b	Extra Budgetary Resources	10,245.23
E	Resources of Urban Local Bodies	1,078.19
a	Internal Resources	753.19
b	Extra Budgetary Resources	325.00
	Aggregate Plan Resources (A+B+C+D+E)	17,093.69

Source :- Annual Plan 2009-10

Issues for Consideration

1. To Bring Down State Share and Flexibility in Centrally Sponsored Schemes:

To stimulate the economy in line with the directions of Government of India, Rajasthan is also making all efforts to access Centrally Sponsored Schemes. Towards this, in draft Annual Plan 2009-10, the matching state share has been taken for Rs. 2766 crores. This is Rs. 947 crores more than the provision taken for the last year 2008-09. However, due to fiscal constraints, the increase in budgetary support as ACA is very small. Therefore, there is a strong case to bring down the state share in NRHM, SSA, JNNURM etc. at least for the next 2 years.

Rajasthan is high performer State on most Centrally Sponsored Schemes and has additional absorptive capacity for NREGS, IAY, JNNURM, PMGSY etc. if greater flexibility in Centrally Sponsored Schemes is introduced.

2. Revision of the existing PMGSY guidelines and lower the benchmark

The primary objective of the PMGSY and Bharat Nirman is to provide connectivity to eligible all unconnected habitations in rural areas with population exceeding 500 and in respect of desert and tribal areas, the objective is to connect habitations with population exceeding 250.

At present there is no scheme to connect remaining unconnected villages having population 250-499 in general areas and less than 250 in Tribal and Desert areas. There remain about 2995 unconnected habitations in the population range 250-499 in General areas and around 591 and 881 unconnected habitations in the population category below 250 in Tribal and Desert areas respectively in Rajasthan, which are not covered under PMGSY guidelines. The Government of India is requested to amend the existing guidelines to facilitate coverage of remaining habitations.

3. National Rural Employment Guarantee Programme:

The State Government had requested to add additional works under NERGA. The people are not in favour of the works being undertaken under NERGA at present; Common people want to create permanent assets from the amount available under NERGA. But it will not be possible from the present 40% limit provided for material component under the scheme. NERGA works should be dovetailed with other schemes like SSA, TSC, NRHM etc. for infrastructure development in the rural areas of State.

Government of Rajasthan is of the view that the right to employment under NREGP should be allowed to be accessed by eligible families at the time of their choice. It is a demand driven programme and grants the affected family the right to employment as and when it is demanded. This means that they should be permitted to take employment in drought relief works under CRF during the peak requirement period of April to mid July and thereafter take recourse to their statutory right to 100 days employment subsequently at any time of their choice in the course of the rest of the year.

The right to employment under NREGP should be allowed by Govt. of India to be accessed by eligible families at the time of their choice or condition imposed in the CRF guidelines at serial no. 6 should be withdrawn by Government of India or increase number of days under NREGP to 150 days.

4. Indira Awas Yojana (IAY):

The State is consistently performing under IAY by achieving the target year after year. Presently the Central Government allows Rs.35000 as subsidy per house, which is not sufficient with the increase of construction cost over the years. A BPL family without a house and with very little income can hardly be expected to pitch in almost another Rs.35000. To remove this difficulty the State is giving an additional assistance (subsidy) of Rs.15000 to all SC beneficiaries and all beneficiaries in the TSP area. Looking to the increasing construction cost, it is proposed that the Government of India should increase the subsidy to Rs. 70,000/- per house.

5. Swarnajayanti Gram Swarozgar Yojana (SGSY):

Different banks are charging varying interest rates ranging from 8.5% to 13% on SGSY loans. This anomaly should be resolved and uniform interest rates should be made applicable for loans under SGSY and other schemes of poverty alleviation. The rate of interest should also be reduced to 6%. Along with the capital subsidy an element of interest subsidy should also be introduced to encourage repayment in time. Annual targets of SGSY beneficiaries are 53,000. At this rate, it will take more than 50 years to cover 22 lac identified BPL households. There is an urgent need to fix a realistic time frame to reach out to all the BPL families under this programme.

6. Border Area Development Programme (BADP):

As per the guidelines, 1% of allocation or Rs. 25 lakhs whichever is less is admissible for the purpose of training, inspection, evaluation and analysis of the BADP works. In Rajasthan, BADP is being implemented in 13 blocks of the 4 border districts. These are desert districts and share international border with Pakistan. The area is huge and very thinly populated. This

makes the implementation of development activities more challenging and further makes the supervision and monitoring all the more difficult and costly. Under these conditions Rs. 25 lakhs is not even sufficient for inspection, training and evaluation of the works leave alone the other administrative expenses. Therefore, it is suggested that the maximum cap of Rs. 25 lakhs should be removed and an amount equivalent to 1% of the total allocation to the state should be allowed for meeting all

administrative expenses including the expenses for which it has already been permitted.

Secondly this fund is allowed only for training, inspection, monitoring and evaluation purposes. The general administrative expenditure such as purchase of computer, stationery, telephone expenditure etc. should also be incorporated as allowed items. Permanent vehicle is very essential for the inspection purpose at State level as well as at

district level; therefore purchase of new vehicles should also be allowed from administrative expenditure. As per the new guidelines, 70% of the funds allocated during the last year should be utilized by the state for becoming eligible to get the release of the second installment. The procedure - sanction of work by the SLSC, approval of these works by the Government of India, and release of fund to the state and subsequently fund released to the district takes a long time. Practically executing agencies get the fund

in the month of November-December. It is very difficult to use 70% of the funds within 3 months. Therefore, the stipulation of 70% fund utilization should be preferably reduced to 50%.

Residential quarters for Teachers, ANMs, Doctors, Gram Sevaks and Patwaris etc. are not allowed in revised guidelines of 2008. BADP is being implemented in the desert districts in which population is very thin and sparsely located. The basic infrastructure for service providing functionaries in these areas for Education, Medical, Gram

Sevak, Patwari etc, is very poor. Consequently quality of delivery of social services is affected adversely. It is advisable that the residential quarters for these grass root level workers should be allowed under BADP guidelines.

7. Release of funds under Backward Region Grant Fund:

The State has already submitted the Annual Plan 2008-09 in the month of Sept. 2008. The expenditure statement and UCs of Rs. 51.51 crores (68.68%) and 138.80 crores (61.44%) against the funds provided for 2006-07 and 2007-08 respectively has also been submitted to GoI in the month of September, 2008. As per original guidelines the state is eligible for receiving the balance amount of 2007-08 as well as first installment for 2008-09. An expenditure of Rs. 69.68 crores has been incurred up to the month of Dec. 2008 against funds of Rs. 75.00 crore allotted by GoI for the year of 2006-07 which is 93% and expenditure of Rs. 173.50 crores has also been incurred against funds of Rs. 225.90 crores provided for the year 2007-08 which is about 77% up to Dec. 2008. The expenditure statement has also been submitted to the GoI. Therefore, GoI is requested to release the 10% balance amount for 2007-08 and 90% amount against Annual Plan 2008-09. The Pratapgarh district has been newly created as 33rd district of the state by merging the geographical area of three BRGF districts namely Udaipur, Banswara and Chittorgarh. Therefore, Government of India is requested to declare the Pratapgarh district as 13th BRGF district.

8. Special Grant under ARWSP:

State of Rajasthan is facing acute drinking water problems vis-à-vis other States of the country. From the geographical point of view, it is the largest state of the country. Surface sources of drinking water are also very limited and, therefore, the cost of projects is very high due to long distant pipelines.

Under ARWSP, the amount to be released to the State is based on allotment and the same is to be increased 10% per annum. As the geographical condition of the State is not considered in the formula of said allotment, therefore, it is requested to consider providing Rs.1,000 crores per annum as special grant for the forthcoming five years enabling the State to solve the drinking water supply schemes in a time bound manner.

9. Approval of RGGVY Schemes:

15 supplementary schemes under RGGVY amounting to Rs.893 crores are under consideration of Rural Electrification Corporation. Government of India is requested to approve these schemes.

10. Allocation of Coal Blocks:

Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RVUN) is an undertaking of the State Government engaged in Generation of Power. RVUN presently owns and operates two Coal based Super Thermal Power Plants located at Kota (1045 MW) and Suratgarh (1250 MW). RVUN is also installing coal based Kota Super Thermal Power Station Unit-VII (195 MW), Suratgarh Super Thermal Power Station Unit-VI (250 MW), Chhabra Unit 1 & 2 (2x250 MW) under State Sector which are likely to be commissioned shortly. Coal based Chhabra Unit 3 & 4 (2x250 MW) and Kali Sindh Thermal Power Project (2x600 MW) is to be commissioned in 11th Five Year Plan under State Sector.

To meet the requirement of assured quantity & quality of coal on sustainable basis for the above power projects, Ministry of Coal, Government of India has already allocated 'Parsa East combined with Kente Basan' blocks in June, 2007. These Coal Blocks are being developed by RVUN by forming a JV Company. The coal from these blocks shall be made available by 2011.

The State Government is committed for capacity addition/installation of new power stations in the State to meet the increased demand of power and has decided to develop coal based Chhabra Unit 5 & 6 (2x660 MW) and Suratgarh Thermal Power Project Unit 7 & 8 (2x660 MW) under State Sector. RVUN has also applied for allotment of coal block(s) having geographical reserves of 300 and 150 MT for projects to be developed under IPP through 'Tariff based competitive bidding route' in the State of MP / Chhatisgarh to meet out the coal requirement. The Standing Linkage Committee has allocated 65,000 MT per month and 1,35,000 MT per month on "Best Efforts Basis" for Kota and Suratgarh Thermal Power Stations respectively. Presently, these stations do not have Government of India is requested to allocate a suitable coal block(s) for the projects to be set up under State Sector and IPP through tariff based competitive bidding route; convert allocation of coal on 'Best Efforts Basis" into a "Normal Linkage" and also allocate 50,000 MT per month additional coal for the quarter January to March, 09 for Kota and Suratgarh Thermal Power Stations.

11. CWC Clearance for Water Sector Projects:

It is proposed that the projects requiring CWC approval may be processed in parallel for clearance by Ministry of Forest & Environment instead of taking up after that. This would lead to faster CWC approval.

12. Jawahar Lal Nehru National Urban Renewal Mission (JNNURM)

Planning Commission, Government of India indicated an allocation of Rs. 748.69 crores for Urban Infrastructure and Governance (UIG) projects under the mission for 7 years (2005-12). Under UIG category, 13 projects worth Rs. 1229.09 crores has been sanctioned by MoUD, Government of India against which the total share of Government of India is Rs. 698.42 crores. In light of the provisions made under the City Development Plan (CDP) for Jaipur City and Ajmer-Pushkar urban agglomerate, a revised allocation to the tune of Rs. 500.00 crores may be made for FY 2009-10 (as against Rs.267 crores already budgeted).

In view of the fact that Jodhpur is the second largest city of Rajasthan and has immense heritage and tourism potential; it is felt that this city must be included in the list of mission cities under JNNURM and accordingly GoI should provide additional allocation of Rs. 500.00 crores towards UIG projects for Jodhpur city. The unit cost for the dwelling units under IHSDP is Rs.1 lakhs which is quite low and this needs to be increased to Rs. 1.5 lakhs.

13. Urban Infrastructure Development for Small Scale and Medium Towns (UIDSSMT)

Against an indicative allocation of Rs. 401.01 crores for 7 year (2005-12), projects worth more than the allocation has been sanctioned by Government of India. Under UIDSSMT, 37 projects falling in 35 cities/towns, worth Rs.609.93 crores, has been sanctioned by MoUD, Government of India and against which the total Government of India share is Rs. 497.08 crores.

Under this scheme 46 projects, worth Rs. 500.00 crore, are pending for approval at the state level. Therefore, an additional allocation of Rs. 500 crores is required for the rest mission period. The State Government is committed towards increasing its corresponding share. The Government of India share should be of 90% of the final project cost and not sanctioned cost. The cost-sharing norms should be reviewed as the Urban Local Bodies are not in a position to bear this additional cost and therefore, it is requested that Government of India should

develop a mechanism to bear the additional cost. Under this scheme, ACA for 11 projects (IIInd installment worth Rs. 50.00 crores) is pending with Government of India for a quite long time.

14. Expansion of National Horticulture Mission in all the districts:

At present the programmes of National Horticulture Mission are being implemented in the selected 24 districts that should also be expanded in the remaining 9 districts i.e. Dausa, Sikar, Churu, Bharatpur, Dholpur, Bikaner, Pratapgarh, Rajsamand and Hanumangarh. The scheme for development of vegetables and some more fruits & medicinal crops should also be included under NHM.

15. Credit-linked projects:

At present all credit-linked projects are to be submitted to GoI for approval, which creates unnecessary delay in implementation of the programmes. The liberty must be given to State Horticulture Mission for sanctioning the credit-linked project costing Rs. 50.00 lacs or less.

16. Revision in unit cost of Sprinkler and Drip:

The unit cost is based on the prices of the year 2004-05 and accordingly subsidy limit has been fixed. The price of raw material and the finished product varies day to day in market. Hence, the state-level implementing agency may be authorized to revise the unit cost as per prevailing market rates and accordingly the subsidy limits.

17. Area limit for Micro Irrigation Scheme:

An upper area limit of 5 ha has been fixed per farmer's family under MIS to install sprinkler / drip on subsidy. The average size of holding in Rajasthan especially in western and northern part of the State is generally exceeds this limit in spite of poor financial condition of the farmers. The main objective of MIS is the judicious use of irrigation water by promoting the modern irrigation techniques. Hence, the upper area limit for subsidy may be eliminated.

18. Broad Parameters of Guidelines (CRF):

Central Road Fund (CRF) allocations are accruals based. The priorities of State roads are best judged by State Officials. Broad parameters may be framed by MoSRTTH like

- Projects should be well spread out in the state.

- Only strengthening and widening works be included.
- Minimum stretch should be of 10 kms.
- Projects should qualify as per renewal cycle etc.

State Governments could be allowed to take up projects under these guidelines up to the amount of accrual. This can accelerate CRF works implementation in the State

19. One Agency for construction of ROBs

Due to lack of coordination among different agencies, progress of ROBs work is adversely affected. Therefore only one agency be entrusted task to complete construction of ROBs to avoid delay. State Government is not only capable but also ready to construct these ROBs entirely. The progress of construction work of central reach of the sanctioned ROBs by Railways needs to be accelerated.

20. Development of Tourism Infrastructure:

Rajasthan Government is acting on Integrated and sustainable development of tourism by carrying out conservation & preservation of important monuments in the State and taking up development works. However, major investment is required from Govt. of India to raise standards of tourism facilities to acceptable international levels. Government of India is requested to approve Establishment of Food Craft Institute at Sawaimadhopur and Jhunjhunu (Rs. 725.20 Lakhs each), Refurbishment of Sawai Madhopur Town Hall (Rs.481.53 Lakhs), Amer Fort Development Project (Rs. 2534 Lakhs) and Conservation and Restoration of Nahargarh Fort (Rs. 800 Lakhs) tourism infrastructure projects.

21. Creation of 2nd and 3rd ANMs under NRHM

An amount of Rs. 44.87 crores has been provided in 2008-09 PIP for salary component of 5800 Additional ANMs in Rajasthan under NRHM. Under the scheme, the State government has to create the second post of ANM for MoHFW to create the 3rd post.

The State Government has requested MoHFW to finance creation of 2nd / 3rd posts of ANM / GNM under NRHM. MoHFW has advised that unless the State Government engages the 2nd Additional ANM / GNM from its own exchequer, it would not be possible to finance the 3rd post of ANM / GNM from NRHM funds. Planning Commission is requested for approving creation of 2nd ANM and 3rd ANM posts under the NRHM so that Health indicators of the State can be effectively improved.

22. Computerization of Upper Primary Schools:

In the approach paper of the Eleventh Plan, Planning Commission has envisaged computerization of all Upper Primary Schools. The State has 27762 Upper Primary Schools and so far only 1634 schools have been covered under this programme. As per Annual Work Plan, approved by Ministry of Human Resource Development, further provision can be made for only 2500 schools. This needs to be up scaled.

23. ICT at Secondary Level:

Introduction of ICT at secondary level schools is commendable. This will go a long way including the quality of education. The unit cost per school under the scheme was fixed by MHRD in the year 2005-06 but needs revision in view of cost escalation in certain items. Therefore, the unit cost should be reviewed and enhanced.

24. Enhanced Provision for Protected Areas:

Rajasthan has 25 sanctuaries and two National Parks and two conservation reserves and is fully committed for the protection of wildlife and biodiversity found in these Protected Areas. The funds granted under CSS by the Government of India are not adequate in

view of the development and management of Protected Areas in the State, which needs to be enhanced.

25. Operationalisation of National Skill Development Mission (NSDM)

The Government of Rajasthan formed Rajasthan Mission on Livelihoods in the year 2005. It has trained over 25000 youth in employable skills in last 3 years. State Government allocated enough financial resources to make Mission fully functional and the budgetary allocation for the year 2009-10 is Rs. 800.00 lacs. Government of India has announced formation of National Skill Development Mission but the operational guidelines are yet to be issued and notified by Government of India. Government of India is requested to issue NSDM and Skill Development Initiative Guidelines so that the resources available for skill training at State level are further augmented.

26. Relief to Small Entrepreneurs:

Rajasthan Financial Corporation plays an instrumental role in enhancing the credit flow to Micro, Small and Medium Enterprises, particularly to first generation entrepreneurs. At this juncture, SFCs need to be strengthened by infusion of fresh equity to implement the government policy for increasing credit flow to MSME. Therefore, equity support through State Government as well as through SIDBI or RBI may be considered by GoI.

Government of India may consider relief to small entrepreneurs by way of waiver of interest on the lines of relief extended to farmers in the union Budget for 2008-09.

Government of India may also consider introducing interest incentive schemes for MSME to be operated through State Financial Institutions so that credit flow to this sector can be increased.

27. Supplementary Nutrition Programme (SNP):

Government of India has increased the cost norms of SNP from Rs. 2.13 to Rs. 4.21 per day per child. As per the schematic pattern 50% of the actual expenditure is borne by State. By

virtue of this, State has to increase budget for SNP almost double of present level. GoI has also revised the sharing pattern of costs under ICDS (General) from 100% (centre) to 90:10 between Centre and the State in 2009-10. The State would be burdened with additional Rs. 85 crores which is an increase by 40% of the current level. It would be very difficult for the State to earmark additional funds for this programme. Government of India is requested to either withdraw 10% share norm under administration or central share of SNP may be increased to 75% from 50%.

28. AWC Buildings:

In the last 4 years the number of AWCs has gone up from 36000 to 51000 and more than 10000 additional AWCs have been sanctioned by GoI. About 95% population of the State is covered under the ICDS network. However, services to the beneficiaries cannot be provided in a satisfactory manner if adequate accommodation is not available.

Keeping the importance of the services delivered to ICDS programme, the State Government has constructed about 10000 AWCs in the last 4 years. However, 40% centers are still run from inadequate rented building. GoI may consider providing funds for construction of AWCs in a phased manner. It will be more meaningful, if construction of AWC building is made an integral part of the scheme. If it is not possible then a certain percentage of funds may be earmarked under BRGF / SJRY / NREGS/ other rural development programmes.

29. Women Empowerment:

Under the provisions of the Domestic Violence Act 2005, 548 Protection Officers have been appointed; all the government medical institutions have been declared as medical facility and 97 NGOs have been designated as service providers. GoI has given no financial support for operationalization of the Act. It is difficult to achieve the mandate perceived in the Act with State's meager resources. GoI is requested for adequate financial support for effective implementation of the Act.

30. Funding Pattern of Post Matric Scholarship Scheme:

As per the guidelines, committed liabilities equivalent to expenditure of the terminal year of a five year plan, are transferred to States and requirement over and above the committed liability is borne by the Central Government. The funding pattern of this scheme is clearly against States. This funding pattern has created serious problems for the State Government and need to be reviewed. This has led to transfer of a huge burden on the state's exchequer, which would be evident from the fact that the amount of committed liability taken over by the Government of Rajasthan at the beginning of the 10th Plan was Rs. 21.39 crores. This amount has increased to Rs. 96.12 crores at the beginning of the 11th Plan. The extra burden of Rs. 74.73 crores per year is to be financed by the State Government. It is proposed that the committed liabilities may be shared between the Centre and the State in the ratio of 50:50 so that State's limited resources are not overburdened. Every year State Government is providing Post Matric Scholarship to more than 3.00 lac students of SC, ST and OBC but there is no provision for reimbursement of administrative expenses like establishment of separate computer cell for this purpose, salary of employees etc. It is, therefore, suggested that there should be a provision of 2-3% of the budgeted amount of the scheme for administrative expenses as is being done by the Ministry of Minority Affairs, GoI for sanctioning of Post Matric Scholarship for students of Minorities.

Special Category Status to Rajasthan

Special Category States have been given special treatment in the allocation of Central Assistance as well as in the terms on which Central Assistance is extended to them. At present, as per the Gadgil formula, after setting apart, funds for externally aided projects and a reasonable amount for Special Area Programmes, 30 per cent of the balance of central assistance for State Plans is provided to Special Category States. The remaining amount of central assistance for State Plans is distributed among non-special category states. While 'Special Category States' are entitled to receive Central Assistance on the basis of 90 percent grant and 10 percent loan in place of 70 percent loan and 30 percent grant admissible to 'Non-

Special Category States'. For placing any State on the list of 'Special Category States' it should satisfy following conditions:

1. Hilly and difficult terrain,
2. Low population density and/or sizeable share of tribal population,
3. Strategic location along borders with neighbouring countries,
4. Economic and infrastructural backwardness, and
5. Non-viable nature of state finances.

Besides above, States under this category have a low resource base and are not in a position to mobilize resources for their developmental needs even though the per capita income of some of these states is relatively high. In 1969, when the Gadgil formula for the distribution of central assistance for State Plans was evolved, there were only 3 Special Category States i.e. Assam, Nagaland and Jammu & Kashmir. Presently, 11 States are on the list of 'Special Category States'. These are Assam, Jammu & Kashmir, 71), Manipur (1971-72), Meghalaya (1971-72), Tripura (1971-72), Sikkim (1975-76), Arunachal Pradesh (1986-87), Mizoram (1986-87) and Uttaranchal (2001-02).

The last State placed on the list of 'Special Category' is Uttaranchal, which was declared by NDC in its 49th meeting held on 1.9.2001. In this meeting, some suggestions have been made for looking into the criteria for granting special category status to other States. It was decided by the NDC that these should be examined. But no progress has been made so far.

Rajasthan has been continuously demanding to declare it as a 'Special Category State' at various forums. The grounds on which the State deserves 'Special Category Status' are:

1. Rajasthan is severely deficient in the most important resource, that is, water. With 10.4 percent of the country's area and 5.6 percent of its population, Rajasthan has only about 1 % of the country's water resources.
2. Agriculture continues to be susceptible to the vagaries of the monsoon; 43 out of last 50 years have been drought years. There has been a continuous decline in the availability and quality of drinking water.
3. Rajasthan is the largest State in the country in terms of area. Over 60 percent of the State's total area covering 12 districts and habitating 40 per cent of its population is Great Indian

Desert, the 'Thar' with sparsely distributed population. This special feature directly affects the relative cost of delivery of infrastructure and basic social facilities.

4. 1040 Km. long international border with Pakistan.
5. Population density is very low; 165 persons per sq. km. in 2001 against the national average of 324 persons. There are large variations in density of population from district to district. It varies from 471 persons (Jaipur) to 13 persons (Jaisalmer).

CHAPTER III

Urban Local Bodies in Rajasthan

Background- An Historical Evolution

In India, the local self-government had always been in existence, in one form or the other. Rig-Veda and Manu, both had recognized the presence of local self-government institutions. In the writings of Megasthenes also, we find that the capital city of the State was governed by a local body. Although Kautilya did not point out specifically to the existence of local government, yet it would not be improper to derive the conclusion that, perhaps, duties relating to local government might have been performed by the officers. The Indian history also provides evidence to the fact that in the Mughal and Maratha period, whatever might have been the nature of local Government, it has worked under the central Government. In between, the fall of Mughal Empire and the beginning of the British era, the institution of local government became victim of political anarchy and instability.

The credit for the present form of local self-government goes to Sir Josiah Child. British government was a highly centralized

government, centralized administration is its natural consequence. Elections were held in municipalities of towns in many provinces, but adequate success could not be achieved because of the indifference of citizens towards payment of direct taxes. Hence, the provision of indirect taxes was also made through an Act in 1850. Lord Mayo's Act of 1870 started the process of decentralization. The principle of elections was accepted under this Act and the responsibility of education, sanitation, medical facilities and development works of local nature was entrusted to local bodies. The major object of Lord Mayo's reform was to reduce the burden on the central budget. Lord Ripon's historic Act 1882 made further progress

in the direction of self-government of municipalities. It was agreed that no new responsibility could be entrusted to local bodies without adequate financial assistance. The above Act resulted in augmentation of financial resources and clear recognition of the importance of grant-in-aid by the State Government. The functions of municipalities included public work, maintenance of roads, provision of lighting, medical

facilities and education, etc. Municipalities could not impose new taxes, could not take new loans and were not authorized to spend beyond their budgets. In the comprehensive reforms of 1919, the local government was included in separate subject schedule. The tax imposing powers of local bodies

were specifically earmarked. This arrangement remained unaltered till the enactment of Government of India Act of 1935. The main taxes were toll tax, land tax, tax on land values, tax on vehicles and boats, tax on houses, octroi, tax on animals, terminal tax, tax on private markets, tax for the use of services, such as water-tax, lighting tax and conservancy tax etc.

According to the findings of The Royal Commission on Taxes, the financial position of local bodies was very poor in relation to their services and duties. In 1930, the Simon Commission had recommended that the State Government should exercise sufficient control over local bodies. In the opinion of the Simon

Commission the main causes of failure of local self government were lack of trained staff, inadequate efforts of elected representatives in tapping resources through local taxes, and lack of consistency between amount of grant-in-aid and financial responsibilities.

The provincial autonomy was granted through Government of India Act 1935, as a consequence of which local self government also received some impetus. The powers of local bodies were now directly derived from the provincial list. But this Act of 1935 also could not have a favorable impact on the financial position of local bodies. On the contrary, their powers were reduced and responsibilities increased. Hence,

the "Local Finance Enquiry Committee" straightaway had concluded that the local bodies went on depending too much on grants-in-aid, and the control of provincial governments went on increasing.

3.5 With the advent of industrial revolution, the rural settlements began to grow and acquire the quality of township. The seasonal agricultural activity that dominated the economy gave way to permanent labour intensive non-agricultural activities like industries and trade resulting influx of people to these areas. This obviously led to demand for civic amenities like potable water, street lighting, sanitation, garbage disposal

etc. An administrative set up was born to cater to these townships called the municipalities.

With growing urbanisation, the concerns for governance in the urban areas have assumed greater importance. The modern concept of urban governance has its roots in early nineteenth century.

The Mayor courts were set up under Royal Charter of 1828 through which members called 'justice of peace' were appointed in Madras (now Chennai), Bombay (now Mumbai) and

Calcutta (now Kolkata). Under the Bengal Act of 1842 the urban services were planned to be provided in Bengal Residency only. Later, in 1850 the Municipal Services like health, sanitation and street lighting were extended to entire country under Act No. 26. Thereafter stray efforts were made in matters related to revenue and other functions. On the recommendations of the Royal Commission, election of municipal members became a reality in 1915. Through the Acts of 1919 and 1935 the sharing of resources between regional governments and municipalities was facilitated. After independence of the country a Committee to enquire about local finances was set up in 1951. Article 40 of the Constitution of India deals with Local Self Governments which enshrines the Directive Principles of the State Policy. Thereafter numbers of Committees were appointed to go into problems of finances of ULBs. The 74th amendment in the Constitution is the landmark in Urban Local Governance in India.

Genesis of Urban Local Bodies in Rajasthan

The first Municipality in Rajasthan was set up in Ajmer (of the then Merwara State) in 1866. By the end of 19th century there were 16 Municipalities in Rajputana States. In early 20th century the number of Municipalities were around 100. After independence many more Municipalities were set up and in early seventies the number grew to 145. The number of Municipalities was 196 in the year 1986, which was subsequently reduced to 182 following to the recommendations of the Mukherjee Committee. With the According to 2001 census, number of towns and urban population works out to 222 and 132.05 lacs respectively. However, number and population of urban local bodies works out to 183 and 127.05 lacs respectively. The variation in number of urban areas/ towns varies because of different criteria adopted by Census Authorities for classification of towns/urban areas and that adopted by State Government for classification of urban local bodies.

Constitution of Urban Local Bodies

At the time of integration of the princely states several Municipal Acts were in force. After the formation of the State of Rajasthan, the Rajasthan Town and Municipalities Act, 1951 came into existence. Due to the reorganisation of states in 1956 and other requirements, a

comprehensive act, the Rajasthan Municipalities Act, 1959 into force, this has been amended from time to time.

Municipalities in Rajasthan are constituted under the Rajasthan Municipalities Act, 1959. The urban sector is governed by various legislations. A list of important legislations concerning the urban sector in Rajasthan is given below:

- Rajasthan Municipal Act 1959: lays down provisions relating to the operation of Municipal Bodies (Municipal Corporations, Municipalities and Municipal Councils). It also lists their discretionary and obligatory functions along with powers to impose taxes and other utility charges.
- Urban Improvement Trust Act, 1959: is the governing act for the creation and operation of UITs across Rajasthan. It also lays down the functions, constitutions and terms of office of members of the trust.
- Jaipur Development Authority Act, 1982: is the governing act for the creation and operation of JDA.
- Rajasthan Town and Country Planning Act: deals with provisions relating to city planning and land use.
- Rajasthan Land Revenue Act: governs use of urban land and conversion of agriculture land.

Recently the Rajasthan Government ratified the new municipal law (Rajasthan Municipalities Ordinance 2008) on September 26, 2008. It is mainly based on Model Municipal Law. It has many enabling provisions to implement reforms under JNNURM like: (a) transferring various functions to ULBs, (b) introducing tax on land and buildings on unit area basis, (c) forming Area Sabha for community participation, (c) establishing MPCs and DPCs, (d) making Town Planning a municipal function, (e) introducing rainwater harvesting, (f) encouraging PPP, (g) introducing improved accounting, (h) introducing public disclosure, (i) setting up SFC and implementing its

recommendations, etc. There are also some very innovative enabling provisions for issuing municipal bonds, comprehensive debt limitation policy, setting up a municipal service cadre, etc. The Ordinance divided municipal functions into core (ULB responsibility), government

assigned (state responsibility) and other functions. As progressive as it is, water supply and sewerage are not identified as core functions but still remain state assigned.

At the policy level, state has taken a number of initiatives, such as the development of guidelines for private participation in township development, amendments to various acts/rules affecting use of urban land and simplification of building bylaws.

The state has also formulated a policy for the management of solid waste and bio-medical waste in Rajasthan. According to the policy, a state level empowered committee has been formed for the approval of proposals and selection of private parties for the setting up of projects that convert waste to energy and waste to compost. The policy also specified the concessions available to and responsibilities of private entrepreneurs.

74th Amendment and thereafter

With a view to strengthen and provide more powers to Municipalities, the 74th Amendment in the Constitution of India was passed, making the amended provisions mandatory. For implementation of provisions of 74th Amendment, the State Government has also passed Rajasthan Municipalities (Second Amendment) Act, 1994. The main features of the Amended Act relate to: Definitions, Constitution and Composition of Municipalities, various Committees, Reservation of Seats, Duration of Municipalities, Disqualification for Members, Powers, Authority and Responsibilities of Municipalities etc., Powers to impose taxes, funds of Municipalities, District Planning Committee and Metropolitan Planning Committee. The 74th Amendment also provided special dispensation for Metropolitan area having a population of ten lakhs or more, comprised in one or more districts and consisting of two or more municipalities or panchayats or other contiguous areas, specified by the Governor by Notification to be a Metropolitan area

Composition Urban Local Bodies

There are multiple agencies responsible for UI services in Rajasthan. Primary among them are the ULBs. There are 5 Corporations, 13 Councils, 35 Class II, 57 Class III and 78 Class IV ULBs in the State.

ULBs have been classified into five categories (classes) based on population, location and per capita income by the GoR. City Corporations have a population of more than 5 lakhs.

Presently, there are five municipal corporations, namely Jaipur, Jodhpur and Kota. The other categories are as follows:

- First Class Municipal Councils (13) having a population between one and five lakhs population.
- Municipal Boards having a population below one lakh population are further sub-divided into:
- Second category (35) with population between 50000 to 99999 or municipalities at the district headquarters or where per capita income is Rs.200 or more.
- Third category (57) with population between 25000 and 49999 or where per capita income is Rs.150.
- Fourth category (78) with population less than 25000.

Organizational Structure of ULB

The organizational structure of an ULB depends on its category. While, there is no distinction between the various categories of ULBs in the statutory and discretionary functions assigned under Sections 98 and 101 of the Rajasthan Municipalities Act, the number of Sections and personnel differ from council to council and board to board. The first SFC had recommended a study for devising a suitable organizational structure based on statutory functions. The study does not seem to have been conducted. The organizational structure of a corporation or council consists of several sections. The following ten sections exist in all most all the corporations and councils:

- Revenue;
- Health and Sanitation;
- Public Works;
- Motor Garage
- Garden and Parks;
- Legal Affairs;
- Street Lighting;
- Fire Fighting;

- Accounts ; and
- General Administration

Officers of respective divisions head these sections. Some of the sections do not exist in other categories. In class two, three and four municipalities, sections related to gardens and street lighting do not exist separately. In class three and four municipalities, separate sections related to legal affairs, fire fighting and accounts do not exist separately. The staff of ULBs is drawn from a variety of cadres of municipal and other services. The Director of Local Bodies is the nodal agency in GoR to coordinate the activities of the ULBs at the state level. The directorate has the following cells/sections to perform and coordinate activities at the state level.

- Project section;
- Engineering section;
- Accounts section;
- Establishing sections separately for officers and employees;
- Statistical cell;
- Vigilance cell; and
- Legal cell.

Composition of Municipality

One Municipality for a small city or town with the population between 8000 to 100000

1. Elected members : The ward members at least 21 years old registered in the Voter's list is elected directly by the people on the basis of adult franchise and secret ballot system. Each municipal area to have at least 13 wards. Reservation of seats for scheduled castes scheduled tribes and backward classes and 1/3 rds for women.

2. Ex-Officio Members : MPs and MLs from that Municipal area: no right to them to elect Chairman and Dy. Chairman and to take part in No-confidence proposal.

3. Chairman and Dy. Chairman elected for five years, can resign earlier or can also be dismissed through No confidence motion.

4. Executive officers and other employees : Executive officers from R.A.S.

5. Committees : (i) Law-Committee (ii) Finance Committee. (iii) Health and cleanliness committee. (iv) Public Vehicle Committee.

(v) Rules, sub-rules committee.

Functions and Powers of Municipality

1. Planning and Execution of Development programmes.
2. Use of land and construction work.
3. Public health and cleanliness.
4. Regarding roads, electrification, vehicles parking etc.
5. Planning for social and economic development.
6. Elimination of poverty.
7. Betterment of dirty locality.
8. Construction of roads and bridges.
9. Registeration of death and birth.
10. Fire-bridges facility.

11. Other Works : Protection of forests and environment, Welfare of the disabled, distribution of water to the industrial and commercial schemes, construction of sports field, park, gardens etc. cultural programmes etc.

Municipal Council

Municipal Councils in Rajasthan for cities with population 1 to lakhs as Udaipur, Bikaner, Ajmer, Bhilwara, Banswara etc. Formation of wards on the basis of population, in no case less than 13 wards in the Municipal Council area. Composition

1. Elected members (councillors) elected directly by the people on the basis of adult franchise through secret ballot system.

2. Ex-Officio Members : Elected MPs and MLAs from that area. They have no right to elect chairman and Dy. Chairman and also not to take part in No. confidence motion against them.

3. Chairman and Dy. Chairman elected by the elected members for 5 years. Seats get vacated due to death, resignation or dismissal by Confidence.

4. Commissioner as representative of State Government – I.A.S or RAS officer. Reservation of seats for scheduled castes and scheduled tribes and backward classes and 1/3 rds for women, not more than 21% for the backward classes.

Functions of Municipal Council under Rajasthan Municipal Amendment Act, 1994.

1. Development plans and their execution.
2. Planning for use of land and construction.
3. Construction and Maintenance works of roads, fly-overs etc.
4. Economic and Social Development plans.
5. Public health and cleanliness.
6. Distribution of water for domestic, industrial and Commercial use.
7. Registration of Birth-Death.
8. **Other Works** – alleviation of poverty, cultural and educational works, protection for the disabled, old age, helpless etc, preservation of forests and environment, construction of burial grounds etc. City-Corporation Through notification by State Self-administration department of Rajasthan, on 9th August, 1994 cities with population of 5,00,000 or more will have city corporation. Presently in Jaipur, Jodhpur and Kota.

Composition of City Corporation :

1. Elected members (Councillors)
2. Mayor and Dy. Mayor.
3. Commissioner (city administrator)
4. Samitis (Committees).

1. Councillors elected directly by the Voters of the ward on the basis of adult franchise through secret ballot. Elections held in Nov, 1994, Nov 1999 and Nov 2004. Seats reserved for scheduled castes and scheduled tribes, and other backward classes (not more than 21%) and a 1/3 for women. Term is five years, salary and allowances as per State Government orders.

2. Mayor and Dy. Mayor elected by members (Councillors) from amongst themselves for five years. Reservation for Mayor as well as Dy. Mayor. Mayor-the first citizen of city. In case of resignation, death or dismissal by No-confidence, seat is filled by the same procedure.

Functions of Mayor or Dy mayor in the absence of Mayor : presides over the meetings and sees all records of corporation, can call for any information from the city administrator, summons general or special meetings.

3. Commissioner or Administrator : He represents the Government, can be dismissed earlier on complaint in writing by councilors – His functions regarding appointment and promotion of corporation employees and disciplinary action against them, preparation of budget, records and documents under his supervision. Samitis or Committees under Rajasthan

Municipality Amendment Act, 1994 :

1. Executive Committee.
2. Finance Committee.
3. Building and Construction Committee.
4. Rules and Legal Committee.
5. Health and cleanliness Committee.
6. Public Vehicles Committee.
7. Ward Committee.

Functions of City-Corporation

I. Compulsory Functions :

1. Cleanliness, lighting arrangement, spray of water, removal of pollution.
2. Fire-brigade arrangement for protection of life and property.
3. Public Conveniences. 4. Registration of Birth-deaths.
5. Naming of roads, numbering buildings, establishing animal shelters, arranging for vaccination markets, fairs etc.

II. Discretionary Functions :

1. Acquisition of land.
2. Economic Development and Social-Justice.
3. Implementation of State Government Plan under 12th schedule.
4. Maintenance of public parks, gardens, libraries, reading rooms etc.
5. Houses for the poor.
6. Plantation of trees on the roads.

7. Housing facility for corporation employee.
8. Disposal of, excreta etc.
9. Public Health and Child-welfare.
10. Relief from Natural calamities.
11. Public receptions, festivals, exhibitions etc.
12. Supply of milk and other goods in times of their short supply.
13. Labour Welfare centers and facilities for employees.
14. Government dispensaries and ambulances.
15. Housing schemes for the handicapped, the lepers, orphans etc.

III Special Functions

1. Medical aid and other facilities for fatal diseases.
 2. Disaster management and help during famine and scarcity.
- Financial Resources of City Corporation

1. Compulsary Taxes : Land and building tax, octopi on animals and business, professional and service tax, but can be suspended any time by the State Government.

2. Special Taxes in the Whole or some area on the order of State Government, as tax on vehicles, on pet dogs and other animals, electricity tax, sanitary tax, tax on public conveniences, water tax etc. Cantonment Board It is a local self-governing institution meant for the cantonment area. Nasirabad in Rajasthan has the Cantonment Board.

Composition of Cantonment Board :

- 1. Elected members** by the voters of the cantonment area, directly on the basis of adult franchise through secret ballot system.
- 2. Nominated members :** Their number is one more than the elected members.
- 3. Chairman :** He is the army commanding officer. He chairs the board, solves local problems, has executive powers, takes care of the safety of Cantonment area. Functions of cantonment board as of the Municipality in the Municipal area. Financial Resources (1) Taxes (2) Grant-in-aid from the Central Government.

Functions of ULBs

Urban Local Bodies are the backbone of democracy due to their proximity to the people as they serve the people in a number of ways. ULBs are expected to provide public utilities,

civic amenities, community facilities and shelter. Article 243-W of the constitution of India provides for the Legislature of a State to endow by law such powers and responsibilities to ULBs, as may be necessary for preparation, implementation, execution of plans of socio-economic development and social justice. Subjects/functions which are to be performed by the municipalities have been listed in the Twelfth Schedule of the Constitution of India.

In Rajasthan the functions of ULBs have been clearly laid down in the Rajasthan Municipalities Act 1959, under Sections 98 and 101. Section 98 provides for primary functions which every Municipality is duty bound to perform, Section 101 provides for secondary functions of these bodies. The secondary functions are optional and not compulsory. Section 98 of Rajasthan Municipalities Act, 1959, mentions that it shall be the duty of every Municipal Board to make reasonable provisions for the following matters within the Municipality under its authority, namely:

- (a) lighting public streets, places and buildings;
- (b) watering public streets and places;
- (c) cleaning public streets, places and sewers, and all spaces, not being private property, which are open to the enjoyment of the public, whether such spaces are vested in the board or not, removing noxious vegetation and abating all public nuisances;
- (d) removing filth, rubbish, night-soil, odor, or any other noxious or offensive matter from privies, latrines, urinals, cess-pools or other common receptacles for such matter or in pertaining or buildings;
- (e) extinguishing fires and protecting life and property when fire occurs;
- (f) regulating offensive or dangerous trade or practices;
- (g) removing obstructions and projections in public streets or places and in spaces, not being private property which are open to the enjoyment of the public, whether such spaces are vested in the board or belong to the State Government.
- (h) securing or removing dangerous building or places and reclaiming unhealthy localities;
- (i) acquiring, maintaining, changing and regulating places for the disposal of the dead and of the carcasses of dead animals;

- (j) constructing, altering and maintaining public streets, culverts, municipal boundary marks, markets, slaughterhouses, drains, sewers, drainage-works, sewerage works, baths, washing places, drinking fountains, tanks, wells, dams and the like;
- (k) constructing public latrines, privies and urinals;
- (l) obtaining supply or an additional supply of water, proper and sufficient for preventing danger to the health of inhabitants from the insufficiency or unwholesomeness of the existing supply;
- (m) naming streets and numbering houses;
- (n) registering births and deaths;
- (o) public vaccination;
- (p) suitable accommodation for any calves, cows or buffaloes required within the municipality for the supply of animal lymph;
- (q) arranging for the destruction or the detention and preservations of such dogs within the municipality, as may be dealt with under Section 208 of this Act;
- (r) printing such annual reports on the administration of the municipality as the State Government by general or special orders, require the board to print;
- (s) paying the salary and the contingent expenditure on account of such police guards as may be required by the board for the purpose of this Act or for the protection of any municipal property and providing such accommodation as may be required by the State Government under the law in force relating to police;
- (t) raising volunteer force with such functions and duties in relation to the protection of persons, the security of property and the public safety as may be prescribed.
- (u) making arrangements for preparation of compost manure from night soil and rubbish;
- (v) establishing and maintaining cattle ponds; and
- (w) promoting population control, family welfare and small family norm.

Section 101 of the Rajasthan Municipalities Act, 1959, provides that Boards may, at their discretion, provide out of the municipal property and fund, either wholly or partly, for:

- (a) laying out, whether in areas previously built open or not, new public streets and acquiring land for that purpose, including land requisite for the construction of buildings or cartilages thereof, to about on such streets;

- (b) construction, establishing, maintaining or contributing to the maintenance of the public parks, gardens, libraries, museums, reading rooms, radio receiving stations, lunatic asylums, halls, offices, dharamshalas, rest houses, encamping grounds and other public buildings and places;
- (c) constructing and maintaining where necessary, suitable sanitary houses for the habitation of the poor and granting loans for the construction of such houses or for effecting necessary improvements connected therewith;
- (d) providing accommodation for any class of servants employed by the board or granting loans to such servants for construction of houses subject to the rules prescribed on this behalf;
- (e) planting and maintaining road side and other trees;
- (f) taking a census and granting rewards for information which may tend to secure the correct registration of vital statistics;
- (g) securing or assisting to secure suitable places for the carrying on of the offensive trades mentioned in Section 248;
- (h) supplying, constructing and maintaining receptacles, fitting, pipes other appliances whatsoever, on or for the use, private premises, for receiving and conducting the sewage thereof, into sewers under the control of the board;
- (i) establishing and maintaining a farm or factory for the disposal of sewage;
- (j) providing music for the people;
- (k) the promotion of public health or infant welfare;
- (l) contribution towards any public fund raised for the relief of human suffering with or without the municipality;
- (m) by a resolution passed at a general meeting and supported by one-half of the whole number of members, any public reception, ceremony, entertainment, or exhibition within the municipality;
- (n) the organisation or maintenance of shops or stalls for the sale, for necessaries of life during scarcity;
- (o) holding fairs and exhibitions;
- (p) supply of milk;

- (q) establishing labour welfare centres for its employees and subsidizing the activities of any association upon or club of such employees by grant of loan for its general advancement;
- (r) organizing or contributing to a Municipal Board union;
- (s) maintenance of ambulance service;
- (t) establishing and maintaining public hospitals and dispensaries and providing public medical relief;
- (u) providing facilities for anti-rabic treatment and meeting the expenses of indigent persons undergoing anti-rabic treatment within or outside the municipal limits;
- (v) housing and maintaining destitute orphans and cripples and maintaining maternity centres and child welfare clinics;
- (w) establishing and maintaining primary schools;
- (i) preparation of plans for economic development and social justice.
- (ii) the performance of functions and the implementation of the schemes that may be entrusted by the State Government to it, including those in relation to the matters listed in the Twelfth Schedule of the Constitution of India.
- (x) any other matter, not herein, before specifically named which is likely to promote education or the public health, safety or convenience or the advancement of economic condition of the inhabitants or the board or which is necessary for the carrying out of this Act, expenditure whereon is resolved by the board by the votes of not less than two-thirds of the whole number of members and with the approval of the State Government to be an appropriate charge on the municipal fund.

Although the 74th Amendment and the Twelfth Schedule of the Constitution of India envisages 18 subjects/functions to be discharged by the Urban Local Bodies but the Rajasthan Municipalities Act envisages 23 obligatory and 26 discretionary functions for the municipalities in the State. However, despite of specific provisions for obligatory and discretionary functions in the Municipalities Act 1959, the urban local bodies have not been able to provide satisfactory level of basic civic services and amenities to the citizens. Even the basic civic amenity of sewerage and solid waste management remain a problem in large cities, having Municipal Corporations and Councils, leave aside small towns.

The solid waste management is one of the essential services and an obligatory duty of municipal bodies to arrange for daily street cleaning and transport, processing and disposal of waste in the urban areas. In spite of this, in most urban areas the management of urban waste is looked at, as an inferior function, fit to be supervised only by the lower level officers. The people at the helm of affairs do not consider solid waste management as a priority area, though, very large percentage of funds of the urban local bodies are spent towards this most essential service. Thus, apathy of the decision makers and planners is also the reason for the poor level of solid waste management in the urban areas.

On Going Development Programmes Of Ulbs

The ULBs suffer from paucity of financial resources and lack of technical personnel. Thus, the most of ULBs are engaged in routine/normal functions and are unable to pursue urban development programmes in an effective manner. However, in Rajasthan, the ULBs are implementing the following

Programmes/Projects:

- Chief Minister's Employment Scheme
- Environmental improvement programme in *Kutchhi* Bastis
- Strengthening of fire fighting services
- Low cost sanitation programme
- Sahbhagi Nagar Vikas Yojana
- Balika Smridhi Yojana
- National Slum Development Programme
- Scheme of Urban Wage Employment
- Basic Infrastructure
- Valmiki Ambedkar Awas Yojana
- Swaran Jayanti Shahari Rojgar Yojana
- Heritage Walk Project and Heritage Conservation Scheme
- Urban Infrastructure Development Fund
- Jawaharlal Nehru National Urban Renewal Mission
- Integrated Housing Slum Development Programme
- Integrated Development of Small and Medium Towns

- Urban Integrated Development Scheme of Small and

Chapter III

Resource Mobilization and Budgeting

Introduction

There has been a paradigm shift in resource mobilization where local governments now have to make domestic private investment a new source of long-term finance for development projects. But in order to take advantage of this paradigm shift, local governments will have to achieve a financial condition sufficient to satisfy potential providers of capital. Essentially, local governments will have to develop a history of generating an annual surplus of revenues over expenditures, which is then available to cover payments to investors who provide them with new long-term finance. The extent to which potential private investors are able to perceive that a local government is managing to create a surplus with its finances will have a decisive effect on their willingness to take loans or buy bonds from them. So, not only must

the local government manage its finances well, they must be able to present well-maintained budgeting and accounting records to verify their performance.

There are only three ways that a local government can reliably develop a surplus that they can commit to long-term debt repayment.

1. They can increase their “own source revenues” as currently defined.
2. They can reduce their expenditures.
3. They can develop new sources of revenue.

In most developing countries. It is easiest to undertake Option 1, harder to use Option 2, and hardest to do Option 3. A realistic strategy is to work on all three options at the same time in order to balance the interests of key stakeholders and achieve the maximum surplus.

Increasing Own Source Revenues

Local governments in developing countries derive their revenues from two principal sources; (a) funds transferred to them from a higher level of government, and (b) funds collected and retained in the locality itself. Funds coming from higher levels of government (national, regional, and /or state/provincial) are referred to as transfer payments. The rules governing the flow of transfer payments are part of the laws on inter-governmental fiscal relations. Transfer payments are typically allocated from a specific revenue source that is controlled by the higher –level government (such as a national value added tax, income tax, or oil revenues). Transfer payments may be allocated downward on an established formula basis or on an ad hoc basis.

Transfer payments may be stable and predictable over time or they may vary substantially from year to year. Regardless of their characteristics, transfer payments are not “own source revenue” because they are not under the direct control of the local government. Funds collected and retained in the locality itself are the local government’s own source revenues. In developing countries, it is typical to find that own source revenue are a variety of factors including: restrictions imposed from higher levels of government on the types of revenue sources available to the local government and the rates that can be charged; a history or culture of dependency in the relationship of local government to higher levels; local politics that oppose local revenue collection; poor revenue collection technology or effort at the local level; and corruption. Whatever the combination of causes, the result is that local government

is usually over-dependent on transfer payments and less able to exercise decentralized leadership for development.

There are three main types of local revenue sources namely, (1) taxes; (2) fees; and (3) user charges. Taxes are a broad source of revenue that is not linked to any particular service provided by local government.

Local taxes vary from country to country but typically include a Property Tax and sometimes one or more Business Taxes and Consumption Taxes. These taxes may or may not vary with the value of property, business or economic activity.

Fees are a revenue source directly associated with a particular local government service such as registration, permits or approvals. They are usually imposed on a per transaction basis, e.g., a fee of a fixed amount to register a property or a marriage or a birth. They can also include school fees or clinic fees, (if these services are run by local government) where the fee is based on a transaction such as provision of a semester of schooling or a visit to a clinic.

User charges are another revenue source linked to specific services, but unlike most fees, user charges typically vary with the amount of service consumed, e.g. a consumer's water bill will vary with the volume of water used. In some cases, user charges will vary according to the type of consumer, e.g., charges for garbage collection may be different for residential, commercial, and industrial establishments.

The important point about these different types of revenue sources is the degree to which the source of funds is tied to a particular use of funds. There is a continuum that starts with general taxes such as the Property Tax (which provide funds that can be used to fund any aspect of the local government budget). Continuous with general fees (that can also be used across the entire budget even if they are generated by a particular service), then more specific fees for services such as schools and clinics (which are usually used to fund the operating budgets of these specific services and only if there is a surplus (unlikely) might the fee contribute to the general budget) and finally ends with user charges, which are normally dedicated specifically to funding their related service and (even in the unlikely event of a surplus) they are not normally available to support the general budget of the local government (especially if the service is provided by a utility entity with a separate legal identity from the local government that owns /controls it).

These distinctions are important because increasing revenue from the different types of sources will have different impacts on the creditworthiness of a local government. Increases in general revenues from taxes and fees affects overall creditworthiness and enable the local government to commit additional funds to debt repayment on borrowings for any purpose approved by the local government. Increases in service related revenues from specific fees and user charges affect the creditworthiness of the service in question, and are usually only available to repay debt related to that service.

The first step toward increasing revenue from any source is to analyze current collections and identify the reasons why the local government may be receiving less revenue than they should from the source. Once the reasons for underperformance are understood, appropriate remedies can be devised.

Developing New Sources of Revenue

Developing new revenue sources will be an important local political issue. To be effective, local political leaders will need to consult widely with stakeholders before developing proposals for new revenue sources. Unless there is a consensus that new revenues are needed to pursue widely shared priorities there will be negative political consequences. Local governments that have already made the effort to improve the revenue yield of existing sources, and effectively reduced expenditures, will be in a better position to make the case for the development of new revenue sources. Nevertheless, the more democratic and participatory the local governance system is, the more important transparency, consultation, consensus building will be for the revenue enhancement effort. Providing local government leaders with skill training in conflict resolution and consensus building would be an appropriate way for local government to assist the revenue enhancement process.

Overview

Creating a budgetary surplus is the only way that local governments will be able to repay the long term debt that they need to finance essential development investments such as water

supply, sanitation, schools, hospitals /clinics, and roads. The needed surplus can only be achieved by :

- Increasing the yield of existing revenue sources,
- Decreasing expenditures, or
- Developing new sources of revenue.

In addition to the essential political will, local governments will need good management to achieve a surplus. Transparent and effective systems of budgeting and budget management will need to be linked to the local government's accounting system. The budgeting and accounting system will also need to be linked to the revenue collection system so that local government leaders can understand how well actual revenues are meeting projections, how much funding is available, and how well the local government is adhering to its budget.

A well-managed local government will be able to effectively engage stakeholders in decisions about fiscal matters. Such engagement is essential to creating a budget surplus, since citizens need to understand why it is important to make the sacrifices entailed in any financial improvement strategy. Local government leaders need to be able to achieve a consensus in their communities on financial priorities, long term investments, and the revenue/expenditure measures needed to realize their communities' development.

The allocation of resources in the efficient and effective manner is part of the overall process of planning, estimating and utilizing the resources by the local bodies. Each time the plan is reviewed and revised, resources will be addressed. Looking under the present conditions under which the local bodies function, the mobilization of resources poses a major challenge.

Local Resource Mobilization In The State of Rajasthan

Raising revenues

Several measures have been tried by ULBs to raise their financial performance and the key measures are discussed below for local resource mobilization.

House Tax

House Tax was levied in 110 ULBs, but GoR has taken a decision to implement it in all 183 ULBs. In 2002, in line with the recommendations of the Administrative Reforms Commissions, simplified house tax assessment proposals were prepared by the Local Self Government Department. An area-base simplified assessment procedure of house tax was proposed and the government implemented the revised house tax plan form Ist April 2003.

Non-Tax sources

The revenue from non-tax sources, including proceeds accruing from sale of land and UIT contribution of 15 per cent of its sale of land, are of great importance to the urban areas. Certain aspects of the license fees and rental property are also important.

License Fees

Revenue from license fees for trade of commercial activity has immense potential but this source has remained under-utilized. It is necessary to take advantage of this potential.

Trade License Rates

The rates of trade licenses in Rajasthan are low and are not revised periodically. In Udaipur, rates fixed 20 years ago are still in operation. Despite the huge increase in trading activities, the number of licenses issued has been stagnant in many cities. This shows that the coverage of the tax has been limited, leading to loss of revenue. However, periodic rate enhancement of at least 10 percent would be more reasonable than sharp increases at long intervals.

Municipal Rental Property

An area-based rental system consistent with the market rents may be considered over the present method of long leases. The total inventory of the rental property may be prepared on the basis of indicators such as age of construction, area year of leasing and rents obtained to help future planning. Municipal properties which have proved to be unproductive and do not generate adequate income may be sold at the market rate and the sum put in a fixed deposit. The state government has decided to give shops and plots on rent, fees, license basis and 99-year leases on a one-time payment of rent of lease money.

This will enhance the income of the concerned ULB provide the right of ownership to the tenant.

New Sources of Revenue

Additional resource mobilization efforts should be taken, which could take the form of new taxes /levies at the municipal and state levels by suitably amending the Municipal Act.

Composite levies

It is necessary to introduce other levies as composite levies as has been done in many states. In Vadodara and Ahmedabad in Gujarat, a portion of the property tax rate is earmarked for general city purposes. The rate also includes designated percentages covering other purposes, including a water tax, education tax, health cess, etc. Cess is an earmarked additional levy for a specific purpose.

Street Tax

Investment in a city's infrastructure enhance the value of land and buildings and this leads to higher rental and capital values. Cities and towns are justified in taking advantage of the rising property values (in terms of rental and capital). In Mumbai, the corporation introduced the street tax on the basis of the annual rental value of the property. It has also constituted a road development fund and earmarked the revenue yield for the development of local roads. The collection mechanism of the tax has to be effective so that arrears do not accumulate.

Municipal Bonds

ULBs could use municipal bonds for selected services, for which costs can be recovered. The steps taken in Ahmedabad to use municipal bonds to finance the city's infrastructure could be studied. Municipal bonds require a return at least equal to the market rate of interest. This situation assumes a reliable delivery of the service and a high degree of credibility with the local body as well as an effective mechanism of cost recovery. However, Jaipur is the only city in Rajasthan in a position to issue such bonds.

Other sources

Other sources include betterment levy, vacant land tax, vehicle registration fee, levy on cultural shows (for priced admission only), conversion charges from single to multi-storey buildings, etc.

Shared Taxes

There is a strong case for additional transfers from the state government to the municipalities. Fifty per cent of the country's GDP is generated from the urban areas by nearly one-third of the population.

Share in Value Added Tax (VAT)

ULBs can be given a share in the VAT in the form of an urban development surcharge on certain selected commodities like petrol and petroleum products; automobiles and auto components; refrigerators and related equipment; and building material.

Entertainment tax

This is a shared tax constituting part of the general revenues and has remained stagnant over several years. An increase in this share can be built into the system.

Non-conventional methods of raising resources

Some cities in Andhra Pradesh, Karnataka and Kerala levy a nominal monthly fee of Rs.10 per thousand for garbage disposal. This may be replicated in Rajasthan's cities as well. With building activity on the rise, huge quantities of building debris and waste material will accumulate in the city. Since removal involves tremendous costs, municipal authorities can recover the cost from the house builder or developer.

Grants-in-aid

A block grant at the rate of Rs.12.50 per capita for general purposes is given to tide over a budgetary crisis of local bodies. These grants are given in addition to those recommended by the SFC.

These recommendations need to be considered in their totality by a high-powered committee and their legal aspects examined along with the responsibilities of these bodies. ULBs need to receive mandatory legal powers for levying different taxes, and grants to these bodies should be given only when ULBs have collected these taxes.

Revenue Loss

Heavy loss of revenue is incurred due to under-assessment of houses and properties for tax purposes and also due to delays in collecting taxes/fees.

Municipal Finances

The state of municipal finances in India suggests that the present revenues of ULBs are insufficient to meet the growing expenditure. Municipal expenditures are thus constrained by the level of resources available. In Rajasthan, municipal revenues are extremely low and do not permit ULBs to take up the required programmes such as sanitation, cleanliness, streetlight, drainage, etc. Often repairs and maintenance of services are poor and expenditure on capital works is postponed. Even though ULBs are now authorized to impose additional taxes to mobilize revenue, yet they have not taken any initiative so far in this direction.

The Rajasthan Municipalities Act (1959) governs urban areas, which lays down the sources of revenue to be utilized and the functions to be performed. However, there are wide variations among the municipal bodies in utilizing their designated sources of revenue. ULBs have so far failed to tap the tax potential under their jurisdiction. Although the SFCs have touched upon a variety of aspects on resource mobilization, yet not much headway has been made. A reliable database needs to be created and updated periodically. This should be followed by a comprehensive study on the restructuring of the municipal finances that includes a management information system (MIS) and training programmes to make the ULBs more service oriented.

The revenue from conventional sources like the property tax (house tax), professional /vocation tax and trade /commerce license fees as well as sewerage and household garbage charges etc. may be collected along with immediate action for improving the quality of their services.

A uniform Municipal Corporation Act, if promulgated, may help overcome many of the structural deficiencies. Revenue from the new sources like the street tax, municipal bonds and an appropriate share from state taxes like entertainment tax, surcharge on stamp duty and levy of surcharge on selective commodities subject to VAT, betterment charge, charge on conversion of agriculture land to non-agriculture use, charge on the conversion

of the buildings from single to multi-storey, taking priced entertainment, etc. should be considered, for enhancing the revenue of ULBs.

Municipal Budgeting, Budgetary Control and Management System

As per the Rajasthan Municipal Act, 1959, the municipal budgeting, budgetary control and management system is as follows:

- (1) The Chief Municipal Officer shall prepare in each year a budget estimate along with an establishment schedule of the municipality for the ensuing year, and such budget estimate shall be an estimate of the income and expenditure of the municipality. However, before submission to the municipality for approval, the executive Committee will approve the financial estimates first.
- (2) Subject to the provisions of section 4 and sub-section (2) of section 82, the budget estimate shall separately state the income and the expenditure of the municipality to be received and incurred in terms of the various heads of accounts.
- (3) The budget estimate shall state the rates at which various taxes, surcharges, cesses and fees shall be levied by the municipality in the year next following.
- (4) The budget estimate shall state the amount of money to be raised as loan during the year next following.
- (5) The chairperson shall present the budget estimate to the municipality on such date, not being later than 15 February in each year, as may be fixed by the executive committee.
- (6) The budget estimate shall be prepared, prepared, presented and adopted in such form and in such manner, and shall provide for such matters, as may be prescribed.
- (7) The annual inventory prepared under sub-section (1) of section 77 and the statement prepared under sub-section (1) of section 162 shall be enclosed with the budget estimate.
- (8) The LSG Department has taken a decision of switch over to accrual accounting system. The process has already started in six cities Jaipur, Ajmer, Kota, Jodhpur, Bikaner and Udaipur.

Sanction of Municipality's Budget Estimate

The municipality shall consider the budget estimate and shall, by the fifteenth day of March in each year, adopt the budget estimate for the ensuing year with such changes as it may consider necessary, and submit a copy of the same to the Director Local Bodies for Information through the Deputy Director Regional of the Local Bodies Department.

Power to alter Budget Grants

A municipality may, from time to time, during a year:

- (a) Increase the amount of any budget grant under any head.
- (b) Make an additional budget grant for the purpose of meeting any special or unforeseen requirement arising during the said year.
- © Transfer the amount of any budget grant or portion thereof under one head to the amount of budget grant under any other head, or
- (d) Reduce the amount of the budget grant under any head: Provided that nothing shall be done under clause (a) or clause (b) or Clause (c) or clause (d) without the recommendation of the executive committee.

Accounting and Budgeting Reforms

The need to undertake accounting and budgeting reform has been underlined by the Eleventh Finance Commission and by the Central Ministry of Urban Development. The State government has taken a policy decision to switch over from the present cash based single entry accounting system to an accrual based double entry accounting system in all municipalities in Rajasthan. A state level steering committee has been constituted for monitoring the process of changing over to the new accounting system. A policy decision / has also been taken to adopt the National Municipal Accounting Manual circulated by the central government with some necessary modifications. The process of preparing accounting manuals for the different municipal computerization of budget and accounts has started 6 major towns (Jaipur, Jodhpur, Kota, Udaipur, Ajmer and Bikaner). Urban local bodies in other cities are being computerized under the 'e-nagar Mitra' project supervised by RUIFDCO.

In this connection, it needs to be pointed out that the recently announced National Urban Renewal Mission (NURM) aims to assist cities undertake reforms in three spheres (i) revenue

generation, (ii) accounting system and (iii) governance referring to public disclosure of municipal budgets and participation of civil society in local decision –making.

CHAPTER - IV

Housing and Urban Development

Rajasthan Housing Board

Rajasthan Housing Board caters to the housing needs for different sectors of the society in the State. It was started in 1970, with the objective of providing housing facilities to citizens of 7 cities of the State.

Now the housing activities of the Board have been spread to 55 cities. Till 2005-06, the Board has taken up the construction of 1,80,151 dwelling units, out of which 176527 units have been completed and 1,64,587

units have been handed over to the allottees. 60% of the total units taken up are for economically weaker sections and low income group society.

With a view to reach the weakest of the economically weaker, the Board launched a scheme named "Gharonda" in the year 2004-05. Under the scheme houses are made available to the economically weak persons who can afford to contribute an amount of Rs. 18/- to Rs. 22/- per day for a period of 20 years for the repayments of the cost. At present this scheme is going on in 38 cities/towns.

Recently in the year 2009 the Govt. of Rajasthan has launched a Affordable Housing Policy with focus on lower income group for urban area. A salient feature of policy is as follow:-

Objectives of the policy

- (a) To reduce the housing shortage in the State, especially in EWS/LIG categories.
- (b) To take up large scale construction of Affordable Housing (with focus on EWS & LIG housing.)
- (c) To bring down the cost of EWS & LIG categories of houses to affordable limits.

- (d) To promote investments in housing in Urban Sector on PPP Model.
- (e) To involve Private developers in the construction of EWS/LIG categories of houses by offering various attractive incentives.
- (f) To create Rental Housing as transit accommodation for migrants to urban areas, and
- (g) To check creation of slums.

Highlights of Policy

Various Models of Affordable Housing.

(i) Model No-1: Mandatory Provisions:

- Rajasthan Housing Board to construct at least 50% plots/houses/ flats of EWS/LIG category in its schemes. Another 20% of the plots/ houses/ flats to be constructed for MIG-A category.
- All Urban Local Bodies including Jaipur Development Authority, Jodhpur Development Authority, Urban Improvement Trusts and Municipal bodies to allot/construct at least 25% plots/houses/flats of EWS/LIG category in their residential/ housing schemes. Another 20% of the plots/ houses/ flats to be allotted to MIG-A category.
- Private developers to reserve 15% of the dwelling units to be used for EWS/LIG housing in each of their Township/Group Housing Schemes.

(ii) Model No-2: Private developers on land owned by them:

- The selected developers to take up construction of EWS/LIG flats (G+2/G+3 format) on minimum 40% of the total land set apart for housing scheme under the Policy.
- The built up EWS/LIG flats to be handed over to the nodal agency (Avas Vikas Limited) at pre-determined prices, to be allotted to the eligible beneficiaries by the nodal agency.
- The developer would be free to construct MIG/HIG flats on remaining land as per his choice.
- Several incentives offered to developers like double of the normal FAR, TDR facility, waiver of EDC, Building plan approval fee, conversion charges, 10% of the total land allowed for commercial use, fast track approval etc.

(iii) Model No-3: Private developers on acquired land:

- The selected developer can take up construction of EWS/LIG flats (G+2/G+3) on the land under acquisition by ULBs. The land would be made available to the developer on payment of

compensation (Land Acquisition cost + 10% Administration charges). All other parameters to be followed

and incentives to the developer would be as per Model No. 2.

(iv) Model No-4: Private developers on Government land: (For Rental housing or outright sale basis)

- Earmarked Government land to be offered free of cost to the developer to be selected through an open bidding process. The developer offering the maximum number of EWS/LIG flats free of cost to the ULB, would be awarded the project. At least 50% houses should be of EWS category.
- The developer shall be free to use the remaining land as per his choice for residential purpose with 10% for commercial use.
- All other parameters to be followed and incentives to the developer would be as per Model No. 2.

(v) Model No-5: Slum Housing:

- The model is based on various schemes approved by Government of India and also on the lines of "Mumbai Model" of slum redevelopment with private sector participation.

(vi) Other features:

- Attractive incentives offered to the developers (Chapter no.5.0)
- Role of the State Government, Nodal Agency, Rajasthan Housing Board, ULBs and Developers well defined. (Chapter no.6.0 to 10.0)
- Procedure and General Guidelines including eligibility of developers and beneficiaries have been clearly indicated in the Policy. (Chapter no.4.0)
- Indicative plan of EWS & LIG Flats with super built up area of 325 sq.ft./ 500 sq.ft. along with General construction specifications are also annexed in the Policy.

Due to shortage of land in urban areas, the Housing Board has launched multistoried scheme for urban poor namely "DWARAKAPURI" in 2005. In the first phase of this scheme 2,976 Flats are being constructed in sector 26 Pratap Nagar, Sanganer. For the Phase-II of this scheme, registrations have been invited. This scheme has also been taken up in Jodhpur and Udaipur districts. With a view to reach the benefit of War Widows, the Board launched a scheme namely "Veerangana Vihar" in Pratap Nagar, Sanganer in December 2006.

A provision of Rs. 750.00 crores has been kept for this in the Eleventh Five Year Plan 2007-12. An expenditure of Rs. 250.00 crores is likely to be incurred on the various schemes of the Board in Annual Plan 2008-09; provision of Rs. 250.00 crores is proposed for Annual Plan 2009-10. This amount is the internal resource of the Rajasthan Housing Board.

URBAN DEVELOPMENT

Rajasthan is still predominantly a rural State and its proportion of urban population to the total population is 23.4 percent, which is less than the percentage of the country as a whole, which is 27.78 percent as per census 2001. However, the State has an opportunity to undergo a planned urbanization process and avoid ills of unplanned urbanization. By the end of the Eleventh Five Year Plan, urban population of Rajasthan is projected to be 25.28 percent. Distribution of urban population in various classes of towns is shown in Table – 1.

Table No. 1 Distribution of urban population in various classes of towns

(Census 2001)

Class of Town	No.	Population in lakhs	% of total urban population
I (population 1 lakh and above)	20	75.56	57.24
II (population 50,000 to 1 lakh)	26	18.41	13.95
III (population 20,000 to 50,000)	90	20.95	15.87
IV, V, VI (population below 20,000)	86	17.08	12.94
Total	222	132.00	100.00

Source :- Census Report 2001

The Department of Local Self Government controls all municipal bodies, details of which are as follows:-

Table No. 2

Category	Number	Population Criteria
Corporations	3	Above 5 lakhs
Councils	11	More than 1 lakh & upto 5 lakh

Municipal Board (Category II)	39	More than 50000 & upto 1 lakh
Municipal Board (Category III)	58	More than 25000 & upto 50000
Municipal Board (Category IV)	72	Less than 25000
Total	183	

Major problems of the urban areas are as follows:-

- Poor infrastructure
- Management of Increasing Waste
- Traffic & Transportation due to Increasing Population and Number of Motor Vehicles
- Growth of Slum Areas
- Maintenance of Cultural Heritage
- Urban Poverty
- Pollution
- Depleting Ground Water Resources
- Multiplicity of Agencies engaged in Development of Urban Areas
- Colonies set up on Agricultural Land
- Inadequate Financial Resources of ULBs
- Migration from Rural Areas

The State Government is committed to promoting sustainable cities and towns as per the spirit of 74th constitutional amendment. The activities related to 12th schedule of the constitution would be transferred to municipalities along with their budget and requisite staff. The urban policy of State Government is to prepare master plans for all urban local bodies so as to address the problem of housing in urban areas. A new housing policy would be announced in due course; residential colonies in urban areas for lower and middle class families would be developed and about 25,000 houses would be constructed every year for poor families. Basic public amenities like toilets, public water supply, primary schools, health centers and roads would be ensured in all slum areas of State.

A number of urban poverty alleviation schemes and urban development schemes/programmes are being implemented in the State. The details of outlays kept in the Eleventh Five Year Plan 2007-12, actual expenditure incurred in the Annual Plan 2007-08, the likely expenditure to be incurred in the Annual Plan 2008-09 and outlay proposed in the Annual Plan 2009-10 for these schemes both centrally sponsored and state's own funded are as follows:-

	Scheme/ Programme	Eleventh Plan Outlay	Annual Plan 2007-08 Ectual Expenditure	Annual Plan 2008-09 Anticipated Expenditure	Annual Plan 2009-10 Proposed Outlay
1	Town Planning	240.01	0.00	0.01	25.00
2	Swarn Jayanti Shahari Vikas Yojana	2500.00	706.23	600.00	600.00
3	Integrated Development of Small & Medium Town	270.01	30.00	0.02	0.02
4	National Capital Region	0.05	0.00	0.03	0.03
5	Rajasthan Infrastructure Developmenet Project (RUID) Phase - I	40600.01	30271.00	30000.00	2000.00
6	SFC Grant to Urban Local Bodies	28925.00	5785.00	7541.00	5785.00
7	Special Grant for Urban Renewal	8000.00	1499.94	9000.00	0.01
8	Heritage Walk/Conservation Project	6525.00	1000.00	0.01	0.01
9	Rajasthan Urban Infrastructure Project (RUIDP) Phase - II	150000.00	409.00	2000.00	30000.00
10	Water Drainage Project for Churu City	-	250.00	29.01	30.00
11	Shahari Jan Shahabhagi Yojana	12000.00	1500.00	900.00	100.00
12	Jawahar Lal Nehru National Urban Renewal Mission (JNNURM)	51882.00	11451.40	18701.55	13000.00
13	Urban Infrastructure Development Scheme for Small and Medium	44047.09	6427.11	5453.05	7744.00

	Town (UIDSSMT)				
14	Integrated Housing and Slum Dev. Programme (IHSDP)	33655.90	6558.56	7546.76	6000.00
15	Internal Resources of ULBs	-	-	-	107819.00
16	Construction of LSG Department's Building	250.00	141.15	0.01	0.01
17	Construction of Sheds in Urban for Labours	-	-	186.30	75.00
18	Dewas Project Phase - II	2856.04	324.00		
19	Jaipur Development Authority	158300	39000.00	37500.00	41000.00
20	Mukti Dham Yojana	-	127.04	200.00	0.02
21	Nirmal Gram Yojana	-	33.55	97.50	0.02
22	URIF/Cap. Invest. In Land Dev. Co.	-	0.00	0.02	0.02
23	Investment in Amanishah Dev. Comm.	-	-	0.01	0.01
24	Rajasthan Mission on Urban Poverty	-	-	0.01	0.01
25	Interest Subsidy to Self Help Group in Urban	-	-	0.01	0.01
26	Incentives to Local Bodies	-	-	0.02	0.02
27	National Lake Conservation Plan	-	0.00	791.25	250.01
	Total	540051.11	105513.98	120546.57	214428.20

Scheme/programme-wise brief is as follows:-

1. Town Planning

Town Planning Department is basically engaged in preparation of schemes, master plans and investment plans for the development of towns. Out of the 183 municipal towns, master plans of 62 towns have been prepared which cover 70% urban population of the state. In addition to this, Town Planning Department has been declared Nodal Department for implementation of the Urban Infrastructure Development Scheme for Small and Medium Towns, formerly Integrated Development of Small and Medium Towns.

A provision of Rs. 240.01 lakhs has been kept for the basic activities of the department for the Eleventh Five Year Plan. A provision of Rs. 25 lakhs is proposed for construction of office building at Ajmer in the Annual Plan 2009-10.

2. Swarn Jayanti Shahari Rojgar Yojana

This Centrally Sponsored Scheme was started from 01.12.1997 with the objective to provide self employment opportunities and to develop various basic and physical amenities and social services for the socio-economic upliftment of BPL families. 75% share for the scheme is provided by the Central Government and 25% share by the State Government. The programme has two components viz. Urban Self Employment Programme and Urban Wage Employment Programme. 20.15 The scheme is being implemented with association of the community structure like Neighbour Hood Group (NHGs), Neighbour Hood Committees (NHCs) and Community Development Society (CDSs).

A provision of Rs. 2500.00 lakhs has been kept as state share for this scheme in the Eleventh Five Year Plan 2007-12. An expenditure of Rs. 706.23 lakhs was incurred as state matching share during 2007-08; Rs. 600.00 lacs is likely to be incurred in the Annual Plan 2008-09 and similar provision is proposed in the Annual Plan 2009-10.

4. Low Cost Sanitation Programme

This scheme is framed for conversion of dry latrines into flush latrines. All 12691 dry latrines identified in the survey have been converted into flush latrines and all 638 scavengers have been

liberated. Now the state is "Dry Latrine Free and Scavengers Free State". A provision of Rs. 950.00 lakhs has been kept for the program in the Eleventh Five Year Plan; a token provision of Rs. 0.01 lakh is proposed for this in the Annual Plan 2009-10.

5. State Finance Commission's Grant

The State Government has constituted Third State Finance Commission for deciding the grants to be provided to urban and rural local bodies. Recommendations of the Commission are awaited. A provision of Rs. 28,925.00 lakhs has been kept for the Eleventh Five Year

Plan. An expenditure of Rs. 7541.00 lakhs is likely to be incurred against these SFC grants during 2008-09; a provision of Rs. 5785.00 lakhs is proposed in the Annual Plan 2009-10.

6. Special Grant for Urban Renewal

During the course of time some urban local bodies are identified which needs special grants for their renewal. During the Eleventh Five Year Plan, special grant of Rs. 80.00 crores has been kept for development of infrastructure works in ULBs. An amount of Rs. 15 crores has been spent under this head in the year 2007-08. Rs. 90.00 crores is likely to be incurred in 2008-09; a token provision of Rs. 0.01 is proposed in the Annual Plan 2009-10.

7. Shahari Jan Sahbhagi Yojana

This scheme was launched on December 8, 2004. The scheme has two major components viz. General Awareness and Development Works. General awareness, Public awareness is generated through organizing camps, seminars and workshops regarding beautification of city wards, sanitation, public health, vaccination, Door to Door waste collection, environment improvement through plantation and maintenance of plants and preparation of plan for Ward development. NGOs, VOs, prominent citizens, Mohalla Committees and ward members are associated for this purpose. Under this component works like construction of building of Government School, Hospital, Veterinary Hospitals, Library, Community Centres, Balbadi Bhawan, Rain Basera, Construction of Nallies, Bridges, Community Toilets, Handpumps, Drinking Water Scheme or any other facility for public use etc. are taken with 30% contribution from public/NGO/Doner, 20% as share of ULBs and remaining 50% cost is provided by State Government.

A provision of Rs. 12000.00 lakhs has been kept for the Eleventh Five Year Plan for state share. An expenditure of Rs. 1500.00 lakhs has been incurred in the year 2007-08 and Rs. 900.00 lakhs is likely to be incurred during 2008-09; a provision of Rs. 100.00 lakhs is proposed under the scheme in the Annual Plan 2009-10.

8. Heritage Conservation/Walk Project

Each city of Rajasthan has its unique heritage importance. The National Tourism Policy launched in 2002, reiterates heritage as a major component for the achievement of tourism vision, making the important connection between conservation and preservation of Indian

Heritage and Sustainable Development. 31 principles cities of the state have been identified under the scheme. District Level Committees have been constituted under the chairmanship of District Collector for preparation and sanctioning the heritage plans. 261 works have been sanctioned out of which 203 works has been completed worth Rs. 9.82 crores and remaining works are under progress.

A sum of Rs. 6525.00 lakhs has been kept for the Eleventh Five Year Plan, an expenditure of Rs. 1000.00 lakhs has been incurred on the project in 2007-08; a token provision of Rs. 0.01 lakh is proposed in the Annual Plan 2009-10.

9. Jawahar Lal Nehru National Urban Renewal Mission (JLNNURM)

This Mission has been launched by the Central Government with the objective of providing basic services to the urban poor by creation of infrastructure facilities. Jaipur has been selected by the Central Government under million plus population as State capital and Ajmer-Pushkar under cities less than 1 million population. The funding pattern of the scheme is as follows:-

Table No. 4

Category	Centre	State/ULBs	Loan from financial institutions
Jaipur	50%	20%	30%
Ajmer-Pushkar	80%	10%	10%

The following 8 projects worth of Rs. 1292.30 crores have been sanctioned by Government of India under this Mission during 2007-08. The details of the projects are as follows:-

Table No. 5

S.No.	Name of Project	Rs. in crores
1	BRTS in Jaipur City	619.00
2	Urban Renewal of Chowkri Sarahad	11.60
3	Soiled Waste Management in Jaipur	13.19
4	Sewerage System for Jaipur city (Phase II)	110.86
5	Sewerage System for Jaipur city (Phase I)	74.95
6	Ajmer Bisalpur Water Supply	188.00

7	Resettlement of Slums in Jaipur city	169.43
8	Resettlement of Slums in Ajmer city	105.27
	Total	1292.30

A provision of Rs. 51882.00 lakhs has been kept for the JNNURM the Eleventh Five Year Plan. An expenditure of Rs. 11451.40 lakh was incurred in the year 2007-08 and Rs. 18701.55 lakhs is likely to be incurred during 2008-09; Rs. 13000.00 lakhs is proposed for this program in the Annual Plan 2009-10.

10. Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT)

The Central Government has launched this scheme with the objective of providing basic infrastructure facilities in the small and medium towns. This scheme is applicable to all cities/towns as per 2001 census except cities/towns selected under NURM. The sharing of funds is in the ratio of 80:10 between the Central Government and the State Government, remaining 10% share is to be provided by the Nodal/Implementing Agency through institutional financing.

RUIFDCO has been identified as the nodal agency for the implementing this scheme in the State. Roads with side drains, water bodies, urban renewal, drainage, sewerage and water supply projects have been sanctioned under the scheme. Government of India has sanctioned 38 projects worth Rs. 609.93 crores so far. New projects worth Rs. 400 crores are under consideration of Government of India.

A sum of Rs. 44047.09 lakhs has been kept for the Eleventh Five Year Plan 2007-12; an expenditure of Rs. 6427.11 lakhs was incurred in the year 2007-08 and Rs. 5435.05 lakhs is likely to be incurred during 2008-09; a provision of Rs. 7744.00 lakhs is proposed for this scheme in the Annual Plan 2009-10.

11. Integrated Housing & Slum Development Programme (IHSDP)

The Government of India has formulated a new scheme in place of existing Valmiki Ambedkar Awas Yojana and National Slum Development Programme. The basic objective of the scheme is to provide adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas. The scheme is applicable to all cities/towns except

cities/towns covered under NURM. Allocation of funds among the states is made on the basis of slum population. 80% funds are provided by the Central Government, 10% is contributed by the State Government and 10% could be raised by the Nodal/implementing agency from the financial institutions. Directorate of Local Bodies has been made Nodal agency for the scheme. 25 projects reports worth Rs. 212.73 crores have been sanctioned by Government of India during 2007-08.

A provision of Rs. 33655.90 lakhs has been kept for the Eleventh Five Year Plan, an expenditure of Rs. 6558.56 lakhs was incurred in the year 2007-08 and Rs. 7546.76 lakhs is likely to be incurred during 2008-

09; Rs. 6000.00 lakhs is proposed for this scheme in the Annual Plan 2009-10.

12. Mukti Dham Yojana

With a view to provide pure and clean environment for the people participate in the procession /gathering. State Government has launched a new scheme namely "Mukti Dham Yojana". In the first phase ULBs for divisional head quarter and Alwar district were selected. 29 Cremation ground has to be developed. Out of this, 11 cremation ground are in the corporation and 18 cremation ground are in the council.

An expenditure of Rs. 127.04 lakhs was incurred on the scheme in the year 2007-08 and Rs. 200.00 lakhs is likely to be incurred in the year 2008-09; token provision is proposed in the Annual Plan 2009-10.

13. Nirmal Ghat Yojana

With a view to keep the privacy of the ladies and making bath more comfortable and safe for them, State Government launched a new scheme namely "Nirmal Ghat Yojana".

An expenditure of Rs. 33.55 lakhs was incurred under this scheme in the year 2007-08 and Rs. 97.50 lakhs is likely to be incurred in the year 2008-09; token provision is proposed for the scheme in the Annual

Plan 2009-10.

14. Rajasthan Urban Infrastructure Development Project (RUIDP) PHASE-I

The State of Rajasthan has given thrust towards rehabilitating and expanding the Urban Infrastructure development through Rajasthan Urban Infrastructure Development Project (RUIDP) having an investment

of Rs. 1894 crores with the financial support of Asian Development Bank in Jaipur, Ajmer, Bikaner, Jodhpur, Kota & Udaipur.

Though it is not possible to meet out all the needs of the towns in one go but under RUIDP the state have been able to address the most pressing needs for improving Water-Supply, Sewerage systems, roads

and over bridges, well planned drainage System, Solid Waste Management, e-governance of 1792 km. water pipelines, 117 Overhead Water Reservoirs, 7 Water Treatment Plants, 1191 km. sewer lines, 6 Sewage Treatment Plants, 13 Over Bridges, Infrastructure Development in 132 Slums, developing additional facilities in 7 Main Hospitals. The state has also been able to contribute towards developing Heritage sites and Fire Fighting Capabilites.

15. Bisalpur Jaipur Drinking Water Supply Project

The State, to provide permanent solution to the drinking water problem of Jaipur city have got cleared the Bisalpur-Jaipur Water supply project amounting to Rs. 556 crores from all the fronts. The physical works of this integrated water supply scheme is in progress and the project is targeted to be completed by September, 2008.

A provision of Rs. 406.00 crores has been kept for this project in the Eleventh Five Year Plan. An expenditure of Rs. 302.71 crores was incurred on this project in the year 2007-08 and Rs. 300.00 crores is likely to be incurred during the 2008-09; Rs. 20.00 crores is proposed for the project in the Annual Plan 2009-10.

RAJASTHAN URBAN SECTOR DEVELOPMENT INVESTMENT

PROGRAM (RUSIDP) RUIDP PHASE-II

The Rajasthan Urban Sector Development Investment Programme (RUSIDP) vision is to optimize social and economic development in urban Rajasthan. The vision will be achieved through policy reforms to strengthen urban management and support for priority investments in urban infrastructure and services required to meet basic human needs, improve quality of life, and stimulate sustainable economic development.

RUSIDP will: (i) redress immediate infrastructure and service deficiencies to meet basic service delivery norms; (ii) act as a medium through which policy reforms are effectively executed; and (iii) provide maximum demonstration effect for replication in other cities of the State.

The commitment of the state towards infrastructure development in other towns has been further enhanced by initiating necessary arrangements for financing of Rajasthan Urban Sector Development Investment Program (RUSIDP –RUIDP Phase-II) in additional 15 towns namely Alwar, Baran-Chhabra, Barmer, Bharatpur, Bundi, Chittorgarh, Rajsamand, Sawai Madhopur and Siker with an investment of Rs. 1600 crores. Recently loan negotiation has been held successfully at Manila (Philippines). It is expected that the loan agreement is likely to be executed in next three months. ADB has principally approved the loan for RUSIDP in its Board Meeting held on dated 31.10.2007, however formal approval is yet to be received. Works are likely to be started on ground by April-2008.

A provision of Rs. 1500.00 crores has been kept for the project in the Eleventh Five Year Plan. An expenditure of Rs. 4.09 crore was incurred on this project in the year 2007-08 and Rs. 20.00 crores is likely to be incurred in the year 2008-09; Rs. 300.00 crores is proposed for this project's activities in the Annual Plan 2009-10.

Jaipur Development Authority

Jaipur Development Authority is engaged in overall development of Jaipur city through its various activities. It has been included under the plan activities. A provision of Rs. 1583.00 crores has been kept for the activities of the authority in the Eleventh Five Year Plan. An expenditure of Rs. 390.00 crores was incurred by the authority in the year 2007-08 and Rs. 375.00 crores is likely to be incurred during the Annual Plan 2008-09; Rs. 410.00 crores is proposed for the various activities of JDA in the Annual Plan 2009-10. This amount is the internal resource of the Jaipur Development Authority.

Strength, Weakness, Opportunity and Threats (Swot) Analysis

in the light of the above discussion and the description of visions, strategies, and framework of urban governance in the state, a SWOT analysis is made for only the critical agencies that have established role in housing, urban infrastructure financing, infrastructure development

and training as well as capacity building. The attempt is to clarify the roles of such body in the context of emerging trends of urban development and management.

Rajasthan Hosing Board

<p>Strength</p> <ul style="list-style-type: none"> • Largest department dedicated for housing for all segments of housing such as EWS, LIG, MIG and HIG • It is autonomous department and do not depend upon state government funding. 	<p>Weakness</p> <ul style="list-style-type: none"> • Despite shortage of hosing stock especially in the segment of housing for the urban poor – no serious efforts or schemes are undertaken extensively. • No significant efforts are made to develop hosing in all possible segments on PPP basis.
<p>Opportunity</p> <ul style="list-style-type: none"> • Need for housing is growing in same proportion as urban development and infrastructure. • Public private partnership is becoming more and more visible in real estate, infrastructure and housing. 	<p>Threats</p> <ul style="list-style-type: none"> • Multiple agencies in housing. • Private sector actively penetrating into all segments of housing.
Rajasthan Urban Infrastructure Finance and Development Corporation Ltd.	
<p>Strength</p> <ul style="list-style-type: none"> • Apex body for financing urban infrastructure in the state. • Autonomous in its functioning • Headed by a officer from All India Services • Professional experts in urban sector reforms, urban infrastructure financing and development. 	<p>Weakness</p> <ul style="list-style-type: none"> • Lack of in-house technical (engineers) and financing (funding) capabilities. • Lack of efficient man-power (engineers, administrators etc.) at the local body level of undertake large and structured infrastructure development works.
<p>Opportunity</p> <ul style="list-style-type: none"> • Large scale need for Infrastructure financing and developmental role. • The corporation is declared as the asset management company for the recently formed Rajasthan Urban Development Fund (RUDF). This 	<p>Threats</p> <ul style="list-style-type: none"> • The corporation is managed by a small team of professionals. • Poor responsiveness and adaptability by the urban local bodies. • Multiplicity of institutions.

<p>fund proposed to fund actively the cash crunch urban local bodies of the state including the JNNURM cities of the state.</p>	
<p>City Manager Association of Rajasthan</p>	
<p>Strength</p> <ul style="list-style-type: none"> • Unique Institution responsible for disseminating the innovations in the urban development and management. • Dedicate coordinator for the association. • Each urban local body participate as a member and contribute annually or generating income for its expenses. • Recently the association has completed a large scale human resources development plan for elected representatives and officials of the urban local bodies across the state. 	<p>Weakness</p> <ul style="list-style-type: none"> • Lack of in-house technical and financing capabilities. • Lack of manpower – one person as coordinator has a limitation. • No direct involvement of urban local bodies except for Jaipur Municipals Corporation.
<p>Opportunity</p> <ul style="list-style-type: none"> • Large scale mobilization and capacity building requirements across the state. • Efforts done by the coordinators in the past few years has made the urban local bodies aware about the best practices and also about the association’s good spirit – a lot of expectation and opportunity is due on the association’s part. 	<p>Threats</p> <ul style="list-style-type: none"> • Multiplicity of institutions • Delays in execution of works due to local bodies and directorate of local bodies related procedures and interface.
<p>Urban Improvement Trusts</p>	
<p>Strength</p> <ul style="list-style-type: none"> • Dedicated body for new developments in urban areas. • Controls land development prepares master plans for the city. • Either the District Collector or nominated member heads it. 	<p>Weakness</p> <ul style="list-style-type: none"> • Overlapping jurisdictions and functions with the ULBs and other urban sector institutions. • Typical governmental control. • Capacities and capabilities for meeting ever increasing demands

	for services.
Opportunity <ul style="list-style-type: none"> • Financially wealthy institutions • Potential for PPP based development 	Threats <ul style="list-style-type: none"> • Improper land management and related consequences such as speculations etc.
Urban Local Bodies	
Strength <ul style="list-style-type: none"> • Dedicated body for urban management mainly O&M • Controls building bye-laws and DCRs. • Elected body-larger representations 	Weakness <ul style="list-style-type: none"> • Overlapping jurisdictions and functions with the ULBs and other urban sector institutions. • Financially weak institution w.r.t abolished property tax and other taxes.
Opportunity <ul style="list-style-type: none"> • PPP based development • Complete transfer of power from Government of local bodies. 	Threats <ul style="list-style-type: none"> • The powers and functions as per the Constitutional 74th Amendment not transferred despite efforts. • Typical governmental control.
Public Health and Engineering Department	
Strength <ul style="list-style-type: none"> • Expertise in water supply and sewerage system development for both urban and rural areas of the state. • Autonomous department. • Sound technical resources. 	Weakness <ul style="list-style-type: none"> • Overlapping jurisdictions and functions with the ULBs/UITs/ Development Authorities etc. • Lack of in-service training of staff for upgrading skill. • Relying on assets that needs urgent replacement. • It has only partially succeeded in water management.
Opportunity <ul style="list-style-type: none"> • Water sector is a high priority area for the Government(s). PPP initiatives are a need and potential opportunity. • Functional and well defined institutional structure. 	Threats <ul style="list-style-type: none"> • The powers, functions and assets are to be transferred to ULBs as per the Constitutional 74th Amendment. • Typical governmental controls