

**Urban Governance and Development Management (UGDM)**  
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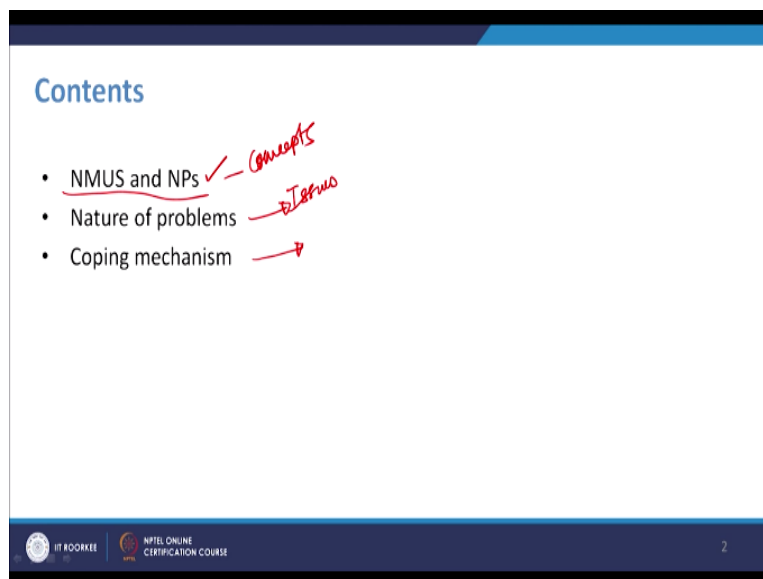
**Lecture - 10**

**Distinctive Features of Non-Municipal Urban (NMU) and Nagar Panchayats (NPs)**

Welcome to lecture 10. In this lecture, we will discuss some basic or distinctive characters of non-municipal urban areas and nagar panchayats. In last few lectures, we discussed the elements of the people, land and environment which is very important for our cities. Now why we have brought this lecture because in urban governance whenever we manage the municipal corporation or municipality, they have a distinctive legal status and their capacity.

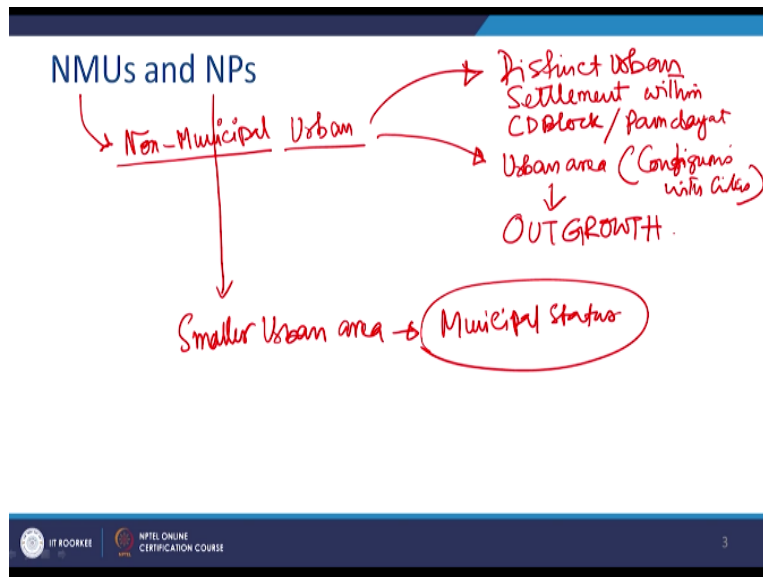
But apart from the larger municipalities, corporations and in some cases nagar panchayats are there. There are large amount of urban areas which does not have any statutory local bodies and they face a very distinctly separate type of problems. So we at least address and we know what types of problems are there and their issues and then how to cope up with these issues.

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So today we will discuss basically the non-municipal urban areas and nagar panchayats, their definition or the concepts. Then, nature of problems and also issues they face and how it can be addressed, what is coping mechanism. So let us start with the NMUs and the nagar panchayat.

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So the names suggest that it is non-municipal urban. So in the beginning, we discussed that there are various urban areas which are urban in terms of their nature because predominant populations they are working in nonagricultural production sector and they have some amount of density and the population as per the census it is more than 5000 but it has not achieved or given the municipal status by the respective state government.

So as a result those urban areas are basically controlled or managed, governed by the rural local bodies that is panchayats. So those are called non-municipal urban areas. Now this non-municipal urban areas could be distinct urban settlement within block or panchayat area or this could be urban area which is contiguous with cities that we call as outgrowth and apart from that the nagar panchayat at the urban area which are given municipal status.

Now even though these are given municipal status in terms of the state act, both of them the non-municipal urban areas and nagar panchayats they face some typical problems. So before we discuss the typical problems let us see that what is the condition.

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Sl no.	Type of towns/UAs/OGs	Numbers of towns		% increase
		2011 census	2001 census	
1	Statutory towns	4041	3799	6.4
2	Census towns	3894	1362	185.9
3	Urban agglomerations	475	384	23.7
4	Out growths	981	962	2.0

In this chart, you can see that there are a number of statutory towns, census towns, urban agglomeration and out growths. So as per 2011 census, we have about 4000 statutory town, census town about another 4000 and outgrowth about 1000. So if you see that the increase from 2001 which is about 200% increase of the census town which is basically non-municipal urban area whereas because these are situated within the rural area.

At the same time, if you see the number of outgrowths, it is also very huge that is about 1000. Let us see few other examples.

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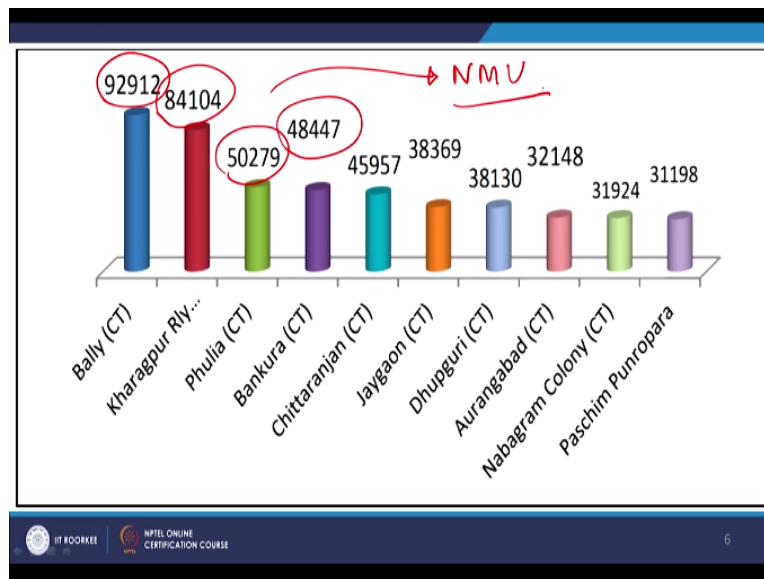
State	Municipality /Corporation	(Nagar Panchayat/ Ward of Outgrowth)	Census Town	Out Growth
West Bengal	124	13+5	780	23
Bihar	11	131+1	60	8
Madhya Pradesh (MP)	110	334+5	112	127
Punjab	105	95+3	74	80
Andhra Pradesh	78	101+5	112	137
Assam	32	85+3	126	36
Rajasthan	184	39+1	112	60
Uttar Pradesh (UP)	206	490+17	267	95
Kerala	58	16+1	461	24
Utharakhand	33	49+11	41	24
Gujarat	166	131+29	153	169
Odisha	40	114+2	116	65
Haryana	79	15+1	74	26

As per 2011 census, you can see the number of census town like West Bengal it is about 780 whereas the statutory town is 124. You can see the case of Kerala, 461. You can see the case of Uttar Pradesh, Gujarat and few other states who are showing a tendency to large number of

census towns that is non-municipal urban areas and also outgrowths. Just see the number of outgrowths, the huge number of outgrowths are there in Madhya Pradesh, in Andhra Pradesh, in Gujarat.

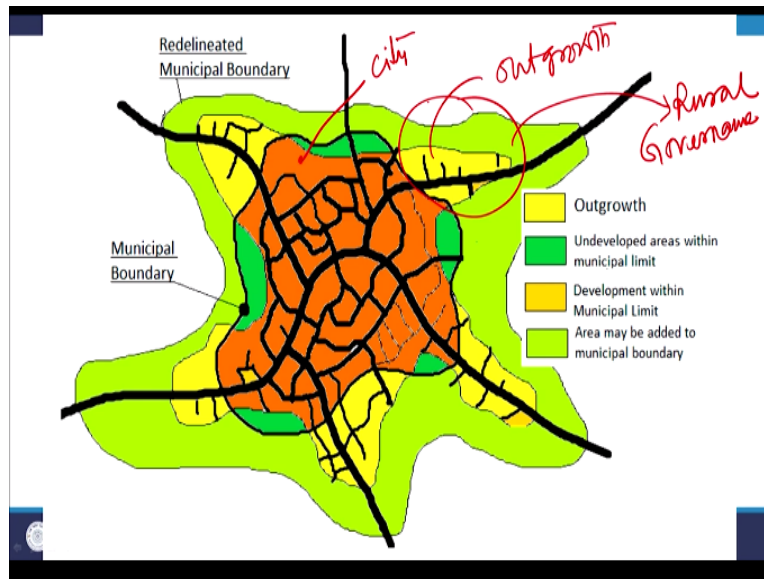
So this outgrowth and census town, these are urban entity either isolated or in contiguous with the existing cities but these are situated within the rural settlement or rural system, rural governance. So these are areas of concern.

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So this is a picture from the case of West Bengal. You can see that the population of about 92,000, 84,000, 50,000, 48,000 there are huge population large settlement but these are non-municipal urban areas. So the question is the large settlement like this can it be handled at the panchayat level, can they handle the effective service delivery which is required for the urban situation, can they handle the service delivery like say solid waste management of an urban area. These are the questions. Let us see another picture; you will get some more ideas.

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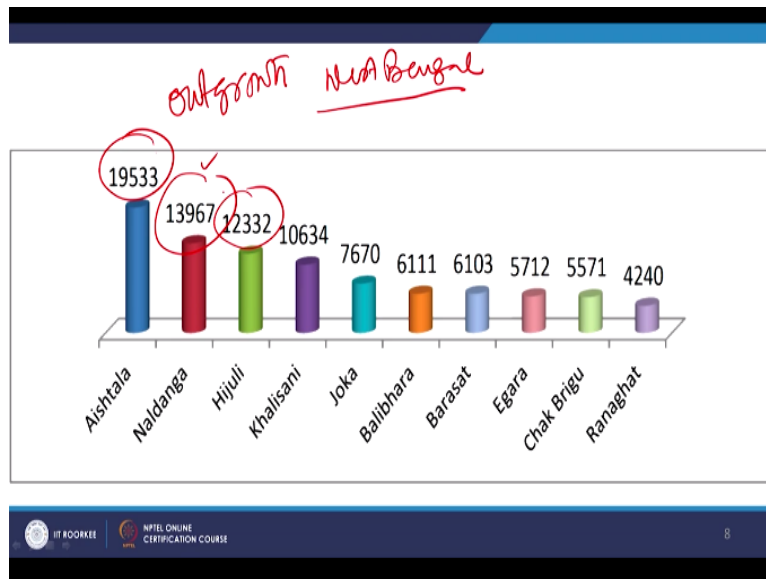


In this picture, you can understand I have shown this picture earlier also. You can see that the outgrowth, these are the outgrowth area, how outgrowth areas developed in contiguity with the existing city which is shown here. This is the existing city and these are basically the rural governance area. So outgrowth becomes a very typical and problematic area in terms of nearness to the city.

Because since it is very nearness, very near to the city, the growth potential or the speed of the development will be very high whereas it will be there in the whereas it is within the rural system. So as a result and the land value is very high, so as a result there will be more development but with less amount of control in terms of land and development control.

So more unscrupulous and unauthorized development will be there, real estate development will be there, less amount of quality control and that kind of development will lead to a disaster situation which is happening for most of the cities in India. So let us see another picture. So this is a common phenomenon in our country.

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These are some of the outgrowths population in West Bengal. You can see that the outgrowth of say 20,000 or 40,000, 14,000 or 12,000 these kind of bigger outgrowths, how this kind of bigger outgrowth can be there in contribute at the city and a city should immediately take the action either to redelinate their boundary to integrate this area within their city boundary or a separate city authority can be there.

Otherwise, these are going to be the future slums because building development, real estate development without infrastructure and facility that is what is happening in this outgrowth and the non-municipal urban areas and this is common for most of the states. It is not an isolated case of West Bengal, Kerala or Gujarat but it is in most of the states they have this type of problem. Now what type of problems they face?

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### Nature of Problems

- Incompatibility of Urban Governance
- Demand supply mismatch
- Lack of urban infrastructure
- Capacity Building
- Revenue augmentation

Handwritten notes in red ink:

- Urban
- Rural
- growing without
- NMU + NP

Number one is incompatibility of the urban governance. Why incompatibility? Because they are urban in nature but they are getting a rural treatment in practical in reality. Therefore, they are not entitled to get any benefit from the urban schemes. All the urban schemes which is discussed in this course module I say AMRUT, Smart City or HRIDAY or PMAY they are not entitled to get all those benefits whereas they are entitled to get the rural benefits from the rural schemes.

Now you can imagine that because of this incompatibility the local bodies or the governing bodies, they are unable to govern the area because the area is basically urban in nature. So an urban nature is controlled and governed by rural set of laws that is incompatibility in practice. Second is the demand and supply mismatch. One problem is that since the demand is there which is urban in nature, they need better infrastructure, better amenities, facilities, better systems like solid waste management, etc.

Whereas the schemes which they are getting those are basically from the rural scheme or the rural development and because of the mismatch neither they are getting the adequate infrastructure and the benefit and also there are cases of the wastage of the funding because the funding which is coming under the rural scheme that is either not spent or spent on paper which is not utilized.

So this kind of mismatch is always there for all these 4000 non-municipal urban areas in our country and the outgrowth. So this is very important issue. Third is the lack of urban infrastructure, you understand that since these urban areas are growing without right kind of governance, so it is like a growing baby without the guardian. So since the guardian is not there, they do not get the adequate allocations, adequate food.

So that is the result which we find in the smaller urban area, small and medium towns or in the outgrowth area in our country and nagar panchayats they are also not out of this problem. The reason being even though nagar panchayat they get the urban schemes because but their capacity is so less that they also cannot fulfill the expectation of the people because they do not have that capacity.

So capacity is another very important element in this whole discussion that capacity of the NMUs and nagar panchayats are not enough to support the requirement of the people. So the

problems are meaningful either they do not get the adequate fund from the respective urban department or they get the fund or they cannot deliver that fund in terms of results and the outcome because of the less capacity.

Or they get the fund, they may have capacity but the nature of the problem is completely different, they cannot match or comply with that because the nature is urban and the treatment is rural. That is the problem what is happening in the non-municipal urban areas and revenue augmentation. What kind of revenue potential is there for this non-municipality? Can they generate adequate revenue for the future development of that area?

Because if those kinds of areas are developed, they cannot sustain fully by the public funding, so possible sources of the revenues are also important. So these kinds of problems can be tackled in a larger scale planning.

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**Coping strategy**

- (A) Identify and take a state level strategy  
NP-System
- (B) Phased - delivery of services  
↳ Essential function  
↳ rest
- (C) Flexibility required

Capacity Building

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Now what could be the coping strategy? The first order of the coping strategy will be to identify and take a strategy so that some of the non-municipal urban areas they could be brought under the nagar panchayat system, more number of the urban areas could be nagar panchayat system so that at least 10,000, 12,000 or 15,000 population and which are first growing those should not be deprived of the urban amenities and the urban allocations.

Second, so here you need a nagar panchayat system and not only that if you make a nagar panchayat system, you have to make a system of the capacity building. Second is another very important coping strategy could be we have discussed earlier that in 74th Constitutional



Amendment Act, 17 jobs are given for the urban local bodies. Now for a very small urban local bodies which is not very big which is very small like a panchayat or rural panchayat, so how they can deliver all those 18 jobs?

So for them can we give a phased out plan so that they can develop their capacity and then after sometime can deliver all the function. So some essential function they can target right now. So can there be phased method of phased delivery of services and there could be some essential function followed by the rest, this could be a kind of a strategy.

So that nagar panchayat or a non-municipal urban areas which is to be converted to nagar panchayat can humbly start an initiative where they can initially satisfy the people with the common infrastructure. Then, slowly they can start building on their own and they can plan, they can do other amenities. Few states like Tripura and some other states, they have started strengthening their nagar panchayat system with very dedicated small size of the organization.

Even though the identified capacity of the identified size of the organization is not very big but those are dedicated and another very important aspect in this regard is that can there be a flexibility of the urban schemes so that they can take the benefit of the urban and rural both in some way. I do not know what is the exact solution for this but some amount of flexibility is also required in terms of allocation and the funding.

So these are larger issues which need to be thought at the apex level but as an urban professional, I feel that you should start thinking about all these emerging issues so that you can work and you can deliver on this ground. So few years back there was some concept of core municipal function.

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*Table-3: Concept of Core Municipal Function by different Commissions*

<i>Sl no</i>	<i>Zakaria Committee</i>	<i>Finance Commission</i>	<i>Planning Commission</i>
1	Water supply	Drinking Water supply	Water supply
2	Draianage/Sewerage	Sanitation	Sanitation/sewerage and solid waste management
3	Road and Works	Municipal Roads	---
4	Street Lighting and Electricity Distribution	Street Lighting	---
5	---	Primary Education	Primary Education
6	---	Primary health	Primary health

Source: Taken from Choubey, 2003

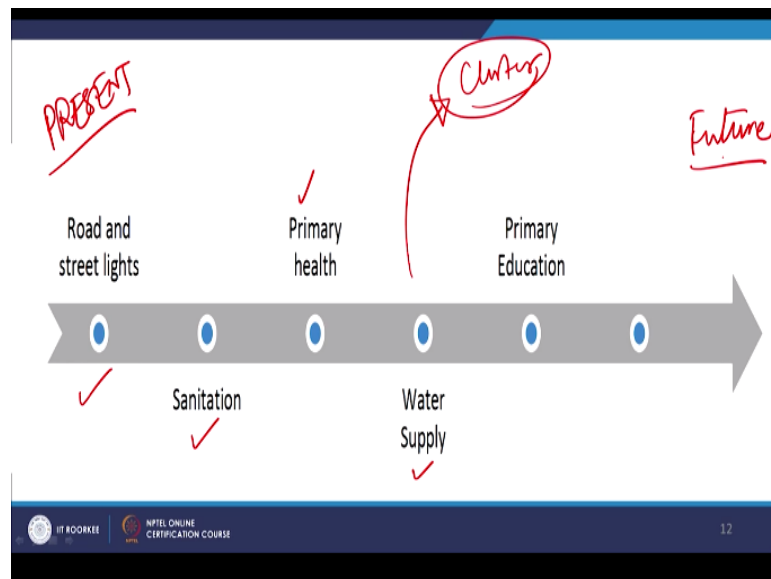
And some of the committees were made by the Government of India like Zakaria committee and then finance commission made some recommendation, planning commission. So in those core municipal function you can see that water supply, drainage, road and works, street lighting, etc all those are mentioned as the core municipal function. So if this core municipal function is allotted or mandated for the nagar panchayat and non-municipal urban areas and then they can build up on that. That could be one situation or one solution.

So this could be a very important method. Second we discussed the capacity building. In the capacity building, I told you earlier that capacity building for the urban local bodies or urban development it is centrally controlled programme and under this programme only municipalities and the corporations are enlisted.

Can these smaller towns or small town or the nagar panchayat and the outgrowths or the non-municipal urban areas can they also be included in this program so that they get also some amount of benefit, rather in my view that the more emphasis should be given to the capacity building of the smaller towns because the smaller towns which is smaller right now after sometime, they should be bigger.

And if we do not do the capacity building, ultimately they are going to make slums, none other than slums and squatters and the shabby areas in the cities. So if we want to prevent slums for the future rather than curing and taking the reactive actions, we have to identify the smaller towns and we can develop their capacity so that from the core municipal function to the higher municipal function, they can excel and they can function properly.

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In this picture, you can see that they can start with the road and street lights which they do for all the cases. Then, sanitation, primary health centers are there in the rural areas also that could be augmented. The water supply, now this water supply if they cannot afford centralized water supply, they can make clusters with other areas and make a group and then they can have the larger set up of the water supply, then primary education and so on.

So from the present to future, this could be a progression of the non-municipal urban areas and the nagar panchayats.

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- Re-classification of rural-urban as rural, sub-urban and urban areas
  - Procedural simplification of re-delineation of municipal limit
  - Local governance frameworks of sub-urban areas.
  - Concept of core municipal services for sub-urban areas
  - Capacity development and delegation of responsibility in phases
  - Contextualisation and procedural reform in CSS to enable sub-urban areas to get the benefits
  - Multiple criteria (other than population) for determining viable statutory towns.
- Handwritten red annotations include 'integrated' and 'outgrowth' in a circle, with an arrow pointing from the 'outgrowth' circle to the 're-delineation of municipal limit' item.
- The slide footer includes the IIT Roorkee logo and 'NPTEL ONLINE CERTIFICATION COURSE'.

So in short, let us see the basic strategies which we can do. The first is the re-classification. So where we are discussing the flexibility of the urban areas and rural areas, now re-

classification of the urban areas like from non-municipal urban areas to the nagar panchayat and the nagar panchayat can be defined through different or the amendment in the act so that they can be given some different set of job which is not comparable with the larger corporations and the municipalities.

Apart from that, can a fast growing rural areas or the urban areas which has very large industrial base or large functional base, can it be classified based on the industry or the functional, those kind of issues also need to be thought at the state level so that the fast growing urban areas which is not municipality right now that can be they can address the current problem.

Second is the procedural simplification is another issue in the urban areas because we have seen that the large size of outgrowth are there. So if you integrate the outgrowth, you have to redelineate your municipal limit. Now this redelineation takes lot of time. Can the state government take adequate action to make the process faster? so that outgrowths are integrated in the included and integrated in the municipal authority.

Second is the local governance frameworks of sub-urban areas. As I have told that NMUs can be converted to the nagar panchayat, outgrowths can be integrated in the existing city and some amount of job distribution which can be redefined for the nagar panchayat that those kind of strategies could work in a better way. Then, concept or core municipal service for the sub-urban areas.

I have already discussed about it, so core municipal service is essential. Capacity building also I have discussed. Here the major issue is that how much capacity in terms of the manpower you allocate from the state government at the local level, how many people like engineers, planners, they are in the local government level or the nagar panchayat level and what will be their knowledge and skill level to deliver the urban functions.

For that integration with the nagar panchayat and NMUs in the capacity building activities which is going on for the municipalities is also important. Then, the further point is the contextualization and procedural reform in centrally sponsored scheme. This I mentioned earlier that all centrally sponsored scheme either dedicated for the urban areas or rural areas but the transition from the rural areas and urban areas is gradual, is not very random and fast.

So in this gradual progression, there is no scope for allocating the fund or allocating the projects based on the situation either urban or rural either it will be urban or rural so for the areas which are basically growing or are in the transition space for them there should be some avenues or some flexible amount of opportunity in terms of urban schemes or rural scheme because in those cases some areas could be urban, some areas could be rural.

This kind of contextualization and flexibility is required. Final is the multiple criteria other than the population for determining the statutory town. In municipal act if you have studied because we had a lecture on the legal provision you must have seen that population is the basic criteria for the municipality and today we have seen even the population is bigger like 30,000, 40,000, 50,000 they are not converted to the municipalities in many of the state government.

Now to avoid this scenario can there be other type of criteria other than the population for example the regional importance, for example the economic importance, for example the growth rate, sometimes some municipality or some smaller urban areas could be having lesser population.

But the growth rate can be so high that within few years till you do the next census after 10 years before that it will become a very large urban areas like few thousands like 20,000 or 30,000. So can there be some other criteria which can tackle their problem as a preventive measure not as a security measure so that before it becomes a slum or very congested areas, we can tackle the development.

We can make the plan provision through the urban and rural schemes both. So with this I conclude today's lecture on the non-municipal urban areas and the nagar panchayat. We discussed this element because apart from the municipal corporation and municipalities. These areas are there as an isolated urban areas, census urban areas within the rural system of governance or within the rural governance.

And those are called non-municipal urban areas or census towns. At the same time, there are few urban areas which are growing in contiguity with the existing city but again within the panchayat system. These two types of urban areas basically they face various kinds of

problems. One is incompatibility in the urban governance, urban area, rural governance. Second is the demand-supply mismatch.

Demand is urban infrastructure; supply is from the rural schemes. Third is the lack of infrastructure because of this there is a very low level of infrastructure, low level of quality control and capacity at the local level and fourth is the capacity building and fifth is the because of that there is a unintended development, intended development and it can generate a future slum.

The coping strategies what we discussed is that redelineation and the first delineation of the municipal limit to integrate and include the urban, the outgrowth. The identification of the non-municipal urban areas which are very much fast growing and which needs to be converted to nagar panchayat immediately and to delineate them as nagar panchayat and give some essential function to nagar panchayat with adequate facility and capacity so that they can deliver those services.

Instead of 18 functions maybe some core functions can be given all these transition areas under transition and then some amount of flexibility in terms of allocation, funding and centrally sponsored schemes could be there. Those kind of coping mechanism if we do we can address the problems of the non-municipal urban and the nagar panchayat. Another part, another initiative I would like to mention in the last that is Government of India recently they have taken another scheme called urban mission.

In this urban mission, the basic objective is to develop rural cluster into future urban areas. So under this mission what they are doing that if some rural clusters are together or some semi-rural clusters are together, they are identifying those cluster and developing those clusters as a future urban area. So this urban mission can act also as a catalyst or can act as a complementary mechanism for the non-municipal urban areas as well.

But that may not be the sufficient along with the urban mission whatever we discussed the actions and the strategies that need to be taken at the state level and the local level. So next day, will start the discussion on the organization development that means the basic elements within organization and how those elements affects the functioning of the urban local bodies, all those matter we discussed.

So I just quickly mention the elements we discussed in this week. In this week, we discussed the fundamentals of the urban governance like the people, like the land, environment and today we discussed the nagar panchayat system and the non-municipal urban areas, so having said that I thank you very much for attending this lecture.