

**Research Study Series
Number 63**

Urban Sector Profile : Andhra Pradesh

Sponsored by
Asian Development Bank, Manila, Philippines
Urban Sector Profile Project
ADB TA No. 2098-IND

National Institute of Urban Affairs
New Delhi, India
April, 1998

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PREFACE

The Asian Development Bank (ADB) has provided a technical assistance (TA) Grant to the Ministry of Urban Affairs and Employment, Government of India, for preparation of an Urban Sector Profile. The primary objectives of the TA are to address the urgent sectoral issues and to guide ADB's future sectoral investment and technical assistance programming in India. The National Institute of Urban Affairs, New Delhi, has been entrusted with the responsibility of coordinating all the activities of the TA.

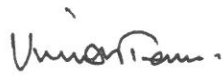
As a part of the Urban Sector Profile Project, State Urban Profiles have been prepared for five states, namely, Andhra Pradesh, Gujarat, Karnataka, Rajasthan and Tamil Nadu. Each State Profile also focuses on a city which either has significant potential for urban-economic development and/or has acute urban problems which need immediate attention.

The focus of the current urban reforms in India is on improving governance at the state and local levels. The state and city profiles would enable identification of specific needs for reforms as well as areas of strategic interventions. The state and city profiles cover analysis of urbanisation trends and patterns, the legislative and institutional framework for urban development, status of urban infrastructure and services, review of municipal finance and estimates of flow of finances for urban development in the state. These profiles also make an attempt to identify critical areas for urban sector reforms and potential sub-sectors/areas which require further investment and development as well as major strategies for urban development.

The state and city profiles have been prepared with the help of regional institutions and local resource persons. I very much appreciate the cooperation of the regional institutions and contribution made by the resource persons. At the Institute, Dr. Pushpa Pathak, Associate Professor, has coordinated the research work that was undertaken by the regional institutions and local resource persons as well as the preparation of these reports for publication by the Institute staff.

I am grateful to the Ministry of Urban Affairs and Employment, Government of India and the Asian Development Bank, Manila for their support. I hope that these studies will provide useful insights for formulating their state-level interventions for urban development.

April 1998


Vinod K. Tewari
Director

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ABBREVIATIONS

AP	Andhra Pradesh
ARV	Annual Rental Value
ADB	Asian Development Bank
APUFIDC	Andhra Pradesh Urban Finance and Infrastructure Development Corporation
BW	Bore Wells
BT	Bituminous Top
BOO	Build-Own-Operate
BOT	Build-Own-Transfer
BOOT	Build-Own-Operate-Transfer
CC	Cement Concrete
CBO	Community-Based Organisation
DPCs	District Planning Committees
DUDA	District Urban Development Agencies
EIUS	Environmental Improvement of Urban Slums
GPCD	Gallons Per Capita Daily
GOI	Government of India
GOAP	Government of Andhra Pradesh
HMWSSB	Hyderabad Metropolitan Water Supply and Sewerage Board
HUDA	Hyderabad Urban Development Authority
IDSMT	Integrated Development of Small and Medium Towns
IAS	Indian Administrative Services
LIC	Low Income Group
LCS	Low Cost Sanitation
LIC	Life Insurance Corporation
LPCD	Litres Per Capita Daily
MIG	Middle Income Group
MPCs	Metropolitan Planning Committees
MAUD	Municipal Administration and Urban Development
MP	Member of Parliament
MLA	Member of Legislative Assembly
MLD	Million Litres Per Day
MGD	Million Gallons Per Day
MRTS	Mass Rapid Transit System
MV	Mercury Vapour
NRY	Nehru Rozgar Yojana
NHCs	Neighbourhood Committees
NHP	National Housing Policy
NGO	Non-government Organisation
NHG	Neighbourhood Group
ODA	Overseas Development Administration of United Kingdom
PWS	Public Water Supply

PMIUPEP	Prime Minister's Integrated Urban Poverty Eradication Programme
PT	Property Tax
RCUES	Regional Centre for Urban and Environmental Studies
SC	Scheduled Caste
ST	Scheduled Tribe
SUME	Scheme for Urban Micro Enterprises
SUWE	Scheme for Urban Wage Employment
SHASU	Scheme for Housing and Shelter Upgradation
SV	Sodium Vapour
SJSRY	Swarna Jayanti Shahari Rozgar Yojana
TCP	Town and Country Planning
UDA	Urban Development Authorities
ULBs	Urban Local Bodies
UA	Urban Agglomeration
URGD	Urban-Rural Growth Differential
UNICEF	United Nations International Children's Education Fund
UBS	Urban Basic Services
UCD	Urban Community Development
WBM	Water Bound Maccadam

SECTION – I

ANDHRA PRADESH STATE PROFILE

I. TRENDS AND PATTERNS OF URBANISATION

INTRODUCTION

Urbanisation is a necessary consequence of economic development and industrialisation. It represents the spatial dimension of the development process in which factors of production, including labour and capital, concentrate geographically so as to reap the advantages of scale, scope and agglomeration economies. Empirically, a direct causal relationship is observed between economic development and urbanisation. While much of the urbanisation in Europe and North America took place during the 18th and 19th centuries, it is a 20th century phenomenon in India and many developing countries.

URBANISATION TRENDS

At the beginning of the century, the level of urbanisation, that is the proportion of urban population to total population, was relatively low in Andhra Pradesh. The urban population in 1901 was only 1.84 million, constituting 9.7 per cent of the total population, spread over 116 towns in the state. The level of urbanisation continued to be low for the next two decades. During 1911-21, the urbanisation level stagnated at little over 10 per cent and the urban population was about 2.2 million. However, the number of towns increased from 133 in 1911 to 153 in 1921. During the decade 1921-31, the urbanisation level increased by a single percentage point, urban population increased by 500,000 persons and 23 more towns were added. However, urban growth gained momentum in the next two decades, taking the share of urban population in the state to 17.4 per cent in 1951. The year 1951 is significant as the level of urbanisation in Andhra Pradesh surpassed the national average for the first time; the urban population grew by 47.9 per cent over the period 1941-51. These trends were reversed in the next decade which saw a stagnant urbanisation level and declining urban population growth rate. However, the emergence of cities (with population of 100,000 or more) is a significant feature of this decade. The urbanisation pattern in the fifties was a reflection of the adoption of a new definition of urban area. About 80 towns were declassified as 'rural' and the number of towns declined from 276 in 1951 to 211 in 1961. After 1961, the level of urbanisation accelerated. The urban population which stood at 6.28 million in 1961 increased to 17.81 million in 1991 and the share of urban population in total population went up from 17.4 per cent in 1961 to 26.8 per cent in 1991 (Table 1.1). The number of urban agglomerations (UAs)/towns, however, decreased from 234 in 1981 to 213 in 1991 despite the emergence of new towns; this was again the result of declassification of the existing towns.

Growth of Urban Population

An interesting feature of urbanisation in Andhra Pradesh is the doubling of urban population every two decades from 1931 onwards, excepting 1941-1961 and 1951-1971. The urban population doubled during 1931-51, 1961-81 and 1971-91 (Table 1.1). Available projections indicate that between 1981 and 2001 the urban population would again double.

Decadal urban population growth in Andhra Pradesh (Table 1.1) has not exhibited a consistent pattern. The decadal growth rate declined from 17.68 per cent in 1901-11 to 1.03 per cent in 1911-21, and from 47.86 per cent in 1941-51 to 15.76 per cent in 1951-61. The urbanisation trends observed during the last three decades also highlight a staggered pattern. However, rural population growth rates exhibited some consistency, except for the period 1911-21. During the first five decades of the century, decadal rural growth rate varied between 8 to 12 per cent, while during the later four decades it ranged between 15 to 18 per cent (Table 1.2). The urban-rural growth differential (URGD) in the state varied from decade to decade without showing any particular pattern. The URGD widened continuously till 1961 when the rural and urban growth rates were almost the same at around 15 per cent. The URGD widened thereafter till 1981 and declined during the period 1981-91.

Table 1.1

Growth of Urban Population and Towns, 1901-1991

Sl. No.	Year	Total population	Urban population	No. of towns/UAs	% of urban population to total population	Decadal growth (%)
1.	1901	19065921	1839750	116	9.65	-
2.	1911	21447412	2165095	133	10.09	17.68
3.	1921	21420448	2187317	153	10.21	1.03
4.	1931	24203573	2694147	176	11.13	23.17
5.	1941	27289340	3665928	212	13.43	36.07
6.	1951	31115259	5420325	276	17.42	47.86
7.	1961	35983447	6274508	211	17.44	15.76
8.	1971	43502708	8402527	206	19.31	33.92
9.	1981	53549673	12487576	234	23.32	48.62
10.	1991	66354559	17812693	213	26.84	42.64

Source: Census of India, 1981 and 1991.

Table 1.2
Rural and Urban Population Growth Rates, 1901-1991

(in per cent)

Sl. No.	Year	Urban Growth	Rural Growth	URGD
1.	1901	-	-	-
2.	1911	17.68	11.94	5.74
3.	1921	1.03	-0.26	1.29
4.	1931	23.17	11.84	11.33
5.	1941	36.07	9.83	26.04
6.	1951	47.86	8.77	39.09
7.	1961	15.76	15.62	0.14
8.	1971	33.92	18.15	15.77
9.	1981	48.62	16.99	31.63
10.	1991	42.64	18.22	24.42

Source: Census of India, 1981 and 1991.

A comparative picture of urbanisation in Andhra Pradesh relative to the overall urbanisation pattern in the country is shown in Tables 1.3 and 1.4.

Table 1.3
Comparative Urbanisation Trends in Andhra Pradesh and India

Indicator	1981		1991	
	A. P.	India	A.P.	India
Total population	53,549,673	683,329,097	66,354,559	844,324,222
Urban population	12,487,576	159,727,357	17,812,693	217,177,625
Rural population	41,062,097	525,457,335	48,541,866	627,146,597
Urbanisation rate (%)	23.32	23.34	26.84	25.72
	1971-81		1981-91	
Urban population growth (%)	48.62	46.39	42.64	36.19
Rural population growth (%)	16.99	19.68	18.22	19.71

Source: Census of India, 1981 and 1991.

Table 1.4**Components of Urban Population Growth, 1961-91**

Components	1961-71	1971-81	1981-91
Andhra Pradesh			
Total increase in urban population (in million)	2.13	4.08	5.40
Percentage share in total increase			
(i) Natural increase	66.07	44.22	54.50
(ii) Net migration	29.04	47.62	28.47
(iii) Reclassification	4.89	8.16	17.03
India			
Total Increase in urban population (in million)	30.18	49.45	56.45
Percentage Share in total increase			
(i) Natural Increase	65.17	41.75	59.98
(ii) Net migration	19.58	39.40	22.62
(iii) Reclassification	15.21	18.85	17.40

Source: Census of India, 1991, Occasional Paper No.1 of 1993, Emerging Trends in Urbanisation in India.

Components of Urban Growth

Natural increase constituted the primary source of urban population growth in Andhra Pradesh during 1961-71 and 1981-91, whereas net migration was the dominant factor during 1971-81. The share of natural increase in incremental population fell from 66 per cent in 1961-71 to 44 per cent in 1971-81 but increased to 55 per cent in 1981-91. The share of migration was less than 30 per cent during 1961-71 and 1981-91 but was around 48 per cent during 1971-81 (Table 1.4). Population growth due to reclassification was less than 5 per cent for 1961-71, about 8 per cent for 1971-81, and 17 per cent in 1981-91. Thus, the composition of urban growth over time in Andhra Pradesh, also, does not show a consistent pattern.

Growth of Cities and Towns

A significant feature of urbanisation in Andhra Pradesh after 1951 has been the concentration of urban population in large urban centres. There has been a rapid increase in the number of cities (with population of 100,000 or more) and medium towns (with

population between 20,000 to 99,999), and decline in the number of small towns (with population less than 20,000). Between 1951 and 1991, the number of Class I cities (with population of 100,000 or more) grew from 6 to 32 and the number of medium towns went up from 44 to 125. The increase in the number of Class I cities has been particularly significant during the last two decades. The number of small towns declined from 226 in 1951 to 56 in 1991. The decline again has been more significant during the last two decades (Table 1.5).

Table 1.5

Number of Urban Agglomerations/Towns by Size Class, 1951-1991

Year	All classes	I	II	III	IV	V	VI
1951	276	6	10	34	81	114	31
1961	211	11	8	50	71	70	1
1971	206	13	17	60	75	37	4
1981	234	20	30	87	65	28	4
1991	213	32	34	91	39	14	3

Source: Census of India, 1991.

An analysis of data on the number of UAs/towns by size class for the period 1971-91 shows an increase in the number of Class I cities, Class II towns (population between 50,000 and 99,999) and Class III towns (population between 20,000 and 49,999), and a decline in the number of Class IV towns (population between 10,000 and 19,999), Class V towns (population between 5,000 and 9,999) and Class VI towns (population less than 5,000). The number of Class I cities increased from 6 in 1951 to 13 in 1971 and 32 in 1991. The number of Class II towns increased from 10 in 1951 to 34 in 1991. The number of Class III towns also increased substantially from 34 in 1951 to 91 in 1991.

The number of Class IV, V and VI towns have declined during the last four decades, more significantly during 1971-91. The number of Class IV towns declined by nearly one-half between 1951 and 1991. The decline in the number of Class V towns in the state has been dramatic; while there were 114 such towns in 1951, their number stood at only 14 in 1991. The number of Class VI towns declined from 31 in 1951 to 3 in 1991.

The foregoing analysis clearly brings out the increasing dominance of large and medium towns in the state and decline in the role of small towns. In fact, this is a nation-wide phenomenon.

Population Distribution by Size Class

In Andhra Pradesh, the Class I cities have been absorbing a large part of the incremental urban population during the last 4 decades. This is reflected in the increasing share of the Class I cities in total urban population, which increased from 33 per cent in 1951 to 67 per cent in 1991; the increase is most spectacular during the last decade (Table 1.6). The share of Class II and III towns in the state's urban population has remained at around 12 per cent and 16 per cent respectively in 1951 and 1991, though there have been intra-period variations. Contrary to the growth of population in large and medium cities/towns, the percentage of urban population living in Class IV, V and VI towns has been going down continuously over the decades; the respective shares declined from 20 per cent to 3 per cent, from 15 per cent to less than 1 per cent, and from 2 per cent to negligible proportion between 1951 and 1991.

Table 1.6

Distribution of Population of Urban Agglomerations/Towns by Size Class, 1951-91
(in per cent)

Year	I	II	III	IV	V	VI
1951	32.54	12.75	16.73	20.31	15.38	2.29
1961	41.05	9.73	23.77	16.23	8.99	0.24
1971	48.36	13.75	21.19	13.24	3.68	0.18
1981	53.76	16.15	20.80	7.44	1.73	0.12
1991	66.88	12.60	16.53	3.30	0.64	0.05

Source: Census of India, 1981 and 1991.

The galloping rate of growth of population in large and medium cities/towns along with negative growth rates in smaller towns indicate the presence of urban-urban migration to larger cities/towns in the state in addition to in situ growth due to the graduation of smaller towns to large ones. Population of Class I cities increased by 77.45 per cent during the period 1981-91 as against 65.21 per cent during the previous decade. In the case of Class II and III towns, the decadal growth rates were 11.33 per cent and 13.38 per cent, respectively, during 1981-91, and 79.82 per cent and 45.91 per cent, respectively, during 1971-81. Class IV, V and VI towns witnessed negative growth rates in population both during 1971-81 and 1981-91 (Table 1.7).

Table 1.7
Decadal Growth Rates of Urban Population
by Size Class of UAs/Towns, 1971-91
(in per cent)

Sl.No.	Size Class	1971-81	1981-91
1.	Class I	65.21	77.45
2.	Class II	79.82	11.33
3.	Class III	45.91	13.38
4.	Class IV	-16.47	-36.81
5.	Class V	-30.18	-47.92
6.	Class VI	- 4.04	-41.92
7.	All Classes	48.62	42.64

Source: Census of India, 1991.

Urban Agglomerations

In Andhra Pradesh, larger concentration of population is observed in urban agglomerations, which have not only grown in number over the decades but are also accommodating larger proportion of urban population. Prior to 1991, there were only 4 urban agglomerations (UAs), viz., Hyderabad, Visakhapatnam, Vijayawada and Rajahmundry which increased to 15 in 1991. The population living in the UAs in the state went up by 1.3 million to 3.96 million during the period 1971-81 but the proportion of urban population living in these agglomerations remained constant, at about 32 per cent. In 1991, the 15 UAs constituted about 7 per cent of the total number of UAs/towns in the state and had a population of 8.79 million, accounting for nearly 50 per cent of the state's urban population (Table 1.8). This points to the spatial concentration of urban population in Andhra Pradesh.

A key feature of urbanisation in Andhra Pradesh is the absence of primacy of any city in the state's urban scene. The emergence of a number of urban agglomerations/cities despite the fast growth of Hyderabad, which accounts for almost one-fourth of state's urban population, testify to this fact. Also, the share of Hyderabad in the total urban population declined marginally between 1971 and 1981.

Table 1.8**Concentration of Population in UAs/Towns**

Sl. No.	Year	Urban Agglomerations				Towns			
		Number		Population		Number		Population	
		No.	%*	No.+	%+	No.	%*	No.+	%+
1.	1971	4	1.9	2.69	32.1	203	98.5	5.71	67.9
2.	1981	4	1.7	3.96	31.7	230	98.3	8.53	68.3
3.	1991	15	7.1	8.79	49.4	198	92.9	8.54	50.6

Source: Census of India 1981 and 1991.

Note: * Percentage of total number of agglomerations and towns.

No. + Population in million.

% + Percentage of total population of agglomerations and towns.

The UAs dominate the urban scene in Andhra Pradesh which is borne out of the fact that one of the UAs is the state capital, 8 UAs are district headquarters and others are important towns in the districts concerned. The 15 urban agglomerations in the state are spread over 15 districts (Table 1.9). Of these, Hyderabad UA is spread over three districts, Vijayawada UA is spread over two districts and the rest are confined to one district only. Four districts in the state, viz., East Godavari, Prakasam, Khammam and Cuddapah have two UAs each and the rest have one UA or a part of it. While Jammalamadugu UA (in Cuddapah) is a Class III town, all other urban agglomeration are Class I cities.

Metropolitan Growth

As per 1991 Census, there are two metropolitan cities in Andhra Pradesh viz., Hyderabad and Visakhapatnam. They account for 29.93 per cent of the state's urban population. Hyderabad joined the ranks of metro cities for the first time in 1951 and has been growing ever since. Its growth has been particularly fast after sixties and the city has shown a decadal population growth rate of 43.80, 42.65 and 67.04 per cent, respectively, during 1961-71, 1971-81 and 1981-91 (Table 1.10). Hyderabad is now the fifth largest urban agglomeration in the country. At the 1991 Census, Hyderabad was spread over three districts with a population of 4.28 million and an area of 172 sq. kms. The Hyderabad urban agglomeration includes Hyderabad Municipal Corporation, nine Municipalities, eight

outgrowths, one industrial township, four village Panchayats, Secundarabad Cantonment and Osmania University. The fast pace of growth of Hyderabad can be attributed to its administrative importance being the state capital, industrial growth, commercial concentration, and availability of educational, health and other facilities.

Table 1.9

Growth of Urban Agglomerations

Sl. No.	Name of Urban Agglomeration	District	Population (in million) 1991	Decadal growth rate (%)	
				1971-81	1981-91
1.	Hyderabad	Hyderabad Ranga Reddy Medak	4.28	42.65	67.04
2.	Visakhapatnam	Visakhapatnam	1.05	66.08	74.27
3.	Vijayawada	Krishna Guntur	0.85	55.34	37.73
4.	Warangal	Warangal	0.47	61.50	39.30
5.	Rajahmundry	East Godavari	0.40	42.14	37.18
6.	Kakinada	East Godavari	0.33	46.76	35.87
7.	Kurnool	Kurnool	0.27	50.95	33.16
8.	Cuddapah	Cuddapah	0.22	55.79	109.01
9.	Tirupathi	Chittoor	0.19	72.12	52.57
10.	Vizianagaram	Vizianagaram	0.18	30.47	36.35
11.	Khammam	Khammam	0.15	73.50	50.52
12.	Chirala	Prakasam	0.14	67.12	15.11
13.	Ongole	Prakasam	0.13	59.95	50.21
14.	Kothagudem	Khammam	0.10	25.62	7.55
15.	Jammalamadugu	Cuddapah	0.05	68.58	35.63

Source: Census of India, 1991, Series-1, Paper-2 of 1991, Rural-Urban Distribution, Provisional Population Totals.

Visakhapatnam was declared as a metropolitan city in the last Census in 1991. During the last three decades its population increased five fold, from 0.21 million in 1961 to 1.05 million in 1991. The decadal growth rates of this coastal city have been higher than even Hyderabad in recent decades. During 1981-91, with a growth of 74.27 per cent, it ranked first among metros in the country in terms of population growth (Table 1.10). Rapid industrialisation can be attributed as the key reason for this fast growth. Population growth trends indicate that Vijayawada city is likely to become a metropolis by the turn of the century.

It is estimated that by 2011, there may be 55 Class I cities in Andhra Pradesh as against 32 in 1991. Population in Hyderabad may exceed 10 million while Visakhapatnam may touch the 3 million mark. Three cities, viz., Vijayawada, Guntur and Warangal may join the ranks of metros. Other Class I cities are also likely to grow, contributing to the fast urbanisation of the state.

Table 1.10

Metropolitan Growth, 1961-91

Sl No.	Year	Hyderabad		Visakhapatnam	
		Population	Decadal growth (%)	Population	Decadal growth (%)
1.	1961	1249151	10.48	211190	95.47
2.	1971	1796339	43.80	363467	72.10
3.	1981	2545836	42.65	603630	66.08
4.	1991	4280261	67.04	1051918	74.27

Source: Census of India, 1981 and 1991.

Population Density in Municipalities

The 1991 Census provides data on population density at district and state-level. However, density figures are not available separately for cities/towns and villages. Population density data for Municipal Corporations and Municipalities in Class I cities in the state show wide variations across cities (Table 1.11).

URBANISATION BY REGIONS AND DISTRICTS

Urbanisation pattern in Andhra Pradesh show wide variations across districts and regions. The distribution of urban population varies substantially across the three regions of the state. The Telangana region (which includes Hyderabad urban agglomeration) is the most urbanised region, with 44 per cent urban population in 1991. However, if the Hyderabad urban agglomeration is excluded from the Telangana region, the proportion of urban population in the region turns out to be only 13.5 per cent. The Coastal Andhra region has an urbanisation level of 41 per cent and six out of the nine largest cities in the state are located in this region. The Rayalaseema region is the least urbanised with an urbanisation level of 15 per cent.

Table 1.11**Population Density in Selected Municipal Corporations and Municipalities, 1991**

Sl. No.	Municipal Corporation/ Municipality	Population	Area (in sq. km.)	Municipal density (population per sq.km.)
1	Hyderabad	2991884	172.60	17334
2.	Visakhapatnam	750024	76.33	9826
3.	Vijayawada	701351	56.74	12361
4.	Guntur	471020	30.01	15691
5.	Warangal	446760	55.00	8123
6.	Rajahmundry	326071	44.50	7327
7.	Kakinada	279875	30.51	9173
8.	Nellore	316445	48.39	6539
9.	Kurnool	236311	15.01	15744
10.	Nizamabad	240924	29.00	8308
11.	Cuddapah	121422	7.00	17355
12.	Ramagundum	213962	93.87	2280
13.	Eluru	212918	4.01	17918
14.	Tirupathi	174393	21.96	7941
15.	Vizianagaram	160433	27.95	5737
16.	Ananthpur	174792	17.98	9721
17.	Machilipatnam	159007	26.67	5966
18.	Khammam	127812	18.53	6907
19.	Karimnagar	148349	16.50	8991
20.	Tenali	143836	15.11	9512
21.	Chirala	80837	13.30	6079
22.	Adoni	135718	29.71	4583
23.	Proddatur	133860	7.13	18795
24.	Chittoor	133233	33.57	3976
25.	Ongole	100544	8.24	12220
26.	Bheemavaram	125495	25.64	4731
27.	Nandayal	120171	15.42	7770
28.	Mahbubnagar	116775	13.50	8650
29.	Guntakal	107560	51.90	1823
30.	Hindupur	104635	38.14	2743
31.	Kothagudem	80420	16.10	4995
32.	Gudiwada	101635	12.67	8021

Source: Commissioner and Director of Municipal Administration, Government of Andhra Pradesh; Census of India, 1991.

The urbanisation of the state slowed down to some extent, during 1981-91 as compared to the previous decade; the level of urbanisation increased by 3.96 and 3.55 percentage points during 1971-81 and 1981-91, respectively. The three regions also witnessed a slowing down of urbanisation over the same time period. The urbanisation level increased by 3.65 and 2.96 percentage points in the Coastal Andhra region, and 4.02 and 3.23 percentage points in the

Rayalaseema region during 1971-81 and 1981-91, respectively. The Telangana region, more or less, maintained the growth in its urbanisation rate. This region, excluding Hyderabad urban agglomeration, however, witnessed a substantial decline in the urban growth and increase in urbanisation level was 5.03 and 3.47 percentage points during 1971-81 and 1981-91, respectively.

Of the 23 districts of Andhra Pradesh, Hyderabad is the only district which is totally urbanised. In 1991, five districts, including Hyderabad, had urbanisation level higher than the state average of 26.84 per cent (Table 1.12). The level of urbanisation in four districts was

Table 1.12
Level of Urbanisation by Districts, 1971-91
(in per cent)

Sl. No.	State/ District	Proportion of Urban Population		
		1971	1981	1991
	ANDHRA PRADESH	19.31	23.24	26.84
1.	Srikakulam	10.65	11.41	12.50
2.	Vizianagaram	13.87	16.02	17.20
3.	Visakhapatnam	25.39	31.58	39.83
4.	East Godavari	19.23	22.20	23.80
5.	West Godavari	17.71	20.84	20.72
6.	Krishna	27.25	32.84	35.82
7.	Guntur	24.98	27.60	28.89
8.	Prakasam	11.07	14.20	25.80
9.	Nellore	15.77	20.79	23.79
10.	Chittoor	13.45	16.82	19.80
11.	Cuddapah	14.18	19.41	24.03
12.	Ananthapur	17.77	20.26	23.50
13.	Kurnool	20.30	24.52	25.84
14.	Mahbubnagar	8.97	10.92	11.21
15.	Rangareddi	14.15	23.99	47.23
16.	Hyderabad	99.98	100.00	100.00
17.	Medak	8.51	11.84	14.47
18.	Nizamabad	15.94	19.28	20.27
19.	Adilabad	15.92	19.34	23.07
20.	Karimnagar	10.72	15.72	20.55
21.	Warangal	13.43	17.26	19.39
22.	Khammam	13.59	16.98	20.23
23.	Nalgonda	6.69	11.39	11.87

Source: Census of India, 1971, 1981 and 1991.

less than 15 per cent and in another three, it was between 15 and 20 per cent. In nine districts it varied between 20 to 25 per cent and in the remaining seven districts it was over 25 per cent. Hyderabad, Rangareddy, Visakhapatnam and Krishna districts are the most urbanised districts; the presence of Hyderabad and Visakhapatnam metropolises and Vijayawada urban

agglomeration have contributed to their higher levels of urbanisation. In districts like Srikakulam, Mahbubnagar and Nalgonda, the level of urbanisation was hardly 12 per cent in 1991. An analysis of district-wise urbanisation trends over the last four decades shows that Visakhapatnam and Rangareddy are the fastest growing districts in terms of urban population while Karimnagar, Krishna, Ananthapur and Cuddapah districts are the ones with stagnant urban growth. Mahbubnagar, Srikakulam, Nalgonda and Medak can be classified as less urbanised or slowly urbanising districts.

Between 1961 and 1991, urban population of all districts, except Nalgonda in 1971, has shown an increase in absolute terms (Table 1.13). During 1951-61, however, four districts, viz., West Godavari, Rangareddy, Medak and Karimnagar, experienced a decline in urban

Table 1.13

Urban Population by Districts, 1961-91

Sl.No.	State/District	1961	1971	1981	1991
	ANDHRA PRADESH	6274508	8402527	12487576	17887126
1.	Srikakulam	118116	163616	213404	290238
2.	Vizianagaram	173139	220158	287499	363500
3.	Visakhapatnam	326420	517449	805961	1308583
4.	East Godavari	483477	593594	822180	1080804
5.	West Godavari	313973	420385	596874	728553
6.	Krishna	488224	679552	992062	1324954
7.	Guntur	522472	710633	945702	1186700
8.	Prakasam	164474	212628	349277	453902
9.	Nellore	201712	253797	418389	569062
10.	Chittoor	219601	307454	462142	645832
11.	Cuddapah	177113	223643	374503	544973
12.	Ananthapur	307627	375790	530917	748053
13.	Kurnool	328925	402449	589599	768100
14.	Mahbubnagar	159691	173322	267221	342192
15.	Rangareddy	90991	156924	376997	1205177
16.	Hyderabad	1191637	1682165	2260702	3145939
17.	Medak	94880	124936	216404	328487
18.	Nizamabad	148298	209382	322653	412944
19.	Adilabad	156369	205087	316983	481576
20.	Karimnagar	114514	210467	384730	624319
21.	Warangal	217859	251249	396474	546622
22.	Khammam	128370	186108	297386	448163
23.	Nalgonda	146576	121689	259517	338453

Source: Census of India, 1981 and 1991.

population due to reclassification of urban areas. District-wise figures of absolute increase/decrease in urban population over the last four decades are presented in Table 1.14.

Table 1.14

Increase/Decrease of Urban Population by Districts, 1961-91

Sl.No.	State/District	1961	1971	1981	1991
	Andhra Pradesh	854183	2128019	4085049	5399550
1.	Srikakulam	7658	45500	49788	76834
2.	Vizianagaram	16985	47019	67341	76001
3.	Visakhapatnam	97389	191029	288512	502622
4.	East Godavari	23331	110117	228586	258624
5.	West Godavari	17296	106412	176489	131679
6.	Krishna	118132	191328	312510	332892
7.	Guntur	121843	188161	235069	240998
8.	Prakasam	33597	48154	136649	104625
9.	Nellore	18301	52085	164592	150673
10.	Chittoor	68396	87853	154688	183690
11.	Cuddapah	42884	46530	150860	170470
12.	Ananthapur	66331	68163	155127	217136
13.	Kurnool	77576	73524	187150	178501
14.	Mahbubnagar	23531	13631	93899	74971
15.	Rangareddi	10578	65933	220073	828180
16.	Hyderabad	158003	490528	578537	885237
17.	Medak	-11176	30056	91468	112083
18.	Nizamabad	10896	61084	113271	90291
19.	Adilabad	33598	48718	111896	164593
20.	Karimnagar	-13636	95953	174263	239589
21.	Warangal	26903	33390	145225	150148
22.	Khammam	8124	57738	111278	150777
23.	Nalgonda	43341	-24887	137828	78936

Source: Census of India, 1981 and 1991.

An analysis of the data on district-wise distribution of the state's urban population during the last few decades reveals some interesting features. Hyderabad, an urban district has the highest proportion of the state's urban population (almost 1/5th to 1/6th) among the districts. If the districts are ranked by their share in the state's urban population, three districts, viz., Hyderabad, Ananthapur and Medak have maintained the same rank of 1, 8 and 22, respectively, during the last 4 decades. Six districts improved their ranking between 1961 and 1991 and in the case of the remaining districts the ranking has come down (Table 1.15).

Among the districts in the state excluding Hyderabad, in 1991 Krishna district had the highest number of towns (16) followed by 13 in East Godavari district. On the lower side, Rangareddy and Warangal districts had only 3 towns each. The less urbanised Srikakulam

Table 1.15

Ranking of Districts by Urban Population, 1961-91

Sl. No.	District	1961		1971		1981		1991	
		%	Rank	%	Rank	%	Rank	%	Rank
	Andhra Pradesh	100.00	-	100.00	-	100.00	-	100.00	-
1.	Srikakulam	1.88	20	1.95	20	1.71	23	1.62	23
2.	Vizianagaram	2.76	13	2.62	14	2.30	19	2.03	19
3.	Visakhapatnam	5.20	6	6.16	5	6.45	5	7.32	3
4.	East Godavari	7.71	4	7.06	4	6.58	4	6.04	6
5.	West Godavari	5.00	7	5.00	6	4.78	6	4.07	9
6.	Krishna	7.78	3	8.09	3	7.94	2	7.41	2
7.	Guntur	8.33	2	8.46	2	7.57	3	6.63	5
8.	Prakasam	2.62	14	2.53	13	2.80	15	2.54	16
9.	Nellore	3.21	11	3.02	10	3.35	10	3.18	12
10.	Chittoor	3.50	9	3.66	9	3.70	9	3.61	10
11.	Cuddapah	2.82	12	2.66	12	3.00	14	3.05	14
12.	Ananthapur	4.90	8	4.47	8	4.25	8	4.18	8
13.	Kurnool	5.24	5	4.79	7	4.72	7	4.29	7
14.	Mahbubnagar	2.55	15	2.06	19	2.14	20	1.91	20
15.	Rangareddi	1.45	23	1.87	21	3.02	13	6.74	4
16.	Hyderabad	18.99	1	20.02	1	18.10	1	17.59	1
17.	Medak	1.51	22	1.49	22	1.73	22	1.84	22
18.	Nizamabad	2.36	17	2.49	16	2.58	16	2.31	18
19.	Adilabad	2.49	16	2.44	17	2.54	17	2.69	15
20.	Karimnagar	1.83	21	2.50	15	3.08	12	3.49	11
21.	Warangal	3.47	10	2.99	11	3.17	11	3.06	13
22.	Khammam	2.05	19	2.21	18	2.38	18	2.51	17
23.	Nalgonda	2.34	18	1.45	23	2.08	21	1.89	21

Source: Census of India, 1981 and 1991.

and Mahbubnagar districts have 11 towns each, thereby indicating the existence of small towns in these districts.

Data on distribution of UAs/towns by size-class among districts in 1991 also reveal some interesting features. Five districts have no Class I cities and eight have no Class II towns.

During 1981-91, only seven districts had urban population growth rates above the state average of 42.64 per cent (Table 1.16). Rangareddy district had the highest decadal urban growth rate of 209 per cent. This was mainly due to reorganisation of the district boundaries

and inclusion of areas of Hyderabad urban district. Urban-Rural Growth Differential (URGD) was also the highest in Rangareddy, with about 198 per cent, whereas it was less than one per cent in West Godavari district and less than three per cent in Mahbubnagar district (Table 1.17).

Table 1.16
District-wise Decadal Growth of Urban Population, 1961-91

		(in per cent)		
Sl.No.	District	1961-71	1971-81	1981-91
	Andhra Pradesh	33.92	48.62	42.64
1.	Srikakulam	38.52	30.43	35.70
2.	Vizianagaram	27.16	30.59	25.90
3.	Visakhapatnam	58.52	55.76	61.70
4.	East Godavari	22.78	38.51	31.77
5.	West Godavari	33.89	41.98	22.78
6.	Krishna	39.19	45.99	33.46
7.	Guntur	36.01	33.08	25.51
8.	Prakasam	29.28	64.27	29.66
9.	Nellore	25.82	64.85	35.95
10.	Chittoor	40.01	50.31	39.62
11.	Cuddapah	26.27	67.45	45.11
12.	Ananthapur	22.16	41.28	40.81
13.	Kurnool	22.35	46.50	30.12
14.	Mahbubnagar	8.54	54.18	27.79
15.	Rangareddy	72.46	140.24	209.17
16.	Hyderabad	41.19	34.36	37.35
17.	Medak	31.73	73.14	51.49
18.	Nizamabad	41.19	54.10	27.90
19.	Adilabad	31.16	54.56	51.80
20.	Karimnagar	83.79	82.80	62.17
21.	Warangal	15.33	57.80	37.66
22.	Khammam	44.98	59.79	50.44
23.	Nalgonda	-16.98	113.26	30.26

Source: Census of India, 1971, 1981 and 1991.

Rangareddy district has shown the highest decadal growth rate of population during the last three decades, whereas other districts have experienced wide variations from decade to decade. For example, Nalgonda had a decadal growth rate of -17 per cent during 1961-71, 113 per cent during 1971-81 and 30 per cent in 1981-91. In most districts, however, the increase/decrease in decadal growth rates is not substantial (Table 1.16). During 1961-71 and 1971-81, 10 and 12 districts, respectively, had decadal growth rates higher than the state average whereas it was the case in only 8 districts during 1981-91.

Table 1.17**District-wise Decadal Variation of Urban and Rural Population, 1991**

(in per cent)

Sl.	District	Total	Rural	Urban	URGD
	ANDHRA PRADESH	23.91	18.21	42.64	24.43
1.	Srikakulam	18.19	16.05	35.70	19.65
2.	Vizianagaram	16.64	14.89	25.90	11.01
3.	Visakhapatnam	27.22	11.52	61.70	50.18
4.	East Godavari	22.73	20.15	31.77	11.62
5.	West Godavari	22.45	22.36	22.78	0.42
6.	Krishna	21.23	15.33	33.46	18.13
7.	Guntur	19.45	17.15	25.51	8.36
8.	Prakasam	18.19	16.26	29.66	13.40
9.	Nellore	18.61	14.06	35.95	21.89
10.	Chittoor	18.96	14.76	39.62	24.86
11.	Cuddapah	17.30	10.61	45.11	34.50
12.	Ananthapur	24.64	20.39	40.81	20.42
13.	Kurnool	23.28	21.07	30.12	9.05
14.	Mahbubnagar	25.76	25.52	27.79	2.27
15.	Rangareddi	59.39	11.33	209.17	197.84
16.	Hyderabad	37.35	-	37.35	-
17.	Medak	25.13	21.55	51.49	29.94
18.	Nizamabad	21.20	19.61	27.90	8.29
19.	Adilabad	26.75	20.74	51.80	31.06
20.	Karimnagar	24.36	17.27	62.17	44.90
21.	Warangal	22.32	19.12	37.66	8.54
22.	Khammam	26.48	21.58	50.44	28.86
23.	Nalgonda	24.90	24.21	30.26	6.05

Source: Census of India, 1991, Series - 1, Paper - 2 of 1991, Rural-Urban Distribution, Provisional Population Totals.

SPATIAL PATTERN OF URBANISATION

As noted in the earlier sections, there are substantial variations in the distribution of urban population in Andhra Pradesh across districts. Three distinct areas can be identified as major urban regions. These are: i) Hyderabad urban agglomeration, spread over the districts of Hyderabad, Rangareddy and Medak; ii) Vijayawada-Guntur region; and iii) Visakhapatnam region.

The higher urbanisation rates in these regions are mainly due to the concentration of industrial and commercial activities. Districts like East Godavari, West Godavari, Guntur and Kurnool had a high urbanisation rate in the sixties but it slowed down in the subsequent decades. On the other hand, districts like Prakasam, Nellore, Chittoor, Cuddapah, Ananthapur, Nizamabad, Adilabad, Karimnagar and Khammam had low levels of urbanisation during the sixties but they experienced a higher urban growth thereafter. One reason attributed for the growth of less urbanised districts is the statistical factor, i.e., when base is low, the rate of growth is more.

The nature of towns and their functional classification are also important factors contributing to urbanisation. Various studies have shown that after 1961 there has been a shift from mono- and bi-functional to multi-functional towns. In 1991, there were 91 mono-functional, 22 bi-functional and 100 multi-functional towns with a share of 15.28 per cent, 36.68 per cent and 48.04 per cent of urban population, respectively (Table 1.18). Shift appears to have been the highest in the case of Class I, II and III cities/towns than the smaller towns.

Table 1.18

Number of Towns and Percentage of Population by Functional Category, 1991

Sl. No.	Functional category	No. of towns	Per cent of urban population
1.	Mono-functional	91	15.28
2.	Bi-functional	22	36.68
3.	Multi-functional	100	48.04
4.	Total	213	100.00

Source: Occasional Paper No.3 of 1994, Census of India, 1991.

In terms of functional type, 125 towns, with 24 per cent of total urban population in the state, can be considered as engaging in primary activity. 41 towns, with 43 per cent of urban population, fall under the industrial category. Eleven towns are categorised as trade towns and 2 as transport towns with 8.2 and 0.2 per cent of urban population, respectively. The remaining 34 towns fall under the category of service towns and account for 25 per cent of the urban population (Table 1.19).

Table 1.19

Number of Towns and Percentage of Population by Functional Type, 1991

Sl.No.	Functional type	No. of towns	% of population
1.	Primary Activity	125	24
2.	Industry	41	43
3.	Trade	11	8
4.	Transport	2	Negligible
5.	Service	34	25

Source: Occasional Paper No.3 of 1994, Census of India, 1991.

SOCIO-ECONOMIC PROFILE

Sex-Ratio

Sex ratio, i.e. the number of females for 1000 males, in Andhra Pradesh was 973 in 1991. It was considerably lower in urban areas as compared to rural areas; 957 and 978, respectively. This is mainly due to the migration of males with income-earning potential from rural to urban areas in search of employment opportunities. Even at the all-India level, the urban sex ratio is lower than that in rural areas, i.e., 894 and 939, respectively. In twelve districts the ratio is higher than the state average and in eleven districts it is lower. However, the sex ratio is not lower than the national average in any of the districts in the state. It varies between 1006 in Vizianagaram to 931 in Nalgonda. In 14 districts the urban sex ratio is less than the rural sex ratio and in eight districts it is more than rural ratio.

An analysis of the sex ratio in urban areas during the last four decades shows that the ratio declined between 1961 and 1981 and increased in 1991. In 1961, the ratio was 951; it declined to 948 in 1981 and increased to 957 in 1991. During the last four decades, two districts, viz., Srikakulam and Vizianagaram had very favourable sex ratio of over 1000.

Literacy Rate

In 1991, the literacy rate in Andhra Pradesh for urban areas was 66.35 per cent compared to 35.74 per cent in rural areas. At the national level also, urban literacy rate was higher at 61.7 per cent compared to 36.3 per cent in rural areas. This may be mainly due to better educational facilities in urban areas and migration of educated youth from rural to urban

areas in search of education and employment avenues. In Andhra Pradesh, 75 per cent among males and 56.41 per cent among females are literate. These rates are higher than national averages for both males and females, which stand at 68.7 and 53.8 per cent, respectively. Urban literacy rates have increased sharply over the decades mainly due to intensive literacy programmes undertaken in the state. In 1961, the rate was only 41.78 per cent and it has increased to 66.35 per cent in 1991. Hyderabad district, followed by Visakhapatnam district, have higher literacy rates: 71.52 and 70.38 per cent, respectively. On the other hand, Kurnool, Nizamabad and Adilabad districts have less than sixty per cent literacy rates.

Work Participation Rate

In Andhra Pradesh, 31 per cent of urban population has been classified as workers in the 1991 Census, comprising of about one-half of the male population and one-eighth of the female population. About 30 per cent of the urban population are main workers and less than 1 per cent are marginal workers. 48 per cent of the males and 12 per cent of the females in the state are main workers and about half a per cent of males and one per cent of females are marginal workers. This indicates the low work participation rate and low utilisation of work force in the state; particularly of the women work force. The low female work participation rate is a cause for concern.

Among districts, Nizamabad with 35.16 per cent had the highest work participation rate in the state; the figure for Hyderabad was 27.17 per cent, Khammam, 27.51 per cent and Visakhapatnam, 27.62 per cent. Among the main workers, Hyderabad with 36 per cent and Adilabad with 26 per cent were ranked first and last among the districts, respectively.

FACTORS UNDERLYING URBAN GROWTH

Factors contributing to urban growth include structure of the economy, employment potential, nature and stage of development process, population growth and shifts, etc. In Andhra Pradesh, various studies have indicated that considerable heterogeneity exists between urban economies in terms of their ability to absorb people and to act as a pull factor for rural population. Similarly, there are wide variations in the push factors in rural areas with varying irrigation and agriculture potentials and wage rates. After the sixties, there has been a considerable expansion of irrigation facilities and a shift in cropping pattern. As a result, there has been a rise in the level of wages and non-farm employment, and a reduction in the level of disguised unemployment in villages. These factors appear to have precluded the possibility of distress-led migration to urban areas. However, there has been a sizeable movement of agrarian surplus labour from villages to cities and towns, contributing to their industrial growth; particularly agro-processing and other agriculture-based industries.

SOME BROAD CONCLUSIONS

Some broad conclusions from the trends of urbanisation in Andhra Pradesh indicate the following key features:

- (a) Dominance of urban agglomerations in the urban scene; no consistency in other patterns or urbanisation and growth;
- (b) Absence of primacy to any city or town in the urban growth;
- (c) Growth of cities and decline of small towns both in number and population and increased concentration in selected urban agglomerations;
- (d) Natural growth coupled with rural-urban migration are dominant factors in the urbanisation process, natural increase emerging as the more significant factor;
- (e) Migration took place to larger cities and towns leading to their faster growth, especially in the eighties;
- (f) Urbanisation has been lately taking place in the hitherto less urbanised and unstable districts; and
- (g) Diversification of economic activities has led to a shift of towns from mono- and bi-functional to multi-functional categories.

II. STATE URBAN DEVELOPMENT POLICY AND STRATEGY

APPROACH TO URBAN DEVELOPMENT

In pre-independence era and the period following independence, the pace of urbanisation in Andhra Pradesh was slow; it picked up only during the recent decades. The level of urbanisation has increased from 17.42 per cent in 1951 to 26.84 per cent in 1991. In general, urbanisation in the state has been characterised by the absence of a well-designed long-term strategy or approach to urban development over the course of the Five Year Plans. Although urban development received attention in the Second Plan document, the emphasis was laid on works like construction of slaughter houses, markets, etc., in the municipalities.

Third Plan

A perspective planning approach to urban development was missing even in the Third Plan document of the state. The Plan emphasised the implementation of remunerative schemes like markets, shops, slaughter houses, etc., by the municipalities and the state government provided loan assistance for the purpose. The Plan strategy for the housing sector was to provide housing for low-income groups, particularly through development and disposal of plots, and construction of low-cost houses under slum clearance schemes. The responsibility for execution of projects was assigned to the Municipal Administration Department. In the urban water supply and sanitation sector, the emphasis was on execution of water supply and drainage schemes.

Fourth Plan

In the Fourth Plan, the sectoral approaches to urban development persisted from the earlier Plans, and the focus continued to be on housing and water supply and drainage schemes. In the housing sector, the strategy was to augment the urban housing stock to accommodate the rural migrants. In addition, schemes were taken up for slum clearance and housing the industrial labour. The setting up of the Andhra Pradesh Cooperative Housing Federation was proposed to provide managerial assistance for the state schemes. In the urban water supply and drainage sector, the Plan strategy was to provide these services in as many municipalities as possible by drawing on the Plan allocations as well as institutional finance, particularly from the Life Insurance Corporation (LIC) of India.

Fifth Plan

For the first time, a urban development strategy was outlined in the Fifth Plan. The urban strategy in the Plan was as follows:

- (a) preparation of Master Plans for all Class I and II cities/towns, with special emphasis on backward areas of the state;
- (b) implementation of sanctioned Master Plans and short-term Development Plans;
- (c) development of the central areas of the metropolitan city of Hyderabad and implementation of urban renewal schemes;
- (d) improving the finances of municipalities; and
- (e) setting up of development authorities in large cities for implementing the Master Plans.

The plan focused on the formulation and implementation of remunerative urban development schemes, implementation of the environmental improvement schemes for the twin cities and Urban Community Development (UCD) projects.

In the housing sector, besides the implementation of housing schemes for the target groups as identified in the Fourth Plan, a number of agencies were identified for undertaking the construction of houses. Andhra Pradesh Housing Board was made responsible for the construction of houses for the households in the Low-income Groups (LIG) and Middle-income Groups (MIG) in the state, a phased manner, and for allotment of the same on hire-purchase or rental basis. The Chief Engineer (R&B) was to construct houses for government employees under rental housing programmes. The Registrar of Cooperative Societies and Scheduled Castes' and Scheduled Tribes' Co-operative Housing Societies Federation were to advance housing loans through the cooperative societies and the Labour Commissioner was to organise industrial workers' housing schemes. The Director of Harijan Welfare was made responsible for providing housing to the scheduled caste population and was to advance loans for acquisition and construction of house sites.

In the urban water supply and sanitation sector, comprehensive schemes for urban water supply and drainage were formulated, covering the twin cities, 83 municipalities and industrial towns in the state. The strategy was to implement the schemes as government works in the capital city and as "Deposit Contribution Works" in the municipalities. The municipalities were expected to utilise the funds under the "Public Health Department" for the purpose. The scheme was financed by loan assistance from the central government (one-third) and LIC of India (two-third). Exceptions were, however, made for countervailing the grant, to the extent of centage charges in sewerage schemes and the third grade municipalities were made eligible to the extent of 15 per cent of centage charges in water supply schemes.

Sixth Plan

By the Sixth Plan period, there had been a substantial increase in the urban population. The urban population increased from 5.4 million in 1951 to 12.5 million in 1981, an increase of over 130 per cent. The rapid increase in urban population imposed tremendous pressure on the infrastructure services in urban areas and compounded the existing urban problems in the state. In this scenario, the key objective of the Sixth Plan was to provide basic housing amenities to the poor besides preparing and implementing the Master Plans.

Six major regional urban growth areas identified during the Plan are as follows:

- (a) Vijayawada-Guntur-Tenali
- (b) Visakhapatnam-Anakapalli-Vizianagaram
- (c) Kothagudem-Palavanchara-Ramagundam
- (d) Tirupathi-Renigunta
- (e) Kakinada-Rajahmundry
- (f) Cuddapah-Proddatur

The concentration of urban population in these regions is mainly due to industrialisation and commercialisation of these areas. Preparation of regional development schemes for these regions was proposed to avoid future problems. Similarly in the ayacut development areas, where major irrigation projects like Sriramsagar, Nagarjunasagar, Sileru, etc. were undertaken, identification of growth centres and preparation of Regional Plans, after proper physical surveys, was proposed. Urban Development Authorities (UDAs) were proposed to be constituted to implement Master Plans in Warangal and Tirupathi. The UDAs were to formulate urban development schemes keeping in view the regional demands and the proposals given in Master Plans and Zonal Plans of the region.

The Plan assigned the role of coordinator to the Directorate of Town Planning so as to have better coordination between various planning agencies, research institutions and other organisations. Loan assistance was given to the municipalities for implementing the Master Plans. In addition, remunerative schemes were drawn for the municipalities to improve their financial position. Non-remunerative schemes like the programmes to improve the environment of urban slums were assigned to the Director of Municipal Administration.

In the housing sector, the Plan objectives were: (a) to provide housing for industrial workers; (b) to provide rental housing for police personnel and government employees; (c) to take up slum clearance and environmental improvement schemes in slum areas in the bigger cities; (d) to promote and encourage self-help housing; and (e) to formulate social housing schemes for the economically weaker sections of the community in accordance with the paying capacity of the target group.

Seventh Plan

The development strategy adopted in the Seventh Plan was in response to the emerging urban problems in the state, like housing shortage, traffic congestion, declining health services, sanitation needs, etc. The Plan strived to achieve a better standard of urban life and focused on the preparation and implementation of Master Plans so as to channelise the services to the urban population. The UDAs were assigned a major role in regional development while other agencies like Directorate of Town and Country Planning, Department of Municipal Administration, municipal corporations and municipalities were involved in the tasks of development of cities and towns. It was envisaged that the Municipal Administration Department would prepare remunerative schemes besides focusing on the on-going environment improvement schemes.

The Seventh Plan proposed to cover 100 per cent and 80 per cent of the urban population with piped water supply and sanitation services, respectively. In view of the resource constraints, sewerage facilities were proposed to be provided in some of the uncovered areas of Visakhapatnam and Vijayawada corporations while low-cost sanitation services were to be provided in the other municipalities.

The specific areas identified in the Seventh Plan for action in the urban development sector included provision of roads, parks and playgrounds, drains, street-lighting, public health services, land acquisition and development, remodelling of the existing sewerage systems and storm water drains, construction of markets, preparation and revision of Zonal Development Plans, and augmentation of training and research efforts.

In the housing sector, provision of accommodation to government employees under rental housing schemes was identified as a priority. Land acquisition for house sites, weaker section housing and construction of houses in the twin cities were the other priorities outlined in the Plan.

Eighth Plan

The urban development strategy in the Eighth Plan laid emphasis on the completion of the on-going projects initiated during the previous Plans under schemes like Environment Improvement Programme, Integrated Development of Small and Medium Towns (IDSMT), Twin Cities Improvement Programme, Nehru Rozgar Yojana (NRY), etc. Besides, the Mega-city Project was formulated for the integrated development of infrastructure in the twin cities, with assistance from the central government and institutional finance.

The Eighth Five Year Plan, in particular, envisaged:(a) Completing all the spill-over water supply schemes taken up under the earlier Plans; (b) Provision of water supply facilities to meet the needs of urban population by the year 1997, at the service levels to the extent possible; and (c) Covering the entire urban population in the state with low-cost sanitation services and providing for sewerage treatment in the urban areas to some extent.

Implementation of IDSMT, Environmental Improvement of Urban Slums (EIUS), Urban Basic Services for Poor (UBSP), Low Cost Sanitation (LCS), NRY schemes, Master Plan proposals, Urban Improvement Schemes in congested areas of the towns, and creation of urban information cells in cities with municipal corporations, were the priority areas of action in the Eighth Plan.

Under housing sector, the Plan priorities were weaker section housing and rental housing.

The urban development strategies in the successive state plans indicate a sectoral approach without emphasis on inter-sectoral coordination in planning and implementation. A comprehensive or integrated approach with a long-term perspective was not adopted. Over the various Plans, the emphasis was laid on water supply and sanitation, housing, and development of the twin cities of Hyderabad and Secunderabad. The Plan allocations for urban development were meagre with hardly any provision for critical areas like urban transport. This ad hoc approach has adversely affected the development of urban areas in the state. A comprehensive strategy and networking of the sectors are essential in urban planning to tackle the complex problems facing the urban sector.

Master Plans

The preparation and implementation of Master Plans is a tool for land use planning in the urban areas. The Master Plan approach was adopted as a strategy for comprehensive, integrated and orderly development of cities and towns in the state and Master Plans have been prepared for various municipalities since 1969. The details of the Master Plans prepared in the state are as follows:

1969-70	Visakhapatnam and Vijayawada
1971-75	Warangal, Hyderabad, Eluru, Kothagudem, Nizamabad, Rajahmundry and Sanga Reddy
1976-80	Tenali, Kurnool, Manchiryal, Machilipatnam, Mahbubnagar, Nellore, Ongole

1981-85	Tirupathi, Ananthapur, Cuddapah, Kakinada, Karimnagar, Suryapet
1986-90	Guntur, Adilabad, Adoni, Bheemunipatnam, Chittoor, Guduwada, Gunthakal, Khammam, Miryalaguda, Nalgonda, Siddipet, Zaheerabad, Srikakulam, Tadepalligudem, Proddatur, Bhongir, Jagityal, Gadwal, Nirmal, Nandyal, Jangoan
1991-95	Medak, Narasaraopet, Ponnur, Hindupur, Sattenapalli, Pedana
1996-97	Tadpatri, Chilakaluripet, Macherla, Bapatla, Kovur

The Master Plans have been prepared mostly for those municipalities and municipal corporations which are in the jurisdiction of various UDAs. In other municipalities, the Master Plans are under various stages of preparation. In some cases they are in the initial stages of survey and preparation of drafts while in others they are awaiting state government's approval. A critical concern in the Master Plan preparation is that the process is long and does not use the modern techniques of Geographic Information Systems (GIS) and remote sensing. In some cities and towns, frequent changes in land use have occurred while in others revisions have not kept pace with the emerging urban problems and trends.

CONSTITUTION (74TH AMENDMENT) ACT

The Constitution (74th Amendment) Act, 1992 aims at providing a constitutional status to the Urban Local Bodies (ULBs) as the third tier of government as well as to decentralise powers and functions for the provision of public services to the ULBs. The Amendment Act has afforded an opportunity to the state governments to review their policies and programmes, institutional structure, and strategies for urban development. As a follow-up of the Amendment Act, the Government of Andhra Pradesh constituted two Committees to examine various aspects of urban administration to facilitate the preparation of draft legislation and amendments to the Municipalities and Municipal Corporation Acts. These Committees were not able to make a comprehensive review of the urban sector for want of time to enact the conformity legislations. As a result, only the mandatory provisions of the 74th Constitution Amendment Act, 1992, pertaining to structural aspects of ULBs, have been adopted. These include composition, nomenclature and term of office of ULBs, constitution of State Finance Commission and State Election Commission, etc. However, provisions relating to the constitution of District Planning Committees (DPCs) and Metropolitan Planning Committees (MPCs), and discretionary provisions like devolution of additional functions and finances to the local bodies were not incorporated in the amended Acts.

The state government amended the Municipal Acts in a hurry to adhere to the time frame of the central government. As a result other relevant Acts having a bearing on the municipalities and municipal corporations have not been amended. Also, serious efforts have not been made to remove ambiguity between the provisions of the new Acts and the rules and regulations framed under the previous Acts. For example, while under the amended Acts a three-fold classification of ULBs has been made, the five grade classification of the local bodies was not amended. Similarly, important aspects of governance relating to personnel and finance have been left untouched. Issues relating to autonomy of local bodies and the control of state government have also not been deliberated. As a result, the conformity legislations have neither resulted in municipal autonomy nor led to decentralised urban development strategy or approach.

URBAN DEVELOPMENT STRATEGY PAPER

The Government of Andhra Pradesh has prepared the 'Andhra Pradesh Urban Development Strategy Paper' in accordance with the guidelines of the central government for the implementation of the IDSMT Scheme. The Paper highlights the urbanisation trends, process, pattern, and strategy for the growth of metropolitan and other Class I cities, development of small and medium towns capable of emerging as regional growth centres, coastal towns, etc. Also, the Paper covers aspects of urban infrastructure development and conservation of architectural heritage and monuments. The Paper has been prepared in the perspective of the future growth of urban population and the consequent challenges for the local bodies. It has outlined strategies for integrated urban development. The urban areas have been classified on the basis of the availability of natural resources, their functions, and administrative and tourist importance. Development schemes are proposed to be undertaken with institutional finance in cities selected on the basis of aspects such as stage of development, growth potential, employment generation capacity, centrality, nodality, importance in regional setting, etc. It was envisaged that the Strategy Paper would be revised periodically to incorporate changes in urban growth patterns and policies so as to meet the emerging problems of urban areas and to ensure integrated urban development in the state.

URBAN SECTOR PRIORITIES

During the last few years, the ULBs in the state have been undergoing crises of different types and dimensions. They are under tremendous pressure in view of the increasing urban population and have not been able to meet the growing infrastructure needs of the unserved as well as incremental population. Their low level of performance is because of lack of professional management, weak financial base and, the consequent heavy dependence on government subventions. Inadequate and technically weak municipal personnel and unsatisfied political executives, who feel they have been deprived of their legitimate powers despite being directly elected by the voters of the city, make the urban scene somewhat fractured. Despite

these problems, the state government has identified priority areas in the urban sector. Development of urban infrastructure is on the top of the list. Development of roads, water supply and sanitation, particularly collection and disposal of solid wastes and low cost sanitation, are identified as the priority areas in the urban sector. In several municipalities, water supply schemes have been prepared and funds are being sought from HUDCO, LIC and other agencies.

The focus of urban poverty eradication programmes is on incorporating community-based participatory approaches. As part of this process, the state government has universalised the approach of the Urban Basic Services for the Poor (UBSP) programme to cover all the municipalities in the state. Every town or city is to have a Urban Poverty Alleviation Cell, Urban Poverty Alleviation Fund and, at the community level, Neighbourhood Committees (NHCs) to ensure the participation of the people, particularly women in programmes such as sanitation, pre-school education, health care including immunisation, income-generating programmes for women, etc. To mitigate the problems of urban poverty and to improve the slum habitats of Class I cities, the Government of Andhra Pradesh has proposed an urban poverty reduction project, with an outlay of Rs. 2.24 billion, for funding to the British Government. Mega-city project, with an outlay of about Rs. 9.13 billion, has been formulated for the development of Hyderabad metropolitan area. The project is being implemented with the assistance of Government of India and financial institutions. A project to augment the water supply in Hyderabad city, with an outlay of about Rs. 10 billion, has been proposed to the World Bank by the Hyderabad Metropolitan Water Supply and Sewerage Board. The municipalities and municipal corporations are being encouraged to prepare specific project reports for submission to financial institutions like HUDCO and others.

III. STATUS OF URBAN INFRASTRUCTURE AND SERVICES

HOUSING

Housing Size

The number of households in a state represents the total housing requirement while the incremental households represent the housing demand. A declining household size indicates the nuclearisation of families and, thus, rising levels of incremental households and housing demand. The household size in urban areas of Andhra Pradesh is 4.95 which is lower than the national average of 5.34 for urban areas. This has certain important implications. The lower household size in the state should determine the housing norms stipulated in the State Housing Policy and Action Plan, in variation to those given in the National Housing Policy (NHP). More specifically, the housing norms and the house designs need to be location-specific given the wide variations in household size across the districts in the state. The household size is the highest in Hyderabad district (5.89), which is the most urbanised district in the state. The plausible reason is the high rate of migration of males with income-earning potential to the state capital from both rural and urban areas. These single-member households stay with relatives and friends in Hyderabad, thus, leading to a reportedly high average household size in the district. East and West Godavari districts have the lowest household size; 4.46 and 4.45, respectively (Table 3.1). An interesting feature is that the household size in the coastal districts of Srikakulam and Guntur is much lower than the state average with 4.77 and 4.53, respectively.

Housing Typology

The data on housing typology provides estimates of the housing replacement demand in the state. It is defined by the National Building Organisation (NBO), Government of India as the housing demand of the people living in kutcha houses in urban areas. The Census of India classifies the housing stock into pucca, semi-pucca and kutcha categories. The kutcha houses are further classified into serviceable and non-serviceable. The 1991 Census data for the urban areas in Andhra Pradesh show that nearly two-third of the households are living in pucca houses, about one-fifth in kutcha houses and 15 per cent in semi-pucca houses. Three-fourth of the kutcha houses are serviceable while the rest are non-serviceable. The district-wise data on housing typology reveal wide variations across districts. A large proportion of households in Rangareddy, Hyderabad and Warangal districts are living in pucca houses with 82.59 per cent, 78.40 per cent and 78.23 per cent, respectively, thereby showing the high housing affordability in these districts. On the lower side, less than one-half of the households in Srikakulam and West Godavari districts are living in pucca houses with 47.88 per cent and

49.59 per cent, respectively (Table 3.2). Except in these two districts, more than one-half of the households live in pucca houses. Region-wise analysis reveals that the proportion of pucca houses is more in Telangana districts followed by Rayalaseema and Coastal Andhra districts.

Among the districts in Andhra Pradesh, proportion of households living in semi-pucca houses in urban areas is the highest in Adilabad district with 30.06 per cent, and is the lowest in Visakhapatnam district with 4.61 per cent. In twelve districts, the proportion of households in semi-pucca houses is more than the state average for urban areas. The proportion is high in most of the districts in Telangana and Rayalaseema regions while it is low in most of the districts in Coastal Andhra region.

Table 3.1
Households and Household Size in Urban Areas, 1991

State/District	Urban population	Total No. of households	Household size
Andhra pradesh	17887126	3610493	4.95
1. Srikakulam	290238	60867	4.77
2. Vizianagaram	363500	77626	4.68
3. Visakhapatnam	1308583	286155	4.57
4. East Godavari	1080804	242211	4.46
5. West Godavari	728553	163870	4.45
6. Krishna	1324954	293152	4.52
7. Guntur	1186700	261799	4.53
8. Prakasam	453902	99614	4.56
9. Nellore	569062	124673	4.56
10. Chittoor	645832	136281	4.74
11. Cuddapah	544973	109770	4.96
12. Ananthapur	748053	143562	5.21
13. Kurnool	768100	139971	5.49
14. Mahbubnagar	342192	58664	5.83
15. Rangareddy	1205177	247930	4.86
16. Hyderabad	3145939	533748	5.89
17. Medak	328487	60650	5.42
18. Nizamabad	412944	74829	5.52
19. Adilabad	481576	95382	5.05
20. Karimnagar	624319	130002	4.80
21. Warangal	546622	108197	5.05
22. Khammam	448163	93865	4.77
23. Nalgonda	338453	67675	5.00

Source: Census of India, 1991, India, Series -1, Part II-B (i), Volume I, Primary Census Abstract.

The proportion of households living in kutcha houses in urban areas varies between 40.89 per cent in Srikakulam district and 4.13 per cent in Warangal district. In all the Coastal Andhra districts, the proportion is more than 27 per cent as against less than 25 per cent in Telangana districts. In fact, except in Khammam district, the proportion of households living in kutcha houses is less than 15 per cent in the districts in Telangana region. Households living in unserviceable kutcha houses is the highest in Guntur district (15.95 per cent) and lowest in Hyderabad and Cuddapah districts with less than one per cent. By and large Coastal Andhra districts have more unserviceable kutcha houses.

Table 3.2
Distribution of Households by Housing Typology in Urban Areas, 1991
(in per cent)

State/District	Pucca	Semi-pucca	Total	Kutcha serviceable	Non-ser-viceable
Andhra Pradesh	64.94	14.42	20.64	15.12	5.52
1. Srikakulam	47.88	11.23	40.89	36.79	4.10
2. Vizianagaram	56.45	4.84	38.71	35.13	3.58
3. Visakhapatnam	67.60	4.61	27.77	25.41	2.36
4. East Godavari	59.04	9.11	31.84	23.85	8.00
5. West Godavari	49.59	12.95	37.46	24.69	12.77
6. Krishna	56.89	11.72	31.39	21.34	10.05
7. Guntur	54.16	13.06	32.78	16.83	15.95
8. Prakasam	56.04	14.84	29.12	19.99	9.13
9. Nellore	59.07	9.60	31.34	27.29	4.05
10. Chittoor	69.94	7.91	22.15	20.86	1.29
11. Cuddapah	59.85	24.63	15.52	14.62	0.90
12. Ananthapur	58.57	26.30	15.13	10.79	4.34
13. Kurnool	50.57	27.31	22.12	9.03	13.09
14. Mahbubnagar	65.12	25.43	9.45	7.30	2.16
15. Rangareddy	82.59	12.21	5.20	3.65	1.55
16. Hyderabad	78.40	18.34	3.26	2.61	0.65
17. Medak	68.63	24.46	6.91	5.85	1.06
18. Nizamabad	64.56	21.57	13.88	9.05	4.83
19. Adilabad	61.30	30.06	8.65	4.65	3.99
20. Karimnagar	77.49	15.86	6.66	4.74	1.92
21. Warangal	78.23	17.64	4.13	3.02	1.11
22. Khammam	64.97	10.40	24.63	14.32	10.31
23. Nalgonda	71.82	15.72	12.46	10.04	2.42

Source: Census of India, 1991, Occasional Paper, No.5 of 1994, Housing & Amenities, A Data Base on Housing and Amenities for Districts, Cities and Towns.

Tenure Status and Room Pattern

Rental housing is an important component of the urban housing market in Andhra Pradesh. This is reflected in the fact that in 1991, more than two-fifth of the households were living in rented accommodation as against less than three-fifth occupying owned houses (Table 3.3). The proportion of households living in rented houses in the urban areas in the state is much higher than the national average of 34 per cent in urban areas. Thus, rental housing should form an important component of the Andhra Pradesh Housing Policy and Action Plan. The state government should facilitate the growth in rental housing stock through amendments in related state legislations.

An analysis of the data on household size and number of rooms provide an assessment of housing congestion in the state. The 1991 data show that nearly two-fifth of the urban households in the state live in single-room dwelling units. This highlights the high level of house extension demand in the urban areas in the state. About 31 per cent of the households live in housing units with two rooms, 16 per cent in three rooms, 8 per cent in four rooms, 3 per cent in five rooms and 3 per cent in houses with six rooms or more. Interestingly, the proportion of households living in one room houses is almost the same in the case of both owner-occupied and rented houses; 39 per cent and 40 per cent, respectively. However, the distribution of households by number of rooms varies between the owned and rented houses in the case of houses with 2 rooms or more. While the households living in owned houses are concentrated in 2 room units, a higher proportion of households living in rented houses have 3 rooms or more (Table 3.3).

The larger concentration of the weaker sections of population in single-room tenements in the urban areas highlights their low access to good housing facilities. Among the social categories, 54.24 per cent of the households belonging to the Scheduled Castes (SCs) live in one room units and the proportion for households belonging to the Scheduled Tribes (STs) is 61.90 per cent against the state average of 40 per cent in urban areas. About 30 per cent of the SC households and 26 per cent of the ST households live in two room units and the proportion living in 3 room units is 9 per cent and 7 per cent, respectively (Table 3.4).

Housing Stock

The total housing stock in the state is enumerated at 16.63 million units; three-fourth in rural areas and one-fourth in urban areas. The pre-dominant use of housing stock in urban areas is for residential purpose as more than three-fourth of the housing stock is put to this use. There are 3.17 million residential units in the urban areas as against 3.61 million households. Thus, the minimum urban housing need in the state in 1991 was 0.44 million

Table 3.3
Households by Tenure Status and Number of Rooms Occupied in Urban Areas, 1991

Tenure status	Total house-holds	No exclusive room		1 Room		2 Rooms		3 Rooms		4 Rooms		5 Rooms		6 Rooms		Unspecified Rooms	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1. Total	3367905	200	0.01	345860	39.96	1035265	30.74	525355	15.60	259835	7.72	88410	2.63	94105	2.79	18845	0.56
2. Owned	1934160	110	0.01	757190	39.15	982180	50.78	279050	14.43	164490	8.50	62420	3.23	77720	4.02	11000	0.57
3. Rented	1370240	85	0.01	556500	40.61	438040	31.97	238265	17.39	91455	6.67	24550	1.79	14810	1.08	6535	0.48
4. Others	63505	5	0.01	32170	50.66	15045	23.69	8040	12.66	3890	6.13	1440	2.27	1575	2.48	1340	2.11

Source: Census of India, 1991, Part VII, Tables on Housing and Amenities.

Table 3.4
Percentage of Households by Number of Rooms Occupied, 1991

Category	No. of Rooms							
	No exclusive room	1	2	3	4	5	6	Unspecified
1. Total	0.04	39.55	30.37	14.82	7.78	3.14	3.83	0.48
2. SCs	0.02	54.24	29.33	9.2	4.17	1.07	1.36	0.61
3. STs	0.03	61.90	25.81	6.67	3.00	0.66	1.41	0.52

Source: Occasional Paper No. 3 of 1994, Census of India, 1991.

units. The gap between housing demand and supply could be reduced in the urban areas by bringing the vacant houses into the housing market. The vacant houses have been enumerated at 0.29 million units, constituting 7.1 per cent of the urban housing stock. The use of housing stock does not vary much between rural and urban areas except under 'other non-residential' purposes which accounts for 9 per cent and 2 per cent of the housing stock in rural and urban areas, respectively (Table 3.5).

Table 3.5
Distribution of Housing Stock by Type of Use, 1991

(Number in million)

Use	Total		Rural		Urban	
	No.	%	No.	%	No.	%
1. Residence	12.75	76.6	9.58	76.5	3.17	77.2
2. Shop-cum-residence	0.22	1.4	0.17	1.4	0.05	1.3
3. Workshop/factory-cum-residence including household industry	0.33	2.0	0.26	2.1	0.07	1.7
4. Residence-cum-other use	0.22	1.3	0.19	1.5	0.03	0.8
5. Hotel, sarai, dharamshala Tourist home & inspection house	0.04	0.2	0.02	0.2	0.02	0.4
6. Shops including eating houses	0.33	2.0	0.13	1.0	0.20	5.0
7. Business house and office	0.08	0.5	0.04	0.3	0.04	1.0
8. Factory, workshop and workshed	0.21	1.2	0.11	0.8	0.10	2.4
9. Restaurant, sweat-meat shop and eating lace	0.03	0.2	0.02	0.1	0.01	0.3
10. Place of entertainment and community gathering	0.01	0.1	0.01	0.1	Neg.	0.0
11. Place of worship	0.12	0.7	0.10	0.8	0.02	0.4
12. Other non-residential	1.19	7.2	1.09	8.7	0.10	2.4
13. Vacant houses	1.10	6.6	0.81	6.5	0.29	7.1
Total census houses	16.63	100.0	12.53	100.0	4.10	100.0

Source: Census of India, 1991, Part VII, Tables on Houses and Household Amenities.

Note : Neg. - Negligible.

BASIC INFRASTRUCTURAL SERVICES

The availability of minimum level of basic services is necessary for a conducive human settlement and habitat. The quality of urban life, inter alia, depends upon the

availability of basic minimum level of services. Safe drinking water, sanitation facilities and electricity are the bare minimum needs for human settlements. In the urban areas of Andhra Pradesh, less than three-fourth of the households have access to safe drinking water and electricity, and about one-half to toilet facility. About two-fifth of the households have access to safe drinking water, sanitation facilities and electricity while 7 per cent of the households have none of these facilities (Table 3.6).

Electricity

Access of urban households to electricity provides them with cost-effective lighting system instead of the relatively expensive system dependent on rationed kerosene oil and, also, facilitates an improvement in the quality of living. The proportion of urban households having electricity connections in the state is comparable to the national average. District-wise 1991 Census data on access of households to electricity in the urban areas of Andhra Pradesh reveal that 60 to 80 per cent of the households, on an average, have electricity connections.

The exceptions are Hyderabad and Medak districts, where 90 and 84 per cent of the households have electricity connections, respectively, and on the lower side, in Guntur district the coverage is 58 per cent. In nine districts, the proportion of households with electricity connections is more than the state average (Table 3.6). Town-specific analysis shows that in six towns, viz., Pedana, Bapatla, Chilkaluripeta, Sattennapalli, Kandukur and Ichapuram, only 45 per cent of the households have access to electricity while the proportion is the highest in Sircilla town (93 per cent).

Drinking Water

The non-availability of potable water forces the urban households to draw water from polluted and unprotected water sources exposing them to numerous water-related diseases. The ratio of standposts per 1000 population is low in the low-income settlements and, consequently, the poor households spend long hours to draw water from the common water facilities. The proportion of urban households with access to safe drinking water in Andhra Pradesh is lower than the national average of 81.3 per cent. The accessibility of urban households to safe drinking water across districts varies between 90 per cent in Ananthapur district and 41 per cent in Karimnagar district. The proportion of households with access to safe drinking water is less than 43 per cent in two districts, 50 - 60 per cent in three districts, 60 - 70 per cent in five districts, 70 - 80 per cent in six districts and more than 80 per cent in the remaining seven districts (Table 3.6). Among the urban centres in the state, the proportion of households with access to potable water is the lowest in Pedana (3.53 per cent) and is the highest in Mandapeta (97.65 per cent).

Table 3.6
Urban Households with Access to Safe Drinking Water,
Toilet Facilities and Electricity, 1991

(in per cent)

State/District	Elect- ricity	Safe drinking water	Toilet	Electri- city & safe drinking water	Toilet & safe drink- ing water	Electri- city & toilet	All the three	None of the three
Andhra Pradesh	73.31	73.82	54.60	54.42	41.33	52.69	39.90	6.81
1. Srikakulam	61.63	42.09	30.08	27.86	14.73	29.38	14.41	23.77
2. Vizianagaram	61.08	70.41	33.59	42.88	22.52	31.98	21.65	10.66
3. Visakhapatnam	69.79	65.02	48.36	44.33	30.31	47.34	29.64	9.15
4. East Godavari	65.91	75.94	51.34	50.18	39.11	49.10	37.50	7.70
5. West Godavari	62.37	75.96	51.00	47.59	38.67	48.53	36.99	8.47
6. Krishna	69.13	82.22	63.01	57.10	52.75	57.80	48.23	5.06
7. Guntur	58.34	77.30	44.80	45.86	35.23	42.79	33.80	9.64
8. Prakasam	64.02	52.56	33.49	36.28	19.15	32.79	18.75	19.40
9. Nellore	69.12	66.94	45.79	44.88	29.82	44.65	28.95	8.55
10. Chittoor	80.69	83.45	54.56	66.08	43.29	53.51	42.38	1.81
11. Cuddapah	78.72	87.48	42.29	68.82	37.83	41.24	36.95	2.45
12. Ananthapur	70.90	90.38	35.81	63.96	31.94	34.91	31.14	2.57
13. Kurnool	64.39	87.06	39.32	55.83	33.43	37.89	32.19	4.18
14. Mahbubnagar	72.07	85.23	48.46	61.82	41.44	47.07	40.27	4.32
15. Rangareddy	80.71	72.46	63.36	58.82	45.59	62.35	44.58	5.26
16. Hyderabad	90.44	86.48	87.71	79.02	76.62	84.54	74.48	1.51
17. Medak	83.54	66.28	60.56	54.73	39.13	59.58	38.51	4.56
18. Nizamabad	75.71	70.16	56.44	50.82	39.00	54.31	37.26	4.56
19. Adilabad	70.82	56.31	34.45	40.76	20.23	33.28	19.70	12.98
20. Karimnagar	84.79	41.16	53.23	35.32	25.80	52.15	25.42	8.66
21. Warangal	80.98	59.47	61.01	49.72	39.04	59.25	38.89	8.46
22. Khammam	69.99	63.08	47.21	43.11	29.97	46.10	29.30	9.60
23. Nalgonda	78.20	61.92	51.50	47.55	31.75	50.78	31.26	7.20

Source: Census of India, 1991, Occasional Paper No.5 of 1994, Housing & Amenities, A Data Base on Housing and Amenities for Districts, Cities and Towns.

Toilet Facilities

The provision of proper toilet facilities to the urban population is imperative in view of the environmental considerations and for improving the overall quality of urban life. In 1991, the proportion of urban households with access to toilet facilities in Andhra Pradesh was lower than the national average (64 per cent). More than four-fifth of the households in Hyderabad and 63 per cent in Krishna and Rangareddy districts have access to toilet facility. On the lower side, the proportion in the case of Srikakulam, Prakasam, Adilabad and Ananthapur districts is 30.1, 33.5, 34.5 and 35.8, respectively (Table 3.6). In only 5 districts, this facility is available for the households above the state average. Across the urban centres

in the state, Pedana town with 18.2 per cent has the lowest proportion while Karimnagar town with 80.0 per cent has the highest proportion of households with toilet facility.

The availability of all the three services, that is, safe drinking water, electricity and toilet facilities, is necessary for the congenial human existence. However, the 1991 Census data show that less than two-fifth of the urban households in the state had access to all the three services and 7 per cent had access to none of these services. In comparison, at the national level, more than one-half of the urban households had access to all the three facilities and 5 per cent had access to none of these services. The district-wise data show that households in Hyderabad district are best served by basic services and three-fourth of them have access to all the three facilities while only a small proportion (1.5 per cent) have access to none of these services. On the other hand, the accessibility of people to basic services is low in Srikakulum district, with less than one-sixth of urban households having access to all the three facilities and nearly one-fourth having access to none of the services. In twelve districts, less than one-third of the households have access to all the three facilities (Table 3.6).

District-wise analysis of the household facilities ignores the intra-district variations across cities and towns. The town-wise analysis in Srikakulum district highlights the wide variations in availability of services across urban centres. Electricity facility is available in the district to 62 per cent of the households but there are wide variations in its availability between the three urban local bodies in the district. In Srikakulum town, 71 per cent have electricity connections but the proportion is 49 and 54 per cent in Ichapuram and Amadavalsa, respectively. In case of safe drinking water, while 42 per cent of the households in the district have access to this facility, the accessibility varies across towns between 12 per cent in Ichapuram and 71 per cent in Srikakulum town. While 14 per cent of the households in the district have all the three facilities, their proportion is less than 2 per cent in Ichapuram town.

Usage of Fuel

In urban areas there has been a gradual shift in the type of fuel used by households for cooking, particularly among the poor, from bio-mass to marketed fuels. This has been largely due to non-availability of bio-mass and easier availability of kerosene oil and cooking gas due to growing retail network. This shift also signifies the urban process. In Andhra Pradesh nearly one-half of the urban households use firewood, Cooking Gas is used by one-fourth of the households, kerosene by more than one-fifth of the households and 6 per cent households use charcoal, biogas, electricity, etc. (Table 3.7). District-wise analysis shows interesting trends in the use of fuel. Cooking Gas is used for cooking by a larger proportion of households in the highly urbanised districts compared to other districts in the state; by 30-35 per cent of the households in Hyderabad, Visakhapatnam and Krishna districts. In twelve districts, Cooking Gas is used by 20 to 30 per cent of the households and in the rest of the

districts, its use is restricted to 10 to 20 per cent of the households. In Cuddapah, Ananthapur, Kurnool and Adilabad districts, relatively lower proportion of households use Cooking Gas, 10 to 13 per cent. Wood is used as fuel by majority of the households in various districts - its use is the highest in Cuddapah district (78 per cent) and lowest in Hyderabad district (less than 10 per cent). Interestingly, in Hyderabad and Rangareddy districts, kerosene is used as fuel by 53 per cent and 46 per cent of the households, respectively, followed by Warangal (26.9 per cent) and Medak (26.8 per cent) districts. In all other districts, the use of kerosene is less than 20 per cent. Cow-dung is used as a fuel by a high proportion of households in Srikakulam district while it is the case with electricity in Karimnagar and Khammam districts, and charcoal in Adilabad and Karimnagar districts.

Table 3.7

Distribution of Households by Type of Fuel Used for Cooking, 1991

(in per cent)

State/District	Cow-dung Cake	Electri- city	Coal/ Coke/ Lignite	Char- coal	Cook- ing Gas	Wood	Biogas	Keros- ene	Others
Andhra Pradesh	0.86	0.28	0.36	2.58	25.19	47.99	0.44	21.53	0.75
1. Srikakulam	9.56	0.19	0.40	2.77	21.09	53.62	0.31	9.39	2.60
2. Vizianagaram	0.73	0.03	0.07	2.08	22.25	61.69	0.58	11.67	0.87
3. Visakhapatnam	0.26	0.09	0.43	2.47	34.44	41.10	0.50	19.75	0.93
4. East Godavari	1.63	0.05	0.12	1.84	27.89	52.09	0.22	15.30	0.83
5. West Godavari	3.77	0.02	0.05	0.62	29.40	56.26	0.22	8.73	0.92
6. Krishna	1.33	0.24	0.08	0.28	32.09	45.30	0.48	19.45	0.74
7. Guntur	0.60	0.06	0.11	0.43	5.62	63.04	0.36	8.48	1.26
8. Prakasam	0.45	0.06	0.15	1.06	19.84	72.12	0.63	5.04	0.61
9. Nellore	0.27	0.09	0.11	0.68	24.48	60.95	0.25	12.73	0.41
10. Chittoor	0.28	0.02	0.05	0.09	22.90	59.51	0.33	16.16	0.45
11. Cuddapah	0.09	0.26	0.06	0.73	11.78	78.07	0.31	8.20	0.48
12. Ananthapur	0.16	0.14	0.04	0.36	12.30	74.63	0.41	11.57	0.38
13. Kurnool	0.15	0.18	0.03	0.10	13.27	76.26	0.45	8.92	0.53
14. Mahbubnagar	0.66	0.10	0.03	0.10	11.62	69.63	0.93	16.34	0.57
15. Rangareddy	0.92	0.10	0.18	0.16	28.86	22.20	0.77	46.02	0.78
16. Hyderabad	0.26	0.14	0.16	0.26	34.77	9.88	0.43	53.30	0.77
17. Medak	0.86	0.11	0.07	0.06	23.26	47.83	0.53	26.80	0.44
18. Nizamabad	0.78	0.02	0.08	0.15	23.31	56.19	0.56	18.52	0.37
19. Adilabad	0.40	0.51	4.36	30.42	10.64	49.65	0.33	3.24	0.42
20. Karimnagar	0.39	2.35	1.67	25.54	13.99	42.51	0.40	12.60	0.53
21. Warangal	0.19	0.09	0.30	0.36	23.86	47.27	0.48	26.90	0.51
22. Khammam	0.10	2.58	2.05	5.56	20.90	56.91	0.46	10.95	0.47
23. Nalgonda	0.12	0.43	0.04	0.09	15.74	57.62	0.47	24.83	0.63

Source: Census of India, 1991, Occasional Paper No. 5 of 1994, Housing & Amenities, A Data Base on Housing and Amenities for Districts, Cities and Towns.

In six towns including Bheemunipatnam, Kadiri and Yellandu, cow-dung is not being used at all whereas in Ichapuram town it is being used by 11.32 per cent of the households. Electricity as fuel is used more in Palavantha (by 16.70 per cent households) and Ramagundum (by 5.80 per cent) because of location of the thermal power station in these towns. Although coal/coke as fuel is used by less than 1 per cent of the households, on an average, in the urban centres in the state, its use is the highest in Bellampalli (7.14 per cent households). Similarly, charcoal is used as a fuel in Bellampalli by 69.73 per cent households. The proportion of households using Cooking Gas is the lowest in Yemmuniagar town (4.54 per cent) while the proportion is the lowest in Malkajigiri in the case of wood (7.78 per cent). The proportion of households using wood for cooking purposes is the highest in Rayadurg (89.46 per cent). The use of biogas as a fuel is the highest in Mahbubnagar town (2 per cent) while the use of kerosene is the lowest in Narayanpet town (1.57 per cent) and highest in Qutabullapur (68.09 per cent).

STATUS OF URBAN INFRASTRUCTURE

Cities and towns generally have better infrastructural facilities particularly in terms of roads, water supply, sewerage and drainage system, sewerage treatment, solid waste management, etc., as compared to rural settlements. These facilities contribute to better standard of living in urban areas and act as pull factors for migration to cities and towns. The urban local bodies have an obligatory duty to provide for development and maintenance of urban infrastructure. In 1994, the Department of Municipal Administration and Urban Development (MAUD) surveyed the municipalities in the state to assess the status of infrastructure in the different cities and towns. The survey covered aspects such as drinking water supply, roads, drains and street-lighting. However, the survey only assessed the availability of these facilities and aspects related to quality and maintenance were not covered. The following sections in this chapter are based on the survey results.

Drinking Water

Provision of drinking water is one of the core functions of local government institutions - both urban and rural. In the urban areas, potable water is supplied by the local bodies through Public Water Supply (PWS) schemes, augmented in most cases by drawing water from the borewells (BW). The urban water supply is estimated at 213.4 million gallons of which 165.2 million gallons is supplied through PWS and 48.2 million gallons through borewells (Table 3.8). In Class I cities, water supply is mainly through PWS schemes which account for four-fifth of the total water supply and one-fifth is drawn from the borewells. However, in the Class II and III towns, the quantity supplied through PWS is augmented with equal quantity from borewells.

Table 3.8

Status of Water Supply in Municipalities, 1994

District/ City-Class	Population	Water supply (Gallons in million)			Gallon per capita daily (GPCD)	National norm (GPCD)	Per capita deficit	
		PWS	BW	Total			GPCD	%
1. Srikakulam								
Class II & III	152932	174.6	59.6	234.2	15.31	22.00	6.69	30.4
2. Vizianagaram								
Class I	160359	215.0	25.0	240.0	14.96	30.80	15.84	51.4
Class II & III	130177	179.0	18.7	197.7	15.18	22.00	6.82	31.0
3. Visakhapatnam								
Class I	931822	2715.5	26.0	2741.5	29.42	30.80	1.38	4.4
Class II & III	126417	125.3	186.4	311.7	24.65	22.00	+2.65	+12.0
4. East Godavari								
Class I	604831	1180.5	44.3	1222.5	20.25	30.80	10.55	34.3
Class II & III	304801	379.2	124.7	503.9	16.53	22.00	5.47	24.9
5. West Godavari								
Class I	334180	390.0	120.0	510.0	15.26	30.80	15.54	50.5
Class II & III	342284	473.0	143.2	616.2	18.00	22.00	4.00	18.2
6. Krishna								
Class I	962593	1760.2	936.1	2696.3	28.01	30.80	2.79	2.8
Class II & III	106304	92.0	25.0	117.0	11.00	22.00	11.00	50.0
7. Guntur								
Class I	614777	1140.0	108.4	1248.4	20.30	30.80	10.50	34.1
Class II & III	470564	419.0	148.5	567.5	12.05	22.00	9.95	45.2
8. Prakasam								
Class I	100836	320.0	20.0	340.0	33.71	30.80	+2.91	+9.4
Class II & III	167760	45.0	41.6	86.6	5.16	22.00	16.84	76.5
9. Nellore								
Class I	316606	850.0	100.0	950.0	30.00	30.80	0.80	2.6
Class II & III	121894	233.0	29.8	262.8	21.55	22.00	0.45	2.0
10. Chittoor								
Class I	307831	375.0	251.0	626.0	20.33	30.80	10.47	34.0
Class II & III	169280	184.0	179.0	363.0	21.44	22.00	0.56	2.5
11. Cuddapah								
Class I	255377	410.0	40.0	450.0	17.62	30.80	13.18	42.8
12. Ananthapur								
Class I	282516	427.7	60.0	487.7	17.26	30.80	13.54	44.0
Class II & III	326250	442.3	116.4	558.7	17.12	22.00	4.88	22.2
13. Kurnool								
Class I	489712	695.0	120.0	815.0	16.64	30.80	14.16	46.0
Class II & III	65089	90.0	10.0	100.0	15.36	22.00	6.64	30.2
14. Mahbubnagar								
Class I	116833	0.0	98.0	98.0	8.38	30.80	22.42	72.8
Class II & III	113123	79.0	69.8	148.8	13.15	22.00	8.85	40.2
15. Ranga Reddy								
Class I	576246	280.0	349.5	629.5	10.92	30.80	19.88	64.5
Class II & III	472747	277.6	233.0	510.6	10.80	22.00	11.20	50.9

16. Medak									
Class II & III	210517	171.4	168.5	339.9	16.14	22.00	5.86	26.6	
17. Nizamabad									
Class I	244034	220.3	93.0	313.3	12.83	30.80	17.97	58.3	
Class II & III	113074	28.0	117.5	145.5	12.86	22.00	9.14	41.5	
18. Adilabad									
Class II & III	348548	180.0	157.7	337.7	9.68	22.00	12.32	56.0	
19. Karimnagar									
Class I	362967	161.4	96.0	257.4	7.09	30.80	23.71	77.0	
Class II & III	157719	135.5	13.8	149.3	9.46	22.00	12.54	57.0	
20. Warangal									
Class I	447657	1106.0	129.0	1229.0	27.45	30.80	3.35	10.9	
Class II & III	34305	0.00	43.0	43.0	12.53	22.00	9.47	43.0	
21. Khammam									
Class I	127992	300.0	300.0	330.0	25.78	30.80	5.02	16.3	
Class II & III	172217	69.2	41.2	110.4	6.41	22.00	15.59	70.9	
22. Nalgonda									
Class II & III	251960	197.4	242.8	440.2	17.47	22.00	4.53	20.6	
Total	11595131	16521.0	4816.5	21338.0	18.40				
Class I	7237169	12547.0	2646.3	15185.0	20.98	30.80	9.82	16.3	
Class II & III	4106002	3777.1	1927.4	5704.5	13.89	22.00	8.11	70.9	

Source: Department of Municipal Administration and Urban Development, Government of Andhra Pradesh.

The analysis of district-wise data indicates water shortage in several districts. In the case of Class I cities, the unfulfilled water demand is the highest in Karimnagar district (77.0 per cent) and is the lowest in Krishna (2.8 per cent), Nellore (2.6 per cent), Visakhapatnam (4.4 per cent) and Prakasam (9.4 per cent) districts. Among the Class II and III towns, the water deficit is the highest in Prakasam district (76.5 per cent). In Class II towns, the deficit is the lowest in Nellore (2.0 per cent) and Chittoor (2.5 per cent) districts. The analysis generally indicates that the urban local bodies in Telangana region have higher unfulfilled water demand than those in the coastal districts (Table 3.8).

The national norms for urban water supply are 30.80 Gallons Per Capita Daily (GPCD) for Class I cities and 22.00 GPCD for Class II and III towns (Table 3.9). In the state, the level of water supply is 16.31 GPCD in Class I cities and 15.03 and 11.81 GPCD in Class II and III towns respectively. Thus, the deficit in per capita availability of potable water is 32 per cent in Class I cities and 37 per cent in Class II and III towns in the state. Table 3.9 presents the data on per capita availability of water by city-class. These data are, however, indicative only of the overall deficits in terms of the national norms and it is likely that the seasonal deficits may be more.

There exist wide variations in the level of water supply across cities in the state. In the Class I municipalities like Ramagundum, Gajuwaka and Guntakal, the levels are as low

as 2.89 GPCD, 5.90 GPCD and 6.11 GPCD, respectively. In twelve Class I cities, the average supply is not even one-half of the national norm and only in two municipalities, viz., Tenali and Nellore, the supply conforms to the norm. In case of Class II towns, the minimum supply is as low as 3.0 GPCD, 4.4 GPCD and 5.6 GPCD in Kothagudam, Kama Reddy and Repalli municipalities, respectively.

Table 3.9

Levels of Urban Water Supply

Size-Class	Average per capita water supply (in gallons)	Norm (GPCD)	Minimum present supply (in gallons)	Maximum present supply (in gallons)
Class I	16.31	30.80	2.80	30.80
Class II	15.03	22.00	3.00	31.94
Class III	11.81	22.00	3.64	20.64
All classes	14.38			

Source: Department of Municipal Administration and Urban Development, Government of Andhra Pradesh.

The survey data show that 13 municipalities in the state have satisfactory levels of water supply, 6 municipalities have no protected water supply, 12 municipalities have less than twenty five per cent deficit and 8 have more than seventy five per cent deficit (Table 3.10). These data indicate the gravity of urban water supply problem in the state.

In 29 out of 108 municipalities in the state, more than 50 per cent of the areas are not covered by protected water supply. The coverage is very low in some of the municipalities. For example, in the two industrial towns of Ramagundam and Kothagudam, the coverage is hardly 10 and 14 per cent, respectively. The coverage of protected water supply schemes in the municipalities in the state are: 79 per cent in Kagaznagar, 72.27 per cent in Mahabubnagar, 80.17 per cent in Guntakal, 91.5 per cent in Chirala, 82.85 per cent in Kandukuru and 81.93 per cent in Tenali. In 57 municipal towns, mostly in Telangana and Rayalaseema regions, the source of water is ground water while in 45 towns it is from surface water. In the remaining towns, water is supplied partly from surface and partly from ground water sources. The water supply in the state is intermittent and is provided for a limited duration in the day. Ideally, water supply systems should be designed with a minimum pressure at Ferrule point for 7 M for the settlements with single storey buildings, 12 M for double storied and 15 M for 3 storied. But in most towns, the system is designed with 7 M residual heads and it is 12 M only in a few cases. As a result, water pressure in multi-storied flats is very low in the cities/towns in the state.

Table 3.10

Demand-Supply Gap in Availability of Water

S. No.	No. of Municipalities	Percentage deficit
1.	6	No protected water supply
2.	8	> 75
3.	38	50 to 75
4.	36	25 to 50
5.	12	< 25
6.	13	Satisfactory

Source: Department of Municipal Administration and Urban Development, Government of Andhra Pradesh.

It can, thus, be concluded that water supply is in a critical position and augmentation efforts are required on a priority basis in many municipalities in the state. Priority, however, should be accorded to the municipalities with chronic deficits and limited coverage.

Roads

Provision and maintenance of local roads is the responsibility of the urban local bodies. In the municipalities in Andhra Pradesh, there are about 9,600 kms. of roads of different categories. Among the districts, Visakhapatnam has the highest municipal road length of 2,408 kms. followed by Rangareddy with 1,141 kms. On the lower side, Mahbubnagar and Nalgonda districts have municipal road lengths of 21 kms. and 28 kms., respectively. Towns in Coastal Andhra and Rayalaseema regions appear to be better served with road facilities compared to the towns in Telangana region (Table 3.11).

About one-third of the roads under the municipalities in the state are cement concrete roads, 29 per cent are B.T. roads, 27 per cent are W.B.M. roads and the remaining 10 per cent are gravel roads. In Visakhapatnam district, 96 per cent of the road length in the municipal areas is of cement concrete whereas this type of roads are non-existent in the municipalities of Nalgonda district. Less urbanised districts of Srikakulam and Vizianagaram have 26 per cent of the road length of cement concrete. The proportion of B.T. type roads is the highest in the municipalities of East Godavari district (69 per cent) and the lowest in the municipalities in Visakhapatnam district (2 per cent). The proportion of W.B.M. roads to total road length is higher in Warangal (81 per cent) and Nalgonda (61 per cent) districts. The districts of Karimnagar and Khammam have 58 and 42 per cent of gravel roads, respectively.

Table 3.11**Status of Roads in Municipalities by Districts, 1994**

District/ state	C.C.		B.T.		W.B.M.		Gravel		Total
	length in kms.	%	length in kms.	%	length in kms.	%	length in kms.	%	length in kms.
1. Srikakulam	45.24	26.85	84.09	49.90	36.29	21.54	2.89	1.72	168.51
2. Vizianagaram	56.19	26.44	95.75	45.06	60.55	28.50	0.00	0.00	212.49
3. Visakhapatnam	2300.20	95.52	47.73	1.98	15.05	0.63	45.00	1.87	2407.98
4. East Godavari	82.18	9.03	630.25	69.25	160.85	17.67	36.79	4.04	910.07
5. West Godavari	130.29	21.77	176.96	29.57	202.59	33.85	88.63	14.81	598.47
6. Krishna	22.12	5.10	158.12	36.47	199.97	46.12	53.41	12.32	433.62
7. Guntur	130.29	17.75	212.06	28.90	302.89	41.27	88.63	12.08	733.87
8. Prakasam	68.15	19.23	96.46	27.22	127.30	35.92	62.50	17.63	354.41
9. Nellore	15.95	10.04	66.78	42.05	76.08	47.91	0.00	0.00	158.81
10. Chittoor	68.37	17.35	123.62	31.36	202.15	51.29	0.00	0.00	394.14
11. Cuddapah	76.45	32.63	87.53	37.36	70.32	30.01	0.00	0.00	234.30
12. Ananthapur	96.64	23.80	147.83	36.41	143.59	35.36	18.01	4.44	406.07
13. Kurnool	44.18	19.56	54.50	24.13	91.57	40.54	35.65	15.78	225.90
14. Mahbubnagar	1.20	5.66	9.00	42.45	11.00	51.89	0.00	0.00	21.20
15. Rangareddy	5.57	0.49	514.85	45.13	510.45	44.74	110.04	9.64	1140.91
16. Medak	8.00	5.49	66.50	45.66	71.15	48.85	0.00	0.00	145.65
17. Nizamabad	4.50	7.29	21.70	35.17	35.50	57.54	0.00	0.00	61.70
18. Adilabad	17.41	12.52	65.15	46.86	51.16	36.80	5.32	3.83	139.04
19. Karimnagar	67.67	11.19	45.70	7.55	143.45	23.71	348.15	57.55	604.97
20. Warangal	0.60	1.35	7.99	17.97	35.88	80.68	0.00	0.00	44.47
21. Khammam	11.93	8.33	16.52	11.53	54.25	37.86	60.60	42.29	143.30
22. Nalgonda	0.00	0.00	10.90	38.86	17.15	61.14	0.00	0.00	28.05
Total	3253.10	34.00	2740.0	28.64	2619.2	27.37	955.62	9.99	9567.93

Source: Department of Municipal Administration and Urban Development, Government of Andhra Pradesh.

There is a need for the ULBs to upgrade the road network. The lower category roads must be upgraded on a priority basis. In the first instance, W.B.M. roads, which form 27 per cent of the road length under the municipalities in the state, must be upgraded to B.T. type. Such conversion is needed more in the Class I cities and Class II towns. In the second stage, BT roads could be upgraded to cement roads based on the availability of finances.

Drainage

Provision of an efficient drainage network is important for environmental sanitation and it is a requisite for a healthy urban living. In Andhra Pradesh up to 1994, less than 8,000 kms. of drains have been constructed in the municipal areas. Municipalities in Karimnagar district have 1,268 kms. of drainage network followed by the municipalities in Rangareddy

district with 846 kms. Municipalities in Mahbubnagar and Nalgonda districts have the lowest length of drainage; 34 and 36 kms., respectively (Table 3.12).

Table 3.12
Status of Drains in Municipalities, 1994

State/District	Total length (in kms.)	Pucca		Kutchha	
		Length (in kms.)	%	Length (in kms.)	%
Andhra Pradesh	7911.46	4360.41	55.12	3551.05	44.88
1. Srikakulam	144.29	79.15	54.85	65.14	45.15
2. Vizianagaram	260.12	153.71	59.09	106.41	40.91
3. Visakhapatnam	183.27	108.58	59.25	74.69	40.75
4. East Godavari	828.34	493.95	59.63	334.39	40.37
5. West Godavari	664.90	434.45	65.34	230.45	34.66
6. Krishna	436.35	129.90	29.77	306.45	70.23
7. Guntur	808.66	225.30	27.86	583.36	72.14
8. Prakasam	64.81	34.45	53.16	30.36	46.84
9. Nellore	246.93	96.73	39.17	150.20	60.83
10. Chittoor	392.96	272.59	69.37	120.37	30.63
11. Cuddapah	353.57	244.73	69.22	108.84	30.78
12. Ananthapur	370.02	267.01	72.16	103.01	27.84
13. Kurnool	250.00	240.00	96.00	10.00	4.00
14. Mahbubnagar	34.00	34.00	100.00	0.00	0.00
15. Rangareddy	846.38	697.38	82.40	149.00	17.60
16. Hyderabad	1.00	1.00	100.00	0.00	0.00
17. Medak	184.67	117.00	63.36	67.67	36.64
18. Nizamabad	95.45	71.65	75.07	23.80	24.93
19. Adilabad	151.30	82.75	54.69	68.55	45.31
20. Karimnagar	1268.44	432.84	34.12	835.60	65.88
21. Warangal	100.26	50.26	50.13	50.00	49.87
22. Khammam	189.67	73.91	38.97	115.76	61.03
23. Nalgonda	36.07	19.07	52.87	17.00	47.13

Source: Department of Municipal Administration and Urban Development, Government of Andhra Pradesh.

About 55 per cent of the drainage lines in the municipalities of Andhra Pradesh are pucca and the remaining 45 per cent are kutchha. Kutchha drains are mostly rudimentary and are susceptible to blockages. These drains are difficult to maintain and are a health hazard for the urban citizens. The districts with a high proportion of pucca drains in the municipalities are Mahbubnagar (100 per cent), Kurnool (96 per cent) and Rangareddy (82 per cent). Guntur district, on the other hand, has only 28 per cent pucca drains. By and large, municipalities in Coastal Andhra and Rayalaseema regions appear to have better drainage facility compared to Telangana region.

There is total absence of drainage facility in some municipalities in the state. Though exact estimates are not available, rough estimates based on the road network reveal that about 8,000 kms. of drains need to be provided in the municipalities in the state. The situation, however, appears to be satisfactory in the case of smaller municipalities, i.e., Class III towns. The drainage facilities in the Class II municipalities are deficient and about 3,400 kms. length of drains need to be provided. In respect of the Class I municipalities, the length of drains that needs to be provided is about 3,000 kms. Thus, huge investments are required in Class I and II municipalities for provision of drainage facilities.

Table 3.13
Status of Street Lighting in Municipalities, 1991

State/District	Length of road (in kms.)	No. of poles	No. of lights	Deficit/surplus
Andhra Pradesh	9567.93	318931	183502	- 135429
1. Srikakulam	168.51	5617	4591	- 1026
2. Vizianagaram	212.49	7083	5317	- 1766
3. Visakhapatnam	2407.98	80266	8577	- 71689
4. East Godavari	910.07	30336	14462	- 15874
5. West Godavari	598.47	19949	15206	- 4743
6. Krishna	433.62	14454	10103	- 4351
7. Guntur	733.87	24462	12754	- 11708
8. Prakasam	354.41	11814	8534	- 3280
9. Nellore	158.81	5294	6362	1068
10. Chittoor	394.14	13138	9677	- 3461
11. Cuddapah	234.30	7810	7382	- 428
12. Ananthapur	406.07	13536	10334	- 3202
13. Kurnool	225.90	7530	8642	1112
14. Mahbubnagar	21.20	707	947	240
15. Rangareddy	1140.91	38030	32564	- 5466
16. Medak	145.65	4855	5184	329
17. Nizamabad	61.70	2057	2422	365
18. Adilabad	139.04	4635	6951	2316
19. Karimnagar	604.97	20166	5673	- 14493
20. Warangal	44.47	1482	950	- 532
21. Khammam	143.30	4777	5064	287
22. Nalgonda	28.05	935	1806	871

Source: Directorate of Municipal Administration, Government of Andhra Pradesh.

Street-Lighting

Street lighting has historically been a local function and the safety and security of the urban communities largely depend on street lighting. Provision of street lights is one of the

obligatory functions of urban local bodies in the state. The norms for street lights is: 1 for every 30 meters length of road. In Andhra Pradesh, 320,000 street lights are required for the total road length of 9,567 kms. while, at present, only 183,502 street lights have been provided. In eight districts, the number of street lights appears to be more than the number required. Considering the need for providing lights in street corners, cross roads, etc., excess street lights have not been provided except by a few local bodies. But absence of street lights seem to be plaguing the municipalities in 14 districts (Table 3.13). The situation in Visakhapatnam district seems to be worse as hardly 10 per cent of the road length is covered with street lights. Also, several districts in the Coastal region do not have proper street lights.

More than four-fifth of the street-lights in the municipalities in the state are in the form of tube lights. The M.V. and filament lights are few and form less than 10 and 5 per cent of the street lights, respectively. In addition to augmenting the number of street lights, their maintenance is a problem for the municipalities, given the limited availability of financial resources.

Parks and Play Grounds

Parks and playgrounds provide space for recreation to the urban community and are the lungs of cities/towns. There are numerous cases of encroachment of areas earmarked for parks and playgrounds due to the failure of the municipalities to develop them. In Andhra Pradesh, out of the 505 earmarked parks, nearly one-half are in Class I cities. Nagar Panchayats have 2 parks each, on an average, and the number is 3 and 4 in the case of Class II and Class III towns, respectively. The average number of parks is high in the Class I cities which have 8 parks each on average. Table 3.14 gives the number of parks and playgrounds by size-class of cities/towns in the state.

Table 3.14

Parks and Play Grounds by Size-Class

Type of town	No. of parks	No. of playgrounds
Class I	242	47
Class II	159	41
Class III	77	16
Nagar Panchayats	27	7
All Classes	505	111

IV. INSTITUTIONAL ARRANGEMENTS FOR URBAN INFRASTRUCTURE

Urban development is a complex process requiring appropriate legal framework, institutional structures and personnel. The Andhra Pradesh Municipalities Act, 1965 and Hyderabad Municipal Corporation Act, 1955 govern the organisation and working of the municipalities and municipal corporations respectively in the state. These Acts have been amended from time to time to effectively tackle the emerging challenges of urban development. Institutional arrangements have also been made at Secretariat, Directorate and regional levels. Urban Development Authorities, Urban Finance and Infrastructure Development Corporation, State Urban Development Agency (SUDA), etc., were constituted for facilitating urban development in the state. The structure of municipal bodies, state level organisations/agencies and institutions, alongwith personnel management practices and staffing patterns, have been examined in this section.

CRITERIA FOR MUNICIPALISATION

In Andhra Pradesh, municipalities have been constituted in every town/city with population above 25,000. In addition to the use of population criteria for the constitution of municipalities for urban centres, income criteria is used to categorise them into 5 grades; namely Third, Second, First, Special and Selection grades. For the purpose, the income of municipalities is estimated on the basis of their total annual receipts from all sources, excluding loans and teaching grants. The gradation criteria is used to assign powers to the municipalities to sanction expenditure, levy taxes and to determine their staffing pattern. The present income-based gradation of the municipalities shown in Table 4.1.

Table 4.1
Gradation of Municipalities in Andhra Pradesh

Grade	Annual income (Rs. in 100,000)
Third	Less than 100
Second	100 - 200
First	200 - 300
Special	300 - 400
Selection	400 and above

After the enactment of the Constitution (74th Amendment) Act, 1992, the State Government amended the Andhra Pradesh Municipalities Act to provide for three types of ULBs, viz., Nagar Panchayats for transitional areas, Municipalities for smaller urban areas and Municipal Corporations for larger urban areas. The criteria for constituting Nagar Panchayats, Municipalities and Municipal Corporations was formulated on the basis of population, density, revenue of ULBs and their economic importance. However, the Act empowers the Government to relax the criteria if a local area acquires urban attributes. The criteria for classification of municipal bodies is given in Table 4.2.

Table 4.2

Criteria for Classification of Municipal Bodies

S.No.	Criteria	Nagar Panchayat	Municipal Council	Municipal Corporation
1.	Population	25,000 to 40,000	40,000 and above	400,000 and above
2.	Density of population (in sq. kms.)	1,000 and above	1,000 and above	10,000 and above
3.	Percentage of employment in non-agricultural activities	50% and above	60% and above	85% and above
4.	Revenue of local body	Rs.4 million and above	Rs.6 million and above	Rs. 40 million and above
5.	Economic importance	Availability of market facilities and potential for economic growth	Availability of market facilities and potential for industrial growth	Availability of markets, civic infrastructure, etc.

Adopting the above criteria, the ULBs in Andhra Pradesh were reconstituted in 1994. At present, there are 7 Municipal Corporations and 108 Municipalities in the state. A somewhat confusing situation has arisen in the state after the new classification of the ULBs into three categories because of the continuation of the earlier five grade classification. In addition, the State Government has decided that all district headquarters will be classified as first grade municipalities and Nagar Panchayats as third grade municipalities, irrespective of their classification according to the gradation formula. At present, there are 5 selection grade, 12 special grade, 17 first grade, 34 second grade, 26 third grade municipalities and 14 Nagar Panchayats in the state. Table 4.3 gives grade-wise number and population of ULBs. As per the 1991 Census, there are about 40 villages with population above 25,000 and these are still classified as rural settlements and have village panchayats. Efforts have not been made to

upgrade them into Nagar Panchayats or Municipalities. In fact, a Class II town in the state, with population above 50,000, is still governed by a Gram Panchayat and, as a consequence, could not be included under the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) in the past.

MUNICIPAL FUNCTIONS

The Andhra Pradesh Municipalities Act lists several functions which are to be performed by the Municipalities. These are: street-lighting, drainage, provision of public latrines and urinals, scavenging, removal of solid wastes, maintenance of roads, water supply, registration of births and deaths, vaccination, provision of market places and slaughter houses, etc. However, unlike the Hyderabad Municipal Corporation Act, the Municipalities Act does not make any distinction between obligatory and discretionary municipal functions. This Act only specifies the list of functions and stipulates that the municipalities should undertake them subject to the availability of finances.

Table 4.3
Grade-wise Population of Urban Local Bodies

Sl. No.	Classification of local bodies	Number of ULBs	Population	Percentage to total population of local bodies
1.	Corporations	7	5975036	40.66
2.	Selection Grade Municipalities	5	1225410	8.33
3.	Special Grade Municipalities	12	1592390	10.83
4.	First Grade Municipalities	17	1831023	12.46
5.	Second Grade Municipalities	34	2188499	14.88
6.	Third Grade Municipalities	26	1399619	9.52
7.	Nagar Panchayats	14	485685	3.32
Total		115	14697662	100.00

The Hyderabad Municipal Corporation Act provides for obligatory and discretionary functions to be taken up by the Corporation. The obligatory functions include maintenance of streets, disposal of solid wastes, construction and maintenance of drains, sanitation, street-lighting, street numbering, regulation of offensive and dangerous trades, construction of

slaughter houses, vaccination, provision of parks and play grounds, etc. The discretionary functions include care of the disabled, maintenance of swimming pools, tree plantation, provision of public transport, etc.

Municipal Councils

The Municipalities Act provides for three municipal authorities, viz., the Council, the Chair-person and the Commissioner. The Municipal Chair-person enjoys certain financial powers. However, in case of Municipal Corporations, financial powers are not vested in the Mayor; they are with the Standing Committee and the Commissioner under the Municipal Corporation Act. The strength of the Council in the Municipalities ranges between 21 and 45, based on population, as detailed in Table 4.4.

In the case of Municipal Corporations, the criteria for determining the strength of Councils varies. For example in the case of Hyderabad Corporation, the strength is fixed at 100 while it is fixed at 50 for Visakhapatnam, Vijayawada, Guntur, Warangal, Rajahmundry and Kurnool Municipal Corporations. Apart from the elected members, provision has been made for ex-officio members such as Members of Legislative Assembly (MLAs) and Members of Parliament (MPs) and they have been given the right to vote. In addition, representatives of minorities can be co-opted to the Council at the rate of 1 in case of Municipalities and 2 in case of Corporations. Provision has also been made for co-opting persons with specialised knowledge, skills and experience in municipal administration at the rate of 1 in Nagar Panchayats, 2 in Municipalities with population less than 300,000, 3 in Municipalities with population more than 300,000 and 5 in Corporations. Reservations have been made, as per the 74th Amendment Act, for scheduled castes, scheduled tribes and backward classes in proportion to the population of these groups. In each of these categories, as well as the general category, one-third seats have been reserved for women. The Chair-persons and Mayors are to be elected directly by all the voters. The term of office of the Municipalities/Corporations and that of Chair-persons and Mayors is five years. Provision has been made for reserving one-third of the positions of Chair-persons and Mayors for women. In the amended Acts, the disqualifications applicable to MLAs were, also, made applicable to the Councillors and Corporators. Similarly, to encourage small family norm, persons with more than two children have been disqualified from contesting the elections. This provision has been made applicable prospectively. Dissolution of local bodies has been made difficult by making it obligatory to give an opportunity to the Municipal Chair-person to explain as to why the Council should not be dissolved. It has been stipulated that after the dissolution, a new Council should be constituted within six months and the term of the reconstituted Council would be for the remainder period of dissolved council rather than five years.

Table 4.4
Strength of Municipal Council

Towns with population in the last census	Number of elected members
Less than 40,000	21
40,000 - 100,000	21 plus one additional member for every 10,000 population above 40,000
100,000 - 200,000	27 plus one additional member for every 15,000 population above 100,000
More than 200,000	33 plus one additional member for every 20,000 population above 200,000 - subject to a maximum of 45

Ward Committees

Provision has been made in the Municipalities and Corporations Acts for the constitution of Wards Committees in all urban local bodies with more than 300,000 population as required by the 74th Constitution Amendment Act. These Wards Committees, however, have not yet been constituted in any of the Corporations. Apart from Wards Committees, provision also exists for the constitution of Appointments and Contract Committees in Municipalities and Standing Committee in the Corporations. These Committees are to assist in policy-making and decision making-processes in the Municipalities and Corporations, respectively.

State Finance Commission and State Election Commission

In the conformity legislation following the 74th Amendment, provision has been made for the constitution of State Finance Commission and State Election Commission. The former has been made responsible for recommending, periodically, formulae for the division of resources between State Government and local bodies, while the latter is for conducting elections to local bodies in the state.

Condition of ULBs

The amendments to the Municipalities and Corporations Acts have only brought about structural reforms and the functional and working processes of the ULBs have been left untouched. As a result, the ULBs are facing several obstacles in city governance. Powers of

the Chair-persons of the Municipalities have been eroded over the years and this is seen by the political executives as an effort by the State Government to undermine their importance vis-a-vis the bureaucracy. There is a persistent demand to restore powers to the political executives which were withdrawn by the State Government when elected Councils were not in existence. Finance is a chronic problem facing the local bodies and this adversely affects their performance. There is the need for allocation of additional resources to the local bodies, in line with their functions and responsibilities. In several Municipalities, internal resources are not sufficient even to meet the salaries and establishment costs. Inefficiency in the collection of property and other taxes and lack of local will to raise revenues are primarily responsible for the state of affairs. The staffing pattern of ULBs has remained unchanged despite the enormous growth in the volume of work. The State Government has imposed a ban on recruitment by local bodies and they are not permitted to fill up the vacancies caused by resignation, retirement or death. The overall impact has been inefficient delivery of services by the ULBs and the consequent assignment of their functions to other agencies.

Administrative Set-up

At the municipal level, the administration is organised under six sections, viz., general, accounts, revenue, engineering, health, town planning and education. The education departments, however, exist only in the municipalities which are also managing schools. Engineering, health and town planning sections are headed by technical persons, drawn on deputation from the respective state-level departments, designated according to the grade of the municipality. The general, revenue and accounts sections are headed by Manager, Accountant and Revenue Officer, respectively. The section heads are assisted by the support staff whose strength depends upon the grade of the municipality. In the larger municipalities, the sections are headed by senior officers. The section heads report directly to the Commissioner, and work under his direction and guidance. The rank of the Commissioner, also, depends upon the grade of the municipality. The pattern is more or less similar in the recently constituted corporations replacing the earlier municipalities.

In the larger corporations, like that in Hyderabad, the administration pattern is different. The Hyderabad Corporation, for example, is divided into seven circles including Secunderabad. Each circle is headed by a Deputy Commissioner, except Secunderabad which is headed by an Additional Commissioner. Below the circle level, there are ward offices headed by Assistant Commissioners. In the Corporation office, Additional Commissioners, some of whom are drawn from the IAS cadre, assist the Commissioner in specific subject areas like administration, projects, slum improvement under ODA-funded project, etc. The Corporation, also, has subject specialists like Chief Engineer, Chief City Planner, Chief Medical Officer, Financial Adviser, Accounts Officer, and Director (Urban Community Development), who head specialised divisions and work directly under the Commissioner. This organisational set-up, which was in existence for over two decades, was reorganised in

December 1996 for improving the working of the Corporation. In the reorganised set-up, the city has been divided into four zones, viz., East, West, South and Secunderabad. Each zone is headed by an Additional Commissioner, delegated with the powers and functions of the Commissioner and made responsible for the civic administration in their zones. They, also, liaise with Metro Water Board, State Electricity Board, Road Transport Corporation, Police, Railways and other organisations for effective coordination. This decentralised administrative set-up is expected to improve efficiency of the Corporation and the civic infrastructure in the city. At the Corporation level, functional heads continue to assist the Commissioner in their subject areas. However, there is no change in the set-up of circle and ward offices. Staff position in the Corporation was comprehensively reviewed and the officers from the Corporation were transferred and redeployed in the zonal offices. After the reorganisation, it is expected that the administrative set-up of the Corporation would be closer to the people.

One major lacunae in the administrative set-up of the municipalities and corporations is the absence of a senior functionary immediately below the Commissioner for providing assistance in general administration. Presently, there exist only functional heads or divisional heads or technical heads of departments who cannot take a comprehensive view of the city administration. There is a need to create a post between the functional and zonal heads and the Commissioner. This would enable the latter to concentrate on policy and administrative matters instead of the routine work.

ADMINISTRATIVE ORGANISATION

There exists a vast network of administrative organisations at the state, regional, city and town levels to administer the municipalities and corporations in the state. At the state level, the Department of Municipal Administration and Urban Development (MAUD) in the Secretariat is responsible for policy-making, administrative co-ordination, monitoring and implementation of programme. Directorates of Municipal Administration and Town Planning, and the Engineer-in-Chief (Public Health) are the line agencies for the implementation of urban policies and projects. Andhra Pradesh Urban Finance and Infrastructure Development Corporation (APUFIDC), State Urban Development Agency (SUDA) and Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) are the other important agencies in the state. The jurisdiction of HMWSSB is, however, confined to Hyderabad metropolitan area. There are 6 Urban Development Authorities: Hyderabad, Visakhapatnam, Vijayawada, Warangal, Tirupati and Puttaparthi which are responsible for preparation and implementation of Master Plans.

Secretariat Organisation

The establishment of the separate Department of MAUD in the State Secretariat was in recognition of the growing magnitude of urban problems. In the past, health and housing

were part of one Department. But these subjects were separated later. At present there are separate Departments of Municipal Administration and Urban Development, Housing, Health and Family Welfare.

The Secretariat department deals with policy formulation, preparation of municipal laws, monitoring and evaluation of programmes, supervision of municipal administration, all matters concerning State Legislature and its Committees, liaison work with the Central Government and external agencies in the case of projects funded by them, etc. In addition, the Department of MAUD controls and supervises line departments like Directorates of Municipal Administration and Public Health Engineering. Also, it directly handles all matters relating to the Municipal Corporations of Hyderabad, Visakhapatnam and Vijayawada, while the other four newly-constituted Municipal Corporations are dealt with by the Commissioner and Director, Municipal Administration.

In view of the importance of the subject, the Department of MAUD is headed by a senior Cabinet Minister supported by Minister of State or Deputy Minister on a few occasions. On the administrative side, the Department is headed by the Principal Secretary, a senior officer from the IAS cadre, who is responsible for all policy and administrative matters as well as co-ordination, monitoring and review. He is the Principal Adviser to the Minister and helps and guides him on policy and administrative matters. He is assisted by a Secretary, a Joint Secretary, Deputy and Assistant Secretaries, and supporting staff. Various officers are responsible for different subjects in the Department such as Municipalities, Corporations, town planning and zoning regulations, public health engineering, urban poverty, Mega-city project, water supply, development authorities, externally-aided projects, centrally sponsored schemes, legislative matters, etc. The Secretary in the Department is also designated as Commissioner, Urban Poverty Alleviation, in view of the importance of the subject, and is assigned other subjects from time to time.

An analysis of the organisational and operational aspects of the Department of MAUD reveals that a rational distribution of work between different officers and sections may be called for adopting a management approach. For example, various components of the urban poverty alleviation programme, like EIUS, UBSP, NRY, etc. are being handled by different sections and officers, and this makes it difficult to adopt an integrated approach in policy formulation, programme implementation and coordination. Also, the allocation of work relating to the three major Corporations to the Secretariat Department and four other Corporations to the Director, Municipal Administration may not be desirable. Similarly, until recently all matters relating to UBS and UBSP programmes, including policy formulation, implementation, monitoring and evaluation, were the responsibility of the Secretary in the Department. This is against the cannon that the Secretariat organisation should be responsible for policy matters alone.

Directorate of Municipal Administration

The Directorate of Municipal Administration is the executive department for the implementation of laws, policies and programmes relating to the urban sector. All matters relating to the Municipalities in the state are the direct responsibility of the Director, Municipal Administration (also designated as Commissioner depending upon the seniority of the incumbent) and he is responsible for implementation of the Andhra Pradesh Municipalities Act. The Director ensures the Municipal Councils adopt legal provisions of various Acts relating to the working of the municipalities. Also, he is responsible for administration and financial management of municipalities in the state, implementation of development programmes like NRY and UBSP, development and maintenance of infrastructure, etc.. He exercises direct control over the municipalities. The municipalities are required to submit their Annual Reports to the Director. Meetings of the Municipal Commissioners and senior officials of the municipalities are periodically convened by the Director for reviewing the progress of various development programmes. He acts as a conduit between the municipalities and the Government. The Municipal Chair-persons and Commissioners are provided guidance, help and assistance by the Director. Also, all personnel matters including recruitment, training, postings, promotions and disciplinary matters are the responsibility of the Director.

The Director of Municipal Administration, a senior officer from the IAS cadre, is assisted in the Directorate by two Additional Directors, who are senior officers from the Andhra Pradesh Municipal cadre. The Additional Directors are responsible for administration and urban poverty alleviation, respectively. Different subjects under the Director are distributed between these two functionaries, notwithstanding the suffix attached to their designations. Additional Director (Administration) is in charge of general administration and service matters, and the Additional Director (UPA) is responsible for planning, elections, development programmes, etc. They are assisted by Deputy and Assistant Directors, each of whom is given a specific subject.

For administrative purposes, the state is divided into six regions, namely Hyderabad, Warangal, Visakhapatnam, Rajahmundry, Guntur and Anantapur. The regional offices are headed by Regional Directors and they are incharge of the Municipalities in the districts under their jurisdiction. Generally, two to four districts are attached to each Regional Directorate. They can be considered to be field offices of the Director of Municipal Administration. The Regional Directors are responsible broadly for the implementation of municipal laws and schemes, and monitoring and review of projects. They report directly to the Director. They visit the Municipalities periodically so as to review the work and to provide necessary guidance. The Regional Directors, also, liaise with other related departments like town planning, public health engineering and are in regular touch with the District Collectors.

The District Collectors at the district level have general supervisory powers over the Municipalities. In the UBS and UBSP districts, Joint Collectors have been actively associated with the Municipalities as the District UBS/UBSP Coordinators. This experiment has resulted in successful implementation of the programmes with the involvement and participation of the urban poor communities. District Urban Development Agencies (DUDAs) have been constituted in all the districts under the chairmanship of the Collector and these have representatives of various departments in the district, Municipal Chair-persons, MLAs, MPs, Non-governmental Organisations (NGOs), neighbourhood committees, etc. Also, District Project Officers have been appointed in the districts to supervise the implementation of the poverty alleviation programmes.

Under the 74th Amendment Act, District Planning Committees have to be constituted for integrated rural and urban development. In Andhra Pradesh, provisions relating to DPCs and MPCs have not been incorporated in the amended Municipal Acts. There is the need to further amend the Acts for incorporating these provisions or enact new laws. At the municipal level, Urban Poverty Alleviation Cells and Funds were constituted in 1994. Efforts are being made to recruit staff to these Cells. However, the Funds have not yet become operational in most of the municipalities. This is an area which needs attention.

Directorate of Town Planning

Town and country planning is important for achieving an orderly growth of human settlements. In Andhra Pradesh, the Director, Town and Country Planning (TCP), is responsible for the planning of orderly growth of habitats, preparation of Master Plans for the urban local bodies, their review and revision, preparation of Regional Development Plans, aerial surveys, etc. Implementation of schemes like EIUS and IDSMT have also been entrusted to the Town and Country Planning Department. The Director (TCP) is a technical person and reports directly to the Principal Secretary, MAUD. He is assisted by Joint Directors, Deputy Directors and support staff. The Joint Directors and Deputy Directors co-ordinate with the Regional Officers in the state. There are, at present, seven regional offices, namely Nellore, Anantapur, Warangal, Hyderabad, Visakhapatnam, Rajahmundry and Guntur. Each regional office is headed by a Deputy Director, assisted by Assistant Directors, Draughtsmen, Surveyors, etc. They are responsible, in their region, for all subjects for which the Director is responsible at the state-level.

Public Health and Municipal Engineering Department

The main function of the Department is to provide technical support in the execution of major public health engineering works. These works include important water supply schemes, drainage and sewerage works, major roads, etc. For most of these works, institutional finance is mobilised by the State Government from agencies such as LIC and

HUDCO. Apart from directly executing these major works, the Department also provides technical guidance to the Municipalities in the preparation and execution of similar schemes. The technical scrutiny and sanction of the public health engineering works is accorded by this Department. The Department is headed by Engineer-in-Chief with jurisdiction over the entire state, including rural and urban areas. He is assisted in the headquarters by Deputy Chief Engineer, Superintending Engineers, Executive Engineers, etc. These officers are assigned functions like designs, works, etc. The entire state has been divided into 7 circles, Visakhapatnam, Rajahmundry, Guntur, Nellore, Anantapur, Hyderabad and Warangal, each headed by Superintending Engineers. The circles are further divided into divisions, placed under Executive Engineers. Each circle has jurisdiction of two or three districts and the jurisdiction of divisions is based on work load. The circle and divisional officers are given both financial and administrative powers to undertake works in their respective jurisdictions.

State Urban Development Agency

As per the guidelines of the Government of India, the State Government constituted the State Urban Development Agency (SUDA) to plan, implement and monitor poverty alleviation and other urban development programmes in the state. The Agency is headed by the Chief Secretary; the Principal Secretary (MAUD) is its Vice-Chairman and the Commissioner and Director, Municipal Administration is the Member Secretary. The representatives of all development departments, development corporations, UNICEF, etc., are its members. The Agency is in infancy stage and a proper organisational structure is yet to be evolved. It is envisaged that SUDA would evolve into a compact body with technical competence to supervise, monitor and coordinate the implementation of urban poverty alleviation and other development programmes in the state.

Andhra Pradesh Urban Finance and Infrastructure Development Corporation

Andhra Pradesh Urban Finance and Infrastructure Development Corporation (APUFIDC) was constituted in 1993, under the Chairmanship of the Minister for Municipal Administration and Urban Development. Its members include representatives of HUDCO, Departments of Finance, Planning and Municipal Administration, and Director, Regional Centre for Urban and Environmental Studies (RCUES), Osmania University. The main objectives of the Corporation are to guide the ULBs in improving their administrative machinery, and to provide financial and technical assistance to them for the preparation and implementation of development schemes. The Corporation is expected to act as a conduit between the ULBs, the Government of India and financing agencies. APUFIDC was constituted as a Corporation to impart flexibility in its management and operations, unlike the government departments, as well as to facilitate quick decision-making and borrowings from financial institutions and the open market. The Corporation has been structured to operate through consultants alongwith limited staff rather than a vast administrative network.

State Finance and Election Commissions

In conformity with the 74th Constitutional Amendment Act, a three member State Finance Commission was constituted in 1994. The Commission was to examine the financial status of urban and rural local bodies in the state and recommend measures to strengthen their financial base. This is to enable the local bodies to act as institutions of self-government and to undertake functions entrusted to them as listed in the Twelfth Schedule of the Constitution, inserted by the 74th Amendment Act. The Commission has recently submitted its Report to the State Government. The State Election Commission was constituted in 1994 and it conducted elections to the Municipalities and Corporations in the state in 1995.

Urban Development Authorities

As noted earlier, there are six urban development authorities in the state. These include: Hyderabad Urban Development Authority, Visakhapatnam Urban Development Authority, Vijayawada Urban Development Authority, Kakatiya Urban Development Authority and Tirupathi Urban Development Authority. In addition, the Puttaparthi Urban Development Authority was constituted in 1996. The Quli Qutub Shah Urban Development Authority was created through an executive order for the development of old city of Hyderabad. The urban development authorities are responsible for orderly growth and development of the city and other areas under their jurisdictions. The tasks include preparation of Master Plans including revisions and implementation, development of sites and construction of houses, development of parks and recreational facilities, management of traffic and transportation networks, social forestry, and development of satellite towns. In addition to these broad functions, a urban development authority may have a specific focus depending upon cultural, geographical and regional factors.

The Hyderabad Urban Development Authority (HUDA) was established in 1975 to prepare and revise Master Plans and Zonal Development Plans, to undertake development projects, and to coordinate with other public agencies for the provision of urban infrastructure services and amenities. The Authority has 15 members and consists of Chairman, Vice-Chairman, official members representing Municipal Corporation of Hyderabad, Town and Country Planning Department, municipal bodies, Legislators, and experts from different disciplines. The Vice-Chairman is the chief executive of the Authority and is appointed by the State Government. The jurisdiction of HUDA extends over 1,864 sq. kms. and a population of 4.67 million, covering the entire Municipal Corporation of Hyderabad, 9 neighbouring Municipalities, Osmania University, 106 Gram Panchayats and other areas. The administrative organisation has planning, legal, engineering, social forestry and other wings, and the staff strength is about 700.

Hyderabad Metropolitan Water Supply and Sewerage Board

Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) is responsible for the provision of water supply and management of sewerage services in Hyderabad metropolitan region. It is the responsibility of the Board to design, construct, operate and maintain the water supply systems as well as sewerage and sewage treatment works. The Board has estimated the future water requirements at about 1,850 MLD by the year 2001 whereas the present supply position is only 680 MLD. To augment the water supply, a project has been prepared to draw 480 MLD of water from Nagarjuna Sagar dam on river Krishna in the first phase. In the second and third phases, an additional 2,600 MLD of water would be drawn by the year 2021 from the river Krishna.

The HMWSSB is headed by the Chief Minister of Andhra Pradesh as its Chairman; the Minister for Urban Development is the Vice Chairman and the Managing Director is the Member Secretary of the Board. The members include representatives from the Departments of Municipal Administration, Finance and Irrigation, HUDA, Municipal Corporation of Hyderabad, and other related departments. The Managing Director, who is drawn from the IAS cadre, is the executive head of the HMWSSB. The organisation is divided into four divisions, which are Operations and Maintenance, Projects, Finance and Accounts, and Personnel and Administration, each headed by a Director. Operation and Maintenance division undertakes the construction and maintenance of water lines and all other matters relating to water supply systems. Project division is responsible for all matters relating to the World Bank supported Project, planning and monitoring, and rehabilitation and resettlement. All financial matters, accounts and auditing are the responsibility of Finance and Accounts division. The Personnel and Administration division looks after all matters relating to personnel management including recruitment, training, promotion and discipline alongwith all general administrative matters of the Board. Director of each division is supported by Chief General Managers, assisted by General Managers, Deputy General Managers, Managers, and technical and support staff. The metropolitan area has been divided into circles, sub-divided further into sections which are closer to the community. The administration was reorganised to make it effective and efficient, keeping in view the emerging demands of the community for better services.

Municipal Personnel

Effective urban governance depends upon the quality of personnel manning the municipalities and corporations, and the administrative positions in the Directorates. The rapid pace of urbanisation and the resultant urban problems in the state mandate an effective management system at the local level. In addition, the 74th Constitutional Amendment Act has widened the scope and functions of the urban local bodies so as to include poverty alleviation and slum improvement, socio-economic planning, environmental improvement, etc.

An efficient personnel system is a pre-requisite for the ULBs to undertake these civic, regulatory and developmental functions.

In Andhra Pradesh, administration at the municipal level is divided into six functional areas namely, general administration, finance and accounts, engineering, public health, town planning, statistics and records. The administration at the municipality level is divided into corresponding sections to handle these subjects. These sections are manned by officers drawn from municipal administration and various technical departments. For example, the Municipal Commissioners are drawn from Municipal Administration Department, town planning officials from the Town Planning Department and medical personnel from Medical and Health Department. The personnel are categorised into gazetted, ministerial, engineering, public health, medical, town planning and other categories. Apart from these categories, there are a large number of temporary employees undertaking ministerial, technical and auxiliary functions. There are a total of about 26,000 employees working in 108 Municipalities in the state. Aspects of personnel management such as recruitment, training, promotion, discipline and the staffing pattern are discussed in the following sections.

Recruitment

Personnel manning the urban local bodies belong to three different services, viz., Integrated Service, Unified Service and Municipal Service. Municipal Commissioner, Municipal Engineer, Town Planning Officer, Municipal Health Officer and Education Officer come under the first category. The Municipal Commissioners mainly belong to Andhra Pradesh municipal administrative service and the others belong to Public Health and Municipal Engineering, Town and Country Planning, Health, and Education Services respectively and are on deputation to the municipalities. Their recruitment and other service conditions are governed by the respective service rules. The Municipal Commissioners, however, are recruited partly, and in some cases directly, by the Andhra Pradesh Public Service Commission from the Andhra Pradesh Secretariat Service, Directorate of Municipal Administration and from among the Municipal Commissioners of lower grades on promotion. The middle level officers like Assistant Engineers and Town Planning Officers are recruited by their respective departmental heads and are deputed to work in the municipalities. In case of municipal officials like Accountants, Managers and Revenue Officers, Commissioner and Director of Municipal Administration is the recruiting authority. In case of the subordinate staff like Lower and Upper Divisional Clerk, the Regional Directors of Municipal Administration are the recruiting authorities. Work Inspectors, Town Planners of Lower Grade Municipalities, Tracers, Record Assistants, Bill Collectors and other subordinate officials from the Andhra Pradesh Municipal Subordinate Service are recruited at the municipal level by the Appointments Committee, subject to the rules framed by the State Government from time to time. Thus, the situation obtaining in the Municipalities in the state is: officials are drawn from different service streams; the technical personnel at the senior-

and middle-level are mostly deputationists; and, the Commissioners belong to municipal cadres. The issues pertinent in this perspective are the commitment levels of the officials on deputation and their identification with the local problems, and the control that can be exercised on them by the local bodies.

Training

In Andhra Pradesh, a training policy for the municipal personnel has not been formulated. At senior levels, the officials are imparted training at the Institute of Administration in aspects related to Municipal Acts, legal framework, rules and regulations, financial and accounting procedures, etc. Management development training is conducted at the RCUES, Osmania University. However, these training efforts are not regular and systematised. In recent years, programme/project based training is being imparted under various centrally sponsored schemes like UBSP, NRY, PMIUPEP, etc. The project-based training is more regular and systematic and enables the project staff to improve their knowledge and skills. In addition, the officers are nominated for training in specific subjects at other institutions in the country. Under the externally aided projects, like the Slum Improvement Projects supported by ODA (UK) and Metro Water project supported by the World Bank, systematic training strategies, training calendar and training programmes have been evolved. Similarly under UBS and UBSP projects which are supported by UNICEF, training is being imparted on a regular basis at the Regional Centre for Urban and Environmental Studies (RCUES). However, absence of a state level training policy impedes systematic training efforts for the municipal personnel. A large number of municipal personnel - both technical and non-technical - are not imparted any training, neither pre-entry nor post-entry. There is the need, therefore, to articulate a training strategy at the state-level, under which training programmes could be organised for improving the efficiency of municipal administration in the state.

Human resource development is an important but neglected aspect of municipal personnel management. This is seriously affecting municipal administration, particularly efficient implementation of development programmes like the IDSMT, NRY, etc.. Efforts should be made, to train the personnel in general management and specific subject areas including different aspects of development projects. The objective should be to strengthen human resource potential to enable the local bodies to deliver better services. This requires serious and concerted efforts both on the part of state government as well as urban local bodies. Financial resources need to be specifically allocated both by the central and state governments for this purpose.

The RCUES, Hyderabad, supported by the Government of India is the major urban training institute in Andhra Pradesh. The Centre, apart from training the staff under UBS, UBSP, PMIUPEP and IDSMT schemes, imparts training in general management. There is the

need for the Centre to focus on subject areas such as project formulation, financial administration, municipal finances, administering development programmes, participatory appraisal, public relations, etc. After elections to the urban local bodies in 1995, a large number of Chair-persons and Councillors have entered the town halls, one-third of whom are women. Most of them are first time entrants to politics as well as administration. There is a need to properly orient them on municipal laws, development issues, administrative environment as well as their roles and responsibilities.

Staffing Pattern

There are about 26,000 employees working in 108 municipalities in the state; these include 2,135 persons in general administration, 808 persons in finance and accounts, 512 in engineering, 459 in town planning, 1,074 in public health, 111 in medical and health and over 21,000 employees belonging to administrative, technical and support cadres. At present, there are 1,884 vacancies in the municipalities in the state constituting 7.41 per cent of the total staff. The staffing pattern is not uniform across the municipalities in the state. On one hand, the ratio is 4.23, 4.11 and 4.00 for the municipalities of Cuddapah, Visakhapatnam and West Godavari districts, respectively. On the other hand it is 1.57 and 1.85 for the Municipalities in Karimnagar and Adilabad districts, respectively. In general administration, the ratio of employees to population also varies widely across districts; it is the highest in Visakhapatnam district with a ratio of 0.47 and is the lowest in the municipalities of Karimnagar district with a ratio of 0.09. The ratio in the case of finance and accounts staff is the highest in Visakhapatnam, with 0.21 employees per 1000 population, and is the lowest in Medak, Mahbubnagar and Nalgonda districts with 0.02 employees per 1000 population. Visakhapatnam and Krishna districts have 0.26 public health staff per 1000 population whereas it is 0.04 in Karimnagar district. The category of 'others' is important as it accounts for a majority of the municipal personnel in the state. Municipalities in Cuddapah district have 3.42 employees in the 'others' category per 1000 population whereas the ratio is only 1.32 in the Municipalities in Karimnagar district.

There are wide variations between municipalities with respect to the staffing pattern. If one examines the staffing pattern municipality-wise, the variations are more glaring. For example, in Ramagundam, a Class I city, with 213,000 lakh population, the staff strength is 120 or 0.56 persons per 1000 population whereas in Cuddapah, with a population of 121,000 there are 646 employees or 5.23 persons per 1000 population. In Mandamarri, a Class II town, there are 0.68 persons per 1000 population whereas in Anakapalli, the staff strength is 5.5 persons per 1000 population. Koratla and Rayadurg, which are Class III towns, have staff strength of 1.5 and 7 persons per 1000 population, respectively. Such variations exist in the case of public health, town planning and other staff as well. This indicates that no strict norms have been followed in the state for staffing the municipalities. There is the need to streamline and rationalise the staff strength in the municipalities.

In 1995-96, the expenditure on staff roughly works out to about 74 per cent of the own resources of the municipalities in the state, including both tax and non-tax revenues. The proportion, however, varies widely from town to town. For example, in Parvathipuram Municipality the expenditure on staff is almost 100 per cent more than the income from own sources while in Kandukur Municipality the expenditure on staff is only 30 per cent of the income from own sources.

CONCLUSIONS

A study of the institutional arrangements for urban development highlights several issues which affect the working of municipalities and municipal corporations which are supposed to play the pivotal role in the planning and provision of civic services in the post-74th Amendment Act era. These issues are discussed below.

- (a) In Andhra Pradesh, elections were conducted to urban local bodies on party basis. This has created a piquant situation wherein the Chair-person/Mayor belong to one political party while majority of the Councillors belong to other political parties. This creates unpleasant situations in the working of the municipalities.
- (b) Another issue is the relationship between the Chair-person and the Commissioner. The newly elected Chair-persons of the local bodies are of the view that the Commissioners do not brief them on all municipal matters including instructions and guidelines issued by the State Government. Mutual trust and understanding is a precondition for proper working of local bodies, particularly when they are being looked as development institutions apart from civic and regulatory bodies.
- (c) Thirdly, administration below the level of Commissioner is organised on functional lines and, as a result, no subordinate officer is responsible for inter-agency coordination and integrated planning and development, thereby putting greater burden on the Commissioner. This problem is more pronounced in bigger cities, including Corporations.
- (d) Fourthly, a large number of agencies are involved in urban development. Ensuring coordination between these agencies is the responsibility of state and regional level agencies. Proper institutional arrangements for coordination are non-existent. These agencies, therefore, work independent of each other and coordination is a result of personal initiative and approach of individual officials. The problem gets compounded when large number of national and international agencies and private financial institutions are involved in urban development. As a result, technical heads approach the state departments for guidance rather than the Municipal Commissioner. This affects line of command and efficiency.

(e) Fifthly, policies of personnel management have ignored the technical aspects of urban development. The adverse impacts are more glaring in light of the fact that more than 50 per cent of the vacancies in the local bodies are filled through promotion from municipal subordinate services and secretariat service.

(f) Sixthly, efforts have not been made at city and town level for comprehensive assessment of environmental problems and initiating measures to overcome them. There is the need to prepare environmental management plans and programmes for all the cities, and to ensure financial allocations for their implementation.

(g) Seventhly, the budgeting, auditing, accounting, tendering and other practices followed by municipalities need modernisation in this era of liberalisation in the presence of the need to seek private sector partnerships.

(h) Finally, training is a neglected aspect of municipal administration in the state. Though project-based training is being imparted in recent years, a large proportion of the municipal personnel are not imparted any training in their entire course of service career.

V. URBAN INFRASTRUCTURE FINANCE

MUNICIPAL FINANCE

Local self-government institutions all over the world are entrusted with civic functions. Nature of these functions, however, differ from country to country. In India, civic functions entrusted to the urban local bodies can be divided into regulatory, public health, public safety, public works, and welfare and development functions. The regulatory functions include prescribing and enforcing zoning regulations and building laws, removing encroachments on public lands, regulation of dangerous and offensive trades, etc. Public health functions include provision of potable water and sewerage and sanitation services, eradication of communicable diseases, etc. Safety functions include street lighting, fire protection, etc. Construction and maintenance of roads and drains in the city are included under public works functions. Welfare and development functions include provision of recreational facilities, parks and play grounds, slum improvement, development of market places, provision of education and health facilities, etc.

The Constitution (74th) Amendment Act, 1992 has identified eighteen functions which are to be undertaken by the urban local bodies, including development functions like socio-economic planning and urban poverty alleviation. The Municipal Acts of many states have classified the functions of the urban local bodies into obligatory and optional categories. The Andhra Pradesh Municipalities Act does not make any such distinction and stipulates that the functions enumerated in the Act should be taken up by the municipalities subject to availability of resources. The Hyderabad Municipal Corporation Act, however, makes such a distinction. The urban local bodies are assigned certain taxes and provided with grants by the State Government to enable them to undertake the entrusted functions.

Over the years, the financial base of the urban local bodies has been shrinking thereby affecting their ability to undertake even the basic civic functions, leave alone the development functions. The population not served by basic services is rising in absolute numbers due to inadequate capital investment in infrastructure sector. The urban local bodies need to provide additional infrastructure facilities to improve the quality of life and to stimulate economic growth in the state. In the context of the new economic policy of liberalisation, there is the need to mobilise additional financial resources for infrastructural investments, particularly through innovative mechanisms and from non-budgetary sources. High level of infrastructure services are a pre-requisite for attracting increased investments in industrial and other economic sectors which, in turn, would influence the pace of urbanisation in the state.

Municipal Resources

The sources of revenue of urban local bodies are internal or own resources, assigned revenues, and grants provided by the higher levels of government. Internal sources can be further classified into tax and non-tax resources. Table 5.1 gives details about the income sources of the municipalities in Andhra Pradesh.

In Andhra Pradesh, taxes are the main revenue source for the municipalities, constituting more than one-half of their total income: 52 per cent in 1992-93 and 55 per cent in 1995-96. Revenue from non-tax sources constitute nearly one-fourth of the total income

Table 5.1
Sources of Income for Municipalities

Source	Component
A. Own sources	
1. Taxes	Property tax, advertisement tax, tax on animals and carriages, entertainment tax
2. Non-taxes	Water charges, fees, rents, betterment charges, fines
B. External sources	Per capita and road grants, professional tax, property tax, motor vehicle tax, toll tax and animal and vehicle tax, compensations and grants under different projects and schemes, surcharge on stamp duty

of the municipalities: 24 per cent in 1992-93 and 27 per cent in 1995-96. The share of revenue from these sources in the total income of the municipalities has remained high over the years. The share of non-Plan funds in the total municipal revenues has, however, fallen drastically from 12 per cent in 1992-93 to 4 per cent in 1995-96 while the share of Plan funds has risen from 12 to 15 per cent during the last four years (Table 5.2). The data indicate that own sources generate about three-fourth of the total revenue of municipalities while Plan and non-Plan grants constitute less than 25 per cent.

Tax sources of the municipalities include property tax, entertainment tax, advertisement tax, tax on animal, carts and carriages, and surcharge on stamp duty. Property tax on land and buildings, entertainment tax, and tax on animal, carts and carriages are levied and collected by the municipalities. Entertainment tax and surcharge on stamp duty are Assigned Taxes, levied and collected by the State Government, and assigned to the local bodies. In 1987, the State Government took over the levy and collection of profession tax from the local bodies to improve the tax collection. In lieu, 85 per cent of the collections from profession tax are being assigned to the local bodies (urban and rural) as Non-Plan grant.

Table 5.2**Total Revenue of Municipalities from all Sources, 1992 - 96**

(in million Rs.)

Revenue source	Year			
	1992-93	1993-94	1994-95	1995-96
1. Taxes				
Amount	691.24	838.66	918.07	1174.74
%	51.72	49.45	50.61	54.72
2. Non-taxes				
Amount	324.18	362.13	449.98	573.52
%	24.26	21.35	24.81	26.71
3. Non-Plan grants				
Amount	154.56	172.61	179.52	78.48
%	11.57	10.18	9.90	3.66
4. Plan grants				
Amount	166.43	322.64	266.35	320.14
%	12.45	19.02	14.68	14.91
5. Total				
Amount	1336.41	1696.03	1813.92	2146.88

Source: Office of Commissioner and Director of Municipal Administration.

Tax Revenues

Property tax is the most important source of revenue for the municipalities and constitutes more than one-half of their tax revenues. Entertainment tax constitutes about one-fifth and surcharge on stamp duty constitute between one-fifth to one-fourth of the total tax revenues. The share of property tax in total tax revenues of the municipalities in the state was 56.42 per cent, 60.54 per cent, 57.25 per cent and 53.91 per cent during 1992-93, 1993-94, 1994-95 and 1995-96, respectively. Increased tax collections during 1993-94 were mainly due to the restructuring of property tax on plinth area basis and concerted efforts to increase the tax collection. In the subsequent years, however, the upward trend, in terms of share in tax revenue, could not be maintained (Table 5.3).

The process of restructuring of property tax was initiated in 1991 and it took almost two years to implement due to various legal, technical, administrative and political factors. Prior to the restructuring, property tax was levied on the basis of Annual Rental Value (ARV),

which was fixed by the Valuation Officers in a discretionary manner. To eliminate the discretion and arbitrariness, an area based property tax system was introduced in 1993. The new system is based on an annual value of land and buildings, calculated with reference to the location, type of construction, plinth area, age and nature of use of the building. The city/town has been divided into zones on the basis of factors such as level of civic services, and availability of markets and shopping centres, educational and medical facilities, banks and postal services. Buildings have been categorised into six types based on construction materials used. The nature of the use of property and buildings is the third variable adopted in the assessment. A survey of 20 per cent of different category of houses (type of building and use) in each of the zones was undertaken to finalise the property tax structure. The restructuring has introduced rationality in assessment and levy of the tax and has removed the discretion of the tax officials to a great extent. The increase in tax has been kept below 100 per cent so as to avoid hardships to the tax-payers. It is envisaged that the tax rates would be revised periodically, on percentage basis, in future and the revisions would be based on surveys. This system has gained acceptability in the state and has been introduced in all the municipalities and municipal corporations, except in Hyderabad Municipal Corporation.

Entertainment tax constituted about 20 per cent of the total municipal tax revenue in 1992-93 but declined to 18.53 per cent in 1995-96. Surcharge on stamp duty increased from 23.05 per cent in 1992-93 to 27.13 per cent in 1995-96. The increase was mainly due to increase in the notional land values for registration purposes, which automatically increased the stamp duty and hence the surcharge. The increased revenues from the surcharge accrued mostly to a few cities around Hyderabad, Visakhapatnam, Vijayawada, Karimnagar, Nellore, etc. The additional revenue from the surcharge was meagre in the municipalities where there were a few land and property transactions. Advertisement tax has a meagre share in the total tax revenues; 0.22 per cent and 0.38 per cent in 1992-93 and 1995-96, respectively. Tax on animals constituted about 0.03 per cent and tax on carriages and carts less than 0.05 per cent of the total tax revenues (Table 5.3).

Non-Tax Revenues

Revenue from non-tax resources include water charges, rents, fees, fines, income from remunerative enterprises, etc. The share of water charges has increased substantially over the last four years from about 30 per cent in 1992-93 to about 44 per cent in 1995-96. This has been mainly because of increase in the water charges and levy of water connection charges, which is being euphemistically called donations. Income from fees constituted about 12 per cent of the non-tax revenues in 1992-93 and 1993-94 but declined to about 9 per cent in the subsequent years. Also, the share of rents from shopping complexes and quarters declined from about 11 per cent in 1992-94 to about 9 per cent in the subsequent years. Betterment charges and building licence fee constitute about 5 per cent and 4 per cent of the total non-tax resources. Income from other sources like encroachment fee, sale of forms and fines are

insignificant, each constituting less than 2 per cent. Receipts from other sources are substantial and constituted more than one-third of total non-tax resource in 1992-93 but declined to one-fourth by 1995-96 (Table 5.4).

Table 5.3
Municipal Revenue from Tax Sources, 1992 - 96

(in million Rs.)

Tax source	Year			
	1992-93	1993-94	1994-95	1995-96
1. Property tax (PT)				
Amount	389.97	409.48	485.72	593.07
%	56.42	48.83	52.91	50.49
2. Additional revenue due to restructuring of PT				
Amount	0.00	98.23	39.85	40.12
%	0.00	11.71	4.34	3.42
3. Entertainment tax				
Amount	139.46	153.54	194.48	217.68
%	20.17	18.31	21.18	18.53
4. Surcharge on stamp duty				
Amount	159.34	172.79	194.03	318.72
%	23.05	20.60	21.13	27.13
5. Taxes on advertisements				
Amount	1.51	4.01	3.40	4.49
%	0.22	0.48	0.37	0.38
6. Taxes on animals				
Amount	0.23	0.17	0.18	0.34
%	0.03	0.02	0.02	0.03
7. Taxes on carriages and carts				
Amount	0.74	0.45	0.41	0.33
%	0.11	0.05	0.04	0.03
8. Total taxes	691.24	838.66	918.07	1174.74

Source: Office of Commissioner and Director of Municipal Administration.

Table 5.4
Municipal Revenue from Non-Tax Sources, 1992-96

(in million Rs.)

Source of Revenue	Year			
	1992-93	1993-94	1994-95	1995-96
1. Water charges				
Amount	95.63	166.42	190.81	250.16
%	29.50	45.96	42.40	43.60
2. Fees				
Amount	39.05	46.30	39.05	53.14
%	12.05	12.78	8.68	9.26
3. Rent from quarters/shops				
Amount	35.67	39.62	40.00	46.69
%	11.00	10.94	8.89	8.14
4. Betterment charges				
Amount	15.59	18.02	22.46	27.33
%	4.81	4.98	4.99	4.76
5. Building license fee				
Amount	10.95	11.81	18.42	22.88
%	3.38	3.26	4.09	3.99
6. Encroachment fee				
Amount	5.14	4.79	5.23	7.17
%	1.59	1.32	1.16	1.25
7. Sale of rubbish, bunk and mutation				
Amount	1.49	2.67	2.90	3.39
%	0.46	0.74	0.64	0.59
8. Certificate fee and sale of forms				
Amount	0.92	2.26	1.73	3.44
%	0.28	0.62	0.38	0.60
9. Fines				
Amount	3.66	3.07	9.51	12.36
%	1.13	0.85	2.11	2.16
10. Other receipts				
Amount	116.07	67.18	119.87	147.16
%	35.80	18.55	26.64	25.65
Total Non-taxes	324.12	362.13	449.99	573.72

Source: Office of Commissioner and Director of Municipal Administration.

Non-Plan Grants

Non-Plan grants include compensations in lieu of motor vehicle tax, property tax, per-capita grant, road grant, etc. Profession tax which was originally levied and collected by the municipalities was taken-over by the State Government in 1987. The same is now being levied and collected by the State Commercial Tax Department and, in lieu, grants are given to the municipalities. Until 1991, the grants in lieu of Profession tax to municipalities were made on the basis of tax collections during the three years preceding 1987. However, due to pressures from the local bodies, the compensation was doubled in 1991 and since 1992-93, 85 per cent of the collections are being given to the municipalities as profession tax compensation. Revenue from profession tax constituted about two-thirds of non-Plan grants in 1992-93 and increased to three-fourths in 1995-96 (Table 5.5).

Table 5.5
Municipal Revenue from Non-Plan Grants, 1992 - 96
(in million Rs.)

Source	Year			
	1992-93	1993-94	1994-95	1995-96
1. Motor vehicle tax				
Amount	2.19	2.45	0.70	1.99
%	1.42	1.42	0.39	2.53
2. Property tax compensation				
Amount	9.44	12.16	13.54	5.04
%	6.11	7.05	7.54	6.41
3. Profession tax compensation				
Amount	101.28	107.87	118.15	58.49
%	65.52	62.49	65.82	74.52
4. Per capita grant				
Amount	35.92	38.62	34.85	11.25
%	23.24	22.37	19.41	14.33
5. Road grant				
Amount	3.83	9.70	11.93	1.27
%	2.48	5.62	6.64	1.61
6. Animal and vehicle tax compensation				
Amount	1.90	1.81	0.35	0.47
%	1.23	1.05	0.20	0.59
7. Total non-Plan grants				
Amount	154.56	172.61	179.52	78.50

Source: Office of Commissioner and Director of Municipal Administration.

Property Tax Compensation

The State Government makes property tax compensatory grants to the urban local bodies in lieu of the exemptions given to the Central and State Governments from payment of property tax on their buildings. These grants constitute about 7 per cent of the total non-Plan grants during the period 1992-96. The Government of Andhra Pradesh has exempted several properties/buildings from property tax on social and religious considerations. However, the compensations given to the local bodies do not take these exemptions into consideration. The property compensatory grant has remained more or less static over the years. In recent years, efforts are being made to collect service charges from the Central Government properties located in various corporations and municipal areas. If the Central and State Government properties are fully taxed or Governments pay full compensation for the exempted properties, the revenue from this source will increase substantially, thereby generating additional income for the local bodies.

Per Capita Grant

The Committee on Municipal Finances had recommended state grants to municipalities at the rate of Rs. 6.00 per capita for providing basic amenities in urban centres. The Government of Andhra Pradesh accepted the recommendations and since 1970 has been providing per capita grant to the municipalities at the rate of Rs. 0.90 per capita. In 1992-93, the government enhanced the rate to Rs.4.00 per capita and, as a result, there has been a substantial increase in revenue from this source. The per capita grant constituted 23 per cent of the total revenue from non-Plan grants in 1992-93 which declined to 14 per cent in 1995-96 because of irregular payments. During 1992-93, the amount realised from the per capita grant was about Rs.36 million while in 1995-96 it was only Rs. 11.25 million (Table 5.5).

Road Grant

The State Government has been providing grants to the municipalities, on an ad hoc basis, to improve road network in the municipal areas. There are annual fluctuations in the amount realised from this source because of the ad hoc nature of the grant. The road grant was Rs. 3.8 million in 1992-93 (2.5 per cent of total non-Plan grants), Rs. 12 million in 1994-95 (6.6 per cent) and Rs. 1.27 million in 1995-96 (less than 2 per cent). Consequently, the municipalities are not sure of the actual amount of disbursement from the State Government on this account. To avoid adhocism, there is need to rationalise the road grants on the basis of type and length of roads, cost of maintenance, etc.

Animal and vehicle tax compensation is another non-Plan grant which is being given to the municipalities in lieu of abolition of the tax. This compensatory grant is progressively getting reduced as the criteria for compensation has not been specified. Income from this

source was Rs. 1.9 million in 1992-93 (1.23 per cent of total non-Plan revenues) whereas it was Rs. 0.5 million in 1995-96 (0.59 per cent).

Motor vehicle tax was taken over from the municipalities by the State Government during the 1930s and the municipalities are being compensated by grants on this account. However, the compensation has remained static and has even declined in some years. This is because the rates are rarely revised and, in fact, the present rates of compensation were fixed almost three decades back. This is despite the many-fold increase in the number of vehicles in urban areas. In 1992-93, the compensation was about Rs. 2.2 million constituting 1.42 per cent of the non-Plan grants whereas in 1994-95 it was a mere Rs. 0.7 million constituting less than 0.4 per cent. An interesting feature is that in some cases, the municipalities are paying motor vehicle tax higher than the compensation they receive from the State Government. There have been pressures from the local bodies to enhance and standardise the rate of compensation and to incorporate provision for periodic increase. Another alternative would be payment of compensation as a fixed percentage of revenue mobilised by the state from motor vehicle tax.

Octroi was abolished in Andhra Pradesh in 1962 and a fixed compensation is being paid by the State Government to the municipalities. Like other compensatory grants, this grant is static in its yield and is marginal because of its ad hoc nature and non-standardisation. There is a need to standardise this grant. Recently, the State Government has introduced an entry tax to improve the financial position of the municipalities. But substantial devolution has not taken place to improve the financial status of the urban local bodies in the state.

Plan Grants

The State Government extends support to the local bodies through Plan grants either in the form of block grant or linked to specific development projects like Integrated Development of Small and Medium Towns (IDSMT) and Urban Basic Services for the Poor (UBSP). The municipalities have the freedom to utilise the block grants according to the local needs and priorities while the project-based grants have to be utilised for the specified purposes. In the case of project-based grants, development priorities and projects are articulated by the State and Central Governments and allocations are made to the municipalities for the implementation of specific programmes and projects. The State Government grants are being made for constructing school buildings, implementing Environmental Improvement of Urban Slums (EIUS) Scheme, preparing Master Plans, etc. The grants under IDSMT, Low-cost Sanitation (LCS) Scheme, etc. are specifically for implementing these programmes. The problem with project-linked grants is that these projects are not being implemented in all the towns and, therefore, all the municipalities are not entitled to these grants.

Grants under Environmental Improvement of Urban Slums (EIUS) constituted 11.06 per cent of the total Plan grants in 1992-93 and these declined to 2.36 per cent in 1995-96. Similar is the case with school-building and sugar cane cess grants. Details of grants under different Plan schemes are given in Table 5.6. The share of grants under 'other' category in total Plan grants has increased from 27 per cent in 1992-93 to 47 per cent in 1995-96. The reason for this steep rise is that water supply schemes are being sanctioned to some municipalities under this head. Grants for specific projects have come down over the years. The main reason is the non-release of matching grants by the State Government for some Centrally sponsored schemes.

Table 5.6
Municipal Revenue from Plan Grants, 1992 - 96

(in million Rs.)

Plan grants	Year			
	1992-93	1993-94	1994-95	1995-96
1. EIUS				
Amount	18.42	58.89	11.05	7.54
%	11.06	18.25	4.15	2.36
2. School buildings & sugar cane cess				
Amount	10.73	11.40	6.99	6.80
%	6.45	3.53	2.62	2.12
3. Master plans				
Amount	3.87	4.54	3.76	5.69
%	2.32	1.41	1.41	1.78
4. IDSMT				
Amount	8.93	39.06	75.32	26.88
%	5.37	12.11	28.28	8.40
5. NRY				
Amount	44.83	47.18	47.85	70.18
%	26.94	14.62	17.97	21.92
6. LCS				
Amount	15.77	23.14	32.76	30.81
%	9.47	7.17	12.30	9.62
7. UBSP				
Amount	18.69	28.98	10.28	21.31
%	11.23	8.98	3.86	6.66
8. Other grants				
Amount	45.19	109.46	78.35	150.94
%	27.15	33.93	29.42	47.15
Total Plan grants	166.43	322.64	266.35	320.14

Source: Office of Commissioner and Director of Municipal Administration.

From the year 1996-97, three additional source of revenue are being made available to the urban local bodies, viz., grants under 10th Finance Commission, PMIUPEP and Slum Development Scheme. The grants under Finance Commission and Slum Development Scheme are to be used to create infrastructural facilities. The PMIUPEP funds are being used for integrated poverty alleviation/development of Class II towns in the state focusing on the urban poor. The PMIUPEP has recently been converged into Swarna Jayanti Shahari Rozgar Yojana (SJSRY) with the UBSP and Nehru Rozgar Yojana (NRY) merged into it.

Municipal Expenditures

Expenditures by municipalities in the state have been steadily increasing over the years. The total expenditures of the municipalities increased from Rs. 1.5 billion in 1992-93 to Rs. 2.4 billion in 1995-96 - an increase of 66 per cent in four years. Pay and allowances of employees, management costs, cost of provision of civic amenities, loan repayments, etc. are the important components of municipal expenditure. During the period 1992-96, pay and allowances and management costs constituted about 58 per cent and 2 per cent of the total expenditure of the municipalities in the state, respectively. Cost of provision of civic amenities constituted 15 per cent and expenditure on town planning and loan repayments constituted 1 per cent each. The rest of the expenditures is incurred under miscellaneous head. An interesting feature is that the proportion of municipal expenditure under different components has broadly remained the same during the last four years (Table 5.7 and 5.8).

Expenditure on civic amenities account for around 28 per cent of the total municipal resources. This has, more or less, remained constant during the last four years (Table 5.7). Civic amenities include roads, drains and culverts, buildings, public health, water supply, remunerative enterprises and street-lighting. Percentage of expenditure on these items during 1995-96 stood around 18 per cent, 10 per cent, 4 per cent, 12 per cent, 39 per cent, 4 per cent and 14 per cent, respectively (Table 5.8).

Expenditure on pay and allowances and management costs constitute about 75 per cent of income of the municipalities from own sources, which includes tax and non-tax revenue. This clearly indicates that the municipalities depend on grants - both Plan and non-Plan - to undertake development work and even to maintain the existing infrastructure facilities. There are wide variations between municipalities in the expenditure on salaries. For example, the expenditure on salary was 25 per cent of own resources in Malkajigiri Municipality whereas it was almost 200 per cent in Parvathipuram Municipality. The latter case suggests that the municipalities depend on government grants even to pay salaries to the staff. The municipalities have been classified in Table 5.9 according to the percentage of expenditure on staff from own resources.

Table 5.7

Components of Municipal Expenditure, 1992 - 96

(in million Rs.)

Components	Year			
	1992-93	1993-94	1994-95	1995-96
1. Pay and allowances				
Amount	9217.76	1064.40	1258.94	1383.61
%	57.85	58.81	57.88	57.75
2. Management				
Amount	32.73	33.76	43.12	37.92
%	2.05	1.87	1.98	1.58
3. Civic amenities				
a. Capital works				
Amount	228.87	247.20	286.88	361.31
%	14.36	13.66	13.19	15.08
b. Maintenance				
Amount	215.46	266.45	329.28	356.72
%	13.52	14.72	15.14	14.89
4. Town planning				
Amount	10.40	2.46	3.60	3.31
%	0.65	0.14	0.17	0.14
5. Loan payment				
Amount	21.20	23.53	19.09	28.05
%	1.33	1.30	0.88	1.17
6. Others				
Amount	162.82	172.11	234.17	225.04
%	10.22	9.51	10.77	9.39
Total	1593.27	1809.91	2175.08	2395.96

Source: Office of Commissioner and Director of Municipal Administration.

Table 5.8
Municipal Expenditure on Civic Amenities, 1992 - 96

(in million Rs.)

Components	Year			
	1992-93	1993-94	1994-95	1995-96
1. Roads				
Amount	99.36	100.74	117.77	128.18
%	22.37	19.62	19.11	17.85
2. Drains and culverts				
Amount	45.21	36.40	47.92	69.05
%	10.18	7.09	7.78	9.62
3. Buildings				
Amount	23.20	19.22	40.02	29.46
%	5.22	3.74	6.50	4.10
4. Public health				
Amount	59.62	71.98	87.77	82.97
%	13.42	14.02	14.25	11.56
5. Water supply				
Amount	128.92	184.97	208.55	280.12
%	29.02	36.02	33.85	39.02
6. Remunerative schemes				
Amount	25.25	24.32	17.63	26.84
%	5.68	4.73	2.86	3.74
7. Lighting				
Amount	62.68	75.94	96.42	101.33
%	14.11	14.79	15.65	14.11
Total	444.25	513.59	616.09	717.96

Source: Office of Commissioner and Director of Municipal Administration.

Table 5.9
Distribution of Municipalities by Expenditure on Staff

Classification (Amount spent on salary as % of own resources)	No. of municipalities
More than 150	5
125 to 150	3
100 to 125	19
90 to 100	8
80 to 90	16
70 to 80	15
60 to 70	15
50 to 60	8
50 and below	16

There are wide variations between patterns of capital and maintenance expenditures on works relating to different civic amenities. In 1995-96, for example, while the share of roads in the capital expenditure was 25 per cent, the maintenance expenditure was only 11 per cent of the total expenditure. The capital expenditure on street lighting was only 8 per cent whereas the maintenance expenditure was 20 per cent (Tables 5.10 and 5.11).

Table 5.10
Municipal Expenditure on Civic Amenities (Capital), 1992 - 96
(in million Rs.)

Components	Year			
	1992-93	1993-94	1994-95	1995-96
Roads				
Amount	79.51	67.03	86.02	89.58
%	34.74	27.11	29.99	24.79
2. Drains & culverts				
Amount	35.20	30.20	38.58	50.95
%	15.38	12.22	13.45	14.10
3. Buildings				
Amount	18.15	14.39	25.67	22.95
%	7.93	5.82	8.95	6.35
4. Public health				
Amount	14.08	10.13	12.43	12.98
%	6.15	4.10	4.33	3.59
5. Water supply				
Amount	45.68	80.14	85.86	134.22
%	19.96	32.42	29.93	37.15
6. Remunerative schemes				
Amount	22.85	20.34	14.59	22.59
%	9.98	8.23	5.09	6.25
7. Street-lighting				
Amount	13.40	24.99	23.72	28.03
%	5.86	10.11	8.27	7.76
Total	228.87	247.20	286.88	361.31

Source: Office of Commissioner and Director of Municipal Administration.

The foregoing analysis brings out the status of municipal finances in Andhra Pradesh. Property tax is the major source of internal revenue and the salaries and management costs constitute a major item of expenditure. The rising expenditure under this head, both in absolute terms and as proportion of total municipal expenditure, would inhibit the municipalities from undertaking the developmental functions listed in the 12th Schedule of the Constitution such as socio-economic planning and poverty alleviation. There is the need, therefore, to undertake measures to enable the municipalities to improve their resource base. These would include, first, property tax reforms and, second, using land as a resource

including imposition of tax on vacant land as permitted under the Municipalities and Corporation Acts. As land values increase, imposition of transfer fees on land and properties would generate substantial resources for the municipalities. Third, betterment charges can be levied to recover project costs from the beneficiaries. The experience in Hyderabad has shown that revenues can be increased substantially through effective tax administration, levy and collection. The restructuring of property tax in the state has also yielded more resources for the municipalities. There is need to sustain these efforts and improve the tax administration through simplification measures and plugging of loopholes. For example, after restructuring of property tax in the state in 1992-93, efforts have not been made to achieve incremental increase as was initially envisaged. There is enormous scope to levy service tax on low-income areas, as is being done in other cities such as in Ahmedabad in Gujarat. The low-income population will not mind payment if service is assured.

Table 5.11
Municipal Expenditure on Civic Amenities (Maintenance), 1992 - 96
(in million Rs.)

Components	Year			
	1992-93	1993-94	1994-95	1995-96
1. Roads				
Amount	19.85	33.72	31.74	38.60
%	8.94	12.30	9.42	10.59
2. Drains & culverts				
Amount	10.01	6.20	9.34	18.10
%	4.49	2.26	2.77	4.97
3. Buildings				
Amount	5.04	4.83	14.35	6.51
%	2.26	1.76	4.26	1.79
4. Public health				
Amount	45.55	61.85	75.34	69.99
%	20.44	22.56	22.37	19.21
5. Water supply				
Amount	83.25	104.83	122.69	145.90
%	37.36	38.23	36.43	40.04
6. Remunerative schemes				
Amount	2.40	3.98	3.03	4.25
%	1.08	1.45	0.90	1.17
7. Street-lighting				
Amount	49.28	50.95	72.70	73.29
%	22.12	18.58	21.59	20.11
Total	222.84	274.23	336.82	364.41

Source: Office of Commissioner and Director of Municipal Administration.

Over the years, the State Government has been fixing the rates of various municipal taxes. This initiative may be given to the local bodies subject to stipulations under law. Similarly, municipalities must be given autonomy to fix user charges on the basis of the costs of provision of services. Privatisation or contracting out some of the municipal functions would help improve the standards of service delivery and would reduce the financial burden on the local bodies. Several municipalities in Andhra Pradesh, including Municipal Corporation of Hyderabad, are making efforts to hand over solid waste management to private agencies. Vijayawada has recently established a solid waste recycling plant by EXCEL Industries. Though it is too early to comment on these experiments, experience elsewhere suggests that partnership with the private sector would help in reducing the financial burden on the local bodies. The capacity of the urban local bodies to access the institutional finance should be strengthened to enable them to mobilise resources to undertake infrastructure development.

URBAN DEVELOPMENT PROJECTS

The quality of life of the urban population is directly dependent on the level of infrastructural services such as water supply and sanitation, drainage, roads, etc. The urbanisation level in Andhra Pradesh is expected to increase at a rapid rate in the future and is projected to cross the 50 per cent mark in the year 2021. The incremental urban population, in addition to the backlog of unserved urban population, would need to be provided with infrastructure services to have healthy human settlements in the urban areas in the state. The infrastructure investments would also be required to achieve higher economic productivity and growth. In this direction, several schemes have been formulated and are being implemented in the municipalities with the financial support of the Central and State Governments and financial institutions like HUDCO and LIC of India. Some of these projects are discussed in the subsequent sections.

Master Plan - Phase I

The programme was launched in 1986-87 in 55 municipalities with an allocation of Rs. 426.4 million and one-half of the cost was to be borne by the municipalities. The schemes formulated under the programme are mostly for augmentation of water supply. By 1996-97, in 51 municipalities the schemes had been completed and were nearing completion in the other municipalities.

Plan Schemes

The schemes for urban infrastructure development in the State Five Year Plans are funded by loans from LIC of India and HUDCO and grants-in-aid from the State Government. At present, 19 schemes are being implemented with LIC loan assistance and another 22

schemes with HUDCO loan assistance. The loan mobilised from the financial institutions cover 70 per cent of the costs of the schemes. In addition, Tirupathi Water Supply scheme is being implemented with the support of Tirumala Tirupathi Devasthanam. These schemes are likely to be completed in the next two years. Details of these schemes, along with source of financing and total project costs are given in Tables 5.12 and 5.13.

Hyderabad Green Belt Project

The Hyderabad Green Belt Project aims at converting unproductive wastelands into productive lands, development of foreshore of tanks, pollution control and employment generation. The total cost of the project is Rs. 100 million, 75 per cent of which is funded by the Dutch Government. The project targets at covering about 5,000 Ha. of land, planting 11 million plants and generating about 2 million man-days of work. The project was initiated in 1994 and is to be completed in a period of five years.

Mega-City Project

Hyderabad was included in the Centrally sponsored Mega-city project in recognition of it being the fifth largest city in the country and its overall importance in contributing to the country's economic growth and development. The Scheme aims at upgradation of city infrastructure facilities and protection of environment of the mega-cities in the country. The unique feature of the project is the emphasis on a basket of remunerative - user charge based - non-remunerative schemes in such a manner that the project basket is financially viable. The estimated cost of the proposed project is Rs. 9.13 billion, which is to be shared between Government of India, Government of Andhra Pradesh and financial institutions. The Mega-city project as prepared for Hyderabad was to be implemented in the Eighth and Ninth Plans with respective Plan outlays of Rs. 3.98 billion and Rs. 5.15 billion, respectively.

Broadly three types of schemes have been included in the Mega-city project; viz., remunerative, cost recovery-oriented and service schemes. While the remunerative schemes are to be financed predominantly by the financial institutions, the costs of the service schemes are to be shared by the Central and State Governments. Eighty eight schemes relating to water supply, drainage and sanitation, solid waste management, traffic and transportation, slums and poverty alleviation, house sites and services, culture and recreation, and environmental upgradation have been included in the project proposal. Details of the financial outlays are given in Table 5.14.

The Mega-city project is being implemented by the Hyderabad Urban Development Authority (HUDA), Municipal Corporation of Hyderabad, and Hyderabad Metro Water Supply and Sewerage Board (HMWSSB); the task of coordination has been assigned to HUDA which functions as the nodal agency for the project. The project implementation was initiated in

1994-95. The resources for the Scheme have been made available by the Central and State Governments and, in addition, internal resources of the implementing agencies are being utilised for some of the Scheme components.

Table 5.12

Financing of Infrastructure Development Projects

(in million Rs.)

Name of the Project	Project Cost	Funding			Expenditure			Balance	
		GOI	GOAP	Municipality	GOI	GOAP	Municipality	31-12-96	Completion date
1. Master Plan Phase-I	219.56	--	78.82	140.73	126.20	---	---	76.63	31/1998
2. Plan Schemes	1129.66	--	999.44	130.22	904.53	---	177.65	47.48	3/1998
3. HUDCO phase-I	163.42	--	110.48	52.94	9.58	---	108.51	61.47	3/1998
4. HUDCO phase-V	2357.77	--	1650.23	707.55	45.55	---	1650.23	662.00	3/1998
5. NRCP	341.90	170.95	170.95	---	32.76	154.57	154.57	---	12/1997
6. WBIS	509.70	494.70	---	15.00	10.70	48.40	---	---	3/1998
UDS	199.00	199.00	---	---	85.50	113.50	---	---	3/1998
7. Incentive Grants	196.50	---	196.50	---	90.48	---	131.00	---	2/1997
8. Flood - I	100.00	---	100.00	---	39.29	---	---	---	2/1997
Growth - II	117.50	---	117.50	---	1.52	116.00	---	---	2/1997
III	79.40	---	79.40	---	21.50	10.00	---	---	2/1997
9. PMIUPEP - I	114.51	68.70	45.80	---	13.22	26.42	17.62	---	6/1997
II	74.83	44.90	29.93	---	19.63	10.38	6.92	---	6/1997

Source: Office of Commissioner and Director of Municipal Administration.

URBAN INFRASTRUCTURE REQUIREMENT IN ANDHRA PRADESH

The State Government has accorded high priority to strengthening of the local bodies so as to enable them to undertake upgradation of urban infrastructure. It has identified certain projects to meet the deficits in water supply, drainage, roads, street-lighting, parks and playgrounds, and slum upgradation, at an estimated cost of Rs. 44 billion. These projects are as follows:

- (a) Most municipalities have deficient water supply. It is estimated that the installed water supply capacity is 198 MGD as against the total requirement of 385 MGD, with the resultant deficit of 187 MGD. The water supply capacity would be augmented by 97 MGD after the completion of the on-going schemes. Thereafter, the net deficit in the urban areas would be 90 MGD. The estimated investment requirement to meet this deficit is Rs. 12.33 billion.
- (b) The State Government undertook a socio-economic survey in 26 towns to determine the feasibility of constructing an underground drainage system. On the basis of the survey, Visakhapatnam, Vijayawada, Tirupati, Guntur, Rajahmundry, Kurnool, Kakinada and Warangal towns were selected for constructing underground drainage.

The selection was based on the availability of water, ability of beneficiaries to pay for the services, feasibility of cost recovery, etc. The cost of underground drainage system is estimated at Rs. 9 billion. In addition, upgradation of open drains in other municipal towns from kutchha to pucca and other repair works are expected to cost Rs. 5.91 billion.

- (c) The municipalities have a total road-length of about 10,000 kms. of different types. The upgradation of gravel and WBM roads and regular repair and maintenance of the existing roads are estimated to cost about Rs. 5 billion. This, however, does not include the cost of construction of new roads.
- (d) The cost of installing 377,000 street lights in the municipalities, as per the standard norm, is estimated at Rs. 1.06 billion.
- (e) Creation of additional parks and playgrounds in the municipalities for providing proper lung space, reducing pollution and recreational facilities is estimated to cost about Rs. 900 million.
- (f) In the PMIUPEP towns, the sanitation facilities were being provided with HUDCO assistance at an estimated cost of Rs. 400 million. An additional investment of Rs. 1.5 billion would be required to cover the other towns.
- (g) Upgradation of the fleet of vehicles for garbage collection and disposal and the other related facilities for better solid waste management in the municipalities is estimated to cost Rs. 1.3 billion.
- (h) Urban poverty is a major problem afflicting both the cities and towns. The PMIUPEP - which was a major poverty alleviation programme - was implemented in all the Class II towns in the state. All Class I cities are likely to be covered under the ODA (UK)-funded urban poverty reduction programme. However, there is no specific programme to cover the Class III towns except under certain components of the NRY (now included under SJSRY). There is the need for a separate focus to upgrade the slum habitats and deal with issues related to poverty. The cost of poverty reduction programmes for Class III towns is estimated at Rs. 3.3 billion.

Apart from the above-mentioned projects, the Government of Andhra Pradesh has identified 31 towns to be covered under IDSMT scheme at an estimated cost of about Rs. 950 million.

Table 5.13

Scheme-wise Financing of Infrastructure

Sl. No.	Name of the scheme	Focus of schemes	No. of municipalities covered	Total financing (in million Rs.)	Source of funding
1.	Master Plan schemes	Water supply	55	219.66	GOAP Municipality
2.	Plan schemes	Water supply	42	1129.66	GOAP, LIC, HUDCO
3.	HUDCO I	Water supply	12	163.16	GOI, HUDCO Municipalities
4.	HUDCO II	Water supply	22	2861.48	HUDCO, GOI Municipalities
5.	PMIUPEP - I	Basic amenities : Roads, Drainage, Water Supply	34	114.51	GOI, GOAP, HUDCO, Banks Municipalities
	PMIUPEP - II		34	75.63	
6.	10th Finance Commission	Water Supply Drainage	112	317.41	GOI, GOAP
7.	SCP		112	30.76	GOAP
8.	NRCP, UDS	Roads	4	640.38	GOI
9.	Incentive grants	Roads	112	196.50	GOAP Municipalities
10.	Flood grants	Roads, Culverts, Buildings	112	292.19	GOAP
Total				5909.81	

Source : Office of Commissioner and Director of Municipal Administration.

Table 5.14
Financial Outlay on Hyderabad Mega-city Project

Schemes	GOI	GOAP	Financial institutions
1. Funding pattern (in %)			
i. Remunerative Schemes	12.5	12.5	75.0
ii. Cost Recovery Schemes	22.5	22.5	55.0
iii. Service Schemes	45.0	45.0	10.0
2. Sectoral Break-up of Schemes			
	Amount (in million Rs.)		%
i. Water Supply	1182.50		12.95
ii. Drainage and Sanitation	2826.50		30.96
iii. Solid Waste Management	84.60		0.93
iv. Traffic and Transport	1904.40		20.86
v. Slums and Poverty Alleviation	300.00		3.29
vi. House-sites and Services	500.00		5.48
vii. Culture, Recreation and Development	1864.20		20.42
viii. Environmental Restoration	468.30		5.13
Total	9130.50		100.00

Source: Hyderabad Urban Development Authority.

PROPOSALS FOR EXTERNAL ASSISTANCE

Several projects have been proposed for funding to the multi-lateral and bi-lateral agencies so as to undertake urban infrastructure development and poverty alleviation in the state. Most of these projects are in the water supply and sanitation sector. These are as follows:

- (a) Urban poverty reduction projects covering all the 31 Class I cities in the state have been submitted to the British Government for funding. The proposal is based on the experience of Hyderabad, Visakhapatnam and Vijayawada slum improvement projects which were undertaken with the assistance of ODA (UK). The project cost is estimated at Rs. 2.24 billion. It is envisaged that the project would be implemented with the involvement of the community, NGOs and CBOs. The project has been approved in principle and is likely to be implemented during 1997-98.
- (b) A project proposal has been prepared by HUDA for the development of 1,400 Ha. of land in Jawaharnagar and Riadurg under the sites and services scheme, environmental protection of Mir Alam tank including land acquisition, and to lay 24 kms. of arterial roads in and around Hyderabad. The project is estimated to cost Rs. 2.6 billion and has been submitted for funding to the World Bank.

- (c) Project for augmentation of water supply in 16 municipal towns, with an estimated outlay of Rs. 2.40 billion, has been submitted for assistance to the Government of Germany.
- (d) Proposal for undertaking water supply schemes in 6 towns and drainage schemes in another 6 towns, at an estimated cost of Rs.2.64 billion, has been proposed for assistance from the Asian Development Bank.
- (e) Project Report for augmentation of water supply in the second tier cities, with an estimated cost of Rs. 750 million, has been submitted to the World Bank.

URBAN DEVELOPMENT PROGRAMMES

Urbanisation, though a positive element in the development process, is accompanied by several problems relating to city governance, urban infrastructure and basic services, etc. which have a direct bearing on the quality of urban life. To overcome some of the urban problems, the Central Government has periodically formulated different development programmes for urban areas. Important among these are Environmental Improvement of Urban Slums (EIUS), Integrated Development of Small and Medium Towns (IDSMT), Urban Basic Services for the Poor (UBSP), Nehru Rozgar Yojana (NRY), Low Cost Sanitation (LCS), Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) and Slum Development Scheme. The UBSP, NRY and PMIUPEP programmes have been merged into the recently launched Swarna Jayanti Shahari Rozgar Yojana (SJSRY).

Integrated Development of Small and Medium Towns (IDSMT)

This Centrally sponsored scheme was initiated during the Sixth Five Year Plan and has continued in the subsequent Plans with modifications. The scheme aims at developing the identified towns as growth centres by providing for different components like roads and bus terminals, sites and services, market complexes, public and social amenities, etc. Initially, the aim was to develop these towns as counter-magnets to larger cities so as to attract the migrant population to these towns away from larger cities. Also, the financial base of the urban local bodies of the identified towns was to be strengthened through remunerative schemes. During the last two decades, 74 towns in the state have been identified for development under the scheme at an approved cost of Rs. 1.85 billion. Against this, the Central Government released an amount of Rs. 247 million. Total expenditure under the scheme was about Rs. 295 million (Table 5.15).

Table 5.15
Coverage and Financing of IDSMT Programme

(in million Rs.)

S.No.	Plan Period	Number of towns	Approximate cost	Central releases	Expenditure
1.	Sixth Plan	18	188.00	40.43	171.23
2.	Seventh Plan	9	93.97	49.69	58.80
3.	1990-91	4	35.76	8.50	19.60
4.	1991-92	5	39.88	8.00	7.80
5.	Eighth Plan	38	1498.67	140.93	37.90

Source: Office of Director of Town and Country Planning.

During the Eighth Five Year Plan, 2,800 sites and services plots covering an area of 78 sq.kms. were developed under IDSMT scheme at an approximate cost of Rs. 114.6 million. In addition, over 9,000 shops were constructed. Under traffic and transportation, 32 sq. kms. of new roads were laid, 44 sq. kms. of existing roads were improved, and four bus terminals were constructed. Other works taken up under the IDSMT scheme included construction of five community centres, two tourist spots, a slaughter house and about 10 sq. kms. of Master Plan drains and 60 sq. kms. of retaining walls. (Table 5.16).

Table 5.16
Components of IDSMT Programme during the Eighth Plan

Sl. No.	Component	Quantity	Approved Cost (in million Rs.)
1.	Sites and services		114.68
	Area	77.85 sq.km.	
	No. of plots	2874	
2.	Commercial		1158.39
	Area	48.95 sq.km.	
	Shops	11634	
	Offices	21	
3.	Traffic & transportation		179.05
	New Roads	32.18 km.	
	Improvements to existing roads	61.26 km.	
	Bus terminals	5	
	Street lighting	1.20 km.	
	Roundabouts	13	
4.	Slaughter houses	10	14.22
5.	Master Plan drains	11.79 km.	17.86
6.	Community centres	5	10.81
7.	Tourist facilities	2	3.58
Total cost			1498.58

Nehru Rozgar Yojana (NRY)

This programme was designed to provide gainful employment to the urban poor. Financial assistance for setting up small enterprises is provided to the beneficiaries through the nationalised banks under the Scheme for Urban Micro Enterprises (SUME). In addition, the NRY has 2 components; Scheme for Urban Wage Employment (SUWE) provides for generating wage employment through creation of public assets and Scheme for Housing and Shelter Upgradation (SHASU) provides assistance for shelter upgradation. The programme also aims at strengthening the urban local bodies and extension of support to Non-Government Organisations (NGOs). During the last six years, financial assistance of Rs. 225.7 million was provided to SCs, STs and women in urban areas under SUME. In addition, Rs. 35 million were spent on training and skill development of the urban poor so as to enable them to start small business enterprises. Under SUWE, public works were undertaken at a cost of over Rs. 200 million to create wage-employment. Financial details of the schemes taken up under NRY are given in Table 5.17. SUME, under NRY, is being implemented in all the municipalities in the state. Though the target was to ground 78,000 units during the last six years, more than 90,000 units were financed in 81 municipalities at an estimated cost of Rs. 220.6 million and another 44,000 proposals are under consideration with the banks. Under SUWE, more than 3 million man-days of employment were to be generated. But only 66 per cent of the target could be achieved and 2 million man-days of employment was provided. Training and skill development schemes are being implemented in all the municipalities at an estimated cost of Rs.41.8 million. It was proposed to train more than 20,000 persons in different skills so as to enable them to be self-employed by providing them with loans under the micro-enterprises schemes. However, only 12,000 persons could be imparted training. The allocations made under the three components of NRY in the state amounts to Rs. 525 million, of which about Rs. 510 million were released and about Rs. 360 million were spent.

Table 5.17

Financial Allocations Under Nehru Rozgar Yojana

(in million Rs.)

Year	SUME (Subsidy)	SUME (Training)	SUWE	A & OE	ULBS	Support to NGOs	Total
1989-90	64.85	6.35	43.85	7.28	---	---	122.34
1990-91	15.33	2.76	45.60	4.91	---	---	68.60
1991-92	47.28	4.75	32.56	4.49	4.61	1.31	95.01
1992-93	24.64	5.33	29.52	3.95	2.16	0.39	65.99
1993-94	44.67	10.32	27.74	4.39	3.83	2.54	93.49
1994-95	28.98	6.42	21.50	--	---	---	56.90
Total	225.74	35.93	200.79	25.03	10.60	0.24	502.33

Source: Office of Commissioner and Director of Municipal Administration.

The implementation of the NRY scheme in Andhra Pradesh highlights several inherent problems. These are as follows:

- Lack of clarity about the concept and components of the programme among the civic officials due to absence of training.
- Training was taken up, in several cases, as a short-term employment benefit rather than as a prelude of self-employment.
- Reluctance on the part of the bankers to lend money to the identified beneficiaries.
- Procedural rigmarole.
- Absence of people's participation in the identification of beneficiaries.
- Low levels of ceilings for micro enterprises.
- Low level of recoveries.
- Political pressures and interference.
- Absence of a long-term plan.

Urban Basic Services for the Poor (UBSP)

The Scheme was initiated by the Central Government during the Seventh Five Year Plan, jointly with UNICEF, to establish community structures involving the people, particularly women, in planning and implementation of poverty alleviation programmes. During the period 1986-90, the programme was implemented in 16 towns in the state. The Scheme was revised in 1991 and thereafter it is being implemented in 13 towns in the state. Prior to 1991, the Urban Basic Services (UBS) Programme was implemented in 447 slums in the state at an estimated cost of Rs. 44 million covering about 96,000 families and 4,800 Neighbourhood Groups (NHGs) were formed. Under the revised Urban Basic Services for Poor (UBSP) programme, an amount of Rs. 75 million has been spent in the 16 towns covering 80,000 families. There are about 393 Neighbourhood Committees (NHCs) and about 4,000 NHGs. During the period 1994-96, the State Government identified 10 additional towns to be covered under the Scheme in Rangareddy, Khammam and Kurnool districts covering about 200,000 slum population at an estimated cost of Rs. 14.7 million.

The programme has made considerable impact in the areas covered and the communities have been involved in planning and implementation of poverty eradication programmes. In almost all the towns, slum-wise mini-plans have been formulated incorporating the basic needs of the community. The communities were motivated to share the project cost either through physical or financial contributions and participation. Though initially the programme focused on activities, during the last few years the focus has shifted to achievement of goals incorporated in the national and state action plans.

The success achieved under the UBS and UBSP programmes has encouraged the State Government to extend the programme to all the municipal corporations and municipalities.

The personnel and financial aspects are being strengthened to effectively implement the programme. As part of this process, the State Government has constituted 'Urban Poverty Cell' and 'Urban Poverty Fund' in all the municipal towns. The programme, however, has several problems as listed below :

- absence of commitment at various levels for urban poverty eradication programme;
- overplay of politics in the working of NHGs and NHCs;
- weak monitoring and supervision systems;
- reluctance on the part of municipal personnel to involve the people;
- non-release of Government share in time; and
- discontinuity at the managerial level, particularly at district and state levels, which has affected programme processes.

Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP)

The Government of Andhra Pradesh is implementing the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) in 34 Class II towns with financial support of the Central Government. The overall objective of the programme is to empower the community and ensure their participation in the development efforts. The programme has several components like water and sanitation, improving health status of the poor, shelter upgradation, organising thrift and credit societies, developing partnerships with NGOs and the private sector, etc. A state plan of action with an estimated outlay of Rs. 4.57 billion has been formulated for the period 1995-96 to 1999-2000. Contributions would be mobilised from the State Government, local bodies beneficiaries, HUDCO and other convergent departments to meet the costs of the programme. Schemes included under the programme relate to infrastructural development, health and education, skill training, orientation of non-officials and officials, etc. Table 5.18 gives the activities and financial allocations under PMIUPEP.

The State Government has prepared an Action Plan for 1995-96 and 1996-97 for implementing certain components of the programme on a priority basis. The Action Plan incorporates provision of basic amenities, water supply, LCS, self-employment, skill development and training, shelter upgradation, support to NGOs and CBOs, etc. at an estimated cost of Rs. 353.1 million. For speedy implementation of the programme, the government has entrusted all construction works such as water supply, drainage and roads to the Public Health and Municipal Engineering Department, and low-cost sanitation works to Sulabh International. NGOs have been identified in each town to undertake motivational and extension work. The details of the Action Plan are given in Table 5.19.

Table 5.18**PMIUPEP Activities and Financial Allocations, 1995-96 to 1999-2000**

S.No.	Activity	Allocations (in million Rs.)
1.	Basic amenities in slums	239.71
2.	Improvements to infrastructure	105.06
3.	Basic amenities in the town	229.81
4.	Basic amenities under municipal budget	85.61
5.	Self-employment generation	3147.73
6.	Skill-training	85.55
7.	Shelter-upgradation	497.86
8.	Basic social amenities	113.35
9.	Community centres	88.33
10.	Thrift societies	26.35
11.	Support to NGOs and CBOs	14.89
12.	Strengthening ULBs	28.89
13.	Training and orientation	16.22
	Total	4679.33

Table 5.19**Action Plan Under PMIUPEP, 1995-97**

S. No.	Activity	Estimated cost (in million Rs.)	Remarks
1.	Basic physical amenities	114.5	670 (works) Tenders called
2.	Water supply schemes	74.8	305 (works) Tenders called
3.	Community latrines	30.5	43 (works), 34 sites handed over to Sulabh
4.	Self-employment	80.7	5,378 (beneficiaries), 2,235 applications sent to Banks
5.	Skill development	21.5	5,378 (beneficiaries), 2,211 sent for training
6.	Shelter upgradation	62.9	5,378 (beneficiaries), 1,623 applications sent to Banks
7.	Revolving Fund	1.1	220 thrift societies and 115 groups formed
8.	Support to NGOs	7.9	34 NGOs, 43 NGOs selected

VI. CONCLUSIONS AND RECOMMENDATIONS

APPROACH TO URBAN DEVELOPMENT

Plan Strategies

The State Urban Development Strategy for Andhra Pradesh was outlined for the first time in the Fifth Five Year Plan. Various State Plans have adopted a sectoral approach with a low emphasis on inter-sectoral coordination in planning and implementation of the urban development programmes. Comprehensive, long-term or integrated approach has not been adopted. The emphasis of the State Plans has been on water supply and sanitation, housing, and development of the twin cities of Hyderabad and Secunderabad. Also, the development efforts have been handicapped due to meagre Plan allocations for the sector. Some of the crucial areas like urban transport have hardly been catered to in the Plans. A comprehensive strategy and networking of the sectors is essential in urban planning to tackle the complex urban problems.

Urban Planning

The preparation and implementation of Master Plans is a tool for land use planning in the urban areas. It was adopted as a strategy for a comprehensive, integrated and orderly development of cities and towns. Towards this end, Master Plans have been prepared for various municipalities in the state since 1969. Experiences from Master Planning practices adopted by cities in the past indicate that such Plans involve a long process and are concentrated mostly on detailing of land use and zoning. As a result, the development of critical infrastructure, communication networks including arterial, radial and ring roads, water supply, sewerage and drainage, open spaces, wholesale markets, transport terminals, etc., has not received due attention. Often the meticulously prepared land use Master Plans have lost their sanctity due to frequent and discretionary changes in land use, zoning and building restrictions. The entire process of implementation of Master Plans needs to be reviewed and made totally transparent. Any change of use of land - horizontal or vertical, which results in unearned increments to some group of landowners may be priced and the funds so generated could meet the costs of city-wide infrastructure development, decongestion programmes and housing for the poor. The Masters Plans should indicate mechanisms for resource mobilisation and include a Plan-financing strategy

Follow-up of the Constitution (74th Amendment) Act

The Government of Andhra Pradesh constituted two Committees to examine various aspects of urban administration to facilitate preparation of draft legislation and amendments in the Municipalities and Municipal Corporation Acts in conformity with the Constitution (74th Amendment) Act, 1992. These Committees have not made a comprehensive review of the whole urban scene for want of time. As a result, only the mandatory provisions pertaining to structural aspects of ULBs have been amended. These include composition, nomenclature and term of office of ULBs, constitution of State Finance Commission and State Election Commission, etc. However, provisions relating to the constitution of District Planning Committees (DPCs) and Metropolitan Planning Committees (MPCs), and discretionary provisions like functions of local bodies were not incorporated in the amended Acts. Also, substantive issues of urban development and processes have been left untouched.

The State Government had the compulsion to amend the Acts in a hurry in the anxiety to adhere to the time frame of the Central Government. Other relevant Acts having a bearing on the Municipalities and Corporation Acts have not been amended. Important aspects of governance relating to personnel and finance have been left untouched. Issues relating to autonomy of local bodies and the control of state government have also not been adequately addressed. As a result, the conformity legislations have not led to a streamlined urban administration nor have they enabled articulation of a decentralised urban development approach. The Constitution (74th Amendment) Act envisages that elected urban local bodies remain at the centre stage in all matters relating to urban planning and provision of civic services.

During the last few years, the ULBs in the state have been undergoing crises of different types and dimensions. The local bodies have not been able to meet the growing infrastructure needs of the unserved as well as incremental population. Two of the major reasons for their low level of performance are the weak financial base and inadequate exploitation of own revenue sources, resulting in the consequent, heavy dependence on government subventions.

Institutional Arrangements

A study of the institutional arrangements for urban development highlights several issues which severely affect the working of municipalities and corporations. These are as follows:

- (a) A piquant situation exists wherein the Chair-person/Mayor belong to one political group while majority of the Councillors belong to different political groups. This creates unpleasant situations in the working of the municipalities.

- (b) Another issue is the relationship between the Chair-person and the Commissioner. The newly elected Chair-persons are of the view that they are not briefed on all municipal matters including instructions and guidelines issued by the State Government. Mutual trust and understanding is a precondition for proper working of the local bodies, particularly when they are being seen as development institutions apart from being civic and regulatory bodies.
- (c) Administration below the level of Commissioner is organised on functional lines. As a result, no officer below the level of Commissioner is responsible for inter-agency coordination and integrated planning and development, thereby putting administrative burden on the Commissioner. This problem is more pronounced in bigger cities, including Corporations.
- (d) A large number of agencies are involved in urban development in the state. Although the Principal Secretary (MAUD) is responsible for coordination between these agencies, proper institutional arrangements are non-existent at the state level. The problems of overlapping/unclear responsibilities are bound to increase with the involvement of multi-lateral and bi-lateral agencies, domestic financial institutions and the private sector in urban development in the state. In the present administrative setup, the officials at the municipal level approach the state departments rather than the Municipal Commissioner for guidance. This seriously affects the line of command and is deleterious to efficiency.
- (e) With the enactment of the 74th Amendment Act, certain new functions have been added to the functional domain of the municipalities. Moreover, urban development is a technical subject and requires a multi-faceted approach. These factors have not been taken into account in formulating the personnel policies for urban local bodies. Non-technical personnel have been appointed in technical departments at the local level for short duration. Almost one-half of the vacancies are filled through promotion from municipal subordinate services and secretariat service, and the personnel from the latter category in some cases are appointed on a short-term basis. These factors have an adverse effect on the administration of municipalities.
- (f) Institutional arrangements do not exist at the city and town level for comprehensive assessment of environmental problems and for initiating measures to overcome them. Environment conservation plans and programmes may be formulated in all cities in the State, existing environmental laws strengthened and adequate financial allocations may be made for environmental management. The municipalities may be involved by the State Pollution Control Boards for pollution control and mitigation.

- (g) Finally, training has been a neglected aspect of municipal administration in the State although project-based training is being imparted in recent years. A large number of municipal personnel working as managers, accountants, town planners, engineers, etc., are not imparted any training during the course of their career. As a result they work without proper understanding of the municipal environment and the emerging urban problems. In a modern technological age, age-old methods of office procedures and maintenance of accounts are being followed. The municipal personnel may be imparted training in management practices, including computer applications, human relations and behaviour apart from urban policies and programmes.

Municipal Finance

The analysis of the status of municipal finances in Andhra Pradesh shows that property tax is the major source of internal revenue and the salaries and management costs constitute a major item of expenditure. The rising expenditure under this head, both in absolute terms and as proportion of total municipal expenditure, would inhibit the municipalities from undertaking the developmental functions listed in the 12th Schedule of the Constitution such as socio-economic planning and poverty alleviation. The financial crisis facing the municipalities is mainly because of narrow resource base and lack of buoyancy in revenues, lack of autonomy in tariff fixation for services provided, inefficiency in tax collection and lack of local will to tax. The system of transfers from the state government needs to be reformed to make it formula-based.

Urban Infrastructure Requirement in Andhra Pradesh

The State Government has accorded high priority to strengthening of the local bodies so as to enable them to undertake upgradation of urban infrastructure. It has identified certain projects to meet the deficits in water supply, drainage, roads, street-lighting, parks and playgrounds, and slum upgradation, at an estimated cost of Rs. 44 billion. These projects are as follows:

- (a) Most municipalities have deficient water supply. It is estimated that the installed water supply capacity is 198 MGD as against the total requirement of 385 MGD, with the resultant deficit of 187 MGD. The water supply capacity would be augmented by 97 MGD after the completion of the on-going schemes. Thereafter, the net deficit in the urban areas would be 90 MGD. The estimated investment requirement to meet this deficit is Rs. 12.33 billion.
- (b) The State Government undertook a socio-economic survey in 26 towns to determine the feasibility of constructing an underground drainage system. On the basis of the survey, Visakhapatnam, Vijayawada, Tirupati, Guntur, Rajahmundry, Kurnool,

Kakinada and Warangal towns were selected for constructing underground drainage. The selection was based on the availability of water, ability of beneficiaries to pay for the services, feasibility of cost recovery, etc. The cost of underground drainage system is estimated at Rs. 9 billion. In addition, upgradation of open drains in other municipal towns from kutchra to pucca and other repair works are expected to cost Rs. 5.91 billion.

- (c) The municipalities have a total road-length of about 10,000 kms. of different types. The upgradation of gravel and WBM roads and regular repair and maintenance of the existing roads are estimated to cost about Rs. 5 billion. This, however, does not include the cost of construction of new roads.
- (d) The cost of installing 377,000 street lights in the municipalities, as per the standard norm, is estimated at Rs. 1.06 billion.
- (e) Creation of additional parks and playgrounds in the municipalities for providing proper lung space, reducing pollution and providing recreational facilities is estimated to cost about Rs. 900 million.
- (f) In the PMIUPEP towns, the sanitation facilities were being provided with HUDCO assistance at an estimated cost of Rs. 400 million. An additional investment of Rs. 1.5 billion would be required to cover the other towns.
- (g) Upgradation of the fleet of vehicles for garbage collection and disposal and the other related facilities for better solid waste management in the municipalities is estimated to cost Rs. 1.3 billion.
- (h) Urban poverty is a major problem afflicting both the cities and towns. The PMIUPEP which was a major poverty alleviation programme - was implemented in all the Class II towns in the state. All Class I cities are proposed to be covered under the ODA (UK)-funded urban poverty reduction programme. However, there is no specific programme to cover the Class III towns except under certain components of the NRY (now included under SJSRY). There is the need for a separate focus to upgrade the slum habitats and deal with issues related to poverty. The cost of poverty reduction programmes for Class III towns is estimated at Rs. 3.3 billion.

RECOMMENDATIONS

Constitution (74th Amendment) Act

- (a) **Legal Framework:** Conformity legislations to amend the Municipal Acts and bring them in line with the Constitutional provisions have been enacted by the state. However, the spirit of the 74th Amendment Act calls for a second-round of comprehensive legislative changes in consonance with the goals of democratic decentralisation and local autonomy. The municipal laws need to be made people-centred and should be easily understood by the people. Moreover, the laws need to be framed in the context of policies of liberalisation and globalisation. In particular, the legal framework should facilitate public-private partnerships and privatisation in civic infrastructure and services, wherever beneficial. Mechanisms for the regulation of tariffs for municipal services are also necessary. The central Local Authorities Loans Act, 1914 which places undue restrictions on the borrowing powers of the Municipalities may be repealed.
- (b) **Assignment of Functions:** Based on the legal-institutional framework stipulated by the Constitution/State Laws, there is a need for clearly specifying the functions of the urban institutions, including Municipalities, Wards Committees, District and Metropolitan Planning Committees, etc. The role of the State Government vis-a-vis various urban institutions, especially the Municipalities, should be clearly defined. At present a number of parastatals like Urban Development Authorities, Water Supply and Sewerage Boards, etc. operate in urban areas. The role of the elected Municipal Governments and parastatals need to be distinguished.
- (c) **Municipal Finances:** The measures to enable the municipalities to improve their resource base would include the following:
- Use of land as a resource and imposition of tax on vacant land. As land values increase, imposition of transfer fees on land and properties would generate substantial resources for the municipalities. The other measures may include adoption of instruments such as Purchasable Development Rights, Tradeable Development Rights, levy of internal and external development charges and tax increment financing.
 - Betterment charges may be levied to recover project costs from the beneficiaries. The experiences in Ahmedabad and Hyderabad have shown that through effective tax administration, levy and collection, revenues can be increased substantially.

- Valorization Charges may be levied on the direct beneficiaries of a project to recover the capital costs of infrastructure and could be based on plot/plinth area, frontage, shape, topography and land-use.
- The restructuring of property tax in the state has yielded more resources for the municipalities. The efforts to improve the tax administration should be sustained through regular reviews. For example, after restructuring of property tax in the state in 1992-93, efforts have not been made to achieve incremental increase as was initially envisaged. Further reforms in the property tax are called for in line with the recent draft guidelines circulated by the Central Government. There is enormous scope to levy service tax on low income areas as is being done in other cities such as in Ahmedabad in Gujarat.
- Over the years, the State Government has been fixing the rates of various Municipal taxes. This initiative may be given to the local bodies with legal stipulations of floors and ceilings and only formula-based grants may be provided. Similarly, municipalities must be made to fix user charges on the basis of the costs of provision of services.
- A tax reform package may be adopted to increase the existing base of municipal taxes and to improve the collection of other important taxes such as Profession tax, Entertainment tax, Advertisement tax and Vehicle tax.
- User Fees and Charges should be the area of focus for greater resource mobilisation. User fees would have the advantage of tying the mobilised revenue to the costs of services being provided. Institutional financing from non-budgetary sources would, thereby, become feasible since loans could then be directly raised by the ULBs and paid back through project revenues.
- Privatisation or contracting out some of the municipal functions would help improve the standards of service delivery and would reduce the financial burden of the local bodies. Several municipalities in Andhra Pradesh, including Municipal Corporation of Hyderabad, are making efforts to hand-over solid waste management to private agencies. Though it is too early to a comment on this experiment, experience in Rajkot in Gujarat and elsewhere suggests that this would help in reducing the financial burden of the local bodies.

- The capacity of the urban local bodies to access the institutional finance should be strengthened to enable them to mobilise resources to undertake infrastructure development in their areas. Since small municipalities will not be able to have direct access to market funds, a financial intermediary in the pattern of Tamil Nadu Urban Development Fund may be constituted.
- Reforms may be introduced in the system of inter-governmental transfers to the municipalities. Appropriately designed transfers can bridge the fiscal gap between rich and poor municipalities and act as instruments to channelise municipal resources in desired directions, e.g. infrastructure building. Municipal activities are unlikely to provide efficiency unless financial accountability is clearly established. The municipal governments could be made accountable to the State government for the expenditures financed out of inter-governmental transfers. Part of the transfers may be linked to municipal efficiency in the mobilisation of internal resources.

Urban Planning and Development

The State Urbanisation Strategy should include macro-level strategies and a broad spatio-economic framework for urban development, with due cognisance of rural-urban linkages and inter-sectoral as well as spatial and environmental dimensions of development. The Municipalities, District and Metropolitan Planning Committees may undertake local and regional planning respectively within this framework. In addition, a set of legal, institutional and financial measures could be outlined to operationalise the spatial development framework. In an era of liberalisation and decentralisation, with the enactment of the Constitution (74th Amendment) Act, 1992, the State Urbanisation Strategy may envisage key roles for the private sector and democratically elected local governments in urban development.

The laws relating to regional and urban planning, including town planning, need to be amended to provide for participatory plan formulation and implementation as envisaged in the 74th Amendment. Development of a regional and urban information system, integration of spatial and economic development plans, carrying capacity-based planning, environmental conservation, integrated provision of infrastructure, private sector participation in land development, use of land as a resource, purchase and tradeable development rights, preparation of financing plans and capital budgets are some of the areas that planning laws should address. In the state, laws relating to the establishment of District and Metropolitan Planning Committees are yet to be enacted. National debates on the provisions in the 74th Amendment Act regarding metropolitan planning suggest that the existing metropolitan development authorities may serve the Metropolitan Planning Committees as professional planning agencies. Thus, the Hyderabad/Visakhapatnam Urban Development Authority may professionally serve the Hyderabad/Visakhapatnam Metropolitan Planning Committee. The

legal agenda would further include amendments to laws dealing with urban development authorities, zoning and development control, building regulations including multi-storeyed buildings and apartment ownership, etc. Laws relating to the development of self-financed New Townships around metropolitan cities (at least 25 kms. away) with a view to decongesting the latter are essential. These townships may be linked to the mother cities by fast track-limited access expressways or commuter rails. Fiscal concessions to attract private investment in these townships are necessary.

There is a need for translating the urban land use plans into development plans, taking the financial and implementation constraints into account. In this regard, the State Government may prepare long range (20-25 years) State Urbanisation Strategy/Perspective Plan, indicating a vision regarding desirable spread of urbanisation in the State. In this regard, a strategy to facilitate the growth of State and District priority cities which have the potential of emerging as regional growth centres and capable of generating economic momentum will be useful. This strategy has been advocated by the National Commission on Urbanisation and promoted under the Centrally sponsored Scheme of Integrated Development of Small and Medium Towns (IDSMT). Taking into account the State Urban Strategy, cities and towns may prepare long-term (20-25 years) Perspective Plans, Medium-term (5-year) Development Plans (synchronous with State Five Year Plans) and Annual Action Plans.

Urban Environment

Increasing urban population is widening the gap between the demand and supply of infrastructure services. The economic and demographic growth in urban areas in the State increasingly poses a strain on urban environment; deterioration of quality of air and water, growing problems of waste disposal and growing congestion in urban centres. Keeping in view the fact that urbanisation would continue and increase rapidly in future, solutions would have to be found to mitigate the environmental effects of urbanisation. The measures to improve urban environment may include the following:

- (a) Strengthening of administrative framework at the state/local level and preparation of environment action plans at the local level. The environment problems being localised, require attention and prioritised planning at the field level. The functions of the local bodies may be strengthened through various management (or institutional), legal and financial mechanisms to help them discharge their environmental functions.
- (b) High priority may be accorded to improving the access of the people to water supply and sanitation services, drainage network, and sewerage and sewage treatment facilities to improve the urban environment. State/regional/district/municipal water resource management plans may be prepared with 50 years as the time horizon and sources proximate to the cities may be reserved for drinking water supply. All water bodies

and ground water in urban agglomerations may be protected and conserved by a suitable law and appropriate enforcement mechanisms.

- (c) The Municipal Acts need to be amended to include critical environment issues such as: pre-treatment of municipal wastes and industrial effluents by municipalities before their discharge; EIA of development projects; and, involvement of wards committees, residents' associations and external experts in decision-making.
- (d) To regenerate the eco-system, persons degrading the environment can be made, by law, to regenerate and restore the areas degraded by them. "Polluters pay" principles need to be adopted in addition to "users pay" and "beneficiaries pay".
- (e) The local governments should support more innovative joint government-community programmes for infrastructure and provision of services.

Provision of Urban Infrastructure

The present organisational structure for urban infrastructure development at the Central and State levels suffer from four principal limitations:

- (a) Multiplicity of agencies and lack of coordination in planning and implementation of projects;
- (b) Reliance on Government for budgetary support;
- (c) Lack of technology upgradation and inadequate expertise in time-bound project implementation; and
- (d) Lack of adequate financial and engineering skills, resource-raising ability, financial control and a commercial mandate.

Due to these limitations and that urban infrastructure projects have typically long gestation periods and are capital-intensive, the development of such projects on commercial principles has not been attempted in most states in the country. However, the colossal magnitude of the urban infrastructure problem suggests that the options of commercialisation and private sector development would need to be vigorously pursued. In this regard, the following institutional inputs are important: (i) conceptualisation of project, (ii) commercial analysis in a form and manner acceptable to banks, domestic and international financial institutions, and contractors, (iii) financing structure of the project to cater to the requirement of multiple institutional and retail investors, (iv) design of instruments that can be affordable to the capital market, (v) engineering capabilities relating to project design and award of

contracts, and (vi) capabilities with respect to on-line project management, supervision and control.

In addition to strengthening the existing institutions, it will be necessary to enlarge the participation of other agencies for mobilisation of greater financial resources for urban infrastructure. All players would require to develop strategies that ‘leverage’ on the strength of capital markets and aim at gaining access to the vast pool of private financial resources. However, an important principle is that when capital markets are shallow or underdeveloped, it is difficult on the part of smaller local bodies to access market funds. Larger and more viable institutions, which can pool risks and borrow with ease and at lower costs, will be in a position to approach the capital market, national level financial intermediaries and bilateral and multi-lateral lending institutions on behalf of the smaller entities. They can also assist the municipalities in project formulation, preparation of capital development plans and projects, and designing of suitable cost recovery instruments. These considerations suggest the need for a strategy of financial intermediation till the municipalities develop capabilities to tap market sources on their own internal strength.

A state level financial intermediary in the pattern of Tamil Nadu Urban Development Fund could be created to provide investment opportunity for urban infrastructure at the retail level. A State level financial intermediary for urban infrastructure, if properly designed, could achieve the following objectives:

- (a) Facilitate the supply of capital to local authorities for infrastructure projects at reasonable cost;
- (b) Assist small- and medium-sized towns to provide adequate urban services by providing them with long tenor finance;
- (c) Help costing of services and streamlining the financial and accounting systems so as to enable them to approach external funding sources;
- (d) Promote full cost recovery and internal resource mobilisation, and improve financial management;
- (e) Identify and assist in the development of projects that have good potential for tapping market funds;
- (f) Promote joint sector financing of urban infrastructure by participating in both public and private sector projects;
- (g) Eventually issue infrastructure bonds on behalf of the municipalities.

Inducing the Private Sector

Most of the urban infrastructure projects are characterised by low rates of financial return although they are known for significant social benefits and high economic/social rates of return. In a situation where more than 20 per cent financial return is available from elsewhere in the economy, private funding for urban/sub-urban projects like LRTS, MRTS, urban ring roads, water supply, sewerage, solid waste management, etc. will not be forthcoming without a wide range of fiscal concessions to make investments in these infrastructure facilities competitive.

To facilitate private sector participation in urban infrastructure and facilities under various arrangements such as Build-Own-Operate (BOO), Build-Own-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Build-Own-Lease-Transfer (BOLT), etc., it is necessary that:

- (a) The types of activities that can be taken up on commercial terms through the private sector are identified and then policy initiatives are formulated that are conducive to create the appropriate environment, particularly in the areas of finance, taxation, legal provisions and technology. In addition, the services which cannot be provided by the private sector on purely commercial terms should be identified and taken up on - public-private-partnership basis.
- (b) The commercial viability of different infrastructure projects can be promoted by: improving the project formulation and implementation capabilities of the agencies; proper assessment of various components of demand and supply in project formulation; increased focus on cost optimisation, pricing and cost recovery; and, improving efficiency through competition in services provision including adoption of compulsory competitive bidding procedures.
- (c) The private sector involvement in the infrastructure sector could be under BOT and other arrangements. For successful development of urban infrastructure by the private sector, it is critical that: the developers have entrepreneurial skills; have access to appropriate and proven technology and engineering know-how; have ability to handle and relate to environmental and public concerns and provide market access; and, have the skills to arrange for and manage engineering and construction of capital-intensive projects, and the ability to put together a complex multinational finance package. In addition, the public sector personnel would have to be trained to operate in what may be wholly new commercial areas, without any standard procedures, and undertake a clear commercial analysis of risk and its allocation. Their role as regulators and facilitators will be crucial.

Housing

The role of the State Government in the human settlement sector has to become progressively that of a facilitator, ensuring access to developed land, basic services, and where necessary, access to building materials, technology, construction skills and finance so that housing can be undertaken as a people's programme. However, the public sector is not absolved of the responsibility of providing housing to those segments of the people who can who can not be served by other actors. In this regard, an enabling environment needs to be created for housing activity by eliminating legal-institutional constraints. In order to facilitate greater private and cooperative sector participation in housing activity, as well as public-private partnership, there is the need to:

- (a) undertake legal reforms;
- (b) to undertake land policy reform to provide easier access to developed land;
- (c) provide suitable fiscal measures and incentives to encourage investment of household savings in home ownership and to induce the corporate sector to invest in employee housing;
- (d) carefully assign property rights and make them legally enforceable;
- (e) create enabling institutions for providing enabling environment by restructuring existing institutions and by creating new ones, if required; and
- (f) widen the existing database for strategic planning to cover aspects relating to ownership of land and property, housing starts and completions, etc.

The State Governments may emphasise on the enabling strategy in the State Housing Policy, prepared within the broad parameters laid down by the Central Government. The state housing agencies would continue to play an important role in the implementation of the State Housing Policy.

Andhra Pradesh has been a pioneer in the country for weaker section and LIG housing. Since the private sector will not take care of the poor, the state's emphasis on low-income housing needs to be continued, with an equal emphasis of some recovery of loans from the beneficiaries in the interest of sustainability of the programmes.

Capacity Building in the Urban Sector

The capacity building efforts in the urban sector, especially for the urban local bodies, would include measures for the development and upgradation of systemic as well as managerial capabilities and elimination of management hurdles. It would include the following:

- (a) Modernisation of the State municipal and town planning laws with a view to implementing the Constitution (74th Amendment) Act in letter as well as spirit.
- (b) Keeping the municipal government functions clear and simple so as not to demand highly specialised levels of administration and skills.
- (c) Distinction between 'production' and 'provision' of public services and adopting privatisation and public-private partnerships, where beneficial and feasible.
- (d) Matching the benefit areas with the financing areas as far as possible; taxes which can be easily exported to non-municipal areas should not be assigned to the municipalities.
- (e) Adoption of sound budgeting, accounting and auditing procedures so as to promote accountability on part of municipal officials. Budget management should be decentralised to the operational levels.
- (f) A three-tier - Perspective, Development and Action Plan strategy should be adopted for planned urban and regional development.
- (g) Municipal capability should be improved to manage contracts and regulate private sector participation in municipal services.
- (h) A state-level financial intermediary may be established, endowed with appropriate capabilities, with a view to promoting access to the capital markets for financing of infrastructure, including issue of Municipal Bonds on behalf of clients at a later stage.
- (i) Developing a transparent two-way system of municipal accountability - to the public and the higher levels of government through laws and regulations.
- (j) Recruitment and promotion rules may be amended to enable the development of a cadre of professional urban managers.
- (k) The problems of over-staffing in municipalities and other local authorities may be addressed by rationalisation of the staffing structure and legally stipulated staffing norms linked to both need and resource-raising factors.

SECTION - II

VIJAYAWADA AND KAKINADA CITY PROFILES

I. VIJAYAWADA

INTRODUCTION

Vijayawada is the third largest city of Andhra Pradesh. It has emerged as one of the main commercial centres in the State and is well-connected by rail and road links with the major urban centres in the country. Vijayawada is linked with the major trunk routes via two National Highways. The city is, also, a major railway junction which directly links it to the state capital and the mega-cities of Calcutta, Chennai and Delhi.

Vijayawada was constituted as a Municipality in the year 1888 with a population of 9,000. Over a period of more than 100 years, this small Municipality has grown into a Corporation city. The 1991 Census has enumerated the population of Vijayawada Municipal Area at more than 700,000 and that of Vijayawada Urban Agglomeration at 850,000. Vijayawada Municipality was upgraded as a Municipal Corporation in the year 1979 and now has a fairly well-established civic administration and an elected body.

Vijayawada does not have a large industrial base but vast employment opportunities are available in trade and commerce, household industries, printing, small-scale manufacturing units, quarrying, construction, transport, etc. The important commodities traded in this city include cloth, iron and steel, rice, sugar, pulses, tobacco, vegetables, edible oils, pharmaceutical, hardware and cement, etc. In addition, the rich and fertile hinterlands of Krishna river delta in Vijayawada yield high level of agricultural produce. The main source of water in the region is Krishna river and it is distributed through a network of canals from the barrage situated at Vijayawada.

POPULATION GROWTH

A large number of migrants are attracted to Vijayawada from the neighbouring villages and towns due to its locational advantage and prosperity. Consequently, decennial population growth rate of Vijayawada has been consistently high over the period 1901-91. In fact, the rate of growth has been higher than the average growth rate for the urban areas in the State. The population growth rate in Vijayawada Municipality was exceptionally high at 87 per cent during the period 1941-51. The growth rate declined substantially during the sixties despite the expansion of the Municipal limits during the period. Again the growth rate registered a decline in 1981-91 period (Table 1).

The population has grown at a much faster rate in Vijayawada as compared to the adjoining towns of Machilipatnam, Guntur and Tenali, located within a radius of 70 kms. However, the growth rate differential between Vijayawada and Guntur narrowed down considerably during the last decade, the population growth rate being 29 and 28 per cent, respectively. The comparative population figures and the rates of growth for Vijayawada and its adjoining towns are given in Table 2.

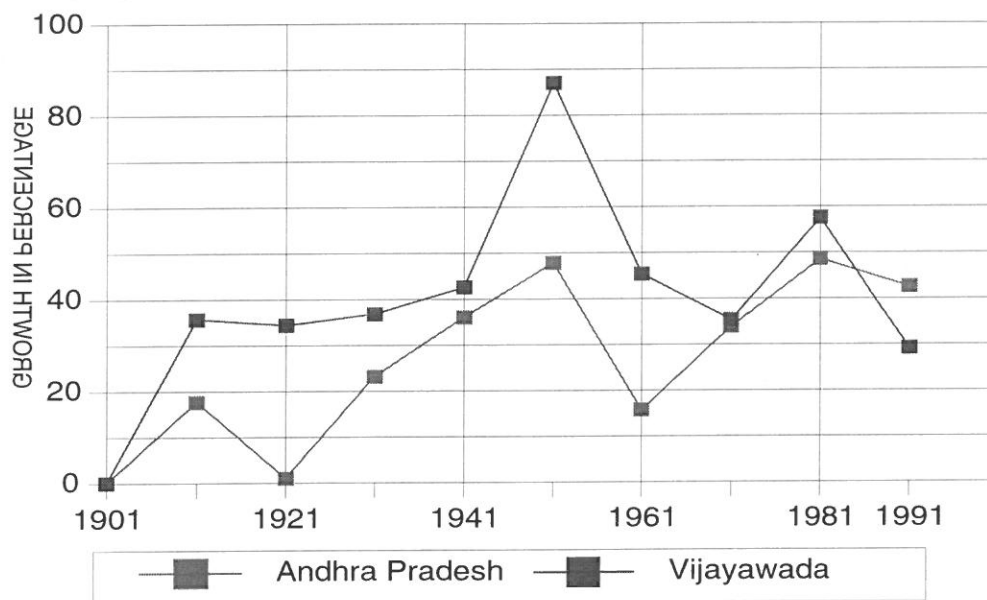
Table 1

Decadal Population Growth Rate of Vijayawada and Urban Andhra Pradesh

Year	Population	Decadal Growth Rate (%)	
		Vijayawada	Andhra Pradesh (Urban)
1901	24,224	---	----
1911	32,867	35.70	17.68
1921	44,159	34.40	1.03
1931	60,427	36.80	23.17
1941	86,184	42.60	36.07
1951	161,198	87.00	47.86
1961	34,360	45.40	15.76
1971	317,258	35.40	33.92
1981	461,772	45.55	48.62
1981*	543,008	57.57	----
1991	701,351	29.16	42.61

Note: Two villages namely Gunadala and Patamata were merged with the Municipal Corporation in 1981 and hence the two sets of figures showing the data before and after the merger.

FIG 1 : GROWTH RATE : VIJAYAWADA & A.P



**Table 2
Comparative Growth Pattern of Vijayawada and Adjoining Towns**

Town	Distance from Vijayawada	Population			Percentage growth/decade	
		1971	1981	1991	1971-81	1981-91
Vijayawada	-	317,258	537,435	707,817	46	29
Machilipatnam	70 Km.	112,636	130,526	159,007	16	15
Guntur	30 Km.	269,991	367,991	471,020	36	28
Tenali	40 Km.	102,937	119,527	143,836	15	21

POPULATION DENSITY

The pressure imposed by rapid increase in urban population is reflected in the high population density in Vijayawada. In 1991, the population density, that is population per sq. km., was 12,304, which though lower than that in Hyderabad (17,622) is much higher than

the state and national urban average (3,459 and 3,370, respectively). The population density in Vijayawada registered a 50 per cent increase every decade during the period 1951-71. However, the population density declined during the period 1971-81 due to inclusion of sparsely populated villages in the municipal limits. The population density again increased by 30 per cent during the last decade (Table 3). Unless properly planned, further increase in population density would lead to a fall in quality of urban life due to congestion and fall in availability of services.

Table 3
Population Density in Vijayawada

Sl.No.	Year	Population	Area (sq.km.)	Density (population/ sq.km.)
1.	1951	1,61,198	33	4,884
2.	1961	2,34,360	33	7,101
3.	1971	3,17,258	33	9,613
4.	1981	5,43,008	57	9,526
5.	1991	7,01,351	57	12,304

CIVIC INFRASTRUCTURE

The city of Vijayawada has got a good network of civic infrastructure. The main source of water supply is Krishna river and the city is partly served by an underground drainage. The status of the civic infrastructure comprising roads, drains, street-lights and water supply are discussed in this section.

Roads

Vijayawada has a total road length of 974 kms. and has a number of inter-connecting bridges over the canals which intersect the roads. The average road length is 16.8 kms. per sq. km. The proportion of kutchra roads in the city road network is as low as 16 per cent. Table 4 gives the data on the type of roads and its length in Vijayawada.

Table 4
Roads-length by Type in Vijayawada

Sl.No.	Type of road	Length (kms.)	Percentage to total length
1.	Cement roads	120.74	12.4
2.	B.T. roads	356.31	36.6
3.	Metal roads	344.67	35.4
4.	Kutchra roads	152.36	15.6
	Total	974.08	100.0

Drainage

Nearly one-sixth of the drainage system in Vijayawada is under-ground while the remaining drainage system is in the form of surface drains. Table 5 gives the details of the drainage system in the city. The Municipal Corporation of Vijayawada plans to extend the underground drainage facility to the entire city. The cost of the project is estimated at Rs. 240 million. The resources are planned to be mobilised by the Municipal Corporation from various financial institutions.

Table 5
Drainage System in Vijayawada

Sl.No.	Type of drain	Length (kms.)	Percentage
1.	Underground Drains	124	16.4
2.	Open Drains	632	83.6
	Total	754	100.0

Street-lights

The Corporation has a poor street-lighting system. At present, about 19 lights are available, on an average, for each kilometre length of road (Table 6) as against the requirement of 31 per km. road-length.

Table 6
Streetlight by Type in Vijayawada

Sl.No	Type of lights	Number	Percentage
1.	Tube-lights	16,124	85
2.	Mercury Vapour Lamp	900	5
3.	Sodium Vapour Lamp	1,899	10
4.	High Mast Lights	8	-
	Total	18,931	100

Water Supply

Vijayawada has a satisfactory level of water supply, compared to other urban centres in the State, and the water supply system is serviced by water drawn from the nearby Krishna river. At present the installed capacity of water system in the city is about 119.30 million litres per day. The city has a network of 23 high level reservoirs with a storage capacity of about 18 million litres. Table 7 gives the data on water supply infrastructure in Vijayawada. The capacity of the city water system is proposed to be augmented to 147 million litre per day at an estimated cost of Rs. 60 million. However, there is the problem of low cost recovery in water supply. The total income from water charges is Rs. 20 million which cover only one-half of the operations and maintenance cost.

Table 7
Water Supply Infrastructure in Vijayawada

Sl.No	Item	Quantity
1.	No. of private taps	37,000
2.	No. of public taps	3,200
3.	Length of water lines	250 Kms.
4.	Total installed capacity	119.30 MLD
5.	Deficit as per norms	27 MLD

SOCIO-ECONOMIC PROFILE

More than one-third of the population of Vijayawada lives in slums. This high concentration of city population in slums can be attributed to large scale migration of people to Vijayawada in the 1960's and 1970's. A slum improvement project was undertaken in

Vijayawada to upgrade the 136 slums at the cost of Rs. 490 million with the financial assistance of the Overseas Development Administration (ODA). The project is now nearing completion. The basic profile of the slum population of Vijayawada is given in Table 8.

Table 8
Socio-economic Profile of Slums in Vijayawada

Total population of town	Total slum population	Slum population (%)	Schedule caste (%)	Schedule tribe (%)	Illiterate (%)	Self employed (%)	Wage employment (%)	Organised sector (%)
701,351	221,546	31.6%	28.9	7.7	29.9	6.6	24.3	13.0

Note: The figures pertaining to employment are with regard to the adults employed from amongst the total adult population of slums.

TOWN PLANNING

The Vijayawada - Guntur - Tenali Urban Development Authority urban development authority was created in 1978 for preparing Master Plan and regulating the development of the areas around the three urban growth centres of this region, namely Guntur, Tenali and Manglagiri in addition to Vijayawada. The UDA covers a total area of 1,659 sq. kms. and includes 150 villages and the 3 municipal towns besides Vijayawada Municipal Corporation. The Authority has prepared Master Plan and Zonal Development Plans of the area besides taking up development of satellite townships.

MUNICIPAL FINANCE

Municipal Revenues

The receipts of the Vijayawada Municipal Corporation have grown at the rate of 38 per cent and 29 per cent during 1995-96 and 1996-97, respectively. The growth in municipal income has been mainly due to the increase in its tax revenues and grants from the State Government. The major source of tax revenues for the Municipal Corporation is the property tax. Although the revenues from property tax have been increasing, its share in the total tax revenues of the Municipal body has been declining over the years. The Corporation has established a number of remunerative enterprises which generate an additional income of Rs.15 million per annum. The data on the components of the receipts of Vijayawada Municipal Corporation (Tables 9 and 10) show that the State Government grants have been growing over the last three financial years, both in absolute terms and as percentage of total receipts. Another major source of income for the Municipal Corporation is the deposits and advances.

Table 9
Total Receipts of Vijayawada Municipal Corporation from Different Sources
(in million Rs.)

	Heads of receipts	1994-95	%	1995-96	%	1996-97	%
I. Taxes :							
(a)	Property & land tax	119.48	66.3	136.40	60.7	162.00	57.7
(b)	Professional tax	12.60	6.9	19.69	8.7	25.00	8.9
(c)	Entertainment tax	24.00	13.1	32.26	14.4	41.54	14.8
(d)	Stamp duty	20.42	11.2	29.78	13.3	40.00	14.3
(e)	Misc. taxes	6.49	3.5	6.48	2.9	12.03	4.1
	Total :	182.99	100.0	224.62	100.0	280.68	100.0
II. Non-Taxes							
(a)	Remunerative enterprises	20.96	20.5	22.66	15.5	25.13	15.6
(b)	Water tax	27.50	26.9	27.50	18.8	32.70	20.2
(c)	Contribution for new water taps	8.93	8.7	9.40	6.4	9.02	5.6
(d)	Others (Town planning building license fees, works contribution, layout, etc.)	44.90	43.9	86.70	59.3	94.77	58.6
	Total	102.30	100.0	146.26	100.0	161.62	100.0
III. Grants and Loans : :							
(a)	Education grant	30.92	73.5	39.32	43.1	48.56	28.8
(b)	Grants from the Government	11.13	26.5	51.98	56.9	89.16	52.9
(c)	HUDCO loan	--		--		30.92	18.3
	Total	42.05	100.0	91.30	100.0	168.65	100
IV. DEPOSITS AND ADVANCES :							
	Pension contributions, Provident fund, Security deposits etc.	66.38		81.10		89.83	
	Total	393.71		543.30		700.70	

Table 10
Gross Receipts of Vijayawada Municipality from All Sources
(in million Rs.)

Sl. No.	Heads of receipts	1993-94		1994-95		1995-96	
		Amount	%	Amount	%	Amount	%
1.	Taxes	182.99	46	224.63	41	280.58	40
2.	Non-taxes	102.30	26	146.26	27	161.62	23
3.	Grants and Loans	42.05	11	91.30	17	168.65	24
4.	Deposits and Advances	66.37	17	81.09	15	89.84	13
	Total	393.71	100	543.28	100	700.69	100

Municipal Expenditures

The major head of expenditure of Vijayawada Municipal Corporation is staff remuneration. However, its expenditure pattern for the last three years shows that though the expenditure on salaries has increased in absolute terms from Rs. 184 million in 1994-95 to Rs. 226 million in 1996-97, its share in total expenditure has declined from 47 per cent to 34 per cent. On the other hand, the expenditure on capital works has increased by three times from Rs. 82 million in 1994-95 to Rs. 232 million in 1996-97, accounting for 21 per cent and 35 per cent of the total expenditure, respectively (Table 11).

Table 11
Expenditure Pattern of Vijayawada Municipal Corporation
(in million Rs.)

Heads of expenditure	1994-95	%	1995-96	%	1996-97	%
Salaries	183.63	47	210.74	40	225.60	34
Deposit/advances	51.55	13	60.20	11	75.12	11
Public health	2.30	0.6	9.42	2	11.87	2
Parks	1.22	0.3	4.50	0.9	5.63	1
Town planning	N.A.		0.50	0.1	5.53	1
Works (Capital)	82.14	21	152.90	29	232.01	35
Loan repayment & contingencies	71.66	18	91.32	17	112.05	17
Total	392.51	100	529.56	100	667.85	100

AREAS OF CONCERN

- (a) Improvement in the transport network in the city in view of its intersection by a network of canals.
- (b) Integrating the slum population into the mainstream population of the city and controlling further spread of slums.
- (c) Preserving the hill-slopes in Vijayawada by preventing encroachments and by taking up afforestation schemes.
- (d) Improving the solid waste management system in the city.
- (e) Upgradation of infrastructure and providing for expansion of markets, small industries and automobile trade.
- (f) Extension of underground drainage system to the uncovered areas.
- (g) Improving the road margins and canal berms by developing greenery.
- (h) Preparation of Development Plans and Capital Budgets.
- (i) Involving the private sector in infrastructure and service provision.

II. KAKINADA

INTRODUCTION

Kakinada is the headquarters of East Godavari district, the most populous district of Andhra Pradesh. It was constituted as a Municipality in the year 1866. Kakinada is a port town on the eastern coast of the country and is fast developing into a major harbour. Fishing is the major economic activity of this city and has a harbour exclusively for this purpose. A large number of mechanised boats and trawlers operate off the Kakinada shore and this has given rise to a number of ancillary industries like boat building, net-making, fish processing, refrigeration, ice-making, etc. The town has got a vast hinter-land of irrigated area that is served by a network of canals, drawing water from a barrage on Godavari river. The trade and commercial activity in this town includes commodities such as fertilizers, pulses, oils, rice and bran, tobacco, fibres, auto parts, fish and prawns, etc.

The development of port facilities in the city was undertaken with financial assistance from the Asian Development Bank (ADB). The major components of the development project were: (i) upgradation of old anchorage harbour by developing a deep water port; and (ii) upgradation of road linking Kakinada with the Chennai-Calcutta highway and building a by-pass, so as to streamline the increased traffic flow. The facilities provided under the project have created a tremendous potential for port-based activities in the city. Also, the setting up of fertilizer industries in the public and private sector have resulted in a sudden spurt in economic activities.

The civic status of the town is that of a Selection Grade Municipality. Thus it can be upgraded as a Municipal Corporation in future. Kakinada town has an elected civic body with a lady Chair-person. The elections to the Municipality were held after the introduction of 74th Constitutional Amendment Act.

At present, Kakinada is a minor Port but its share in handling the cargo is increasing, particularly after the completion of deep water port facilities. The deep water port in Kakinada has been constructed with a total outlay of Rs. 2.94 billion (US\$ 77.9 million). The project envisages the construction of an additional three berths so as to increase the handling capacity of the port to more than 2.5 million tons per year. The increase in traffic at this port has been significant, as is indicated by the data presented in Table 1.

DECENNIAL GROWTH OF POPULATION

The decadal population growth rate of Kakinada has fluctuated widely during the period 1901-1961. However, the population of the town grew at a steady rate during 1961-81

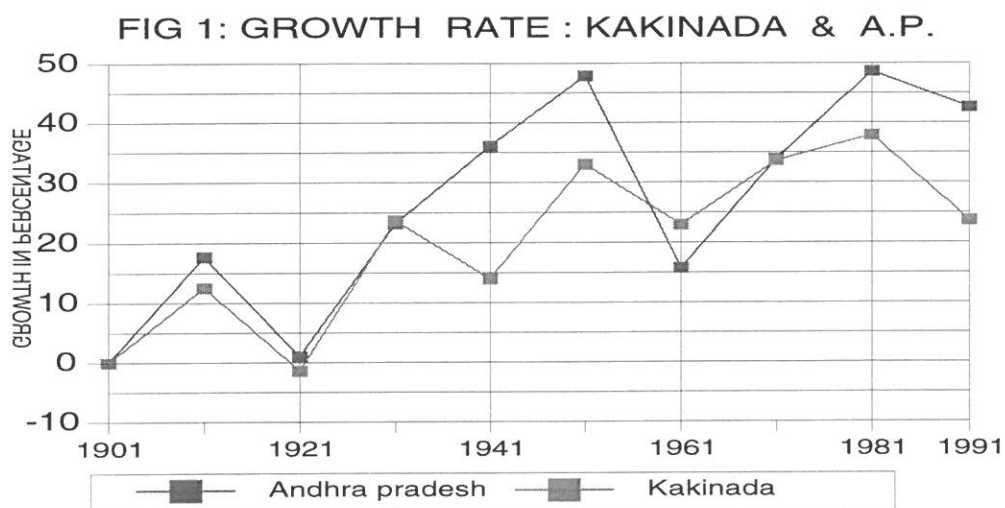
but again declined during the last decade. A comparative analysis of the decadal population growth rate of Kakinada and urban areas of Andhra Pradesh (Table 2) shows that the city has exhibited growth rates much lower than the state average for urban areas.

Table 1
Volume of Exports and Imports at the Kakinada Port

Year	No. of ships called	Total imports in tonnes	Total exports in tonnes	Total traffic in tonnes	Percentage increase
1985-86	112	397,762	504,670	902,432	-
1990-91	132	503,871	620,066	1123,938	12.4%
1995-96	211	606,168	1631,992	2238,161	99.2%

Table 2
Decennial Population Growth Rate of Kakinada and Urban Andhra Pradesh

Year	Population Kakinada	Decadal Growth Rate (%)	
		Kakinada	Andhra Pradesh (Urban)
1901	48,096	-	-
1911	54,110	12.5	17.68
1921	53,348	-1.4	1.03
1931	69,952	23.63	23.17
1941	75,140	13.98	36.07
1951	99,952	33.02	47.86
1961	122,865	22.92	15.76
1971	164,200	33.64	33.92
1981	226,409	37.89	48.62
1991	279,980	23.63	42.61



POPULATION DENSITY

The area of Kakinada has not changed since 1971. As a consequence, the population density in the city is increasing in direct proportion to the population. The population density has increased by over 70 per cent during the last two decades. In 1991, the population density in Kakinada (9,177 persons per sq. km.) was almost three times the state average for urban areas. The population density in the city is bound to increase further in the near future due to development of port facilities and ancillary industries. In this regard, the development plan for the city should provide for city expansion in the peripheral areas. Table 3 gives data on population density in Kakinada.

Table 3
Population Density in Kakinada

Year	Area (sq. km.)	Population	Density (Population/sq. km.)
1971	30.51	164,200	5382
1981	30.51	226,409	7421
1991	30.51	279,980	9177

CIVIC INFRASTRUCTURE

Most civic infrastructure services are lacking in the city. Kakinada does not have any underground drainage system and waste water flow is through surface drains. Surface drainage system has limited utility because of the absence of natural gradient to facilitate water drainage, given the flat nature of the terrain in this delta region. The water supply, at about 68 litres per capita daily (lpcd), is below the desired norms of water supply. Further, about 25 per cent of the geographical area of the city is not served by the water supply system. In order to provide adequate infrastructure services in the city, the Municipality would have to cater to the large backlog demand in addition to the requirements of the incremental population.

Roads

Nearly three-fourth of the road-length in the city is black topped. However, the gravel roads and those without bitumen topping are subjected to lot of strain, particularly during the monsoon season. The pattern of road network in Kakinada is given in Table 4.

Drains

The city does not have an underground drainage system though the town has a widespread network of surface drains, almost one-half of which are unpaved. An additional problem is the absence of outfall drains in certain low-lying areas close to the sea, thus, causing water-logging during heavy rains. The data on type and length of drains in the city are given in Table 5.

Table 4

Road-length by Type in Kakinada

Sl.No..	Type	Length (Kms.)	Percentage
1.	C.C	33.52	9.00
2.	B.T.	248.82	63.00
3.	W.B.M.	77.54	20.00
4.	Gravel	33.01	8.00
5.	Total	392.89	100.00

Table 5

Different Types of Surface Drains in Kakinada

Sl.N o.	Type of Drain	Length (Kms.)	Percentage to total length
1.	Pucca	295.68	55.00
2.	Kutchha	237.22	45.00
3.	Total	532.90	100.00

Water Supply

The water supply system in Kakinada is dependent on the raw water supply from the Godavari river, which is brought to the city through a canal. The closure of the canal and limited capacity of the storage tanks strain the water supply system during the summer months. About 25 per cent of the city's population is not served by piped water supply and

the provision of water is by tankers. Additional burden is imposed on the water supply system during the summer months due to dependence of a number of adjoining villages on the city for meeting their requirement of water. The data on present status of water supply and projected requirement in Kakinada by the year 2001 are given in Table 6.

Table 6
Status of Water Supply in Kakinada

Present population	Projected population	Present per capita supply (LPCD)	Per capita water supply norm (LPCD)	Present installed capacity (MLD)	Required installed capacity	Additional requirement	Cost of providing additional requirement (in millions)
279875	335040	108	140	30.216	47.00	16.87	266.30

Street-lights

The city has about 20 lights per kilometre length of road. Damage to street light during cyclone is a recurring problem for the Municipality. The data on type and number of street-lights are given in Table 7.

Table 7
Different Types of Street-lights

Sl.No.	Type	Number	Percentage to total
a)	M.V/S.V. lamps	692	9.00
b)	Fluorescent tubes	7,220	91.00
c)	Total	7,912	100.00

SOCIO-ECONOMIC PROFILE

A survey undertaken in the slums of Kakinada in 1994 revealed that there are 13,667 slum households with a population of about 70,000. This shows that nearly 25 per cent of the city's population resides in slum areas. Kakinada is one of the Class I cities to be covered under the Slum Improvement and Poverty Reduction project to be funded by ODA. The socio-economic profile of the slum dwellers of Kakinada is presented in Table 8.

Table 8
Socio-economic Profile of Slum-dwellers in Kakinada

Total population of town	Scheduled caste population	Scheduled tribe population	Backward classes population	Female population	No. of households living in slums	Population of Urban poor
279,980	25,779	1,070	102,721	140,470	13,667	68,431
percentage	0.09	0.00	0.37	0.50	0.05	0.24

TOWN PLANNING

A Town Planning Scheme was sanctioned for the Kakinada Municipality in 1975 and, subsequently, a Master Plan was adopted for the city and its adjoining areas. The Master Plan has been amended from time to time on the basis of growth pattern in the city. However, changes in the Master Plan can be effected only after the approval from the State Government. The Master Plan amendments generally pertain to conversion of land use pattern from residential to industrial and commercial use, agricultural to residential use, etc.

Recently, a proposal was made by the civic body of Kakinada to include 10 villages adjoining the Municipality. Gram Panchayats of these villages, however, did not agree to the proposal. The main reason for the desire of the Gram Panchayats to maintain their own separate identity is the large central assistance provided to the villages for implementation of rural development schemes.

The increasing harbour activities in the city would require large areas of open land to be used by the port. There is a need for constituting an Urban Development Authority, which can cover the Municipality as well as the adjoining villages, for coordinated development of the town and the hinterland.

MUNICIPAL FINANCE

Municipal Revenues

The income of the Kakinada Municipality is mainly from taxes, the major component being the house tax. There has been a consistent upward trend in the revenues mobilised by the Municipality. The 'own' revenues registered a four-fold increase during the period 1976-86 and doubled during the next 10 years, that is 1986-96. The slowdown in the growth in the

revenues of the Municipality is despite the growth in local economy and indicates towards lack of buoyancy in municipal revenues. Table 9 presents the trends in revenue mobilisation by the Municipality over a period of two decades.

Table 9
Internal Resource Mobilisation by Kakinada Municipality
(in million Rs.)

Sl.No.	Heads of receipts	1976-77	1986-87	1996-97
1.	House tax	3.52	13.13	32.67
2.	Entertainment tax	3.70	7.50	15.26
3.	Stamp duty	0.34	5.71	12.47
4.	Water tax	0.35	4.13	9.20
5.	D & O trades	0.10	0.23	0.63
6.	Advertisement tax	0.02	0.05	0.25
7.	Encroachment tax	0.05	0.18	0.28
8.	Marketing fees	0.23	1.02	1.81
	Total	8.35	31.97	72.58

Table 10
Tax Revenues of Kakinada Municipality
(in million Rs.)

Sl. No.	Head of receipts	1993-94	1994-95	1995-96
1.	Property tax	21.07	27.52	28.17
2.	Surcharge on stamp duty	6.95	6.83	10.85
3.	Entertainment tax	9.23	12.64	10.30
4.	Other taxes	0.20	0.18	0.14
	Total	37.34	47.17	49.47

The details of the income of the Municipality from all sources during the three years preceding 1996 are given in Tables 10, 11, 12 and 13. The quantum jump in the gross receipts of the Municipality in 1994-95, as compared to the preceding year, was on account of an almost three-fold increase in revenues under the head of 'non-tax and loans', and these increased further in the year 1995-96. The State Government grants to the Municipality have declined from Rs. 15.2 million in 1993-94 to Rs. 9.2 million in 1995-96 and their share in total receipts of the Municipality have declined substantially over the years. Though the tax revenues of the Municipality have been increasing steadily, their share in total receipts has declined.

Table 11
Income of Kakinada Municipality from Non-Taxes

(in million Rs.)

Sl.No.	Head of receipts	1993-94	1994-95	1995-96
1.	Water charges	7.46	13.55	11.71
2.	Market fees	2.67	2.99	4.56
3.	Rents	0.47	0.66	0.74
4.	Town planning fees	0.61	1.20	2.88
5.	Other receipts and loans	1.31	27.31	34.91
	Total	12.52	45.71	54.80

Table 12
Government Grants to Kakinada Municipality

(in million Rs.)

Item	1993-94	1994-95	1995-96
Plan grants	7.57	2.73	6.96
Non-Plan grants	7.66	9.08	2.21
Total	15.23	11.80	9.18

Table 13
Gross Receipts of Kakinada Municipality from All Sources

(in million Rs.)

Sl.No.	Heads of receipts	1993-94		1994-95		1995-96	
		Amount	%	Amount	%	Amount	%
1.	Taxes	37.44	57	47.15	45	49.47	44
2.	Non-taxes & lo						
			15	11.80	11	9.18	8
4.	Total	65.20	100	104.66	100	113.45	100

Expenditure Pattern

A large proportion of the total receipts of the Municipality are utilised to meet the establishment costs. In fact, as much as 49 per cent of the total income of the Municipality is used to meet the establishment charges, which include salaries of the staff. Thus, resources

available for improving the existing infrastructure are inadequate for the task. The expenditure of the Kakinada Municipality under the major heads is given in Table 14. A large proportion of the resources allocated for the upgradation of infrastructural services is used for maintenance with insignificant provision for capital works. Table 15 shows broad trends of expenditure on infrastructure services over the last two decades.

Table 14
Components of Expenditure Undertaken by Kakinada Municipality
(in million Rs.)

Sl.No.	Heads of Expenditure	1993-94		1994-95		1995-96	
		Amount	%	Amount	%	Amount	%
1.	Pay allowances & management	38.06	0.62	42.85	0.40	50.92	0.49
2.	Civic amenities-capital	6.35	0.10	6.52	0.06	11.73	0.11
3.	Civic amenities- maintenance	14.47	0.24	16.16	0.15	16.52	0.16
4.	Loan repayment	0.50	0.01	0.60	0.01	0.96	0.01
5.	Miscellaneous	1.83	3.0	41.56	0.39	23.71	0.23
	Total	61.20	100.0	107.67	100.0	103.84	100.0

Table 15
Trends of Expenditure on Civic Amenities in Kakinada Municipality
(in million Rs.)

Amenities		1970-71	1980-81	1990-91	1996-97
Roads:	Maintenance	0.04	1.38	1.07	4.42
	Capital	0.17	1.21	1.20	1.30
Drains:	Maintenance	0.01	0.25	0.88	1.54
	Capital	0.03	0.11	0.96	2.00
Water supply:	Maintenance	0.27	1.00	4.06	8.34
	Capital	0.01	1.50	2.60	3.80
Street lighting:	Maintenance	0.21	0.35	1.50	2.40
	Capital	---	0.04	0.60	0.65
Public health:	Maintenance	0.14	0.01	2.08	4.20
	Capital	---	0.01	0.25	0.50
Total:	Maintenance	0.70	2.98	9.57	20.90
	Capital	0.21	2.91	5.60	8.20.
Grand total		0.87	5.90	15.20	29.02

AREAS OF CONCERN

- (a) Kakinada is fast developing as a growth centre, catalysed by its port-based economic, commercial and industrial activities. The peripheral areas of the city need to be brought under a common planning body to ensure a comprehensive approach to development of the area. There is a strong case for the creation of Kakinada Urban Development Authority for the city and its adjoining areas to ensure planned urban development.
- (b) There exists a large backlog of infrastructure requirements of the city. In addition, the incremental requirements would be high in view of the large economic potential of the city. Therefore, there is the need to make large infrastructural investments in the city to sustain the expected growth of the town in future. The priority areas would be creation of a road network and drainage system.
- (c) Given that the area is prone to cyclones, the upgradation of infrastructure should be high on the priority list.
- (d) A large proportion of population of the city lives in slums. These slums need to be upgraded and the slum population needs to be brought into the mainstream economy of the town.
- (e) In order to sustain the increasing number of port-based industries, the town would require expansion and creation of suitable infrastructure.
- (f) The system of taxation needs to be revamped to generate buoyancy in tax collection. Innovative ways to finance city development including reforms in inter-governmental transfers are called for. Collection efficiency needs to be improved.