Municipal Financing and Infrastructure: A Critical Analysis of the Cities in West Bengal

Priya Chowdhury†* and Dr. Gopa Samanta¥

Abstract
Cities, acting as engines of economic growth and generators of public finance for development, will usher in an urban revolution in the developing world. Such an urban revolution is sure to bring in opportunities to millions through the increasing level of urbanisation. This rising trend of urbanisation coupled with the increasing functional responsibilities of the Urban Local Bodies (ULBs) has been creating serious problems for the provision and financing of urban infrastructure. The resource crunch at each level of government in general, and the local level in particular, has instigated the need for analysing the causes behind such adverse state of municipal finance. Against this background, this paper attempts to evaluate the state of municipal finance in West Bengal by performing a comparative analysis of relevant indices. Acknowledging the potential of municipal finances in improving the delivery of basic services, the present study uses secondary data to demonstrate that the higher availability of essential urban services is associated with higher levels of revenue generation. This study presents a spatial and town class-based pattern analysis of the finances of ULBs of West Bengal in terms of their financial base, its adequacy, and their revenue and expenditure performance. The main thrust of this study is to examine the patterns of finances in ULBs in West Bengal and to present a comparative picture thereof along with per capita analysis of revenue and expenditure components based on size categories of the ULBs.

Keywords: Urban Local Bodies (ULB); District-Level Analysis; Municipal Finance; Urban Infrastructure; West Bengal

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† Ph.D Scholar, Department of Geography, The University of Burdwan, West Bengal, India
* Corresponding Author, Email: priyachowdhury2440@gmail.com
¥ Professor, Department of Geography, The University of Burdwan, West Bengal, India, Email: gopasamanta@gmail.com

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Introduction

Cities in India are conceived as ‘engines of economic growth’ (Mohanty, 2016), where urban part of India accounts for 31.16% of the total national population (Census of India, 2011) and contributes 60% of the country’s gross domestic product (GDP). According to the 2011 Census, India’s urban population is 377.1 million, rising from 286 million in 2001. The Census decade 2001-11 reported a rapid annual growth of 2.74% specifically for the large urban population. This refers to an approximate addition of annually 10 million persons to the urban population (Mathur, 2013). On the one hand, the increasing levels of urbanisation call for the gearing up of the municipal service provided by the ULBs and the emergence of growth opportunities; on the other hand, it would require an efficient supply of civic infrastructure, which includes water supply, street lighting, roads, public transport, drainage and solid waste management (Nallathiga, 2009).

In India, urban governance is a state subject. State governments have exercised their discretion in implementing various provisions, but, in practice, they have only made partial devolution of finance and functionaries at the municipal level (Das & Chattopadhyay, 2018a). The provision of municipal service and civic infrastructure is essentially the functional responsibility of the ULBs. Given their strategic position in delivering services in the hierarchy of Government set up, following the 74th Constitutional Amendment Act (CAA) of 1992, more functions, powers, and resources have been delegated to them. However, the infrastructure and services in most cities and towns are in an abysmal state. They are grossly inadequate even for the existing population.

Severe infrastructural deficits and basic service delivery gaps are the main issues that the majority of the Indian cities are facing. This compromises the quality of life of the urban inhabitants and weakens the competitive edges of these cities, and, thereby, their potential as critical drivers of economic growth remains unrealised (Das & Chattopadhyay, 2018b). According to researchers (Rao & Bird, 2014; Sridhar & Reddy, 2010), such a miserable state of urban services is typically caused by poor financial health and lack of planning, which are in turn associated with weak institutional capacities and the absence of effective governance structures of the Indian cities. Financing of civic infrastructure and services has gained critical importance in recent times with the rising expectations from public. Moreover, with increasing urbanisation, the demand for urban space has also increased. To cater to these demands, besides ensuring efficiency in quality and quantity of civic services delivered, the ULBs must be efficient in terms of their financing abilities. This study, attempts to contribute to realising the efficacy of the ULBs of West Bengal in terms of their financial performance.

‘Municipal finance holds the key to the overall status and progress of service delivery in the right direction’ (Nallathiga, 2009) — this statement strikes the chord to the central theme for the pursuance of this study. The quality and efficacy of service delivery essentially depend on the state of municipal finance. Nevertheless, the potential of municipal finance to improve the delivery of public services is enormous and worth serious research attention. As mentioned earlier, the 74th CAA (1992) recognises the principle of local self-government and offers constitutional recognition to urban local

1 The 74th Constitutional Amendment Act to the Constitution of India was passed by the parliament in the year 1992 relating to devolution of adequate powers, responsibilities and finances upon the urban local bodies so as to enable them to function as effective democratic units of local self-government. The salient features of this act are constitution of municipalities; composition of municipalities; constitution of ward committees; reservation of seats; fixed duration of municipalities; power, authority and responsibilities of municipalities; appointment of state election commission; appointment of state finance commission; constitution of metropolitan and district planning committees. Although the 74th CAA to the constitution has granted sufficient autonomy to the urban local government, these institutions work within the limits prescribed by the state Municipal Act which creates and governs them (MoHUA, 2010).
governments. Following the West Bengal Municipal Act 1993, the municipalities' decision-making power for service delivery was devolved (Chattopadhyay, 2012). However, in practice, the finances of the ULBs of West Bengal are in a grossly unsatisfactory state so far as their revenue collection is concerned (Das and Chattopadhyay, 2018b).

Purohit (2016) argues that the financial requirements for managing urban services need to be supported through increased investment and strengthening the framework for governance and financing. Assessment of the municipal finance of West Bengal is vital to understanding the cause of such a state. Therefore, analysis at the micro-level is critical for having a clear insight into the depth of the problems and their causes. The real challenge is to identify patterns and trends of municipal finance of West Bengal and to devise means by which improvement in service delivery can be realised.

Against this background, the present study documents the state of municipal financing and infrastructure in West Bengal and an inter-category comparative analysis of the relative indices. This study attempts to study the municipal finances of the 128 ULBs of West Bengal to examine their fiscal position and the nature of revenues and expenditure of the ULBs. In doing so, the study brings out the mismatch between their revenue authority and expenditure responsibilities along with an analysis of per capita status of revenue and expenditure based on size categories to obtain a multi-dimensional view of the financial condition of the ULBs in West Bengal. The study is mainly based on secondary data on municipal finance of West Bengal collected and published by the State Finance Commission (SFC) of West Bengal. Detailed reports relating to the revenue and expenditure accounts have been published by the SFC of West Bengal but not at regular intervals. The data is often incomparable in several ways. Analysis of the fiscal position of municipalities is done based on data collected from the report of the third and fourth West Bengal SFC published respectively in the year 2008 and 2016.

The study has been arranged into three following sections. The first section presents the status of municipal finances in West Bengal based on their revenue, expenditure and grant-based performances analysed in terms of their growth. Following this, in the second section, we analyse the comparative patterns of finances based on size categories of ULBs and on per capita revenue and expenditure. The third section, the concluding section, summarises the overall fiscal position and performance of the municipalities in West Bengal.

State of Municipal Finance in West Bengal

The 74th CAA (1992) incorporated the Twelfth Schedule to the Constitution that contains eighteen functional items of the municipalities listed under Article 243-W, aiming to revitalise and strengthen the city governments so that they can function as effective local government. As noted down by Chattopadhyay (2015), municipal functions range from planning for development, urban poverty alleviation, protection of the environment, slum improvement, and upgrading to functions related to public health, safety, welfare, regulation, and developmental activities. Despite such direct legislation, the municipalities in India are among the weakest in the world in terms of access to resources, financial autonomy, and revenue-raising capability (Mohanty, 2016). As per the Finance Commission data, the total revenue in India procedure for constitution of a new municipality or inclusion of an area within an existing one; clear determination of administrative structure of the municipality; constitution of ward committees; powers of municipalities to impose different taxes and fees; procedure for custody, application and use of municipal fund (Datta, 2015).

2 The West Bengal Municipal Act, 1993 was an act to consolidate and amend the existing law related to urban municipal affairs in West Bengal. The ULBs in West Bengal are governed according to the provisions of this act. Department of Municipal Affairs is entrusted with the responsibility of providing legal and administrative support to the ULBs of the State in this regard. Some of the salient features of this act are fixing condition and
accounted for ULBs was only 0.70% of the country’s gross domestic product (GDP) in the 1990s; it increased marginally to 0.85% in 2002–03, and 0.94% in 2007–08. These figures are substantially lower than the percentage of municipal revenue to the GDP of other countries such as South Africa (estimated at 6%) and Brazil (estimated at 7.4%) (Afonso and Arajuo, 2006). In terms of both revenue and expenditure, in India, ULBs account for only 2–3% of the combined revenue and expenditure of the central, state, and local governments, whereas in developed countries, the local governments account for 20–35% of the total government expenditure (Das & Chattopadhyay, 2018a).

Considering West Bengal, in particular, we do not get much of an encouraging scenario since the municipal finances here are also woefully inadequate to meet the pressure of civic amenities and basic urban services demanded by an ever-increasing urban population. Census data reveals that the number of census towns in West Bengal increased from 48 in 1971 to 780 in 2011 (Samanta, 2017). As per the 2011 Census, West Bengal is the 4th most populous state with a population of 91,276,115 in the country and having a population density of 1,029 persons per sq. km. The current urbanisation rate of West Bengal is 31.87% which is slightly above the national average (Ghosh & Chakma, 2014). This essentially worsens the situation and urges for an immediate need to resolve the municipal financing and infrastructure issues in West Bengal. To resolve the problems, first, we need to look into the state of the municipal finances of West Bengal. In this section, the current financial status of West Bengal has been analysed in terms of their:

- Revenue-based performance
- Expenditure-based performance
- Grant-based performance
- Financial Dependence

Revenue-based Performance

The revenue base for the local governing bodies has not been laid down in the Constitution of India. The power to determine their revenue base rests with the state government. The state government has specified the taxes that the local governing bodies can levy and collect. Therefore, the revenue base of the municipalities typically consists of tax revenue, non-tax revenue, shared revenue, grants and loans from the state government, and market borrowings (Chattopadhyay, 2015). Tax revenue majorly comprises property tax and minor taxes such as the tax on the advertisement, tax on carts and carriages, tolls on ferries, bridges and heavy trucks plying on municipal roads, and trade license fees. Among the major sources of non-tax revenue are the rents and fees from municipal markets, building plan sanction fees, mutation fees, sale of forms, parking fees, sale/lease of land (Barma, 2008). These tax and non-tax revenues form the local governing bodies' own-source revenue (OSR) when added up. The total revenue income of the governing bodies is expressed as the sum of the OSR and revenue income from government funds. According to Mathur (2006), the principal criterion for measuring the performance of municipalities is internal resource mobilisation. It represents the combined effect of the fiscal powers and the sector’s capacity utilisation.

The total revenue of 128 ULBs of West Bengal reveals an increasing tax revenue trend (Table 1). However, the non-tax revenue has varied over time. The variations have ultimately been reflected in OSR patterns as estimated by adding up both tax and non-tax revenues, and the tax revenue has remained more or less static over time compared to the non-tax revenue. Among the various revenue sources, total OSR income assumes greater importance in terms of both sizes and share in the total revenue. The annual growth rate pattern of OSR in the accounts of West Bengal’s municipal finances unfolds a phenomenal increase in 2006–07 at 42.49%, following which is a year of highest negative growth rate registered -29.14% in 2007–08. However, the growth rates have, after that, gradually been improving.

Percentage shares are important measures to analyse the proportion of a particular component in the whole structure. Achieving a good proportion OSR to total revenue receipts is
one way of establishing creditworthiness, and a more significant share of tax revenue in it is desirable as it is a reliable revenue source (Nallathiga, 2009). A proportion of more than 50% is considered to be good, and more than 70% is deemed to be favourable from the viewpoint of creditworthiness (Mathur & Ray, 2003). However, in the case of West Bengal, the proportion of tax revenue in OSR has more or less varied over the undertaken period, but if we look into the decadal average, it stands around 55%, which is good, indicating the growing importance of tax revenue in the OSR mobilisation of the ULBs.

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<tbody>
<tr>
<td>Tax Revenue</td>
<td>3679.2</td>
<td>5302.5</td>
<td>4064.4</td>
<td>4625.4</td>
<td>5355.9</td>
<td>5549.6</td>
<td>5739.7</td>
<td>6324.9</td>
<td>7815.3</td>
<td>10516.1</td>
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<td>Non-Tax Revenue</td>
<td>3812.3</td>
<td>3138.5</td>
<td>3695.5</td>
<td>6431.8</td>
<td>2479.2</td>
<td>2880.8</td>
<td>3265.6</td>
<td>3715</td>
<td>4552.4</td>
<td>5264.1</td>
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<tr>
<td>Total Own Source Revenue (OSR) Income</td>
<td>7491.5</td>
<td>8440.9</td>
<td>7759.9</td>
<td>11057.2</td>
<td>7835.1</td>
<td>8430.4</td>
<td>9005.3</td>
<td>10039.9</td>
<td>12367.7</td>
<td>15780.2</td>
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<tr>
<td>Annual Growth Rate of OSR in %</td>
<td>-</td>
<td>12.67</td>
<td>-0.88</td>
<td>42.49</td>
<td>29.14</td>
<td>7.60</td>
<td>6.82</td>
<td>11.49</td>
<td>23.19</td>
<td>27.59</td>
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<tr>
<td>% of Tax Revenue to Total Own Source Revenue Income</td>
<td>49.11</td>
<td>62.82</td>
<td>52.38</td>
<td>41.83</td>
<td>68.36</td>
<td>65.83</td>
<td>63.74</td>
<td>63.00</td>
<td>63.19</td>
<td>66.64</td>
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Source: Calculation based on information provided in Finance Commission reports.

**Expenditure-based Performance**

Expenses reflect the amount of money spent. The Twelfth Schedule in the 74th CAA consists of 18 services that are to be provided by the local governing bodies. These are the items on which the ULBs are expected to spend (Pethe & Lalvani, 2006). Revenue expenditure includes expenditure on salaries and the wages and maintenance costs of assets and contingencies (Barma, 2008). The level of revenue expenditure, therefore, reflects the level of services provided by the local bodies. The higher the expenditure, it is assumed, the higher are the levels of services (Mathur, 2006). Municipal finance accounts have mainly two types of expenses – (a) expenditure on salaries and wages, and (b) expenditure on operation and maintenance of assets. Therefore, we have examined the levels of revenue expenditure in terms of size, trends, and composition to distinguish between these two types of expenditure and understand their relative importance. Also, the expenditure performance through their growth pattern over time has been analysed.

Among the two expenditure components, salary and wages are more important in terms of both size and share (Table 2). Expenditure on salary and wages unfolds an increasing trend from 2003-04 to 2012-13, whereas the scenario is not the same for other revenue expenditure, as a slight decrease in other revenue expenditure has been noted for the years 2007-08 and 2011-12. The percentage share of salary and wages to total revenue expenditure shows that almost half the amount of expenditure is incurred on salaries and wages. Expenditure on salaries and wages accounts for 51.26% of the total municipal expenditure on an average for the period under study.

The performance of ULBs in West Bengal on the criterion of expenditures runs along the same track as that of the total municipal revenues. Mathur (2006) asserted that the level of expenditure on operations and maintenance is an important indicator of the quality of services. Therefore, the more the expenses incurred on salaries and wages, the poorer is the quality of services. What is important to note here is that functional devolution to the ULBs has not been matched by supporting financial devolution. This has led to too many responsibilities chasing a narrow resource base (Pethe & Lalvani, 2006). Moreover, a challenge in analysing municipal expenditure data in West Bengal is that it is difficult to differentiate between revenue expenditure and capital expenditure due to faulty accounting procedures (Barma, 2008).
Grants-based Performance

Most of the ULBs receive financial support in the form of revenue grants from State governments to meet their current expenses, which they fail to do when there is a deficit in their fiscal accounts. Similarly, capital grants are provided to meet project-related expenditures. According to Nallathiga (2009), these grants are primarily intended to compensate for the mismatch between functions and finance. State transfers have several roles, the foremost being to bridge the fiscal gap since it would be unusual for the revenue-raising capacity of ULBs to be perfectly matched with their expenditure needs (Mathur, 2006).

Revenue income from government funds has only increased with time which reveals that there has been an increase in the amount of grants received by all the ULBs of West Bengal from the State government (Table 3). However, the annual growth rate in grant receipts hovered around 15% during the time period on average. The revenue dependency ratio, which is the percentage share of grant receipt in ULBs’ total revenue, has also been calculated. Grants constituted 50–60% of the total revenue of ULBs in West Bengal. Thus, the dependency ratio has been very high (above 50%) since 2007–08, and the ULBs have to rely on the state for nearly half or more of their total revenue.

Financial Dependence

Recent years have shown increased financial dependence, as revealed from the analysis of their revenue autonomy and financial autonomy ratios. Revenue Autonomy ratio is defined as the ratio of own income (tax and non-tax) in the ULB’s total income (Chattopadhyay, 2015). It shows the share of OSR in the total revenue receipts. The trend of revenue autonomy ratio reveals that own revenue constituted about 57.96% of the total revenue of the ULBs in West Bengal in 2003–04, but that figure declined to 39.76% in 2010–11 (Table 4). However, it shows an increase in years thereafter, which indicates that initially, the dependency on government funds was high, but after 2010–11, the effort on
the part of the ULBs to raise their own resources and, conversely, to become less dependent on the government has been noteworthy.

Financial Autonomy ratio is defined as the ratio of ULB’s total expenditure funded out of own revenue, total own-source revenue/total expenditure (Das & Chattopadhyay, 2018a). Financial autonomy enhances accountability among the local decision-makers to the local residents, which can result in improvement in the delivery of urban services. However, OSR was insufficient to meet even the revenue expenditure as the financial autonomy ratio hovered between 30-60% during the period under consideration (Table 4). Pierce (2016), in his study on urban dependency, also noted that the municipalities in West Bengal are in poor financial health and depend on government funds for nearly three-fourths of their revenue.

Table 4: Revenue Autonomy and Financial Autonomy Ratios

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<tbody>
<tr>
<td>% of OSR in Total Revenue</td>
<td>57.96</td>
<td>57.32</td>
<td>53.44</td>
<td>58.56</td>
<td>48.87</td>
<td>46.65</td>
<td>41.17</td>
<td>39.76</td>
<td>41.38</td>
<td>46.36</td>
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<td>income</td>
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<tr>
<td>% of OSR in Total Revenue</td>
<td>66.95</td>
<td>66.16</td>
<td>58.13</td>
<td>64.24</td>
<td>40.76</td>
<td>35.52</td>
<td>30.23</td>
<td>28.81</td>
<td>36.96</td>
<td>40.74</td>
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<td>Expenditure</td>
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Source: Calculation Based on Information Provided in Finance Commission Reports.

Nature of Municipal Finance based on Size Categories of ULBs

ULBs are expected to provide certain minimum levels of services to the citizens. Different sizes of ULBs vary in fiscal capacity and governance processes. Larger ULBs enjoy a strong base for manufacturing and tertiary activities and correspondingly have higher per capita income (Kundu, 2003), but a poor economic base and lack of employment opportunities in smaller municipalities result in lower per capita income. Inadequacy of human resources in smaller ULBs aggravates the problem of weak institutional capacity, which makes it more challenging for them to raise sufficient financial resources and deliver adequate urban services (Raman et al., 2015). The per capita income and expenditure of a ULB are essential parameters that determine the availability of civic services, which reflect the municipal performance (Nallathiga, 2009). Therefore, in this section, relative performances of the ULBs have been looked into by performing an inter-category comparative analysis based on their size categories within the group of these parameters. The ULBs have been divided based on their population into six size categories, and then for each category, 3-5 ULBs are randomly selected. The tax revenue, non-tax revenue, expenditure on civic services, and expenditure on salaries and wages have been recorded, and further analysis has been done looking into their per capita revenue base and expenditure incurred for the given size categories.

Table 5 clearly depicts that with an increase in size, per capita tax revenue increases considerably, while the per capita non-tax revenue shows a decreasing trend with the increasing size of the ULBs based on population. The explanation lies in the fact that ULBs of bigger size have a wider tax base and have more excellent tax rates leading to more per capita tax charges than the smaller ones. Non-tax revenue shows a declining trend because the other revenue receipt sources of the government are constant, but as a result of being divided by a greater population base, it shows a declining trend with increasing size. There has been a general improvement in revenue receipts in the case of both taxes and non-tax revenue during the period under consideration. In this context, Das and Chattopadhyay (2018a), in their paper on fiscal decentralisation, noted that with a larger population base, ULBs have been able to generate more significant resources than their smaller counterparts, mainly due to agglomeration effects, more developed infrastructure, and greater capacity to levy taxes and user fees.

In the case of expenditure, the per capita expenditure on civic services shows an
increasing trend over time (Table 5). The per capita expenditure on salary and wages decreases with size as the administrative expenses get reduced when divided by a more extensive population base. Moreover, expenditure on salaries and wages (for general administration and operation) can be treated as fixed costs that need to be incurred for the daily functioning of ULBs. Therefore, these costs do not vary much with the population size of the ULBs. As seen previously, in West Bengal, there is a high dependency among the ULBs on the state government transfers (Barma, 2008). The increase in state government grants to all categories of cities has caused ULBs to increase municipal expenditure in West Bengal. The smaller and larger ULBs incur almost the same expenditure on civic services, which Das and Chattopadhyay (2018a) have explained as bias towards municipalities with a smaller population in West Bengal in allocating grants.

### Table 5: Per Capita Revenues and Expenditures (in INR)

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>Tax Revenue</th>
<th>Non-Tax Revenue</th>
<th>Expenditure on Civic Services</th>
<th>Expenditure on Salary and Wages</th>
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<td>Size Categories</td>
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<tr>
<td>&lt;50000</td>
<td>2007-08</td>
<td>2012-13</td>
<td>2007-08</td>
<td>2012-13</td>
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<tr>
<td>50000-100000</td>
<td>6945.78</td>
<td>4622.34</td>
<td>5038.34</td>
<td>12551.65</td>
</tr>
<tr>
<td>100000-200000</td>
<td>6297.25</td>
<td>8359.33</td>
<td>19110.51</td>
<td>28659.03</td>
</tr>
<tr>
<td>200000-500000</td>
<td>6318.05</td>
<td>6151.98</td>
<td>14264.54</td>
<td>27003.34</td>
</tr>
<tr>
<td>&gt;10,000,000</td>
<td>8278.87</td>
<td>10772.00</td>
<td>7222.07</td>
<td>12760.26</td>
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<td>1562.26</td>
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Per Capita figures are calculated using population data from Census 2011. Source: Calculation based on information provided in Finance Commission reports.

### Conclusion

The key aim of this study was to critically analyse municipal financing and infrastructure of ULBs of West Bengal. The finances of ULBs of West Bengal are in a grossly unsatisfactory state. However, the proportion of tax revenue in OSR shows an increasing trend over the years yet spins around 50-60%. An increased collection of tax revenue should ensure own source revenue mobilisation. The growing importance of non-tax revenue should ensure own source revenue generation by the ULBs and their revenue expenditure performances. In West Bengal, larger ULBs generate more significant revenue mainly because of their strong economic base and the capacity to mobilise sufficient tax and non-tax revenues compared to the smaller ones. In all cities irrespective of their sizes, expenditure on salaries and wages is greater than expenditure on civic services.

The ULBs of West Bengal are yet to be put prominently on the public finance map of the country. In terms of revenue-raising capacity and fiscal autonomy, the ULBs of West Bengal are pretty weak. The ULBs need to be financially stable to address the growing needs and recent trends of urbanisation. With increasing pressure on the central and the state government to fund the fiscal deficiency of the ULBs, there has been an increased flow of funds in the form of grants, which has made the lower-tiers of the government dependent on the upper-tiers. This leads to a very high level of centralised control by the state on the ULBs in West Bengal (Samanta, 2020), which sometimes leads to...
political violence. For example, the ULBs, not being under the same party in power of the state, get limited grants from the state government only because of their political affiliation with the opposition party. Thus, to strengthen their fiscal health, the ULBs must check the unnecessary expenses made and devise new means of revenue generation to improve their revenue base. Service quality and its delivery should be enhanced by the municipal authorities so that the unwillingness of the citizens to pay taxes, charges, and fees can be negotiated.

Moreover, ULBs are to be handed over with adequate taxation powers commensurate with their financing needs of the functions mandated by the 74th CAA. Further, wrongly designed numerous tax exemptions and not well-targeted subsidies can be revised and properly implemented to check corruption. Also, the collection and assessment procedures for taxes can be simplified to prevent tax evasion. Some necessary tax reforms could be brought in to check the under coverage and leakages in the tax base, apart from inefficiency in the collection. Property tax exemptions and concessions backed by compensatory transfers from the state government could be eliminated. Expanding the tax base coverage, taxation of government properties, improving property valuation, strengthening the institutional framework, revamping tax administration, and promoting ownership of reforms are some measures to ensure tax reforms (Mohanty, 2016). These are a few approaches to designing reforms in municipal financing that can go a long way in improving the fiscal position of the ULBs of West Bengal. After all, it is high time to ensure that the precarious state of municipal finances does not pull back the cities to function as the engines of economic growth.

References


Conflict of Interest

This manuscript is an original research paper and is not being considered elsewhere. We declare that we have no conflict of interest.

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About the Authors

Priya Chowdhury completed M.Sc. in Geography from the Department of Geography, The University of Burdwan, in the year 2019. As part of the Master’s programme, Priya opted for specialisation in Urban Geography. Her research interests are urban policy, urban infrastructure, urban housing and urban informality.

Gopa Samanta’s research interests cut across the fields of Urban, Gender, and Water. She acted as the ‘Gender Chair’ of the Paris Sorbonne University, France, in 2016. She was visiting fellow at Paris Diderot University, France, Australian National University, Australia, and French Institute of Pondicherry, India. Yale University Press published her first book, *Dancing with the River: People and Life on the Chars of South Asia*. Her second book titled *Negotiating Local Terrain in Urban Governance: Freedom and Functioning of Women Councillors in India* has been published by the Springer Local Governance series. Her recent book, *Mobilities in India: The Experience of Suburban Rail Commuting* has been published from the Urban
Book Series of Springer. She has also contributed immensely through publishing journal articles and book chapters. She acts as a peer reviewer of articles in academically acclaimed journals. She is dedicated to disseminating the knowledge of Social Science in general and Geography in particular beyond the classroom and academic community. She contributes highly to popular writing in Bengali, the provincial language, through news articles and other popular magazine articles to reach a wider audience.

**Author Contribution Statement**

Ms. Priya Chowdhury and Dr. Gopa Samanta have jointly designed the paper.

Ms. Priya Chowdhury has contributed to collecting data from Census of India and Finance Commission Reports, data curation, writing the first draft, working on the comments and finalising the revised version.

Dr. Gopa Samanta has contributed to the conceptualisation of the article, revision of the first draft, incorporating new ideas and relevant sources, correcting the final version.