

**Impact of Infrastructure and Governance Transformations on  
Small, Medium and Big Cities in India**

**Hybrid Municipalization in Aizawl: A Case Study  
of Urban Reforms from the Northeast**

by

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## 1. Introduction

### 1.1 *Objectives of the study and methodology*

This case study on Aizawl is part of a larger four- state study reviewing the extent and nature of impact of the JNNURM and its Sub-Missions along both infrastructure and governance dimensions. Conducted over 2 years, it resulted in 8 city case studies that aimed to understand the effects of infrastructure and governance transformations on the urban local body (ULB) as well as actual service outcomes for citizen groups, particularly urban poor groups. The Aizawl case study is one of these eight case studies that is specifically focused on the nature and kind of governance transformations brought in by the JNNURM and the effect this has had on the ULB and the city's governance as a whole.

The main questions motivating this case study were:

1. How has the ULB and the urban governance system been affected by the experiences of implementing JNNURM projects and reforms?
2. What are the intra and supra sectoral changes in the ULB and larger governance ecosystem caused by the JNNURM and its reform agenda?
3. How has the regional political economy influenced implementation of the JNNURM? What are its impacts on the ULB and the urban governance system?

The methodology adopted for the study followed on the lines of the larger comparative framework developed for the 8-city study. The approach was qualitative with emphasis on both unstructured and semi-structured interviews with different actors involved in governance at neighborhood (i.e, local council), city, and state levels. These included elected and non-elected government officials, members of church, Non Government Organisations (NGOs), Community Based Organisations (CBOs) and different interest groups/associations, as well as experts broadly defined (members of the public, journalists, academic scholars). A total of 59 interviews were conducted. Additionally material on laws, policies and official project reports was compiled and analyzed. Throughout the duration of the field work, spanning December 2013 - March 2015, relevant academic and popular literature was collected and analyzed to help in understanding the context, conflicts and current local issues connected with the JNNURM in particular, and urban development in general in Mizoram.

### *Snapshot of Overall findings*

The JNNURM has played a crucial role in facilitating urban state building in Aizawl and other urban centres in Mizoram by demanding the formation of new urban development focused institutions, laws, rules and regulations. The sheer number and scale of the legislative and institutional changes that have been triggered by the JNNURM is quite astounding. New state machinery comprises formation of state level institutions (UD&PA) as well as the only municipality in the state, the Aizawl Municipal Council (AMC)<sup>1</sup>. This has had important effects on redefining roles and reducing powers of existing state institutions (such as Local Administration Department - LAD and Aizawl Development Authority - ADA) as UD&PA and AMC have taken over the roles that these agencies formerly were in charge of. A number of new laws that govern municipal legislation, regulation of building and construction activities, and regulation of land have been introduced along with a series of reforms. Overall these have centralized the power to regulate with state agencies like AMC, UD&PA and the Land Revenue and Settlement Department based on imperatives of modern state building and planning for orderly urban growth; they seem to have also strengthened the role of bureaucracy within government at the city level. In contrast, the roles and powers of traditional governance

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<sup>1</sup> On 15 Oct, 2015, the Urban Development & Poverty Alleviation Department declared Aizawl as having crossed 3 lakh population and therefore notified it as the Aizawl Municipal Corporation.

institutions in the city, such as Village Councils (VCs), are getting redefined and the scope of these local governance structures at the locality seem reduced; they are now called Local Councils (LCs), are treated as the lowest tier of governance at the city level, and have to report to the AMC instead of functioning as an independent tier of government as they did earlier.

While JNNURM funds have clearly been one of the driving forces behind the constitution of the AMC, the case study reveals that there has been political commitment to decentralization reforms as laid down by the 74<sup>th</sup> Constitutional Amendment Act from state level politicians and senior bureaucrats. Eleven out of 18 functions have been transferred so far to the AMC. Transfer of functions to the AMC has been a contentious issue by and large as the fifth section discusses. The most resistance has been from long-standing state departments and parastatals like PHED and PWD that have an entrenched organizational culture, norms, and systems of rule-making; and the most to lose from the transfer of functions to the AMC. Being a small state with a primate capital city has meant that city revenues account for a dominant share of total state revenues, thus increasing the stakes for resisting transfer of functions for an agency like PHED. Since resistance has been very high, the most common stratagem employed has been a compromise, establishing a committee or agency (such as the Aizawl City Roads Agency) with joint membership from the parastatal and the AMC. While this represents some progress in terms of greater communication and possibly coordination between the parastatal and the AMC, the balance of power has clearly not shifted. The case of Aizawl reveals that the role the state government has played in negotiating with line departments to transfer functions to AMC has been critical; the leadership of particular individual officials has also been key to pushing ahead decentralization.

Importantly, while the state government by and large supported the formation of a singular authority to govern its capital city, it also took the initiative to adapt the municipal structure to accommodate pre-existing Village Councils (VCs) by calling them Local Councils (LCs), thus positioning them similar to *area sabhas* or *mohalla samitis*. The AMC with its ward councilors and ward committees (WCs) has been inserted above LCs to form a new intermediate tier of government between LCs and the state government. This makes for a unique, hybrid governance structure at city and neighborhood level both of which are directly elected. This, we argue, is uniquely suited to the governance of the state where LCs are established structures with powers, functions and legitimacy that has developed over the years. However, there remains lack of clarity regarding the role and functions of MLAs, ward councilors and local councilors. Additionally, the new kid on the block, the AMC is in the process of carving out its own role and financial powers that are distinct from the state government and the Local Councils.

The case also reveals that the formation of a municipality in Aizawl was generally seen as a more effective way to deal with urban issues, including the issue of women's representation. For the first time electoral wards have been reserved for women candidates at the AMC level. This will likely enhance women's political leadership in patriarchal Mizo society and supports the efforts of women's groups who have long been fighting for the recognition of rights of women in customary laws relating to property, inheritance and divorce. However, this has created turmoil and also opposition from male councilors and party systems for whom reservations is new.

In line with JNNURM reforms, Mizoram has also brought in a new Land Revenue Act (2013) that marks a shift from community ownership governed by customary rights, largely administered by the VC, as sanctioned by the 6<sup>th</sup> Schedule of the Constitution to individual, private property rights that vest control with the LR&S Department. This new model of governance of land, based on private property and centralization of control with the state government, claims greater efficiency to address issues of urbanization and population growth. For instance, it marks an attempt to develop a public land bank in a state where hardly any land is owned by public agencies and there are deep concerns about how to fulfill future needs of

public infrastructure and affordable housing. It also claims to reign in perceived inefficient practices of existing governance models based on newer cartographic, computer-based and survey technologies. While too early to say, there are indications that this signals a move towards greater concentration of land ownership and greater inequality while achieving greater efficiency is hampered by financial constraints of the LR&S Department.

Overall there have been many top-down regulations and reforms imposed in Aizawl which are new to Mizo society. Accepting the enlarged scope and regulatory power of state agencies has proved challenging for local people and CBOs, especially where it clashes with prior ways of doing things (no habit of paying taxes, traditional institutions based on customary law and a protectionist, nativist politics). Several community and church based organisations and interest groups argued that the UD&PA and AMC were not sufficiently participatory and transparent with regard to all the reforms that were being undertaken and expressed the need for a more transparent and participatory approach to debate the relevance of such reforms, and how to adapt them where necessary to the local context. While it is very early in the entire process to gain a complete picture, we observe that overall there seems to be some openness by state agencies to collaborate with powerful existing institutions (e.g LCs, CBOs, Church) in order to resolve conflicts. The case study reveals, however, that only where there was concerted resistance from community based organisations (CBOs) did the AMC call for dialogue and attempt to resolve the conflict.

Apart from reforms, with regard to JNNURM projects the findings have been far less encouraging. A key finding emerging from the case study is that the JNNURM projects have not been very successful in Aizawl. Residents and officials articulated discontent at the one-size-fits-all policies of the JNNURM that led to delays, cost escalations, cutting of fund disbursements from the Centre, and ultimately incomplete projects. JNNURM policies did not take into account the very distinct conditions prevalent in Mizoram physically, socio-culturally, economically and politically and called for flexible designs and greater autonomy for state governments so that state agencies could adapt these schemes to suit local needs.

This case study is divided into five sections. We start with a brief analytical profile of the state and its capital city focusing on demographic, economic, socio-cultural features. We then give a background of the history of state formation, urbanization and development of Mizoram to understand the regional context within which the JNNURM was introduced. We then map the institutions and describe the prevailing governance system in Aizawl prior to the introduction of the JNNURM. This is followed by analysis of the four different sectors within which JNNURM projects were undertaken in the city (water, affordable housing, roads and transport) and the very substantial changes brought in as a result of the JNNURM's emphasis on a host of reforms. The final section focuses on assessing the overall changes with regard to the governance eco-system in the state and city.

## ***1.2 An Analytical Profile of Aizawl and the state of Mizoram***

Mizoram is a land of rolling green hills and steep slopes situated in North East India. Mizos, categorized as Scheduled Tribe (ST) make up 94.6% of its population. The state is characterized by remoteness along three dimensions and these have played an important role in shaping its development trajectory and its identity. The first is physical remoteness due to its topography consisting of thick forests, steep slopes and heavy rainfall. The second is remoteness engendered due to poor infrastructure with only a single major road transport link to the Indian Union via National Highway 54 that connects the capital city of Aizawl to Silchar in Assam, Shillong in Meghalaya in the north, Churachandpur in Manipur in the northeast, and Agartala in Tripura. The final dimension is remoteness in terms of imagination, situated as it is at the edge of the nation. It

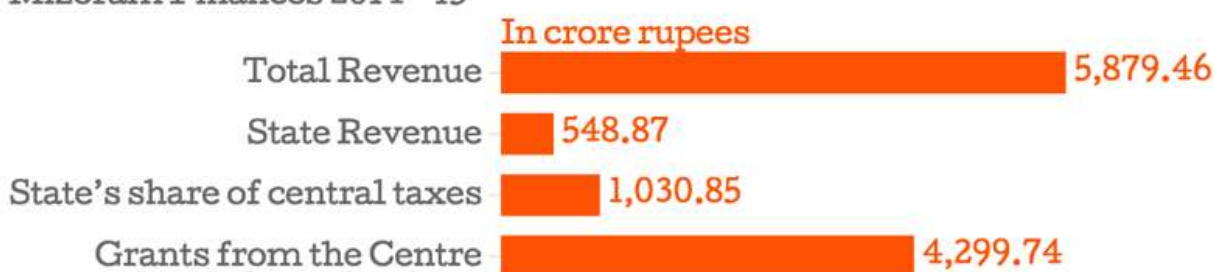
is the southern-most of the Northeastern states with three-quarters of its boundary being an international one, shared with Myanmar and Bangladesh.

Agriculture (jhum cultivation) is the mainstay of the economy although forests too comprise an important resource, particularly the numerous species of bamboo. Industrialization has been low in the state mainly due to poor infrastructure (especially connectivity, power and credit). Since the 1990s, the state has witnessed a gradual shift from primary to service sector activities- both in terms of income and employment (Aizawl Master Plan 2012; UD&PA Status of Implementation of JNNURM 29.5.2013). The growing reliance on the service sector has led to a concentration of population in Aizawl and other urban centres<sup>2</sup>.

Given an economy that has largely been stagnant, Mizoram's own revenues are low. More than 90% of its funds come from Central Government transfers (see Table No.1).

**Table 1: Mizoram Finance 2014-15**

Mizoram Finances 2014-'15



Scroll.in

Source: M Rajshekhar May 5, 2015 <http://scroll.in/article/724629/why-medical-workers-are-taking-personal-loans-to-keep-mizorams-healthcare-system-running>

This is a trend that began in the 1970s when Mizoram became a Union Territory and continues today (Fourteenth Finance Commission Report 2012). Scholars have been critical about the way in which this windfall has been spent within the state (Jafa date of publication unknown). It has led to a growing population dependent on government service employment (public employment stood at 13% of total main workers in 2005-06).<sup>3</sup> State investment in developmental initiatives has led to the emergence of a politician-bureaucrat-contractor nexus, which comprises the most influential segment of society (Jafa, year of publication unknown). Despite the huge expenditure on development, however, the economy has remained more or less stagnant (Lalmachhuana 1981). This has increased migration to cities in search of jobs.

Mizoram has the second highest urbanization rate among states in the country (Census 2011). The tables below and data on urbanization illustrate that urbanization in Mizoram is both rapid and uneven, concentrated mainly in urban centres that are in the northern part of the state, and especially in the capital city of Aizawl. With 3.2 lakh population (Census 2011), accounting for almost a third of the total population in the state, Aizawl is the largest town followed by Lunglei (68,752 according to Census 2011). Out of the 22 notified towns, 18 are in the northern part of the state (Agarwal 2006).

<sup>2</sup> As an example of this, the decadal growth rate and population density (2,356) of Aizawl is much higher compared to that of the state (42) (Census 2001). Out of the 22 notified towns, 18 are in the northern part of the state (Agarwal 2006).

<sup>3</sup> Aizawl Master Plan 2012



**Table No. 2: Urbanization and Population growth in Mizoram**

Year	Mizoram State Population	Decadal Growth rate	Aizawl City Population	Decadal Growth rate
1961	--	--	14,257	
1971	--	--	38,260	168.3 (1961-1971)
1981	--	--	78,267	51.11(1971-1981)
1991	689756		1,58,901	103.02(1981-1991)
2001	888573	28.82	2,44,912	54.13(1991-2001)
2011	1097206	23.48	3,14,754	28.51(2001-2011)

(Source: Census of India)

Due to its strategic location, concentration of government amenities, and livelihood opportunities, Aizawl has emerged as the engine of growth for service sector activities ranging from public administration, real estate, trade and commerce, and hospitality (Aizawl Master Plan 2012). It has served as a magnet for blue-collar workers as well as a highly literate population (from within the state and neighboring countries) seeking stable service sector jobs, especially within government. The rapid changes brought about by urbanization and in-migration have led to congestion, haphazard growth and tensions between Mizos and ‘outsiders’. Religious and civil society organizations as well as regional political parties in the city have played a key role in shaping and reifying these tensions in the name of protecting the Mizo community’s interests.<sup>4</sup>

### **The dominant role of the Church and Community Based Organisations in Mizoram**

Despite a weak economic base, the state has a high literacy rate at 91.33% (Census 2011). This has been attributed to the strong role played by the church and community based organisations (CBOs) in the state.<sup>5</sup> The church forms the soul of social and community life in Mizo society; a church with an adjoining community hall distinguishes each veng or locality.<sup>6</sup> Based on issues the church considers relevant to spiritual and public health, it intervenes and collaborates with other CBOs.<sup>7</sup> Church-based activities are organized under various wings (youth, women, children and common social front) and held on four week-nights, while Sunday is completely reserved for church activities.

Besides social activities, the Church is a critical power centre in the state and substantially influences the public life of Mizos. It has played an important role in restricting certain spaces and activities, such as movie theatres and drinking (a state-wide prohibition in force since 1998 was recently lifted in January 2015) as well as enabling others, such as community centres that run sports and cultural/social programmes and works of charity for poorer groups. While taking a strong stance against corruption in political life, which has been a big issue in the state, the Church maintains a separation from politics and political organizations. Recent Assembly elections in the state were held under the strict guidelines of the influential Mizoram People's Forum (MPF), an election watch dog controlled by the Synod, the administrative body of the Presbyterian Church in Mizoram. Its aim was to ensure free and fair elections.<sup>8</sup> The State

4 Interviews with community based organization like YMA and newspaper articles (The Mizoram Post Jun 30, 2015) reveal these tensions and how they are mobilized by different interests.

5 Scholars (Nunthara 2002; Snaitang 2009) suggest that Christianity in Mizoram grew by providing the tribal people with hospitals, schools and emergency services near mission premises.

6 The Rural Development Department gives the money for construction of the community halls but a majority of these are managed by the YMA.

7 For instance, the social front department has a land reforms cell to propose and make recommendations to government on the new Land Revenue Act 2013. The main objectives here were to ensure land reforms relevant to Mizoram and to ensure equitable distribution of land.

8 The MPF laid down 27 guidelines for all political parties to follow failing which it would “invalidate” that political party. It directed all political parties to seek its prior approval for holding public

Election Commission and other state agencies are broadly supportive of this church controlled forum.

Mizo society is a highly communitarian and democratic one with several important community based organisations that dominate many aspects of social, community and private life. The main ones are the Young Mizo Association (YMA), and its affiliate associations, the MHIP and MUP. The state's largest and most powerful community based organization, the YMA, with a membership of 4 lakhs (CYMA 2010), was born in 1935.<sup>9</sup> Sometimes described by Mizos as a 'parallel government', the YMA is a structured and hierarchical organisation with four tiers: the central YMA (CYMA), the apex body of YMA based in Aizawl city, the district level YMA, the Group YMA for a group of villages and at the grassroots level a branch YMA for every VC and LC. Elections are held to YMA every year and are a very big event in the community. The YMA plays a very important role in defining and preserving customary norms, values and morals, law and order as well as a support system for poorer members. One particularly revered custom that the YMA upholds is the concept of *tlawmngaihna* or helping others at the cost of oneself. This spirit, which every Mizo is said to have in his or her heart, motivates people to work collectively for the good of the community (Handique, Scroll 2015).<sup>10</sup> The YMA also sees itself as the 'reformer of social life' (CYMA 2010) taking responsibility for defining what is 'good Christian Mizo life' and initiating reformation of society when it is not adhered to.<sup>11</sup> The YMA's approach to community issues is often therefore conservative tending to infringe on individual and group liberties (L. Pudaite, 2005) when these individuals/groups are deemed to threaten the majority Mizo community and it's rigidly enforced social customs.

The *Mizo Hemeichhe Insuihkhawn Pawl* (MHIP) was formed on 6<sup>th</sup> July 1974 with all Mizo women as its members. It is the second largest CBO after the YMA and concentrates on women's issues, both women's political development as well as social development of women and children<sup>12</sup>. Founded in the early 1980s, the *Mizoram Upa Pawl* (MUP) provides a platform for men and women above the age of 50. Its aim is to preserve traditional values and to work for the welfare of senior citizens. The CBOs often work in tandem by convening what is called an NGO Coordination Committee<sup>13</sup> of the YMA, MHIP and MUP as well as two powerful student unions, the *Mizo Zirlai Pawl* (MZP) and the MSU. Similar to the CBOs, these student unions embrace an assertive brand of Mizo ethno-nationalism that has strongly opposed those programs, groups and activities that they see as harming their tribal heritage and way of life. The NGO Coordination Committee is a very powerful one that comes together on a need- to basis and when it resists or criticizes projects, including JNNURM projects, the government usually listens.

Overall, there is a strong role for the church and CBOs in public and private life. All political parties cultivate the CBOs' support though they strive to be seen as non-political. CBO members

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meetings with central leaders and signed a memorandum of understanding with all major political parties that contained an agreement of cooperation between political parties and the Mizoram People's Forum (Asian Age 'Mizoram: Church imposes rules, controls poll' by Manoj Anand dated November 07,2013 <http://www.deccanchronicle.com/131107/news-current-affairs/article/mizoram-church-imposes-rules-controls-poll>)

9 The YMA also has branches in Assam, Manipur, Meghalaya, Nagaland and Tripura.

10 This spirit of *tlawmngaihna* saw people through the worst of the mautams or famines (see S.02.01) and is today very visible in public life. People come together to rebuild homes that have been destroyed by landslides and women trim wild grass off the hillsides across their homes.

11 This takes the form of moral policing, anti-alcohol crusades and monitoring the activities of 'outsiders' or *vais* (Handique April 9 2015).

12 Some of these activities are fighting against atrocities against women, championing the destitute, family counseling, women's review of Mizo customary law (The Mizoram Post 7 July 2015 Vol 13 Issue 41).

13 The Chairman of CYMA is the President of the NGO Coordination Committee and its Secretary is the General Secretary of the YMA; its members are the office bearers of YMA, MHIP, MUP, MZP and MSU (Interview CYMA office bearers Mar 4, 2015).

serve as influential members of government committees for social welfare projects deciding project designs and eligibility of beneficiaries.

This section has provided a brief backdrop of key features of social, political, economic and cultural life. The next section goes much more detail into its unique governance eco-system.

## **2. Examining traditional institutions and their role in city-level governance in Aizawl**

To fully understand the nature of the governance eco-system prevailing in Aizawl today requires going back in time to grasp the different trajectories of governance in Mizoram and map their evolution and transformations from colonial to post-colonial times across villages and towns. This section sets out the governance history of Mizoram and Aizawl in three sub-sections. It provides the context and baseline for understanding at which point the JNNURM is introduced and the impacts it has had on city governance and the larger political economy.

### **2.1 *The Rule of 'Chieftains' in the Colonial Period***

Before independence, traditional institutions ruled the indigenous communities inhabiting the hill areas of North East India. Hill tribes adopted and practiced hereditary chieftainship with chiefs enjoying considerable authority over their respective villages (Srikanth 2010).<sup>14</sup> The Chief's authority, aided by a Council of Elders (*upas*), included the power to tax (in labour and in kind) and the ownership of all lands. It was the Chief that allotted every family differing amounts of land to cultivate in the *jhum* (or shifting cultivation) season after which it reverted back to the community. In 1891 the area of Lushai Hills was occupied by the British administration who made it a district of Assam with its headquarters at Aizawl (Dikshit K & Dikshit J, 2013). The British occupation of Lushai Hills brought significant changes to the institution of chieftain and the prevailing mode of administration.

In order to bear minimum expense in administering Lushai Hills the British decided to retain the existing system of chieftainship (Srikanth 2010) but put the whole district under the charge of the Superintendent. Chiefs, subject to good conduct, retained hereditary charge of their lands and were made responsible for the maintenance of law and order and the collection of taxes in their villages (McCall 1980). Mizo commoners who faced the chief's oppressive rule could do little as chiefs retained their power by serving as an instrument of the British (Patnaik and Lalthakima 2008).

Through the Land Settlement policy of 1898-99, the colonial state apportioned village areas to the chiefs and fixed the boundaries within which he and his people could move about (Pachua 2014). This transformed local power structures from 'kin-ordered (claims of authority over groups of people) to territorial authority' thus linking people with the land in a way previously unknown as Mizos had hitherto had a nomadic lifestyle (Pachua 2014). Along with this effort to organize chiefs spatially, the new administrative system brought in economic dependence through the introduction of fixed markets and re-organised the landscape into one where certain centres like Aizawl and Lunglei were privileged for their administrative importance (ibid). Such a policy of privileging urban centres, and concentrating the benefits of governmental rule particularly in the capital city of Aizawl, still continues (Aizawl Master Plan 2012).

The Inner Line Regulation is another colonial policy that the Indian Government continues till today with respect to parts of the North East. It prohibited the residence of persons not native to the district; thus no non-native could remain in the Lushai Hills district without a pass called an Inner Line Permit (ILP) signed by the Superintendent or Sub-divisional officer (McCall 1980). The Line signified the type of governance that was introduced by the colonial state under the

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14 The chief was usually called '*Lal*' which means 'lord' in Mizo.

'Excluded and Partially Excluded Areas Order' (Government of India Act, 1935). The Lushai Hills was termed an "excluded" area because responsibility for administration was vested in the Viceroy (with the Superintendent acting as his representative) and all Government of India and Provincial Acts (excepting those specially prescribed) were excluded from operation within the district. Its operation led to the distancing of the Indian State and the 'mainland' from the 'primitive', 'tribal' Northeast and strengthened the opposition between the 'hills' and the 'plains' (as the Line circles the hills), between 'insiders' (Mizos) and 'outsiders' (*vai*) (Pachau 2014). Fears of being overwhelmed by people from the 'plains' and calls for maintaining the ILP and endorsing protectionism are prevalent even today among YMA and MZP members as well as regional political parties.

Being both a 'backward'<sup>15</sup> area and an 'excluded' territory meant that people of the Lushai hills were not afforded political autonomy or allowed to participate in democratic elections to the Provincial Legislature of Assam despite local demands for a say in their governance (Prasad 1994). The resulting frustration of the Mizo people was compounded by the increasingly autocratic behavior of the chiefs.<sup>16</sup> With the British preparing to withdraw from the region some Mizo groups were in favour of autonomy for a Mizo nation.<sup>17</sup> They did not like being labeled 'backward'; they were also concerned about being overwhelmed by people from the plains (Patnaik and Lalthakima 2008). However, the first Mizo political party formed in 1946 called "*Lushai Commoners Union*" (which was later changed to "Mizo Union" - MU) was in favour of staying within independent India although retaining wide autonomy.

Post-independence, a Sub-Committee chaired by Gopinath Bordoloi was constituted for the northeastern tribal areas and the Excluded and Partially Excluded Areas under the Constituent Assembly of India<sup>18</sup> in 1947. The Bordoloi Committee studied the demands and aspirations of the hill tribes and submitted its recommendations for a special pattern of administration for this region. Six autonomous districts with district councils were proposed in Assam, one of them being the Mizo District Council.<sup>19</sup> This was accepted and incorporated into Article 244 (2) of the Sixth Schedule of the Indian Constitution. These District and Regional Councils had an ambitious mandate: they were expected to integrate hitherto 'excluded' areas with the modern system of administration while preserving tribal autonomy and self-governance systems (Bezbaruah 2007; Stuligross 1999). The Bardoloi Committee also made provision for Regional Councils for tribes other than the dominant tribe.<sup>20</sup> On the recommendations of the Committee, "excluded and partially excluded areas" were abolished and representation of the hill districts in the Assam Legislative Assembly on the basis of adult franchise was introduced.

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15 Under the Government of India Act 1919, the Lushai Hills was declared a backward area (Rao et al 1993).

16 In 1939, the then Superintendent formed the Chief's Council as an instrument of administration where chiefs met regularly under the supervision of the Superintendent. This promoted coordination among chiefs and reinforced their authority, putting a strain on relations between chiefs and commoners.

17 Several scholars (Patnaik 2008; Prasad 1994) credit the colonial state with catalyzing a sense of nationhood among Mizos, one that surfaced particularly strongly when Indian Independence was imminent.

18 The Constituent Assembly of India was the drafting body of the Indian Constitution.

19 These Autonomous District Councils have greater powers than other districts in rest of the country. They have the powers to make laws concerning the management of land and forests other than reserve forests, village and town administration, customary laws governing marriage and inheritance and dispensation of justice through village courts. While they have legislative powers unlike panchayats, they do not have provision for reservation for women, and powers such as social forestry management (Chaudhary 2005).

20 The Pawi-Lakher Regional Councils were constituted for minority tribes such as Pawis, Lakher and Chakmas within Lushai Hills District.

The first democratic election of the Lushai Hills District Council (DC) was held in 1952; the Mizo Union won by a huge majority. Its victory was based on its manifesto of achieving a democratic system of administration as well as securing a wide measure of local autonomy within Assam State (Prasad 1994; Lalrintluanga 2008). Under the leadership of the Mizo Union party, the DC dismantled the unpopular political institution of chieftainship and constituted Village Councils (VCs) to perform functions similar to those done by the Chiefs, including allocating *jhum* land annually.<sup>21</sup> The Mizo Union party again swept to power in the first VC elections of 1954 (L. Pudaite 2005). Thus began a new era of government by the people in the form of village councils.

## **2.2 Rule by District Councils and Village Councils and the period of insurgency: 1952-1971**

The formation of Autonomous District Councils (ADCs) did not meet the aspirations of political leaders of some tribal groups who complained of neglect by Assam state.<sup>22</sup> Soon movements demanding greater autonomy ensued. The trigger for insurgency however was the 1959 ‘*mautam* famine’ that was caused by bamboo flowering, and the subsequent boom in rat population that devastated all the crops.<sup>23</sup> The Mizo National Famine Front was formed to provide relief from the famine and soon converted to a political party (re-named the Mizo National Front - MNF), under the leadership of Laldenga. The MNF launched an insurgency in 1966 to create a sovereign state of Greater Mizoram independent from India. Upon the outbreak of violence in Mizoram, the Centre put the area under control of the army and declared MNF activities “prejudicial to the security of the Mizo district in the state of Assam and the adjoining parts of the territory of India” (Extraordinary Gazette Notification Government of India, 6 March 1966). In March 1966, the Indian Air Force bombed Mizoram making it the only state of the Indian Union to have come under attack by the Indian Air Force.

The violent legacy of the period under insurgency has had important consequences not least the effect on urbanization. The process of forced village grouping – a governmental strategy to isolate villagers from insurgents and more easily keep watch on them – was enacted as part of a spatial control of settlements.<sup>24</sup> Traditional Mizo villages were shifted to new sites along the main road link between Silchar, Aizawl and Lunglei where they could be kept under close surveillance in “stockade camps” (Jafa 2010). They suffered a dusk-to-dawn curfew and movement-by-permit system for thirteen years. Chhangte describes how “there was an intangible fear and insecurity in the psyche of the Mizos, and this unease grew to be part of their everyday life”.<sup>25</sup> The grouping also disrupted social practices and traditions – the location, arrangement and building materials of the village, their food, and traditional rituals and practices. By 1970, an estimated 82% of the existing population was forcibly moved in this way (Nag 2012; Sundar 2011). Concentrating the population into several hundred villages deprived people of cultivable (*jhum*) lands since *jhum* cultivation is only compatible with scattered cultivation and grouping centres were chosen on the basis of size, proximity to the main road and suitability for army camps (Nag 2012). Bhaumik (2010) estimates that almost half of those displaced lost their lands either through non-use or transfer of ownership. Additionally, hunting and food gathering in the

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21 Lalthakima, downloaded from <http://www.trcollege.net/study-material/27-political-science/80-chieftainship-in-mizo-society>

22 Grievances related in particular to the concentration of socio-economic development programmes within the plains area and not the hill areas, and the proposal for imposition of Assamese as the State language (Lalrintluanga 2008).

23 This is a cyclical ecological phenomenon that occurs every 48 years.

24 Nag (2012) describes several military advantages to this strategy- this helped fortify the road that was the lifeline of the districts, forced insurgents to focus on survival rather than armed struggle and reduced the territory required to be dominated by the army.

25 Cherrie Lalnunziri Chhangte, <https://cherriechangte.wordpress.com/the-mizo-insurgency-movement-and-terror-lore/>

forest was made off-limits. This led to both a drastic fall in agricultural production as well as food shortages; and villagers became dependent on rations supplied by the army (Nag 2012). This precipitated a large-scale migration of poor, educated people to the urban centres of Aizawl and Lunglei in search of white-collar employment and presents one explanation for the state's high urbanization rate. The dispossession and counter-insurgency activities of the state thus had a profound influence on people.

After the formation of the nation-state of Bangladesh, the GoI decided that the resolution of the Mizo conflict could be more effectively achieved through devolution of political authority and policies that provided economic opportunities and incentives (Jafa, date of publication unknown).<sup>26</sup> Accordingly, the government agreed to convert Lushai District Council into the Union Territory of Mizoram in accordance with the North-Eastern Areas (Re-organisation) Act, 1971.<sup>27</sup> The merging of the Congress party, initially established as a district branch of the Indian National Congress, with the MU Party in 1972 greatly facilitated the transition to union territory status.<sup>28</sup> The change from a purely military intervention to distributive policies using the state as a vehicle for development was exemplified in the significant increase in Central government transfers to Mizoram from 1972 onwards and the establishment of new state government machinery (see Table No. 3). This policy of large Central transfers continues today. The Mizo Peace Accord ended the insurgency in 1986 and resulted in Mizoram becoming a state in 1987.

At the time of the Peace Accord, the MNF and the Congress Party negotiated a special exception for Mizoram. While the status of customary law is usually subordinate to statutory, codified legislation, the customary laws of Mizoram are a notable exception. They are entrenched in Article 371 G of the 6th Schedule of the Constitution with the objective of safeguarding local tribal customary law, governing arrangements and land administration. No acts of the Parliament of India concerning ownership and transfer of land and its resources are to apply to Mizoram, unless agreed to by the Legislative Assembly of the State. This Constitutional recognition of customary laws has been and is being used by an array of civil society and traditional governance institutions to make a case for protecting local customs against the standards/norms imposed by the state, and against in-migration by outsiders who could overwhelm the Mizo tribe.

### **2.3 Statehood and the condition of Aizawl prior to the JNNURM**

Aizawl was by far the largest of the 23 notified towns in the state. Despite accounting for a larger volume of state funds than other urban areas, the city faced rapid urbanization, haphazard development and migration and consequently suffered from poor services and the threat of disasters like earthquakes and landslides.<sup>29</sup> Myriad state and local level institutions, including a cluster of 76 VCs, played roles in the governance of Aizawl and this multiplicity of institutions added to governance challenges faced.

VCS were the oldest governance structures in Mizoram given the relatively more recent history of formation of state departments and formed the backbone of social, political and economic

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26 Jafa argues in detail that the Indira Gandhi Government in power at the time having just come out of the Bangladesh War sought a resolution to the conflict that would counter separatism.

27 Following this, the Pawi-Lakher Regional Council – constituted for the Pawis, the Lakhers and the Chakmas – was also dissolved and trifurcated into three ADCs in 1972. The Mara Autonomous District Council (formerly the Lakher Regional Council), the Lai autonomous District Council (formerly the Pawi Regional Council) and the Chakma ADC were formed in 1989.

28 Ever since, the party has played a major role in political affairs in Mizoram either as a ruling party or in the opposition.

29 Mizoram is in an earthquake prone zone and high- density development is occurring on hill slopes (Prasad 2006). Lalkima (cited in Prasad 2006) mentioned how the earlier practice of leaving a 3 ft gap between houses for construction was no longer followed due to scarcity of land. Moreover, he added that the people most prone to landslides and earthquakes were poor migrants who lived on steep hillslopes because they could not afford to live in safer zones.

administration at the local level. While their formal mandate as specified in the law was limited, in practice VCs “can do almost anything” because they served as “real guardians” of the village and “nothing can move without their signature”.<sup>30</sup> The real power of the VC as an institution of governance clearly seemed to be derived from custom and practice developed over the years.

Besides the VCs there were several important state government departments that performed different functions in Aizawl. While most state departments had substantial mandates, the meager funds transferred to them from the state government meant that in practice these agencies relied on VCs to perform many functions like collecting taxes or site inspections.<sup>31</sup>

**Table No.3: Roles and Functions of Key Public agencies in Aizawl Notified Town**

Name of Public Agency/Department	Key Roles and Functions
Village Councils - VCs	Established in 1954 to provide services, allocate homestead land, and undertake local administration
Local Administration office -LAD	Established in 1973 to strengthen participatory local self government through VCs and ensure their effective functioning. Responsible for sanitation, collection and disposal of garbage, arrangement of industrial facilities, regulation of car parking in Aizawl
Public Health Engineering Department - PHED	Established in 1983, responsible for water supply and public health engineering in the state
Public Works Department	Established during Colonial period, responsible for planning, design, construction and maintenance of road networks and public housing
Land Revenue and Settlement Department – LR & S	Established in 1972 to undertake land survey, settlement and preparation of land records including collection of land revenue taxes.
Transportation	Established in 1972 to regulating the growth of vehicles, drivers, taxes on motor vehicles and road safety

*Source:* Compiled by authors

Within the existing governance framework of VCs and line departments, however, there was little consideration or capacity to address the challenges of urbanization, migration and unplanned growth. One of the intellectuals said that VCs were part of the older system of chiefs or area headmen who were not equipped to address issues arising due to urbanization – increased congestion on roads, unsafe building construction practices, and poor infrastructure, especially water supply and drainage.<sup>32</sup> While acknowledging the importance of VCs in daily administration in notified towns, government officials and (male) intellectuals agreed on the need for a single ULB for more effective and coordinated governance. The reasons cited had to do with VCs typically focusing on their own jurisdictions and disregarding larger town-level governance. Additionally, VCs had few sources of funding– a license fee levied on hotels and restaurants for maintenance of cleanliness, an animal fee for controlling of animals, and an animal tax<sup>33</sup> and penalty charged on owners - these have not been revised. Customary governance institutions of VCs clearly faced constraints in addressing the challenges of urbanization. These issues assumed greater importance as notified towns grew bigger.

30 Interview- UD&PA official Oct 29, 2014

31 Interviews with several state department officials and VC Chairpersons

32 Interview scholar at Mizoram University, Oct 28, 2014

33 For instance, animal tax levied on pigs is Rs 5 per adult pig.

Not surprisingly, Aizawl and Lunglei (the two biggest towns) have been at the heart of demands for the creation of a municipal government on the lines of the 74<sup>th</sup> CAA.<sup>34</sup> These demands started in the mid to late 1990s and largely came from two associations in Lunglei and Aizawl comprising retired civil servants and Mizoram University professors.<sup>35</sup> The Municipal Steering Committee, formed as a result, played an active role in pushing the municipal agenda in Aizawl. A retired official from the LAD was made responsible for drafting a Mizoram Municipal Act in 2003 but in the absence of political and administrative support, the draft bill languished for the next few years. The announcement of JNNURM in December 2005 and its promise of funds for infrastructure development gave fresh impetus to the introduction of municipal government and a supportive legislative framework in Mizoram.



View of Aizawl city

### **3. JNNURM as a trigger for formation of Aizawl Municipal Council (AMC)**

The trigger for the formation of the Aizawl Municipal Council (AMC) was clearly the funds promised by the JNNURM. Funding had long been an important constraint in undertaking development works in notified towns. The state government, long starved for cash, was seeking new avenues for funding from the Centre. Tapping funds earmarked for urban areas by the (Eleventh and Twelfth) Finance Commissions was not possible because the state did not have ULBs.<sup>36</sup> The MNREGS was the main source of funding for VCs but was unsuited to urban needs. The JNNURM's promise of funding came along with the condition of implementing decentralization reforms of the 74<sup>th</sup> CAA. The Asian Development Bank (ADB), which had a substantial presence in Mizoram since 1986, also strongly advocated the formation of a ULB.<sup>37</sup> Hitherto, two key reasons the state government had held back from constituting ULBs was the huge expense involved in setting up a third tier of government and doubts expressed by state

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34 Demands for greater autonomy for Lunglei through the vehicle of a ULB were first voiced in 1994 soon after the 73<sup>rd</sup> and 74<sup>th</sup> CAA. An association called Chimbial Chhantu (Guardians of Southern Mizoram) was formed to advocate for this. In Aizawl, this idea was initiated in 1999 at a meeting of retired civil servants in Aizawl Club which then led to the formation of a Municipal Steering Committee to pursue this agenda.

35 Interviews with members of these associations, 10 October 2014 and 12 October 2014

36 Both Finance Commissions expressed concern that development in rural and urban local bodies in Mizoram keep pace with the rest of the country and hoped that the state government would take suitable action for implementing the 73<sup>rd</sup> and 74<sup>th</sup> CAAs so their local bodies could benefit from the Finance commission recommendations on augmentation of Consolidated Funds of these states (Rao et al, 2012).

37 Interview ex-LAD official February 17, 2014. The same official revealed that the project unit, SIPMIU, was established under the ADB project and on conclusion of the project assets would be transferred from SIPMIU to the AMC - therefore a strong AMC was in the interests of the ADB.



level politicians as to whether establishing a ULB would pay political dividends, especially in areas dominated by opposition parties where the likelihood of an opposition controlled ULB was high<sup>38</sup>. The promise of urban funds via the JNNURM and the pressure to form a municipality now outweighed these concerns. Thus, the JNNURM was seen as an opportunity to secure JNNURM project funds, to secure other 'urban' funds channeled via Centrally Sponsored Schemes, Central Finance Commissions or donor-funded projects, and address the challenges arising from urbanization in Aizawl. The JNNURM tripartite memorandum of agreement (MOA) for the state of Mizoram was signed between the Ministry of Urban Development and the Ministry of Housing and Poverty Alleviation, the state government and Directorate of Municipalities on 12<sup>th</sup> June 2007.

### ***3.1 Formation of Urban Development & Poverty Alleviation (UD&PA) Department and Mizoram Municipalities Law***

In Mizoram, urban development was a new concept. While state officials within LAD had partially addressed urban services because all VCs within notified towns were under its charge, there was no holistic understanding of it.<sup>39</sup> This was the stated reason for the state government to create a new department in August 2006 to focus on urban development and poverty alleviation. The department of Urban Development and Poverty Alleviation (UD&PA) was formed out of the existing LAD and all functions related to urban areas, such as provision of basic services and town planning, and several staff were transferred from LAD to UD&PA. This led to a greatly weakened LAD and a UD&PA that has assumed considerable power especially with the influx of JNNURM funds. During the discussions as to what form the LAD should take, a retired official from LAD revealed that he had recommended the merging of LAD into the Aizawl Municipal Council within Aizawl, and the transfer of its function of village administration in rural areas to the Rural Development Department but this didn't happen due to significant opposition from within LAD.<sup>40</sup>

The UD&PA once formed served as a nodal department to promote and coordinate the formation of a ULB for Aizawl.<sup>41</sup> The earlier draft Mizoram Municipalities Act was revived and enacted in 2007. Since critical provisions were found missing and/or unsuitable, a Drafting Committee was constituted and several major amendments were incorporated into the Act in 2009, including Section 58 that related to private sector participation in infrastructure development.<sup>42</sup> The VCs were not consulted during this process as they were seen as uneducated and not knowledgeable about urban local self-government.<sup>43</sup>

### ***3.2 Constitution of the Aizawl Municipal Council***

Initially when the JNNURM was launched, the LAD sought to secure funds and comply with the JNNURM's tri-partite agreement by submitting signatures from all the 76 VCs that were covered by the notified town of Aizawl. Such a move was rejected by GoI, which insisted on the formation of a single ULB for availing JNNURM funds. The LAD with the help of the District Commissioner and the election commissioner subsequently divided up 76 VCs within the notified town into 19 wards within the newly constituted AMC. Wards were created mainly on the basis of population. VCs were not consulted in this process.<sup>44</sup> The decision was also taken to

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38 Interview academician Oct 28 2014; retired Chief Secretary March 7 2015.

39 Interview with an UD&PA official 13 December 2013.

40 Interview with ex-LAD official Feb 17, 2014.

41 Interview with UD&PA official Dec 13, 2013.

42 A member of the Municipal Drafting Committee revealed that it drew substantially from the Model Municipal Law, which contained all 18 functions listed in the 12th Schedule of the 74th CAA (Interview 10/10/14).

43 Interview with a scholar on 10 October 2014.

44 An official who was closely involved in this process however informed us that they had not received any serious complaints with regard to demarcation of ward boundaries.

retain the VCs as the third tier of local governance akin to *mohalla samitis* or area *sabhas* but to change the name of ‘village council’ to ‘local council’ (LC). This was in an effort to preserve the nucleus of existing traditional institutions while engineering new institutions that derive strength and acceptance from their synergy with traditional institutions (Bezbaruah 2007). The AMC thus has two sets of directly elected representatives – at the LC level and at the ward councilor level. The AMC office started functioning in October 2008. The first municipal election was conducted on 3, November 2010.

**Organisational Chart of Aizawl Municipal Council** (Source: <https://amc.mizoram.gov.in/>)

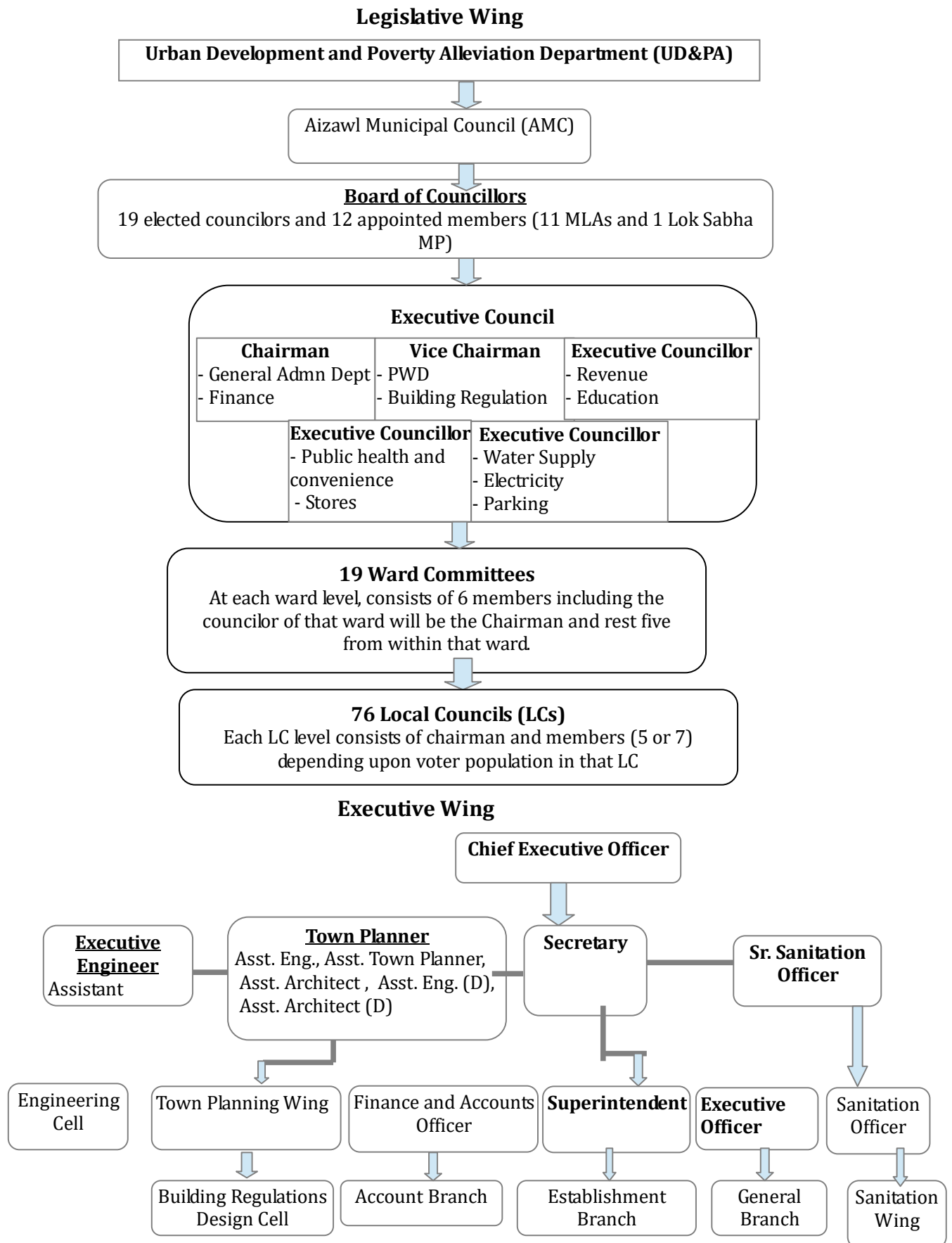


Fig no. 1 reveals, at the apex of the AMC organization structure is a Board of Councilors (BOC) consisting of the 19 elected and 12 appointed members (11 MLAs and 1 Lok Sabha MP).<sup>45</sup> Roughly one-third, i.e., six of the total members are reserved for women to be rotated every five years. The AMC also has an Executive Council consisting of the Chairperson and Vice Chairperson, both elected by the Councilors, and three other members known as executive Councilors, appointed by the Chairperson. One level below the AMC Council, the new institution of the Ward Committee (WC) has been formed in each of the 19 AMC wards. The WC consists of a Chairperson, who is an elected Councilor from that Ward, and two members each from all the LCs within the Ward (there are usually 4-5 LCs in each WC). Besides this, the Ward Committee Chairperson shall appoint three others from amongst prominent citizens of the Ward, one of whom shall be a woman. The Table No. 4 below compares the roles, powers and functions of Village Councils, Local Councils and Ward Committees.

As seen from the Table below, LCs and WCs fall under the purview of different legislation from VCs and have different mandates. Importantly, the tenures of LCs have been retained as 3 years, similar to VCs and unlike the WCs, whose tenure follows the 5-year tenure of municipal councilors. This means that elections and tenures of representatives of both sets of local elections will not be co-terminous. While the WCs have been constituted on paper, they are largely non-functional in practice. The powers of LCs remain more or less unchanged from when they were VCs.

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45 The appointed members shall take part in the AMC meetings but shall have no voting rights.

**Table No. 4: Role, Powers, Functions of Village Councils (VCs), Local Councils (LCs) and Ward Committees (WCs)**

	<b>Village Councils</b>	<b>Local Councils</b>	<b>Ward Committees</b>
<b>Law</b>	VC is defined in the principle law titled as The Lusai Hills District (Village Councils) Act 1953 which is now replaced by “The Lusai Hills District (Village Councils) (Amendment) Act 2006. This law is applicable to rural part of the state	WC and LC are defined under Mizoram Municipalities (Amendment) Act 2007 This law is applicable to municipal area in Aizawl District i.e. jurisdiction of Aizawl Municipal council	
<b>Constitution</b>	<b>Village Council (VC)</b> <u>comprising one or more villages</u> as the State Government may by notification in the Mizoram Gazette, decide to be composed.	<b>LC</b> is constituted for <u>every locality in the ward</u> , it has constituted <u>by holding an election</u> which is conducted by state Election Commission (SEC	<b>WC</b> is constituted for <u>every ward</u> of Municipality.
<b>Composition</b>	The composition of VC has changed as to introduced amendment in the above said act (Village council Amendment Act 2014) Earlier the provision of VC was 3 members for village not exceeding 200 houses; 4 members for village with more than 200 houses, but not exceeding 500 houses, 5 members for village with more than 500 houses, but not exceeding 800 houses and 6 members for village with more than 800 houses <i>There was no provision for women as member of VC.</i> By amending it, the present provision is - <u>3 members</u> for village not exceeding 200	LC is the lowest tier of urban governance. Composition of LC depends upon voter population of that locality - <b>LC</b> consist of <u>5 members</u> if locality comprising <u>1500 voters and less</u> and <u>7 members</u> if locality comprising more than <u>1500 voters</u> . <u>The chairman</u> and <u>two members who</u> will represent the LC in the WC will be elected in the first meeting of LC. <u>Member -secretary</u> is appointed by the Chairman	WC is the next higher tier to LC and it consists of <u>the elected Councillor</u> from the concerned ward who shall be the Chairman of the WC and <u>two members</u> each representing LCs in each ward and <u>three other members</u> appointed by the Municipality on the recommendation of the councillor from amongst the prominent citizens residing in the ward of which <u>one shall be a woman</u> . Thus WC is of 6 members.

	houses; <u>5 members</u> for village not extending 500 houses, but not exceeding 800 houses, <u>7 members</u> for village not exceeding 1000 houses and <u>9 members</u> more than 1000 houses <i>Also it is made mandatory to elect one women member for VC</i>		
<b>Tenure</b>	Tenure of the <u>VC</u> is for <u>three years from the date of its first meeting</u>	Tenure of the <u>LC</u> is <u>3 years from the date of first meeting of the local council</u>	Tenure of the <u>WC</u> is <u>co-terminus with that of the Councillor.</u>
<b>Functions and Powers</b>	<p>VC performed functions include</p> <ul style="list-style-type: none"> <li>- Allotting a particular region within the boundaries of each Village for jhums each particular year, and the distribution of the jhum – plots.</li> <li>- power to enforce ‘Hnatlang’ in the interest of the public whenever occasion so demands. It also includes regulation of Hnatlang</li> <li>- Collection of Taxes e.g. animal tax, house tax,</li> <li>- Sanitation Committee: VC is responsible for the sanitation of the Village. A Sanitation Committee is appointed by VC if necessary.</li> <li>- <u>“VC act as Village court”</u>: Village Council sits itself as a Court, the quorum to constitute a Court shall be three members or half of the total number of members of</li> </ul>	<p>LC is entrusted with <u>general functions</u> by the Municipality for the common civic <u>services and common benefit of the community and other matters in accordance with the Mizo traditions, customs and practices.</u> Other functions are entrusted including to supervise and monitor within the ward</p> <ul style="list-style-type: none"> <li>- detection of violation of various provisions of the Act such as illegal construction, encroachments on municipal and public properties, public nuisance, evasion of taxes, unlicensed activities</li> <li>- arresting wasteful uses of various municipal services like tap water, street hydrant, street light, parks and playgrounds, community</li> </ul>	<p>WC is entitled to perform functions including main function to make local and internal arrangements and activities within the ward for the <u>common civic services and common benefits of the community</u> and other matters including <u>social harmony</u></p> <p>Along with that <u>other functions</u> are <u>general supervision of the municipality, to supervise and monitor</u></p> <ul style="list-style-type: none"> <li>- violation of various provisions of the Act such as illegal construction, encroachments on municipal and public properties, public nuisance, evasion of taxes, unlicensed activities</li> <li>- arresting wasteful uses of various</li> </ul>

	<p>such Council, whichever is greater.</p> <p>- <i>Village Council Fund</i> – Each VC is formed “Village Council Fund”. It consists of any collection authorized by law other than district revenue and taxes made in a village for the good of the people e.g. animal tax, house tax.</p>	<p>center</p> <p>- detection of unclean premises and accumulated garbage, with powers to require the owner or the occupier of such premises to clean and to dispose of such garbage</p>	<p>municipal services like tap water, street hydrant, street light, parks and playgrounds, community center</p> <p>- Detection of unclean premises and accumulated garbage, with powers to require the owner or the occupier of such premises to clean and to dispose of such garbage.</p> <p>- Helping health immunization services maintaining essential statistics and numbering streets and premises</p>
<b>Role in Planning</b>	<p>No role provided for VC in planning</p>	<p>LC is expected <u>to render assistance to WC in discharging of its role</u> in planning provided under the rules for LCs and WCs</p> <p>In addition to these, the LC may identify any incomplete work or works of poor quality or material of inferior quality used for any work within the ward and report such matter to the authority concerned for action.</p>	<p>In terms of planning</p> <p>- identify problems of the ward</p> <p>- fix priority of problems so identified and</p> <p>- prepare a list of development schemes consisting of such identified and submit the same to the Municipality;</p> <p><i>However, the Municipality is not bound to accept all or any such proposals</i></p>

(Source: For LC and WC referred Mizoram Municipalities (Amendment) Act 2007 and The Mizoram Municipalities (Ward Committee and Local Council) Rules, 2010; for VC referred the principle law titled as The Lushai Hills District (Village Councils) Act 1953 which has replaced by The Lushai Hills District (Village Councils) (Amendment) Act 2006 and recently The Lushai Hills District (Village Councils) (Amendment) Act 2014).

### ***3.3 Understanding the role of Asian Development Bank in achieving urban reforms in Aizawl***

Across the board, state level officials admitted that understanding and executing urban reforms under JNNURM has been challenging. Since they are new to urban development, everything has to be formulated from scratch – from urban policies and legislations to institutions and rules. Additionally, citizens are unaccustomed to a municipality and the new rules and taxes it has introduced and this causes serious challenges during execution. However, the Centre has not taken this into consideration and Aizawl is required to compete with other cities that have had ULBs for many decades, where policies and procedures have been in place for a long time. In this situation, the support and direction of the ADB has been important.

Under the ‘North Eastern Region Capital Cities Development Investment program’ (NERCCDIP), launched by the ADB in 2009, Aizawl is one of the five NE state capitals to be selected.<sup>46</sup> This ADB-sponsored program, much like the JNNURM, makes it mandatory on the part of the state government and the AMC to implement institutional reforms with regard to governance, urban amenities and infrastructure in Aizawl with a view to make AMC financially self-sustaining by 2017. Two institutions that were established under the auspices of the ADB program - one at UD&PA level and the other at the AMC level - have played an important role in circulating ideas about the necessity for reforms and the notion that reforms comprised a fixed set of options with clearly identified pathways to implementation regardless of the local context (SIPMIU Report April 2014). The first institution is the State Investment Program Management and Implementation Unit (SIPMIU), which is the agency established for implementing and monitoring water supply, sewerage and solid waste management activities and reforms in Aizawl. SIPMIU is located within the UD&PA under the Directorship of an ex-Chief Engineer of the PHED. The Director of SIPMIU was formerly with the PHED and this has facilitated understanding how government systems work and how reforms can be expedited. It also reveals the revolving door through which government officials move between donor projects and government service. The second institution is the Institutional Development Consultancy (IDC) that was hired by the ADB to enable property tax, double entry accounting, tariff formulation and PPP reforms within the AMC.<sup>47</sup>

SIPMIU and IDC have worked closely with UD&PA and state government officials in implementing the urban reforms. The director of SIPMIU and staff of IDC were invited for meetings of the state steering committee (SSC) constituted to make high-level decisions for JNNURM projects where they presented plans and draft legislation and gave recommendations on a host of issues ranging from fiscal planning and budgeting to property tax assessment<sup>48</sup>. This was a godsend to a state that was grappling with setting up an entire machinery of urban local government all within the JNNURM stipulated timeframe. SIPMIU and IDC also worked in collaboration with the AMC. The AMC has designated one official (the Executive Officer) as the nodal officer for JNNURM. This same officer also handled all donor-funded programmes and has played a crucial role in coordinating efforts and agendas across these programmes.

This section has traced the JNNURM as a trigger for forming the AMC. It has also described the structure and composition of the newly created UD&PA and the AMC. We now go on to describe the different JNNURM projects in Aizawl and assess their selection and performance over the duration of the Mission.

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46 In Aizawl ADB sanctioned water supply project is being implemented in two phases - May 2009 - October 2012 and March 2010 - December 2015.

47 Interview AMC officials on 18th Feb 2014

48 In one of the SSC meetings, the IDC team presented the inception report on fiscal planning, budgeting and management, explained the gaps identified during the inception phase analysis, and presented their recommendations before SSC members (Minutes of meeting of State Steering Committee on 29th June 2011 at Chief Secretary’s conference room).



#### 4. JNNURM Projects: Selection and Performance

Aizawl has JNNURM projects in four sectors – water, affordable housing, roads and transportation (see Table No.5). UD&PA is the state level nodal agency for the city. Despite being formed to fulfill a condition of the JNNURM, we note that the newly formed AMC is not an implementing agency for any of the JNNURM projects.

**Table No. 5: Overall Status of JNNURM Projects in Aizawl as on December 2013**

Sectors	Implementation agency	Description of Projects	Approved Cost (Central share: State Share)	Fund sharing between State: Central Govt.	Physical Progress / Status of project
Roads: 3 projects	Public Works Department (PWD)	1.Improvement & widening of Aizawl City Roads Phase-I Strengthening and resurfacing existing pavement - approved on 3.1.2012	3,873 (3,486: 387)	1,394: 193	Close to 100 %
		2. Improvement & widening of road from Vaivakawn to MZU- approved on 3.1.2012	1,908 (1,717: 190.76)	687: 95.76	Approx. 85%
		3. From Sihmui to MZU as spur of Aizawl ring road approved on 3.1.2012	5,309.32 (4,778: 531)	1,195: 266	20%
		<b>Sub total</b>	<b>11,090</b>	<b>3,276 : 554.76</b>	
Housing: BSUP housing at 4 sites	Urban Development and Poverty Alleviation Department (UD&PA)	Lawipu (408 DUs) approved on 28.2.2013	3,403 (2853: 550)	2,140: 417	70%
		Rangvamual and Edenthar (368 DUs) approved on 11.2.2009	3,075 (2,763: 312)	2,072:237	60%
		Durtlang (320 DUs) approved on 28.2.2009	2,624 (2,357: 267)	1,768:205	65%
		<b>Sub total</b>	<b>9,102</b>	<b>5980: 859</b>	
Water Supply	Public Health Engineering Department (PHED)	Renewal of Pumping Machinery & Equipment and Transmission System of Greater Aizawl Water Supply Scheme Phase -I approved on 23.11.2007	1,682 (1,514: 168)	1,362:167.82	97%
		<b>Sub total</b>	<b>1682</b>	<b>1,362:167.82</b>	
Transportation	State Transport Department	Purchase of 25 Buses approved on 26.2.209, Proposed passengers Terminals, Pedestrian sidewalk, Underground Pedestrian subway	325 (293:32)	146	17 buses procured
		<b>Sub total</b>	<b>325</b>	<b>146</b>	
		<b>Grand Total</b>	<b>22,199</b>	<b>10764:1581.58</b>	

Source: Information provided by UD&PA, Govt. of Mizoram , \* All figures in Rs lakhs (10 lakh= 1 million)

Initially projects were proposed according to the state government's priority areas.<sup>49</sup> Three road projects were proposed by PWD to align with the existing World Bank sponsored ring road project and these were approved. Since the existing drainage system of Aizawl was very poor, two project proposals were submitted by PHED but the Centre, citing lack of funds, did not approve these. The state government also proposed a multi-storied parking project to reduce congestion in the city but this project couldn't be implemented because the UD&PA could not acquire land for it. A water project was accepted under the JNNURM because this project had already been sanctioned by the PHED and only needed funds for implementation. A transport project was submitted by the Transport Department in response to the Central scheme for buses initiated by the Finance Ministry in 2008-09. A BSUP housing project in four sites was also proposed by the UD&PA and this was sanctioned. The rest of this section delves into each of the four different sectors in which JNNURM projects were sanctioned in order to understand the history and peculiarities of these sectors, the challenges faced during implementation of both projects and reforms within these sectors, and the implications for governance in the city.

#### ***4.1.1 Water Sector: Renewal of Aizawl water supply scheme phase I***

Under JNNURM, Phase II of the Greater Aizawl Water Supply Scheme (GAWSS), a project of Rs 1,681.80 lakhs was approved in 2007 for renewal of pumping machinery and equipment, and transmission system, including replacing pumps, electric motors, and booster pumps for Aizawl. The PHED, which has been managing water supply and sanitation to both rural and urban Mizoram since 1983, is the implementing agency for this project.

PHED officials during several interactions explained the genesis of the JNNURM project and its absolute priority for the city as well as its inability to cover existing backlog of supply. The GAWSS was originally designed by PHED in 1983-84 in two phases to supply 4.8 MGD treated water to the then projected total population of 1,60,000 at the rate of 135 liters per capita per day (lpcd). GAWSS Phase – I relied on River Tlawng as the source and was designed for 25 years with 16 hours daily pumping to cater to 80,000 people, i.e., 50% of the estimated population in 1983-84. It was commissioned in 1988. Phase-II of the project was sanctioned to cater to an additional population of 2,25,000 with an average supply rate of 78 lpcd and was supposed to be taken up immediately thereafter but could not be implemented due to lack of funds. Since then, rapid increase in population has increased the demand for water to a level that is much higher than the system can today provide.<sup>50</sup> Currently, the quantum of water received in Aizawl is low, approximately 30 lpcd, with the city getting 2 hrs of water/week. When JNNURM was announced, the state government saw this as a golden opportunity to (partially) cover the backlog of GAWSS (Phase I is able to cater only to the needs of core areas of the city). PHED therefore submitted a modified version of the already sanctioned Phase II proposal to the Centre, which was approved.<sup>51</sup> The JNNURM water project has replaced only 50% of pump machinery due to shortage of funds.<sup>52</sup> After undertaking the JNNURM project, the PHED engineer estimated that they will not fulfill the desired goal of 24 mld but will be able to pump 13-15 mld. Clearly the JNNURM has increased the supply of water to the city although just as clearly this does not fulfill the growing demand.

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49 Interview with UD&PA official 13th December 2013

50 High demand has forced the PHED to increase pumping hours from the designed 16 to 22-24 hrs/day. This places extra burden on the machinery, reducing its life, and increasing operational expenditure. Timely maintenance is also not possible due to financial constraints. (Interview PHED Executive engineer, Department of Water Transmission, 16th May 2014)

51 Detailed Project Report on Renewal of Pumping Machinery and Equipment and Transmission system of Greater Aizawl Water Supply Scheme Phase I- JNNURM para 1.3.

52 PHED has prepared a new DPR for what JNNURM hasn't covered although officials admit that for the state government to cover even 10% of costs of a new project will be difficult (Interview PHED Executive engineer, dated 21st February, 2014).

Apart from the lack of funds for capital investment, engineers of PHED revealed that the department is struggling with insufficient funds even for O&M. The revenue received through water charges is not sufficient to meet maintenance costs for several reasons. First, Aizawl has a very high cost of producing water due to the hilly topography.<sup>53</sup> Second, the PHED has provided piped water supply with water meters to Aizawl since 1993-94<sup>54</sup> and also has a well-calibrated volumetric billing rate in place, but it hasn't been able to use it because the meters are faulty. So most bills collected are at a flat rate of Rs 100 or Rs 200 per month. PHED is under tremendous pressure from the JNNURM Secretariat and the ADB's SIPMIU to implement cost recovery reforms but also faces political and public pressure not to increase tariffs.<sup>55</sup> For instance, while the DPR included a policy to levy user charges, this existed only on paper.<sup>56</sup> More recently support from the state government (particularly Finance and Planning Departments) as well as the installation of new meters via SIPMIU<sup>57</sup> have enabled PHED to raise water tariffs, both domestic and commercial, from April 2014.<sup>58</sup> However, even revised water tariffs cover only a third of O&M costs. PHED officials therefore argued for the continuation of financial support from the state government in the face of the difficulty in achieving self-sustainability in urban areas.<sup>59</sup> In villages self-sustainability was more possible because PHED used cheaper, more decentralized measures,<sup>60</sup> had the support of Central schemes like National Rural Water Development Programme, and payments from households via the Village Level Water and Sanitation Committees. In urban areas there were no Central schemes or local committees to provide support, rendering financial support from the state government essential.

The real problem in Aizawl seems to be one of low water availability and unequal water access due to inadequate coverage of distribution networks, inadequate supply of water and unequal distribution. There is considerable inequality in spatial distribution of water connections with core areas having piped water connections and receiving better supplies but peripheral wards remaining largely unconnected.<sup>61</sup> Poor families in peripheral wards are particularly badly hit. The charges for obtaining a water connection are high rendering them unaffordable for poor families.<sup>62</sup> Moreover private tankers only supply to those households that have a storage capacity of 4000 liters and poor households, usually migrants and renters, do not have such storage facilities.<sup>63</sup> This means that poor households mostly depend upon public taps, hand pumps, spring water and help from other community members as they can neither access individual water connections nor private water tankers.<sup>64</sup> The city also has relatively high dependence on private water suppliers due to inadequate coverage of distribution networks and inadequate supply of water. A strong market of private water suppliers exists and it is a lucrative

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53 Aizawl is the most expensive water supply system in the country due to the hilly terrain (Rapid Baseline Assessment – Aizawl city – Draft report prepared by CBUD, October 2013)

54 Aizawl is one of the first states in the country to install water meters.

55 Interview with a PHED official on 16th May 2014.

56 Interview with PHED official on 21st February, 2014.

57 The ADB project via SIPMIU is supporting PHED to install new water meters- free of cost to the public- for all connections by 2015. Interview SIPMIU official on 15th May 2014

58 Interview PHED Executive Engineer, Feb 21, 2014

59 Interview PHED official on 16th May 2014

60 These include hand pumps, gravity pipe schemes, rainwater harvesting, and improvement of village spring sources.

61 Analysis of government documents (DPRs, the Aizawl Master Plan and the Property profile Assessment of Aizawl) and interviews with LC Chairpersons highlight this inequality.

62 PHED fees are Rs. 500 in addition to the installation cost, which ranges between Rs. 3000 and Rs. 5000 depending on the distance of the house from the nearest water point in the locality

63 Only if poor families are able to come together and collectively pay for a water tanker, do private suppliers provide them with water (Interview private supplier).

64 In the water-scarce summer months, PHED provides water to unconnected peripheral areas, especially on the upper slopes, through water tankers. But this depends on availability of funds – for instance, in summer of 2014 no tankers were provided – and therefore there is no guarantee of receiving subsidized water (Interview PHED official, 16th May 2014).

business fulfilling a demand of 2 million litres per day.<sup>65</sup> PHED officials confess that they have no control over these tanker suppliers. Private suppliers see themselves as providing an important service to the public, one that the PHED is not undertaking effectively. An interview with a private supplier revealed his lack of faith in the JNNURM and SIPMIU projects and its modus operandi for improving water supply. These projects don't address the root cause of water problems in the city, he argued: the main pump on the river has not been replaced nor has PHED come up with a plan to extend water connections to those areas that don't have them. He debunked the PHED's claim of providing sufficient water to core areas saying that many of his major customers are from the core areas. He also criticized the focus on installing new water meters saying that they would soon become dysfunctional because of improper maintenance by PHED and poor quality meters supplied by corrupt contractors. In the past there have been allegations of corruption in the process of contracting (the company providing water meters is owned by an ex-MLA who was earlier the Minister in charge of PHED) and distributing water. Interviews with residents on issues of water distribution confirmed that neighborhoods that have PHED officials and politicians residing do not experience water shortages.

An alternative solution to water problems, several studies have suggested, could be to promote more decentralized systems. One such is to rely on rainwater harvesting as supplemental supply during months of scarcity, as was done in the past.<sup>66</sup> One of the JNNURM reforms insists on inclusion of rainwater harvesting within building byelaws and the AMC has complied with this. However, land and construction costs are high and space is at a premium, increasing the barriers to effective rainwater harvesting. Thus, without the AMC/PHED taking more proactive measures, such as providing subsidies to build storage tanks and also places to build them, it seems unlikely that rainwater harvesting will contribute a major component to water supply provision<sup>67</sup>. Another is to protect and regenerate springs, which are already being used by both poor groups and tanker suppliers to supply water to the city. The move towards decentralised solutions calls for an entirely different approach than the one currently being taken by the PHED.

While there are clearly problems with regard to the design and sustainability of the water project, probably the most conflict has been experienced in the transfer of the water function from PHED to AMC as part of decentralisation reforms associated with the JNNURM. The Centre, the UD&PA (including IDC and SIPMIU), the AMC, as well as senior officials within the State Government<sup>68</sup> have been pressuring the PHED to transfer the water supply function to the AMC.<sup>69</sup> PHED officials have resisted this and as a consequence this function has not been transferred. The non-fulfillment of this reform has had serious consequences for the city: the Centre deducted 10% from the third installment (Rs 151.36 lakhs) and did not release the 4th installment.<sup>70</sup> Thus, even though 97% of project work was completed in 2012, the state government had not received the promised funds in 2014. The total pending payment to contractors stood at Rs. 529 lakhs and the threat of them going to court against the state government for non-payment loomed<sup>71</sup>. One official expressed his displeasure with the conditional nature of the scheme saying it had caused financial loss as well as hassles in

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65 They get water from springs owned privately by individuals situated in the outskirts of the city. They charge Rs. 1200 for 1000 liters but during summer this increases to Rs. 1800 – 2000 for 1000 litres. Interview tanker supplier on 19th May 2014

66 Conversations with Professor and Head of Department Social Work, Mizoram University based on findings from doctoral thesis work done by Department scholars, Dec 10, 2014.

67 Interview water tanker supplier 19th May 2014

68 The Principal Secretary of Urban Development called several meetings with UD&PA, AMC and concerned line departments to expedite the transfer of functions to AMC (Interview UD&PA official on 13th December 2013, Principal Secretary on 19th Feb 2014).

69 Interview PHED official on 16th May 2014

70 Interview PHED official on 21st February 2014.

71 Interview PHED official 21st February 2014.

negotiating with the Centre. “If the Centre approves a project, it must release funds in full otherwise the first sufferers are the people”.<sup>72</sup>

#### **4.1.2 Affordable Housing**

The BSUP scheme is a sub-component under the JNNURM for providing housing along with basic services to the urban poor. BSUP housing is under construction in 4 locations namely Lawipu, Rangvamual, Edenthar and Durtlang<sup>73</sup>. The buildings are 3+1 storeys.<sup>74</sup> Constructing large numbers of affordable housing units for slum dwellers adopting a cluster model (multi-story buildings) under the JNNURM is a completely new experiment for the UD&PA, which is the implementing agency for BSUP in Aizawl. Previous housing schemes by the LAD focused on giving loans to those who owned land for the construction of a house. Public agencies therefore have no experience of identifying slum dwellers let alone constructing houses for them. Additionally, the mandate of poverty alleviation sits uneasily with the state as it is a function that has always been performed by the church and CBOs. This project has thus proved very taxing for UD&PA officials.

The first point of difficulty was that Aizawl, and Mizoram in general, does not have ‘slums’ and yet had to conform to JNNURM guidelines that defined BSUP as housing for slum dwellers. Interviews with stakeholders from CBOs, local and state government revealed that there are poor families who reside in poor quality houses that are built in undesirable locations, such as steep slopes, but they are scattered and there are no concentrations of poor groups in slums. Despite finding JNNURM guidelines inappropriate to the existing situation, a senior UD&PA official revealed that they needed BSUP funds to build housing stock as the demand for housing was increasing in Aizawl and so identified 73 ‘slum’ pockets in the DPR that was submitted to the central government. Since they knew that the delineation of areas as ‘slums’ would face local resistance, the state government didn’t consult local political leaders and CBOs before doing this. The lack of people’s participation in preparing the DPR led to problems and delays as later sections reveal.

The next major problem faced was finding funds for acquiring land for affordable housing. Although JNNURM guidelines permitted North Eastern states to include the cost of land acquisition as an approved project cost item, in practice this expenditure was not sanctioned by appraisal agencies<sup>75</sup>. This led to delays as the UD&PA had to find its own funds for land acquisition. Since it owned no vacant land in the city, UD&PA was forced to purchase land on the outskirts of the city where it could afford the purchase price. This meant affordable housing was built in peripheral areas without good access to services, livelihoods and connectivity.

Despite LCs being so crucial for neighborhood- level governance, LC members in all four housing sites shared that they were not informed or consulted about BSUP housing projects and found out about it only once the construction started. Despite this, several of them had started monitoring the progress of construction. Even councilors of the areas found out about BSUP housing projects very late and they had little clarity about who the beneficiaries of these houses were going to be. Indeed, identifying beneficiaries was one of the biggest problems that UD&PA

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72 Interview PHED official on 21st February 2014.

73 Initially the DPR had proposed four housing sites namely Lawipu (208), Rangvamual (368), Durtlang (320) and Chite (200) with a target of 1906 dwellings. Chite was dropped due to non-availability of land and its target was combined with Lawipu. Again in 2014, the housing site at Rangvamual was split to another location, namely Edenthar, due to problems with the contractor.

74 Each DU consists of a separate toilet and bathroom, a living room with one corner having a kitchen platform that can be separated by putting up a wooden partition. There are plans to construct tanks for rainwater harvesting, a community hall in each site and approach roads. (Interview with Engineer at BSUP housing Site on 19th May 2014)

75 Interview UD&PA official 13th December 2013

officials have faced.<sup>76</sup> UD&PA officials revealed that the earlier beneficiary list that had been submitted along with the DPR had been quashed due to resistance from local groups. This situation compelled officials to engage key local stakeholders (councilors, LC Chairpersons, and CBOs) in a new beneficiary selection process. Apart from difficulties in identifying beneficiaries, the UD&PA confronts problems in relocating beneficiaries to BSUP sites due to resistance from the LCs in those *vengs* where BSUP housing is being built. LC members shared how their *vengs* have a very strong community identity and ‘strangers’ entering it by way of affordable housing would disrupt the close-knit community, stigmatize those designated as ‘slum dwellers’, and harm Mizo solidarity. Additionally, LC members were concerned that UD&PA had not made any plans for increasing provision of services like water supply and garbage disposal to cater to the additional numbers. This would mean hardship for the residents already living in the *veng*, especially in the water scarce summer months. Faced with this resistance, the UD&PA was unsure how to achieve occupancy of BSUP units and was considering transferring their O&M to the AMC. Arguably, this is less about devolving power to the AMC and more about passing a task onto the AMC that the UD&PA is not sure of how to accomplish.



BSUP Housing sites at Durtlang and Rangvamaul

LC Chairpersons, councilors and experts all strongly criticized the BSUP design saying that multi-story housing was incompatible with the Mizo lifestyle. Generally, houses, even of poor families, have small kitchen gardens and piggeries; BSUP housing did not provide spaces for these. By contrast, state government officials upheld cluster housing arguing that it was promoted by the central government and was more feasible for Aizawl since it has such a scarcity of vacant land. LC members however argued that relocating poor families to new houses would adversely affect their livelihood as new housing locations were on the outskirts of the city and transportation services were expensive and inadequate. LC members talked about how this could aggravate problems of unemployment and force such families to engage in illegal activities like selling liquor, drugs, theft and robbery. Interestingly, a few poor families interviewed expressed their willingness to occupy BSUP houses if they got the chance. They saw concrete houses as a means to achieve upward mobility in terms of quality of housing and social status. However, they had doubts about whether the process of selecting eligible families would be fair. This was clearly a reference to the political controversy associated with allocating houses to ‘migrants’. Mizo society is extremely close-knit and concerns about ‘outsiders’ or ‘migrants’ are deeply felt as well as embodied in the ethno-nationalist politics of regional political parties.<sup>77</sup> This means that granting eligibility to ‘migrants’ to occupy BSUP housing, and addressing the larger need for rental housing that caters to migrants, are contested issues. Several LCs therefore chose the relatively safer route of suggesting that the state government could continue past housing schemes, which gave subsidies to land owners to build their own

<sup>76</sup> Interview with UD&PA official on 15th May 2014

<sup>77</sup> This includes MNF, ZNP and MPC.

better quality homes.<sup>78</sup> This however only serves the needs of those households that own land and wish to construct/upgrade their houses or whose relatives can donate land to them. It does not cater to those without land and/or without the support systems of locality, kin or the church.

UD&PA officials saw a concrete role for state housing schemes in providing rental housing to address needs of migrant families (from villages to Aizawl or from outside Mizoram) and for providing *pukka* or better quality houses to those poor families residing on steep slopes and hazardous areas. Officials argued however that the core housing issue for Aizawl is the scarcity of developable land for housing and central housing schemes need to be tailored to address this local need. While the importance of housing schemes is acknowledged by all, what is equally clear is the criticism from every sphere of society regarding the BSUP's lack of appropriateness in terms of criteria and selection of beneficiaries, location of housing sites, design of houses, multi-story model, inadequate funds to cover cost of construction and land, issue of maintenance and stigma attached to such a living environment.

The project has also been plagued by many delays in implementation. Actual construction started only in 2009 and there was little likelihood of completing all construction before the new timeline of March 2015<sup>79</sup>. Thus in March 2015 no allocations of dwelling units had happened in any site. Delays in implementation have caused further delays in receiving installments and making payments to contractors. The first two installments were received in full. The third installment had 10 percent deducted due to non-fulfillment of reforms. The last installment was not released with the Centre arguing that the final date for project completion was March 2014 and no further payments could be made beyond this timeline<sup>80</sup>. Similar to the water project, the state government was in the process of pursuing a request to release last installment by the Central government in March 2015.

#### **4.1.3 Roads**

The PWD is the authority for constructing and maintaining roads in the state of Mizoram. PWD itself prepared DPRs for three road projects under JNNURM and they were approved for a total of Rs. 11,090.36 lakhs. The basic approach adopted by PWD for road projects was to strengthen existing roads, since this would enhance connectivity, a high priority of the state government and citizens.<sup>81</sup> Since the state government was perennially short of funds and the steep and mountainous terrain of Aizawl made road construction extremely expensive, the JNNURM's funds were extremely important in this sector.<sup>82</sup> This project has received highest funds under JNNURM in the city.

Two of the road projects had experienced considerable progress by May 2014<sup>83</sup> but the road project from Sihmui to MZU, a spur of the Aizawl ring road, was delayed (only 20% of total works were completed in October 2014) due to tussles over the rate of compensation to be paid for land acquired.<sup>84</sup> The Deputy District Collector personally met with the resisting land owners to try and address their needs and also took the support of the YMA to reduce local resistance to the project and monitor the progress of road construction.<sup>85</sup> State officials expressed their helplessness over difficulties and huge financial liabilities posed by land acquisition and their

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78 Interview LC President on 19th May 2014

79 Interview contractor on 7th March 2015

80 Interview UD&PA official Oct 29, 2014

81 Interview PWD official 15th May 2014

82 Interview PWD official 15th May 2014

83 The improvement and road widening of city roads project was 75% completed while the improvement and widening of Vaivakawn to Mizoram University was 80% completed.

84 Project affected persons demanded compensation rates as per the newly legislated Land Acquisition Act, 2013 but the state government rejected this as unaffordable and offered much lower compensation (Interviews PWD official on 15th May 2014).

85 Interview PWD official on 15th May 2014

frustration with the central government for not following through on its promise to cover cost of land acquisition for the Northeastern states.<sup>86</sup> The tussle between the PWD and the UD Ministry over who should conduct an independent review of the project and how much they should be paid also caused delays in implementation. The PWD proposed its own independent quality control division to monitor the progress and quality of JNNURM roads drawing from its long history of building roads in the region but the Centre rejected this and followed pre-set standardized norms to engage Tetra Tech Global Services as the IRMA<sup>87</sup> (Independent Review and monitoring Agency). Tetra Tech visited once in December 2012 but thereafter said that the compensation rate per visit that was fixed by the JNNURM was too low (at Rs 40000 per visit) and only once it was increased (by ten times) could it continue as IRMA.<sup>88</sup> The UD Ministry took almost a year to hire a new IRMA that would agree to work within the budgetary provision. This delay proved costly for Aizawl. As of October 2014, only two out of four installments had been released and 10 percent had been deducted from the second installment as penalty for non-adherence to the timeline.<sup>89</sup>

Perhaps the most striking feature of this project has been the consistent stance of PWD officials that the financial and design specifications of road projects of the JNNURM are inapplicable to Aizawl's physical, socio-economic and cultural context.<sup>90</sup> For instance, funds sanctioned for projects did not include provision for operation and maintenance costs and thus the new roads represented a liability. In fact PWD was considering passing on this liability to AMC by transferring the O&M function to them.<sup>91</sup> PWD officials also complained about land acquisition not being sponsored by the Centre and certain mandatory design components in JNNURM road projects (e.g., cycle track) as not being feasible to local geographical conditions. Officials additionally emphasised that the application of a PPP model, one of the most promoted reforms under JNNURM, was not feasible in Aizawl as commuters would refuse to pay tolls and it would not be profitable for private companies.

#### **4.1.4 Transport**

This seems to be the least successful JNNURM project due to the mismatch between project design and actual needs, and resistance from existing private transport providers. The State Transport Authority (STA), the implementing agency for the project, submitted a DPR prepared by the Central Institute of Road Transport (Consultant) for the purchase of 28 mini buses under the JNNURM but only 25 buses amounting to Rs. 3.25 crores was approved in February 2009.<sup>92</sup> The project aimed at strengthening the public bus transport system through bus purchase and provision of transport infrastructure including bus stations, footpaths and subways. STA has so far received only the first installment from the Centre out of which it purchased 14 mini buses; an additional 3 buses were purchased from STA's share of funds. The remaining 8 buses could not be purchased and additional transport infrastructure has not been constructed since the final installment from the central government was not released (due to non-compliance with reforms) as on March 2015. The buses that have been purchased are not being used for public transport in the city (but ferry commuters to colleges within and outside Aizawl) due to resistance from private bus and taxi operators and arguments that roads are already congested.

The STA plays a limited role in transport services in Aizawl as it only deals with permits and regulation of buses and taxis leaving the actual operation of the transport system to private

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86 Interview UD&PA official

87 Interview UD &PA official on October 2014

88 Interview UD&PA official on 29th October 2014

89 Interviews PWD official on 15th May 2014

90 Interviews PWD officials on 15th May 2014v

91 See section 5.1.3 on City Roads Authority (pg 48)

92 DPR Phase II for Purchase of Buses for Aizawl



players.<sup>93</sup> The crucial problem that the JNNURM bus project faced was the lack of an urban transport institution for overall governance and management of city buses.<sup>94</sup> Unless an existing institution is designated and a special urban transport department is created within it, no single agency will take ownership for city transport and bus services will not be improved said STA officials. STA was not in favour of transferring the urban transport function to AMC stating that it did not have adequate infrastructure, manpower or capacities required for delivering transport services in contrast to STA that had the necessary skills in-house. Interestingly, the STA seemed to view the JNNURM project and required reforms as an opportunity to expand its currently limited power to encompass urban transport governance and wrest back control of bus operations from private bus operators. The decision on the appropriate institutional arrangement had not been resolved as on March 2015.

STA officials shared that the many reforms required under this project were the main impediment to implement the project as funds had been denied due to non-compliance with reforms.<sup>95</sup> Some of the reforms to be implemented included:

1. Preparing a City Mobility Plan (CMP)
2. Constituting a Unified Metropolitan Transport Authority (UMTA)
3. Making provision for Urban Transport Fund (UTF)
4. Preparing an advertisement policy statement and timelines for implementation with the objective of revenue generation
5. Preparing a Parking Policy Statement and Enforcement Mechanism
6. Interdepartmental Coordination to constitute Traffic Information and Management Control Center

The State government had not fully achieved any of these reforms due to challenges faced in implementing them as well as differences in opinion with the UD Ministry as to their appropriateness for Aizawl. The reforms posing the biggest sticking points were the UMTA and the UTF. The state government expressed the view that creation of the UMTA as a separate authority was not feasible for a city with less than a million population.<sup>96</sup> The UD Ministry disagreed. The objective of creating a UTF under JNNURM was to use it to manage and sustain urban transport and to build greater cost recovery of transportation projects. Again the STA did not comply with this reform because it did not see the need for a separate fund.<sup>97</sup> Officials argued that STA had the mandate to collect vehicle tax and receive plan funds under the Five Year Plans and the North Eastern Council and that these resources went towards subsidizing existing fares, that all operating expenses were met under the budget of Directorate of Transport. The UD Ministry opposed this as well. A senior STA official said they had told the UD Ministry that they have a regular procedure for deciding fares and fare revisions but the UD Ministry continued to insist on a separate institution to undertake fare revisions.<sup>98</sup> STA had also resisted CCTV and electronic ticketing reforms in buses saying it wasn't practical for Mizoram.<sup>99</sup> In principle, STA had agreed with reforms on preparing a CMP<sup>100</sup>, advertisement policy<sup>101</sup>, parking policy<sup>102</sup> and inter-departmental coordination<sup>103</sup> and these were at various stages of

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93 The private bus association decides routes, fares and timings of buses.

94 Interview STA officials 21st February 2014.

95 Interview STA officials 21st February 2014.

96 Detailed Report Project Phase II

97 Interviews STA official officials 21st February 2014.

98 Interview STA official 21st February 2014.

99 *ibid*

100 The CMP has been prepared by STA but has not yet been approved by the State Government or included in the CDP.

101 Guidelines for the advertisement policy have been completed and it is now with the Cabinet for approval (Interview Feb/ May 2014).

102 STA has identified the need for preparation of a parking management plan, parking infrastructure and parking zones. Currently, there are two parking structures and UD&PA's plan for construction of additional multi-level car parking structures seems unlikely due to the unavailability of public land. Collection of parking fees for parking of vehicles at designated parking places by the Traffic Police is in existence, along with identifying additional 40 locations to meet the future growth. Parking fees

implementation. Despite repeated requests for the second installment of funds, the JNNURM Secretariat had not released it citing non-compliance with reforms. An STA official argued that because of this STA could not provide the proposed infrastructure (bus stations, footpath widening and development of subway). The Centre's attitude towards reforms was clearly a one-size fits all, and revealed little flexibility in adapting to requests for modification by implementing agencies.

The JNNURM's design specifications were equally standardized and rigid: the one standard bus body prescribed was not suitable for hilly areas. So, the Northeastern states collectively wrote to the JNNURM Secretariat about its inappropriateness and got a special mini bus specified for hilly areas. Once buses were purchased, STA faced problems in running them because both private buses and taxis resisted the introduction of new public buses in Aizawl. The Aizawl city bus owner's association (ACBOA)<sup>104</sup> argued that new buses were not needed in Aizawl because it kept 40 of its own buses idle every day due to congestion and lack of place for parking. It faulted STA for issuing permits for different kinds of transport (buses, taxis, sumos, bazaar buses) at the behest of politicians without assessing actual mobility needs with the result that there were too many of these on the road. Office bearers of one of the main taxi associations shared how STA had periodically attempted to curb operation of taxis to free up road space and how they had resisted this as being arbitrary and unjust.<sup>105</sup> Ultimately, finding it impossible to prevail against existing private transport providers, STA decided to run JNNURM buses on certain routes catering specifically to educational institutions like ICFAI, Mizoram University and Pachhunga University that are located both within and outside the city.<sup>106</sup>

What emerges from this case is that STA saw the JNNURM as an opportunity to build a public bus system in the city and, in the process, expand its role in the transport sector. While there are clearly ample good reasons for creating a public bus system in Aizawl (e.g., lower and regulated fares and more equitable bus coverage), it is difficult to do this without including existing private service providers in this process. Both bus and taxi associations said they were not consulted in any way in the JNNURM transport project despite them providing crucial transport services for many years. An STA official said that realistically what the STA needed to do was develop a blueprint for introducing public bus services (new permit holders) while also accommodating private transport services (existing permit holders) with the goal of improving the overall quality of the bus system. A further challenge the STA faced was the high and growing vehicle ownership per household in the city (one of the highest in the country).<sup>107</sup> This reduced the likelihood of people switching to using the bus system unless STA took concrete measures to incentivize the switch. An STA official talked about an earlier failed attempt to

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have also been revised (Government Notification to revise parking fees by categories dated 10th May 2010).

103 STA has also constituted an informal Traffic Coordination Committee to enhance coordination on traffic management. Members of the bus and taxi association are part of this Committee although they complain that they are consulted only periodically and have not been involved in discussions on the JNNURM transport project (Interviews ACBOA and Zoram Taxi Association Feb 2014).

104 ACBOA started in 1973 and currently has permits for 265 buses. The main route is within the city from Kulikawn to Zemambawk where they are running a majority of buses, namely 171. They also provide transport connectivity to a few peripheral areas e.g. Siphir and Muthi village.

105 In 2006, STA issued a Government notification stating that even and odd license numbered taxis could ply on alternate days. The taxi association filed a petition against this in court. After several meetings with STA and SP Traffic, the notification was ignored and taxis were allowed to ply as before.

106 Interview STA official 21st February 2014.

107 DPR for purchase of Buses for Aizawl City under JNNURM Feb 2009. Between 2000-01 and 2003-04, passenger cars grew over 60% while the number of Jeep/Gypsy was more than double during the same time. Two wheelers too grew by about 50% from 2000 to 2003, but the growth in the number of buses was less than 20% during the same period.

introduce congestion tax and plans to re-introduce it. She also referred to taking a policy decision not to renew existing permits. Given the pressures STA is likely to face from existing service providers and the vehicle-owning public such measures seem unlikely to succeed.

#### **4.2 Summarising Project findings: Impacts of projects on the city and the AMC**

Overall the JNNURM project funds represented opportunities for a cash-strapped state government to invest in water supply, roads, affordable housing and transport systems in its capital city. However, the gains this additional investment represented were tempered by a number of problems. Three major problems can be discerned from the Aizawl JNNURM experience. The first was that JNNURM projects have not addressed the root of the problem in each of the sectors - whether it is increasing coverage and quality of water supply or enhancing housing for poor landless households. A second critical factor that was responsible for conflicts, delays, cost escalations and incomplete projects was the inappropriateness of the design to local conditions in Aizawl. The previous section highlighted the nature of inappropriateness in the JNNURM's design in each of the four sectors. This resulted in poor outcomes and is most starkly visible in the BSUP and transport projects where none of the desired outcomes (no occupation of dwelling units by beneficiaries and no improvement in the bus system) have been achieved. The third problem was the lack of planning for the sustainability of projects and project assets of the Mission. This was brought to the fore in each sector though most explicitly in roads and housing. The PWD argued that without provision for O&M the sustainability of the roads built was compromised. In BSUP housing, the UD&PA was extremely concerned about how the dwelling units constructed would be maintained and who would take responsibility for this – this is more so because there has been so much resistance to multi-story housing which is seen as incompatible with the living style of Mizos. Each of the concerned public agencies has therefore seen the problems that have beset JNNURM projects as largely being due to a rigid, fixed way of identifying the 'problem' and therefore the solution. They have articulated a need for much more flexibility in adapting the design of the projects and innovating measures for enhancing sustainability locally.

Besides demands for greater flexibility in adapting project design, state government officials also discussed how JNNURM projects were 'imposed' on them. The meetings conducted at the level of the central Ministries only discussed target completion rates, sanctioning of new projects, release of funds, and completion of reforms but not the design of the scheme, its suitability, financial viability and the match with specific, local needs. State officials therefore had no platform where they could raise concerns relating to these fundamental issues. A senior official of UD&PA shared how the attitude of the Central Government to local adjustments of central guidelines depended a lot on the personality and leadership style of the Secretary and Joint Secretary. It also depended on regular travel to Delhi to make their case, which was not only expensive but also time consuming.<sup>108</sup> The large number of agencies, including technical experts, involved in the sanctioning process meant that state officials had to cater to numerous requests for clarifications all of which did not come at the same time and involved a lot of red tape. Since state officials wanted the funds, they found it hard to oppose these demands and had to suffer attitudes/decisions that reflected the power asymmetries between the Centre and a small state like Mizoram. A case in point was the Centre refusing to fund land acquisition for projects in contradiction to the JNNURM's guidelines. This had huge negative consequences for the state and city: the state government had to sponsor land acquisition, leading to huge delays in the case of road projects and forcing the state government to construct affordable housing on the outskirts of the city because that was where cheap land was available.

The highly prescriptive reforms that had to be undertaken by all cities regardless of their size, history and needs was another arena of intense conflict leading to delays and cuts in funding by

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108 A senior official argued that one trip to Delhi cost his department Rs 80,000.

the Centre. Problems complying with reforms plagued all projects. In the case of cost recovery reforms there was huge political and public resistance to tariff hikes and user charges – this was also because paying taxes is new for Mizos. While water tariffs have been revised it is insufficient to cover costs of production and PHED argued that self-sustainability in water sector is not possible in the towns of Mizoram. The reform promoting PPPs in service delivery has also proved difficult to implement in Mizoram in the way it has been understood by the Centre. There are no large private players in service delivery because these sectors are not economically viable.<sup>109</sup> Many small private water suppliers play a crucial role in water supply and the entire bus system is privately run. How these players could be integrated into the service system and better regulated or capacitated remains an important question. The reforms mandating transfer of functions to the AMC was also extremely contentious with resistance from long-established state agencies that were reluctant to give up their power and revenue sources to the AMC (see section 5.1.3 for more details).

Non-compliance with respect to reforms had cascading effects; the full amount of funds was not released by the Centre resulting in non-completion and delays of projects due to the inability of the state government to pay for additional costs. Additional penalties were levied since the 13<sup>th</sup> Finance commission performance grants were also withheld from AMC for non-transfer of functions to the ULB. An AMC official stated how AMC's capacity is low since it is a fledgling institution and creating posts becomes difficult when funds are short. This sets into motion a vicious circle because with insufficient personnel and funds, there is lower performance leading to withholding of Finance Commission performance grants.<sup>110</sup> Officials in UD&PA and AMC argued that it was unfair to make reform compliance uniform regardless of initial status; given its newly formed status, how could Aizawl perform on par with ULBs that were more established?

Having assessed the performance and challenges of each of the four JNNURM projects, the case study now focuses on analyzing reforms - how did Aizawl perform with respect to different reforms and what were different challenges encountered along the way.

## **5. Reforms under JNNURM**

The urban reforms announced as part of the JNNURM exemplified the national government's strategy to link implementation of reforms with fund disbursement. There were a total of 23 reforms that were to be completed within the Mission period and for each reform, specific milestones were to be achieved. Mizoram scored 173 out of 230 points in the reform scorecard released by the JNNURM.<sup>111</sup> Several state officials expressed satisfaction with their performance and the award won by Mizoram.

The table below reveals the progress on different reforms by the state/city government over the duration of the Mission, that is, 2007-12.

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109 Interview with PHED official on 16th May 2014.

110 Based on performance on reforms achievement in the first year, cities are allocated a performance grant by Finance Commissions. Performing states get the amount forfeited by non-performing states.

111 5th Reform Appraisal Report (2012-14)

**Table No. 6 Status of JNNURM Reforms in Mizoram/Aizawl**

<b>Reforms</b>	<b>Reform implementation status</b>
Implementing the 74 <sup>th</sup> CAA	Aizawl Municipal Council constituted in 2008. 11 out of 18 functions transferred to AMC. Implemented by UD&PA
Integration of city planning and delivery functions	Assigned AMC with city planning function. Prepared CDP and submitted to central government. Implemented by UD&PA
Enactment of Public Disclosure Law	Mizoram Right to Information Rules 2006 framed. Citizen's charter published in 2011 and partial disclosure through website. Implemented by UD&PA
Enactment of Community Participation Law	Constitution of ward committees (Section 23) in Mizoram Municipalities Act 2007. Implemented by UD&PA
Reform in rent control	Central Rent Control Act not applicable. Gradation of cities done and rates for rent being fixed according to grading. Implemented by LR&S
Stamp Duty rationalization to 5%	Introduced stamp duty on land transactions. Implemented by LR&S
Repeal of ULCRA	Not applicable
Reform of property tax with GIS	AMC approved new property tax assessment system, state government issued notification for its adoption; expected start date of levying April 2015. Implemented by AMC
Simplification of legal and procedural frameworks for conversion of land from agricultural to non-agricultural	Section 18 and 19 of Mizoram (Land Revenue) Rules 2013 address legal procedure and requirements for conversion of agricultural to non-agricultural. Implemented by LR&S
Introduction of Property title certification system in ULBs	Legal provisions made in the Mizoram (Land Revenue) Act 2013 but process of certification partial and not systematic. Implemented by LR&S
Revision of building by-laws –streamlining approval process	Aizawl Municipal Council Building Regulations 2012 enacted, based on Aizawl Development Authority Building Regulations 2008. Implemented by AMC
Introduction of computerized registration of land and property	State government notification on 7th May 2008; Rs 20 fee levied for all types of registration of documents. Implemented by LR&S
Introduction of e-governance in service delivery using IT applications such as GIS/ MIS	GIS based property tax software, accounting software and water billing software completed. E-governance DPR for AMC is pending approval from MoUD. Implemented by AMC
Adoption of accrual-based double entry system of accounting in ULB	UD&PA issued notification on 25th March 2011 to adopt accounting manual developed by AMC; Mizoram Municipalities (Internal Audit) Rules 2013 prepared; IDC staff deputed to AMC to support AMC for accounting reforms. Status: fully completed

Levy of reasonable user charges by ULBs and parastatals with the objective of full cost recovery of O&M or recurring cost	Partial implementation (scored 2 on 10), which includes adopting policy on user charges, collection of O&M charges for water and SWM, and separate accounting systems for water supply and SWM user charges. Implemented by UD&PA
Revision of byelaws to make rainwater harvesting mandatory and adoption of water conservation measures	New building permission certificate is now released only on condition that there is rainwater storage. Implemented by AMC
Byelaws for reuse of recycled water	Building bylaws now make it mandatory to reuse recycled water. Implemented by AMC
Internal Earmarking of funds	State government issued notification introducing separate head ('budget for urban poor') in annual financial statement. AMC's annual budget (2013-14) included 20-25% spending on services to urban poor but not being done. Implemented by UD&PA
Earmarking 20-25% developed land in housing projects for EWS/LIG	State government issued notification on reserving 20-25% land in housing projects for urban poor but not relevant for Aizawl because little land is publicly owned and no housing projects done prior to BSUP. Implemented by UD&PA
Provision for basic services to urban poor	Creation of database of poor households but contestation around definition of 'slum'. Provision of funds for achieving 6 services under BSUP (except primary education) in municipal budget 2013-14 but no action on ground. Implemented by UD&PA
Administrative Reforms (i.e. reduction in establishment costs, not filling posts falling vacant due to retirement)	AMC prepared report on creating municipal cadre system for Mizoram. Circular published on computerization of all administrative activities in AMC. UD&PA planned annual capacity building schedules but could undertake only some due to lack of funds. Implemented by UD&PA
Structural Reforms	Standing committee, 12 subject committees and Executive Council formed in AMC. Implemented by AMC
Encouraging Public Private Partnership (PPP)	State government designated existing SWM project as PPP; issued notification to constitute PPP cell at state level; prepared draft state level policy for adoption of PPP model. Mizoram Municipality Act 2007 includes provisions for private agency's participation in service delivery. But no JNNURM project implemented as PPP. Implemented by UD&PA

*Source: compiled by authors*

The above table highlights that progress made on the large number of reforms is variable. To better assess the actual progress made on reforms and the impact on city governance, this section focuses on analyzing clusters of reforms categorised under four groups, namely: (i) decentralization reforms; (ii) reforms related to financial strengthening of the ULB; (iii) land related reforms; (iv) pro-poor and participatory reforms.

## **5.1 Decentralization reforms: Implementing the 74<sup>th</sup> Constitution Amendment Act**

According to the JNNURM guidelines, this reform constitutes four components three of which the state government has fulfilled. The AMC, the Mizoram Municipalities Act 2007 and the District Planning Committee (DPC) have been formed although it's important to note that the DPC exists only on paper.<sup>112</sup> It is the fourth component that has been the most contentious - the transfer of the 18 functions in the 12<sup>th</sup> Schedule of the 74<sup>th</sup> CAA. So far 11 functions have been transferred to the AMC. To fully comprehend the reasons behind which functions have been transferred and which ones have not, this section breaks down the analysis into three broad categories. The first is those functions where the transfer has been relatively easily implemented, the second where the transfer has been done solely on paper (check-box ticking) but little has changed on ground, and the third where the transfer has not been achieved. The analysis reveals that the transfer of functions wasn't achieved for two main reasons: due to resistance from long established state agencies who stood to lose power and because the AMC didn't perceive much gain from the transfer (especially in the form of funds and functionaries) and therefore no incentive to push for functions to be transferred. Where both were held to be true, the functions weren't transferred but in case of a difference between the two, then much depended on the position and role taken by the state government.

### **5.1.1 Successful Transfer of functions**

Regulation of land-use and construction of buildings has been successfully transferred to AMC from the Aizawl Development Authority (ADA). Along with the transfer of this function, three fourth of the technical staff of the town planning department, comprising engineers and planners, were also transferred. This hollowing out of ADA seemed to be possible because ADA was a relatively recent organization (formed in 2006), one that did not have a long history and territoriality. Once the AMC was formed there was high-level political pressure to vest building regulation with it since one of the main purposes of forming a ULB for Aizawl was seen to be regulation of haphazard development.<sup>113</sup> The AMC was also willing and eager to take over this function seeing it as a source of power and revenue generation. AMC has since established a separate department of Town Planning to bring out its own building regulations based on the ADA's building regulations<sup>114</sup> and deal with new building regulation, collection of fees and taking action against illegal or unauthorized construction.

AMC planners shared how implementing building by-laws in Aizawl has been challenging since prior to 2008 there were no regulations on building construction and Mizos were not used to abiding by such regulations. They have therefore had to use different strategies to make building

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112 Interview with UD&PA official on Oct 29, 2014

113 Interview ex-ADA official March 7, 2015

114 The Aizawl Municipal Council Building Regulations 2012 is based on the ADA's 2005 Building Regulations Act.

by-laws more workable in the city. For instance, they have constituted a Relaxation Committee comprising AMC planners, LC members, councilors and CBOs to make recommendations on building proposals that seek relaxation of building by-laws due to exceptional circumstances (e.g., if plot size is too small to allow for setbacks which happens often in Aizawl). The final decision is taken by the executive council of the AMC based on these recommendations. A second strategy used was to decentralize the work of building regulation by giving LCs a role in regulating buildings. The Town Planning Department has granted LCs the power to issue a stay order in case of a building violation; they also deposit a copy of the sanctioned building plan with the LC to enable it to monitor building according to the sanctioned plan.<sup>115</sup> One of the planners expressed that their staff is small and therefore it makes sense for them to take the support of LCs.<sup>116</sup> This can clearly be regarded as an example of successful adaptation to local conditions and of collaboration between two elected tiers of government. However, the AMC has been accused of lax enforcement of building regulations because it is a political body, subject to pressures from voters, especially in Mizo society where ‘everybody knows everybody else’.<sup>117</sup> Such an accusation seems to be borne out by the AMC’s professed helplessness to enforce building by-laws if people refuse to comply.<sup>118</sup> This indicates that economically and politically connected people might find it easier to violate building by-laws after this function has been transferred to the AMC.

The important function of urban planning, including formulating a master plan is still with the ADA. The ADA had commissioned IIT Kharagpur to prepare the Master Plan (which was approved in 2013). Several AMC and ex-ADA officials revealed that there had been discussion on dissolving ADA and transferring the urban planning function to the AMC. The ADA has been resisting this arguing that planning is best done by an organization like itself with a strong Chairperson (the Chief Minister) and executive authority (a senior IAS officer) that is not subject to political pressures. However, we were told that the state government has taken the decision and the notification for transfer of this function to AMC would be issued soon.

Two other functions have been transferred relatively easily namely, Public Health, Sanitation Conservancy and Solid Waste Management,<sup>119</sup> and Public Amenities including Street Lighting, Parking Lots, Bus Stops and Public Conveniences. In the former case, two agencies used to oversee this function in UD&PA: the Public Health and Family Welfare Department and Sanitation Conservancy and Solid Waste Management. The collection of waste, its treatment and

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115 Interviews with AMC planners 17th February 2014

116 Interview AMC planner 17th February 2014

117 Interview ADA officials on 21st February 2014

118 Interview with senior councilors Mar 3, 2015

119 In a decision taken in a review meeting held on 6th May 2013, the state government issued a notification transferring this function to the AMC.



cleaning roadside storm water drains are the main components of this function but AMC currently only does the cleaning of roadside drains.<sup>120</sup> The LCs have always managed solid waste management works and continue to do so although the funds for this are now routed through the AMC unlike earlier when it came from the LAD.<sup>121</sup> The transfer of this function has not posed difficulty since the scope of works done by concerned state departments is small (there is complete absence of underground drainage system in the city). The state government found it easier to overrule LCs (than its own departments) and since LCs continue to do the work, they have not resisted and nor has AMC since the required funds have been transferred to them.

In the case of Public amenities function, different state departments oversaw different amenities. Street lighting and parking lots were the charge of the LAD but with LCs actually implementing street lighting. Bus stops were the charge of the State Transport department and public conveniences that of the UD&PA. The transfer of this function to AMC has not seen much conflict because no one department was in charge and stood to lose substantial powers.<sup>122</sup> What the transfers actually reveal is that LCs are the ones who feel their power and efficiency has been impeded as they now have an additional layer of the AMC to go via when making complaints or resolving problems rather than directly going to the concerned state departments.

### ***5.1.2 Transfer of functions only on paper***

Both the planning for economic development and social justice and the slum improvement and up-gradation and urban poverty alleviation have been recorded as transferred to the AMC.<sup>123</sup> However, the AMC has not undertaken any actions to achieve these functions nor does it have any sense of what these functions imply. Further, urban poverty alleviation is not included either in Mandatory or Discretionary functions in the Mizoram Municipalities Act 2007, thus giving the AMC no legal mandate for performing this function. All state officials said in response was that the 13th Finance Commission grants had been transferred to the AMC and it was up to the AMC now to plan how to use this fund.<sup>124</sup>

### ***5.1.3 Inability to transfer functions due to resistance***

The transfer of functions, especially roads and bridges and water, was deeply resisted by state line departments that stood to lose power as a result. In both cases, the AMC's lack of capacity was cited as reason for non-transfer. In the case of water, the PHED has proposed the constitution of an Aizawl City Water and Sewerage Board, which it argues will serve the purpose

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120 A Drainage control committee has been formed in the AMC to oversee cleaning of roadside drains.

121 LCs collect monthly contributions from residents of the veng comprising 20% of the cost and the remaining 80% is funded by the UD&PA through the AMC.

122 'Lighting of Streets and Public Places Committee' and Committee on Control of Parking and Collection of Parking Fees have been formed by AMC to more effectively implement these tasks.

123 The notification is dated 27th August 2013 (5th reform appraisal report).

124 Interview UD&PA official 29th October 2014.

of transferring the water supply function to AMC.<sup>125</sup> Both SIPMIU and AMC have resisted this proposal on the grounds of organizational design (a Board is not a suitable organizational form for such a small city as Aizawl) as well as decentralization principle (the elected municipality needs to be in charge of this function). The IDC and SIPMIU have instead proposed a division of roles and responsibilities with PHED being in charge of bulk water supply and AMC involved with distribution and bill collection. The Principal Secretary and senior bureaucrats within UD&PA have been holding meetings and trying to mediate but have so far been unable to convince PHED officials for two reasons. First, the technical staff in PHED were unwilling to be transferred to the AMC as it is new and they fear that their pension and career prospects would be jeopardized. Second, the PHED's main revenue sources are towns with Aizawl alone accounting for the bulk (i.e, 39,747) of water connections. Surrendering this crucial source of revenue to the AMC would greatly reduce the PHED's finances and prestige. State officials were hopeful of resolving this conflict through political channels as the Minister in charge of UD&PA was also the Minister for PHED.<sup>126</sup> In March 2015 this function had not been transferred.

If we consider the case of roads, the PWD also resisted the transfer of city roads to AMC. Ultimately, a compromise was worked out by creating an Aizawl City Roads Authority that has members from both PWD and AMC through a state government notification.<sup>127</sup> The extent of its powers or indeed the funds and functionaries it has at its disposal seem to be unclear with one of the members arguing that it is just a political gimmick to show transfer while actually not transferring the function.<sup>128</sup> The AMC has not shown much interest in acquiring control over this function because it is concerned about finding the funds to sustain additional salaries or infrastructure assets; it maintains that transfer of funds must accompany transfer of functions.<sup>129</sup>

## **5.2 Reforms related to financial strengthening of the ULB**

The state government saw the financial strengthening of the AMC as a core priority. A senior state government bureaucrat explained the state's commitment to these reforms by arguing that the AMC had no municipal resources and was dependent on already stretched state funds. It was important therefore to build the financial resources of AMC as this would make it institutionally sustainable as well as attractive to technical staff that were currently reluctant to being deputed to it. The ADB strongly supported the state government in this endeavor. An interview with an ex-IDC staffer revealed that the ADB supported these reforms because it enabled the state government to better repay the ADB project loan and the AMC to more effectively maintain

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125 According to this proposal key positions like the chairman and vice chairman will be held by PHED.

126 Interview May 16, 2014

127 Its Chairman is the Minister of PWD, vice-chairman is the chairman of AMC, the member secretary is the Secretary of PWD and one member is the CEO of AMC

128 Interview AMC Councilor Oct 16, 2014

129 Interview AMC councilors Mar 2015

ADB project created assets.<sup>130</sup> Despite government and ADB support for reforms that strengthened municipal finances (accounting, property tax assessment, licensing, user charges and other taxes), there was strong resistance from the public to paying more taxes, and interest groups like CBOs at how reforms were affecting social relations of the Mizo tribe. This forced the state government and AMC to enter into dialogue and compromise with these groups to (largely) resolve the problems.

Accounting reform was started by the AMC from day one. Two IDC staff were deputed to AMC to implement municipal accounting reforms. The ADB supported their salaries for the duration of the ADB project (i.e., upto 2014 with the AMC agreeing to absorb them on a contractual basis after that.<sup>131</sup> While the state government has completed all the milestones specified for accounting reforms, over several visits to the AMC it became apparent that there was little awareness about the nature and implications of accounting reforms being undertaken and little resistance to them. Perhaps this is because it comprises a technical, back-end domain, with little perceived impact on citizens' lives. This is in stark contrast to the other reforms related to financial strengthening of the ULB, which have generated tremendous resistance.

Realizing the importance of developing a property tax assessment system for building their resource base, AMC officials worked closely with the IDC on this reform. The IDC defined the different components of this initiative as: (a) to create a property database using satellite images and a survey; (b) to map the levels of urban services available through the survey; and (c) to use the database to institutionalize the implementation of the Unit Area Method of property taxation.<sup>132</sup> To get buy-in from elected representatives for developing this system, IDC made presentations to the 19 ward councilors and the 82 LCs. Convinced by the additional revenue that would be collected, all the elected officials signaled their approval to IDC for the new property tax assessment system.

IDC staff and AMC officials were well aware that property tax was a new phenomenon for Mizos who were likely to resist it as an additional and onerous tax on their property<sup>133</sup>. A senior IDC staffer acknowledged that conducting a detailed baseline survey of properties and service status would require church and CBO support and narrated the process they undertook for doing this.<sup>134</sup> Before starting the survey, IDC organised 24 local consultations in the wards. Importantly, this was with YMA support and conducted in YMA run community centres that are

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130 Interview ex-IDC staff on Feb 17, 2014

131 Interview AMC official Dec 13, 2013

132 Interview senior staff member IDC, Feb 18, 2014

133 So far Mizos were only used to paying a consolidated land and building tax to the LR&S Department.

134 Interview Feb 18, 2014

located in every *veng*. The survey was publicized on local TV channels, in church announcements and in the weekly YMA magazine. The main aim of the 'area profiling' was to identify the future development needs and directions of different municipal wards.<sup>135</sup> In total 48,344 properties were listed identifying characteristics of the properties and premises, and the availability of basic services (ibid). Importantly the profile linked the water consumer number (as given by PHED), Land Settlement Certificate number (issued by LR&S Department), the house number (if any), business license number (if issued by AMC/UD&PA), and other relevant information. So, in the process of implementing property tax reform, IDC created an integrated, comprehensive database on all properties and existing levels of municipal services available for the AMC. This was linked to GIS and the software installed and made ready for use.

IDC also framed rules for property tax and designated 8 property tax zones according to various criteria. When word of the property tax categorization spread, there was an outcry from citizens, LCs and from CBOs, who formed themselves into an NGO co-ordination committee. Citizens were concerned about the all-round increase in taxes and feared that this was a harbinger to the introduction of income tax in a region that has so far enjoyed a waiver from paying income tax.<sup>136</sup> The biggest point of conflict, however, was the manner in which property zones had been categorized. LCs, the NGO Coordination Committee and many AMC councilors were united in agreeing that IDC's categorization was not suitable to Aizawl. The IDC had valued properties based on their proximity to the main road/highway and amenities, in keeping with international norms. This didn't work in Aizawl where the hill-tops that are often further from the main road are preferred locations where more wealthy families live (Master Plan 2013). Additionally, because poor and rich households were mixed, it meant that both were liable to pay the same property tax within the same zone, making people angry at this injustice.<sup>137</sup> Several AMC councilors and members of the NGO Coordination Committee argued instead for developing more fine-grained standard of living criteria like family income and value of land arguing that these criteria would make for a more equitable system of property tax assessment.

A councilor discussed how property tax assessment had become an issue of personal identity, which is why the YMA and MZP were keenly involved. The YMA saw this as a means of protecting the Mizo way of life from standards that were inappropriate because they had been developed in very different contexts<sup>138</sup>. The MZP argued for first studying Aizawl to understand

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135 Municipal Area Profile Report, Aizawl Municipal Council Consolidated August-September 2013 by State Investment Program Management and Implementation Unit (SIPMIU) and Urban Development and Poverty Alleviation Department, Government of Mizoram.

136 Interview with state party official on March 5, 2015

137 Interview ex-state government official on 5th March 2015

138 Interview CYMA office bearer, March 3 2015

the people and their actual status rather than using roads as a proxy.<sup>139</sup> This was a subtle criticism of the IDC, seen as a newcomer trying to make rules without understanding the people for whom the rules were being made. The AMC and its preoccupation with generating revenue was also faulted as this had led it to blindly accept the IDC's uneven rates and categorization. As a local expert explained, every category had a ceiling amount but the AMC was using this as a flat rate, thus even those with sub-standard housing were being charged this rate.<sup>140</sup> The AMC, on the other hand, argued that people's resistance to increased taxes was fueled by a lack of familiarity. "Taxation is a new thing for Mizos- we don't understand it. [but] This is mandatory in the JNNURM and in the Constitution"<sup>141</sup>. Interestingly, this AMC councilor emphasized taxation as a compulsion of citizenship, part and parcel of belonging to a 'modern' and 'developed' world.

There is no doubt that the NGO Coordination Committee's protests compelled the AMC to resolve the issue. The AMC called a meeting (in July 2014) where LCs, the LC Association and NGO Coordination Committee were invited. Then and there, in the presence of all, the zones were re-categorized to mutual satisfaction. The re-categorization was based on situated, historical knowledge of families' standard of living and ability to pay in different vengs. State practices of property assessment using standardized techniques and synoptic knowledge were thus rejected in favour of local vernacular knowledge exercised by knowledgeable locals such as YMA members, LC Chairpersons and AMC councilors (Scott et al 2002). The AMC expected to start levying property tax from April 2015 once cabinet approval has been received.<sup>142</sup> Under consideration is the constitution of a separate division for Property Tax collection in AMC.<sup>143</sup>

If property tax assessment has been contentious, the issue of licensing has been even more so with protest being generated primarily from the NGO Coordination Committee and the Mizoram Merchant Association (MIMA). AMC officials argued that if Aizawl is to develop then resources need to be mobilized and licensing is one avenue whereby the AMC could generate revenues. Accordingly, the AMC Licensing Regulations 2012 was prepared under which every shop/establishment was to obtain a license from AMC and pay a license fee annually. The 2012 Act could not come into force however because MIMA and CBOs were virulently against it. MIMA and CBOs feared that trade licenses previously distributed by the erstwhile Mizoram District Council to non-Mizo businessmen would enable them to renew their licenses under the

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139 Interview MZP office bearer Oct 16, 2014

140 Interview academician Oct 16, 2014

141 Interview AMC councilor Oct 17 2014

142 This involves approval of a change in words from 'Annual rental value' to 'Unit Area Method' system of property tax assessment; all other approvals have already been sanctioned (Interview AMC official).

143 There is a likelihood that those staff recruited by IDC for the property survey will be hired to staff the new department (Interview AMC official Dec 13, 2013).

new regulation of trade licenses initiated by the AMC (Assam Tribune Sept 2011; TNT News 2012) without any safeguard for native merchants.<sup>144</sup> Regional political parties in Mizoram (MNF, ZNP, MPC) supported the NGO Coordination Committee's demand that licenses be granted only to those who have a tribal certificate, residential (domicile) certificate in Mizoram and voter ID from Mizoram.<sup>145</sup> Despite support from regional parties, the decision to charge a licensing fee in the AMC was taken in 2011 when the Congress was in power in the state government as well as in the AMC (in coalition with the ZNP). In July 2014 the Congress-ZNP coalition collapsed in the AMC and a coalition comprising MNF and ZNP took over power. For the next six months, till this government fell again in February 2015,<sup>146</sup> agitations around the licensing regulation were very high. Matters reached a head in September 2014 when the NGO Coordination Committee initiated picketing of the AMC office for four days. Finally due to the intervention of the ruling Congress Party in the state government, the matter was resolved.

A state government official explained its support for AMC by arguing that the government cannot debar people from trading in Mizoram- Constitutional rights permit any Indian citizen to move and set up business anywhere in the Union. While maintaining this stand, the state government and the AMC sought a compromise with CBOs acknowledging both their influence in society as well as the widely shared sentiment to safeguard the interests of 'sons of the soil'. The compromise took the shape of the AMC amending the regulation clarifying and limiting the scope of a license as, "The Licensing Regulations is not a trade license, but is a restriction to business houses for the safety of the people and for their health in the wake of fast development of Aizawl city and the resultant traffic congestion or overcrowding thereof" (EPAO 2014).<sup>147</sup> Additionally, it specified that a residential certificate and voter ID card from Mizoram are required for doing business. The AMC continues to issue licenses to those accepted as own citizens, even if non-Mizos, as long as they have a residential and voter id card from Mizoram.<sup>148</sup> An AMC official maintained that this license would enable the AMC to regulate businesses that

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144 Issue of trade licenses to non-Mizos has stopped since 1976 because after the dissolution of the Mizo District Council there was no executive authority to renew licenses. This meant that non-Mizo license holders continued to use their expired licenses for illegal trading in Mizoram. This is deeply resented by CBOs who often take the law into their own hands to curb this (EPAO January 20, 2014 Source: <http://e-pao.net/GP.asp?src=33..210114.jan14>).

145 Regional parties have historically forged an identity and constituency around nationalism and fears of assimilation of the Mizo nation.

146 The Congress came back to rule this time in partnership with the MPC.

147 Accordingly, the definition of the term 'license' given in the Regulation 2(m) has been changed from 'License means license issued by the Aizawl Municipal Council for the purpose of trade' to 'License means license to use a particular place or location for the purpose of doing business within AMC area' (EPAO 2014).

148 On average AMC is receiving about 100 applications per day. The fee ranges between Rs 500-2500 depending on the nature of business

have encroached and caused ‘nuisance’ to the public; he also believed that NGOs’ continued opposition to licensing was mainly due to reluctance to pay higher taxes, as earlier people were exempt from paying.<sup>149</sup>

The AMC is also successfully collecting fees on advertisement and hoardings, and parking. However, performance on user charges has been poor. Only 16.64% of O&M charges for water supply and 20% for SWM in the year 2012-13 has been achieved (5<sup>th</sup> Reform Appraisal Report 2012-15). A UD&PA official stated that they have requested PHED to link user charges with water services provided but PHED has found this difficult to implement.<sup>150</sup> The same official went on to explain that SWM charges are being collected successfully but are not accounted as user charges. What AMC does for SWM is that it makes provisional expenditure for LCs to the tune of 80 percent of the cost and then LCs collect the remaining 20 percent from residents and directly use it for SWM. But the centralized reform assessment done by IMAC claims that they have no documentary (read accounting) evidence of citizen payments (as these funds are directly utilized by LCs) and therefore Mizoram cannot claim to be collecting SWM user charges.

### **5.3 Land related reforms**

The domain of land related reforms has seen significant changes - the enactment of the Mizoram Land Revenue Act, 2013 along with its Rules 2013 - but since the Act is still new, many people are unaware of the changes and it is too early to establish the real extent of impact on the ground. Overall, it seems clear that the LR&S Department supports the regime of private property and the Land Revenue Act 2013 shifts power from the community (and the vehicle of the VC) in favour of the state government. This represents a shift from community ownership based on customary rights (sanctioned by the 6th Schedule of the Constitution) and largely administered by the VC to individual private property rights. These statutory changes that have privileged private property have led to Mizoram achieving full scores for this reform under the JNNURM.

Through the new Land Revenue Act, the LR&S Department sought to settle the tribal population into individual ownership with a land settlement certificate (LSC) especially in towns (Lianzela 2006) with several important consequences. Land in the state is classified into two types: non-farm and farm land.<sup>151</sup> Interviews with LR&S officials revealed that non-farm land constituted house sites and trade sites and allotment was done either by the VC issuing a house pass or by applying to the LR&S Department for a LSC<sup>152</sup>. The core difference between house pass and

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149 Interview with an AMC official on Oct 16, 2014

150 Interview on 29 October, 2014

151 Farm land can be divided into two categories depending on the mode of farming: land under permanent cultivation which is privately owned and jhum or common lands that is administered by the VCs.

152 Interview LR&S officials 15th October 2014

LSC is that the pass holder has only usufruct rights for the time period and the specific usage permitted whereas the LSC holder has inheritable and transferable rights derived from the regime of private property.<sup>153</sup> So far the increased settling down of tribal population and claims of individual ownership of land (Dept Land Resources, Government of India, 2009) has largely not been supported by cadastral survey and documents conferring legal ownership rights (ibid). Through the new Land Revenue Act, 2013 the LR&S Department aimed to change this by moving from a piecemeal land allotment approach to a comprehensive survey approach followed by issue of an LSC to the individual property owner.<sup>154</sup> Since the process of applying for an LSC is time consuming, difficult without political connections, and expensive, this hurts poor people the most; it also puts more power in the hands of state government and LR&S officials.<sup>155</sup>

Through the Act, LR&S officials also aimed to transfer private land to the state government as government owns almost no vacant land and this is urgently needed for development purposes. Sections 18 and 19 of the Rules 2013 clarified the legal procedure and requirements for conversion of agricultural to non-agricultural land. Importantly, it hiked the quantum of land that an owner must surrender without compensation in order to sanction land conversion.<sup>156</sup> LR&S officials revealed that the intention behind this provision was to transfer private land to the state government for the provision of public infrastructure or affordable housing. In practice, this has proved difficult to execute as owners are reluctant to surrender such a high proportion of their land; one person shared concerns whether such land transfers would actually be used in the public interest since there is no transparency regarding these records.<sup>157</sup> Since the Act has come into force there has been not a single instance of voluntary surrender of land in return for land conversion.<sup>158</sup>

After introduction of the JNNURM and the Land Revenue Act, 2013, the LR&S department has started charging stamp duty and collecting registration fees since January 2014.<sup>159</sup> Prior to this there was no stamp duty levied on land transactions; the Land revenue department collected only mutation fees. Discussions with officials revealed that so far there have been no public protests and introducing stamp duty reform was not merely about fulfilling a new administrative procedure but changing the mindset and behavior of Mizo society who were not in the habit of paying such taxes. Clearly after the introduction of the new Act, practices related to land control and management have become more regulated by the state. LR&S Department officials argued

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153 The right to transfer is subject to The Mizo District (Transfer of Land) Act, 1963, which does not allow transfer of land to non-tribals.

154 Interview LR&S official 15th October 2014

155 Interview LR&S official 21st May 2014

156 The new Act specifies surrender of 40% of owner's land in case of periodic patta and 33% in case of LSC owner.

157 Interview ex-state government official on 30th October 2015

158 Interview LR&S official on 21st May 2014

159 Approximately Rs. 20 lakh had been collected by Oct 2014 (Interview LR&S official October 2014)



that such regulations were necessary, as it would enhance the funds accruing to the department. The larger consequence of the state's efforts is the slow transformation of customary (and communal) practices around land into monetised relations of exchange, where land is viewed as homogenous units of exchange value.

Somewhat ironically, having pushed through this landmark legislation, the LR&S Department is operating under serious financial constraints and is mostly unable to implement it due to inadequate funding. Additionally, the lack of proper land records has meant a vast backlog of court cases with multiple claimants on the same piece of land. This is also a task that the Department is ill equipped to deal with.<sup>160</sup> Many of these changes remain therefore on paper.

#### **5.4 *Pro-poor and participatory reforms***

Out of the four major reforms that can be identified as pro-poor and participatory, only the enactment of the Community Participation Law has resulted in substantial changes on the ground. Internal earmarking of funds is one pro-poor reform that exists solely on paper. In compliance with this reform, the state government issued a notification introducing a separate 'budget for urban poor' head as well as spending of 20-25% on services to the urban poor in the annual financial statement (Annual Action Plan 2013-14). However, AMC officials and councilors had not heard about any plan or scheme that had been prepared for utilizing this budget head for urban poor. Thus, the only change has been an accounting one. Provision for basic services for the urban poor is another pro-poor reform that has had little substantive impact. This reform includes both the creation of a database of poor households and the provision of funds for achieving the 7-point charter.<sup>161</sup> While the UD&PA had completed a survey of slum areas in Aizawl in 2009, this data was contested because there has been much resistance to defining areas as 'slums' (see pg 4.1.2). As for the 7-point charter, the municipal budget for 2013-14 has provided for six services under BSUP (except primary education, which is not under AMC's purview) but the councilors said that this has not translated into any action. The reasons for this lack of interest on the part of AMC could be several. First, urban poverty alleviation has not been legally written into the Mizoram Municipalities Act. Second, the AMC has not been involved in the design or implementation of the ongoing BSUP project thus not creating a stake in this domain. Third, interviews with AMC and LC councilors revealed that Mizo society is very tightly knit and while the tradition of helping others in need (via cash or kind) is ingrained, it has largely been taken care of by the church and CBOs. Perhaps this has resulted in the AMC not seeing itself as playing a major role this domain.

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160 While the new Act makes provision for a Land Tribunal for adjudication of disputes, it has not been constituted due to lack of funds.

161 These include housing, water supply, sanitation, SWM, primary education, health care and social security.

Earmarking 20-25% developed land in housing projects for EWS/LIG is the third pro-poor reform with no ground-level impact. While the state government issued a notification on reserving 20-25% land in housing projects for the urban poor, officials revealed that this reform was not relevant to Aizawl because the state owns almost no land, that traditionally housing schemes have provided loans, and people prefer to build their own houses. There is no historical legacy of the state providing houses to people who are in need and therefore the question of earmarking 25 percent of this land for the urban poor becomes irrelevant.

Mizoram has gained full-score for achieving the Community Participation Law (CPL). The state government has made provision for WCs in the Mizoram Municipalities Act, 2007 (Section 23) and notified the Municipalities (Ward Committee and Local Council) Rules 2010 that lays down the rules for constitution, composition, tenure, and functions of WCs. The scope of functions of WCs seems to be wide - “to make local and internal arrangements and all activities within the ward for the common civic services and common benefits of the community and other matters including social harmony” (chapter - II, section 10). While WCs have a role to play in planning by identifying problems of the ward, prioritizing them, and preparing a list of developmental schemes for submission to the Municipality, the AMC is not bound to accept these proposals, thus rendering WCs somewhat toothless. While the Rules specify that WCs must meet at least once in every three months, in practice WCs are rarely called and are mostly non-functional.<sup>162</sup> Elected councilors revealed that they were not clear about the purpose and importance of new institutions like WCs that have been inserted in between existing and deeply rooted LCs and the AMC.<sup>163</sup> The AMC as well as the state government seem to have made little attempt to spread awareness of the role of WCs to councilors, LCs and people in the city. Councilors are more familiar and connected with LCs despite being elected from a ward that comprises 4-5 LCs. While some LC members and councilors believe that there is no need for WCs as LCs are already performing its functions, AMC officials believe that the system of WCs is good because it provides a forum for the councilors and LCs to discuss ward-level infrastructure development plans and budgets.

Apart from the CPL, the state government has reported that it values citizen participation and involves CBO representatives in many committees and government projects.<sup>164</sup> In Mizoram, in general, there is huge penetration of CBOs in a range of state activities – both formally demarcated roles and occupying informal roles. Where CBOs feel that the morality or social fabric of Mizo society is being compromised (eg the licensing or property tax issue) they do

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162 Interviews LC Chairpersons Oct 9, 2014

163 Interview AMC councilors Mar 3, 2015

164 For e.g., YMA representatives are members of the Relaxation Committee, MHIP representatives are involved in many schemes under the Social Justice Department.

forcefully intervene and have the power to significantly influence government decisions as has already been described.

### ***Concluding comments on reforms***

Having analyzed reforms in detail there are some overall conclusions we can come to. The first is that there has been substantial attention given to reforms that would generate revenues and strengthen the finances of the AMC and this is largely due to the weak financial condition of the state government. The ADB has provided crucial financial and technical assistance here as this dovetails with its own goals. While officials and elected representatives were in broad agreement of promoting these reforms, there has been conflict with members of the public who fear rising taxes and CBOs that are fuelled by ethno nationalistic politics and concerns regarding entry of social evils like drinking and corruption perceived to be spread by 'outsiders'. Overall, however, citing the broad plank of 'development' and increase in material welfare, significant progress has been made on this front.

A second major category of reforms where substantial changes have occurred is with respect to decentralization reforms. This domain has witnessed resistance from both above (long established line departments who fear erosion of their 'turf') and below (deep rooted LCs whose working is affected by the newly established AMC and WCs). As a result of the formation of the AMC as an intermediate tier between LCs and the state government, there are two sets of directly elected representatives at the local level. This has contributed to overlaps, lack of clarity of roles, and resultant conflicts between different tiers, which have not been resolved.

A third category of reforms that the state government has clearly committed to has been land and building construction related reforms. Clearly the focus here was on promoting private property and strengthening the authority of the centralized LR&S Department over numerous VCs/LCs in the domain of land. While the provisions enacted are far-reaching, they are also new and there is little awareness yet.

The final category of reforms scrutinized is pro-poor and participatory reforms. This set of reforms has seen the least commitment from the state government and the AMC. Perhaps this is because it is a domain that is seen as infringing on the preserve of the church and CBOs from two standpoints. The first is that the church and CBOs are seen as having the moral authority to call for and initiate provision of a range of services to poor families. The second, more conflicted, standpoint is that a large number of (poor) groups are migrants from outside the state or constitute tribes that are not considered a part of the 'Mizo' nation (such as Chakmas). Providing services to these groups through government schemes (for example through BSUP housing) is resisted by CBOs on grounds that it provides incentives for these groups to stay on and promote anti-social activities (such as drug peddling or alcohol brewing) that disrupt Mizo society.

Similar to projects, even across reforms we observe that several reforms are inappropriate to local conditions. In some cases these new, top-down reforms are adapted under pressure from CBOs or people but this depends on the nature of the issue and also on government leadership in seeking out participation and making compromises.

## **6 Conclusion: Impact of JNNURM projects and reforms on the AMC and city-level governance**

### **6.1 *The municipalization process in Aizawl and the position of the AMC in Aizawl's governance ecosystem***

In the last several years the magnitude and scope of urban transformation in Aizawl is remarkable. The invention of the AMC needs to be seen as part of a larger paradigm shift in urban governance brought about by the JNNURM. The Mission sees decentralization and even democratization in only one way, that is, through the prism of municipalization to which all 'urban' areas need to conform. The carrot held out to the perennially short of funds state government was provision of funding for infrastructure development. Such a standardized notion of decentralization and democratization did not take into account Mizoram's unique institutional and policy history and socio-cultural context. This section studies the new governance institutions created as part of JNNURM required conditions and the resultant redefining of roles of existing institutions in an effort to examine the position of AMC in the governance eco-system of Aizawl. What is the consequence of municipalization on governance in the city? What are governance outcomes for the city as a whole?

#### **6.1.1 *The AMC as a hybrid invention***

While there was broad agreement on the need for constitution of a ULB that would work for the benefit of Aizawl, field visits revealed that there was a huge gap between the people and the AMC. "People first approach their LC if there is a problem, then only come to AMC but this is slowly changing".<sup>165</sup> Several discussions with government officials focused on how the AMC and its councilors need to build trust and credibility in the institution of ULB among the community. There is hope that this will change with time. The next AMC election (to be held in November 2015 is seen to be an important marker in this regard (*ibid*).

By contrast, stakeholders across the board shared their opinions on the importance of the LC to people's lives. The LCs are crucial for the delivery of services in the veng (from collection of garbage, to switching on and off street lights, to calling for *hnatlang* to clean public areas) and

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165 Interview IDC staff 18th February 2014

also monitor, implement and regulate development via the issue of various no objection certificates (e.g. for renting a house, applying for a business license, opening a shop, doing land transactions). Much of this power derived from customary practice developed over many decades. Given the all-important nature of this governance structure, LCs were retained and incorporated within the AMC as the lowest tier of urban governance. The AMC thus represents a hybrid creation consisting of the new AMC married to the old LCs comprising two sets of elected representatives. This is an innovative adjustment well suited to Aizawl but one that has also caused conflicts and lack of clarity on roles between tiers of government and elected representatives at the local level that remain unresolved. The next section elaborates on some of these tensions.

### **6.1.2 Tensions and struggles from below and above the AMC**

- ***From Below: AMC and LCs***

The AMC has been described as a less powerful institution inserted in the middle of a governance structure with much more powerful institutions at the top (UD&PA) and bottom (LCs, CBOs and church organisations).<sup>166</sup> However, the AMC has three powerful tools of statecraft at its disposal, largely related to finance, which it has used to establish its control over city governance. First is the power that AMC (ruling party) councilors have to make financial allocations to different wards. These are then projectized into development works for each ward and distributed via contracts – making decisions as to who wins contracts is the second tool of power. A retired AMC official described the contracting process as the domain where the (ruling party) councilors wielded complete control. While all norms were adhered to (like issuing tender notices) only those contractors affiliated to (ruling party) councilors tended to submit their bids and get selected. The importance of contracts should not be underestimated as it enables building networks of power and secure government funding between politicians, bureaucrats and contractors (often the same few private companies). Contracting is also a source of particular conflict between LCs and the AMC as shared by several LC Chairpersons. While LCs do much of the local level monitoring and implementing of works, recommendatory and dispute resolution functions, there has been no enhancement of their financial powers and no clarity regarding their powers vis-a-vis the new AMC structure. Due to non-functional WCs they do not have much role in the formation of the AMC budget either. With the commencement of the AMC, they have to channel complaints or requests through the AMC.<sup>167</sup> Several LCs have said that when funds are not transferred from AMC, it is LCs who call for *hnatlang* or public contributions and get the work done (Interview LC members). Yet they are given little say in the

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166 Interview with IDC staff on 18th February 2014

167 Interviews LC chairperson 9th October 2014

process of decision- making and contracting of projects; contractors who do poor quality work are not accountable to them and therefore disregard their monitoring.<sup>168</sup>

The third domain of AMC's power is in the formulation of many new regulations, policies and Acts which use 'global technical language', standards and norms that make local level governance increasingly opaque and inaccessible to LCs. While these are couched in terms of the imperatives of the 'modern' urban state dealing with the pressures of urbanization, LCs complain that if they don't understand them, how are they to monitor their functioning at the level of the veng? Often the laws are formulated by consultants in English and given to LCs; only under pressure from LCs have they been translated into Mizo. What is important to note here is that only certain LC (and AMC) councilors have the necessary capabilities and political acumen to adapt to the new system while others might be left behind.

At the root of conflicts between LCs and the AMC is the perception by LCs that they are becoming less powerful and their status in AMC is uncertain.<sup>169</sup> Several government officials disagreed with the perception that LCs were weakening, arguing, "nothing can move without the LC's signature".<sup>170</sup> One went so far as to say that "AMC councilors are actually the odd man out in this new urban governance system. They are important for schemes and the distribution of works but this may be their only area of importance".<sup>171</sup> What the formation of the AMC has undoubtedly done is increased the flow of funds through the system at the local level and created opportunities for political aspirants at the ward level that are much better paid,<sup>172</sup> and have better access to government largess than LC members. This has created tensions within and between LCs and the AMC (although there are examples of collaboration as well).<sup>173</sup> It also seems to be changing how people relate to and perceive LC chairpersons and AMC councilors. In the first 5-year tenure of the AMC, there have been three regime changes, the second with just 6 months left for the term in office to end.<sup>174</sup> This has contributed to public disillusionment with AMC councilors who are seen by the people to be increasingly disinterested in public service.

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168 Interviews LC members 9th October 2014

169 Several LC members felt they were more experienced than first-time councilors in the AMC and therefore should not be treated as subordinate to them; and that people still come to them for resolution of building disputes and when one person's building construction causes 'public inconvenience' they can more effectively and speedily intervene to resolve the matter than the AMC (Interview Mar 2015).

170 Interview with officials from UD&PA and AMC, May 2014.

171 Interview Oct 30, 2014

172 Unlike LC members, the AMC has quite a substantial emoluments policy

173 AMC has granted LCs the power to issue stay orders in case of a building violation for instance.

174 Interview with AMC officials on 19th October 2014

AMC councilors clearly seem to derive their authority from a statutory framework embedded in claims to better address the needs of urbanization. AMC councilors have argued that a municipal council is strongly needed especially in urban areas because even though the VCs are present in every locality, they do not have real power and capacity for administration, their staff is neither permanent nor trained, and each LC focuses only on its own locality.<sup>175</sup> State government officials concurred with the need for a focused approach towards urbanization.<sup>176</sup> LCs on the other hand possess moral and social authority derived from customary practice. While LC members cannot claim to represent the interests of the whole *veng*, these are long established institutions that deeply influence governance and identity in the *veng*. The new influx of funds might be changing this however, with the LC members being gradually viewed as party workers who can be corrupt and use their ability to make money (through influencing development works and subsidy allocations) in an increasingly unequal urban society.

- ***From Below: AMC and NGOs***

While Mizo associational life and participation is extremely vibrant with most people being deeply involved in and committed to community service in different ways, it is characterized by some peculiarities. It is dominated by the church and CBOs that are very active on issues of ethno nationalist, protectionist politics but relatively absent in domains that are viewed as not connected to such politics. Thus, issues like property tax assessment and business licensing attracted tremendous opposition from these groups due to perceptions of destruction of community life and domination of local merchants by outsiders. Issues like building regulation and transfer of functions to the AMC have however received little attention by these same groups. Apart from CBOs, there exist a handful of NGOs who do not seem to have a strong influence in governance. There are also active interest groups, such as taxi owners and taxi drivers associations, bus owners association, and merchants association that mobilize when their specific interests are being harmed. Overall there seems to be no strong civic sphere or civil society focused on a broader public interest.

Interestingly, the church and CBO focus on protecting the socio-cultural and economic life of Mizos has had an important consequence: it has resulted in them scrutinizing central/state government programs for their fit with Mizo society and ensuring their modification to suit local conditions.<sup>177</sup> This has had both positive and negative outcomes. It has forced the AMC and state government to take into account the views of these organisations and adapt standardized rules and conventions to local needs. Given their nativist orientation that benefits only the ‘sons of the soil’, however, these organisations have often taken the law into their own hands where they think the government is not taking adequate steps to ‘protect the tribe’. Minority groups (e.g.,

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175 Interview AMC official 13th December 2014

176 Interview Dec 13, 2013

177 Interview MZP official on 16th October 2014

those people not considered part of the Mizo tribe) and women are particularly hard hit by such initiatives of the CBOs. This has led to a clash between constitutional and legal rights that the state government and AMC claim to uphold versus customary rights that CBOs uphold.

The confrontation between the church and CBOs, and the state has a long and chequered history and is rooted in the former's claims of moral superiority. The former perceive government as opportunistic and corrupt, and this is contrasted with the greater faith that Mizos (are claimed to) have in associations like YMA (YMA Newsletter Oct 2013, p.2). During consultations held for the Rajiv Avas Yojana, a national affordable housing programme, the YMA and MHIP opposed identifying 'slums' in Aizawl; on the other hand, councilors were open to designating certain areas as 'slums' seeing it as a means to pool resources to develop those areas that genuinely require house improvements and new houses.<sup>178</sup> CBOs tended to view the AMC as only interested in collecting revenue and disbursing contracts to favoured party members and not on providing services.<sup>179</sup> CBOs and the Church therefore often take on a watchdog role with respect to development projects. Monitoring by YMA greatly facilitated the JNNURM roads and BSUP components, for instance.

In turn, the state seems to view domains outside the exclusively social and moral as being outside the purview of the church and CBOs. Historically it was church and community organisations that provided many social services<sup>180</sup> in the absence of the state and this is likely a major reason for the minimal role played by the AMC and the UD&PA in poverty alleviation. On the other hand, the creation of the AMC was viewed as outside the purview of CBOs and church organisations and was done without their consultation despite them representing integral components of Mizo life. Of note is that upon protest, both AMC and state agencies have been relatively open to trying to resolve the issue collectively, as in the case of property tax and business licenses.

- *From above: with state departments*

The most resistance to transfer of functions specifically and the JNNURM more generally has come from state department service providers, as mentioned earlier. Several officials from PHED, PWD and the Transport Department complained about projects like JNNURM being imposed on them from the Centre and their inability to resist because "we can't oppose Delhi

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178 Interview UD&PA official on 15th May 2014

179 Interview YMA official on 13th December 2013

180 Spheres in which the YMA is active include building homes for widows, providing help in natural calamities, conservation of forest and prevention of wildfire, taking care of mentally and physically challenged people, voluntary blood donation, measures to control HIV/AIDS and drug trafficking, support to education, vigilance during elections and promotion of sports (CYMA 2010; Interview AMC official Mar 3, 2015)



people”.<sup>181</sup> They discussed how the state government’s position was weak because it depended so heavily on the Centre for funds and this compromised its ability to bargain with the Centre. A PHED official stated, “Through its schemes, the Government of India is busy creating new agencies (e.g., SIPMIU and AMC) but does not trust the old agencies. But what will the new agencies do after five years; will they become redundant after the project life is over? Endless new institutions could be created in this way.”<sup>182</sup> The deep resentment and demoralization this statement reflects should be taken seriously - it goes beyond the encroachment on agency powers and concerns of individual career prospects of technical staff. Repositories of knowledge/skills have been built up over many decades of practice in a difficult terrain and, in the eyes of this official, this seems to be devalued by the creation of new organisations. This resentment has manifested on the ground and affected project outcomes; PHED’s non-cooperation with SIPMIU is a good illustration of this. SIPMIU was funding 33,000 new water meters for Aizawl and for this it needed data on those households that had functional meters but PHED did not provide SIPMIU with this data, forcing it to engage a private consultant to do a survey to obtain this information.<sup>183</sup>

The UD&PA’s relationship with the AMC is quite complex. On the one hand, its officials provided technical and financial support to AMC and have played a big role in its creation and handholding. On the other hand, the UD&PA has become a powerful department, in large part due to the ‘urban’ funds that it controlled under the JNNURM and other IFI sponsored projects. Transferring ‘urban’ funds and functions to the AMC has not happened. The AMC has petitioned to be made responsible for JNNURM projects with the UD&PA and the Chief Minister but without success.<sup>184</sup> Perhaps the fact that the AMC’s CEO has so far been a retired state government official (which aligns his/her loyalties closer with the state government than the AMC) has affected the AMC’s ability to put pressure on UD&PA. This, however, might slowly be changing. Discussions with the AMC officials and elected representatives over the course of one and a half years reveal that the AMC is slowly building its (financial and human) capacity and its own distinct identity and territoriality.

### ***6.1.3 New resistance generated by women’s reservation in AMC***

With the formation of the AMC, for the first time women have become a formal part of local self-government in Mizoram through the mandatory thirty-three percent reservation for women. While this represents a milestone for women’s involvement in politics in a state where it has

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181 Interview with UD and PA officials on 19th February 2014

182 Interview with PHED official on 21st February 2014

183 Interview SIPMIU official on 15th May 2014

184 Interview AMC official Dec 13, 2013

been historically low (Lalneihzovi 2009; 2014),<sup>185</sup> gaining social acceptance for women in city politics has proved elusive and generated conflict.<sup>186</sup> Men and women voters alike were not in favor of choosing women leaders due to perceptions that they were inexperienced, that politics is not women's domain and entering into politics means neglecting the family. This meant that only those women that got strong support from their family, especially from their husband, were able to enter politics.<sup>187</sup> No male councilors outright opposed women's reservation but several expressed uneasiness about being under the supervision of a woman. One male councilor shared that women are not capable of doing administration or understanding politics.<sup>188</sup> The core of the problem however seemed to be that local councilors regarded their *veng* as their personal fiefdom, the matrix of socio-spatial relations they were embedded in and a core part of their identity; these were areas which they had intimate knowledge of, where social relations and records had been built up over many years and rotational reserving of wards for women candidates threatened to rupture this.<sup>189</sup> Reservations thus seemed to pose an intractable problem in Aizawl where the *veng* was central to the construction of Mizo personal and neighborhood life.<sup>190</sup>

Women councilors on the other hand said that very few male councilors in the AMC were truly cooperative due to deeply rooted patriarchal attitudes.<sup>191</sup> One woman councilor said she did not want to contest municipal elections again because of disparaging remarks made in AMC meetings by councilors from her own and opposition parties about her educational qualifications and divorced status.<sup>192</sup> Further, during personal attacks, women councilors said they could not rely on their political party to support them (*ibid*). Unlike their male colleagues, women councilors felt that AMC officials treated them supportively and without discrimination. They however shared that their lack of knowledge on how the AMC works and their lack of experience in administration in general often prevented them from taking part in decision-making. This is borne out even in the case of women Executive Councilors that had little knowledge on projects

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185 During the system of chieftainship and during VC administration, men have dominated the political process (Lalneihzovi 2009). Since 1972, only six women have made it to the state assembly (Women voters outnumber men, but no women's representation' <http://www.tehelka.com/mizoram-women-voters-outnumber-men-but-no-womens-representation/>). A similar low level of representation has been observed at the VC level with only 34 out of 2071 seats being won by women and only 4 women VCPs in the 2009 elections.

186 Interview AMC councilors Mar 3, 2015

187 Pi Rohmingliani, General secretary of WWF -Women Welfare Front, President of MHIP, Mission Veng

188 Interview Local Council President, 19th May 2014

189 Interview 11th December 2013

190 Perhaps this is why women's organisations like MHIP have focused on advocating that political parties field more women candidates so that the decision of which candidates would contest elections would be a party decision.

191 Interviews women councilors 10th October 2014

192 Interview woman councilor 10th October 2014

and reforms of the JNNURM.<sup>193</sup> Clearly women's reservations in the AMC have generated turmoil but this will likely lessen with the passage of time as people get used to both the AMC and more women in political positions.

#### **6.1.4 The AMC's still precarious position: funds, functionaries and building capacities**

Since 2008-09, which is the first year of its functioning, the AMC has significantly increased its budget and own revenues (see Table No. 7). The overall size of the budget increased 13 times from Rs 8,000,000 in 2009-10 to Rs 105,120,000 in 2013-14. Despite this substantial increase, however, an AMC official shared that the AMC was facing a shortfall.<sup>194</sup> This negatively affects all domains of activity of the AMC.

**Table no. 7: Increase in Financial Strength of AMC 2008-2014**

<b>Year</b>	<b>Receipts/Grants</b>	<b>Receipts from Own Revenue Sources</b>
2008-09	State Govt. grant 4,000,000	Nil
2009-10	State Govt. grant 6,000,000	Advertisement tax 50,000 Rental income Municipal properties 778,326
2012-13	Central Government grant (12th Finance Commission) 5,92,03,000 State government grant 3,28,50,000 <b>Total grant 92,053,000</b>	Property tax collection 223,47,000 Rental income Municipal properties 534,050 User charges and fees 6,128,447 (includes Development charges 2,054,849, User charges 41,000, Pay and Use Toilets 50,000, Entry fees for Aizawl city 21,97,835) <b>Total receipt of taxes 29,009,497</b>
2013-14	Central Government grant (12th Finance Commission) 53,500,000 State Govt grant 32,850,000 <b>Total grant 86,350,000</b>	Property Tax 20,000,000 Licensing fees 10,000,000 Entry fees 4,949,000 <b>Total receipt of taxes 38,700,000</b>

*Source:* This is a partial account of receipts/grants of AMC based on data compiled by authors

It is important to note that revenues from the state government have remained somewhat constant over the last few years with the bulk of funds coming from the Finance Commissions and centrally sponsored schemes like the JNNURM. The funds received from the state government

<sup>193</sup> Interviews women Executive Councilors 10th October 2014

<sup>194</sup> A municipal official revealed that AMC's salary costs are Rs. 3.3 crores but they only get Rs. 3 crore from the state government; AMC transfers Rs. 81.96 lakhs to LCs but receives only Rs. 28.5 lakhs from the state government for LCs (interview Mar 3, 2015).

are less than required and often not timely.<sup>195</sup> This highlights the financially precarious position the AMC is in. This has driven the AMC to mobilize own revenue resources by building an identity for itself that is based on bringing ‘development’ to people.<sup>196</sup> Such a route is politically challenging for two reasons. First, the AMC faces tremendous public resistance to numerous new/revised taxes and fees. Second, despite this resistance, it has to build trust and credibility in the institution of the AMC among the public.

Reviewing the AMC’s position with respect to staffing and capacity, we see that it seems likewise precarious. Post creation in the newly formed AMC is very difficult in a poor state like Mizoram due to lack of funds. Staff strength of AMC is insufficient as well as lacking in experience. All appointed staff are hired on contract basis,<sup>197</sup> with a few on deputation from other state agencies. The UD&PA makes all hiring decisions for AMC with it having little control over staffing. Given this situation, an AMC official argued that extracting services from outside agencies or outsourcing in the form of a public-private partnership (PPP) is looked on as a solution. Consultant’s handiwork on JNNURM projects and reforms however has been mixed at best: the IDC’s property zone categorization was rejected by CBOs and LCs, while the IIT Kharagpur’s proposals for housing development in the Aizawl Master Plan have been greeted with skepticism as to their implementability by planning and revenue department officials. While solid waste management was touted as a successful local PPP by the UD&PA and AMC, the JNNURM Secretariat disagreed because it did not involve private parties. ADB consultants, state government and AMC officials confessed that private companies were not interested in doing business in Mizoram, making more typical PPPs unlikely. This makes clear that capacity building of the AMC is the best and most feasible option for achieving better service delivery in the long run.

Discussing the capacity building training they have received as a part of the JNNURM, several staff members said they did not find it useful in practice, nor could all attend, as they were usually not organised in Aizawl. There was general agreement that capacity building programs were very necessary but it would be better if all such training were conducted in Aizawl, so that everyone got the opportunity to attend and local problems could be more easily understood within the local context. More importantly, Mizo government officials argued for more customized capacity building to cater to the distinct needs of Mizoram in building a ULB and urban government machinery from scratch. Given the poor finances of both AMC and the state government, their ability to hire and retain capable staff, as well as to conduct customized training for capacity building seems limited.

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195 Interview AMC official Dec 13, 2014

196 Interview AMC official 4th Mar 2015

197 Despite being hired on contract basis employees are eligible for provident fund and reimbursement of medical expenses.

## 6.2 *Conclusion*

This case study has focused on the governance situation prevailing before the JNNURM, and the kinds of infrastructure and governance changes the Mission has introduced in Aizawl. After careful examination of both projects and reforms, there seems little doubt that the most important change introduced has been the formation of a new ULB in Aizawl, the AMC, and not the creation of new infrastructure. In order to make this new institution sustainable, the city and the state government pursued several reforms, out of which financial and decentralization reforms were prioritized and were relatively successful. This is testimony to the JNNURM's considerable efforts at seeding reforms in cities in India. But once created, what has been the contribution of the AMC in the governance eco-system and to governance at large?

In most states in India, local governments are quite weak. While the 73<sup>rd</sup> and 74<sup>th</sup> CAAs sought to re-engineer the position of the city vis-a-vis the state government by treating local government as an equal tier of government, state-level resistance to real devolution has impeded this goal. In Mizoram a somewhat different situation existed: there were no ULBs yet the position of the VCs was quite powerful in practice, in part because the state government was relatively recent and ineffective due to weak financial capacity. While VCs too were financially weak, it overcame this to a large extent by calling for volunteer contributions from a society committed to *tlawmngaihna*. CBOs and the Church that were very active in providing a range of social services to communities aided it in this task. The introduction of the JNNURM with its carrot of funds changed all this: it ensured the adoption of the singular municipal model of local government spelt out in the 74<sup>th</sup> CAA.

The formation of the AMC and its achievements in the span of a few years are considerable. However, its financial position is weak and its newness has meant that Mizos still do not see it as a legitimate and credible local institution, especially in comparison with the more long-standing LCs, state line departments, and CBOs. While LCs and CBOs command moral and social authority, state departments are seen as having access to the largess of the Central Government. The AMC's future is also made precarious because there is considerable resistance from state agencies to completely transfer requisite powers and functions. The fact that the state is a small one with a large primate capital city, thereby rendering the scales of city government and state government substantially overlapping and competing with each other, only compounds this situation. The capital city is the engine of the economy and the main source of tax and non-tax revenue in the state. Given the weak financial position of the state, the creation of the AMC involves claims (through transfer of functions and powers and state grants) made on these revenues and resulting losses for the state exchequer. There is an ongoing tussle between AMC and the state government over sharing revenues with the AMC escalating the issue to the CM

several times.<sup>198</sup> Apart from financial insecurity, the credibility of the AMC government has suffered since the regime has changed three times over its 5-year tenure.<sup>199</sup>

A scholar who was closely involved in the process of municipalization said that the major changes so far experienced by the public have been political (formation of new institutions of governance and re-alignments of power) and not social or material (no major changes in service provision or social relations at veng or ward level)<sup>200</sup>. There is clearly no doubt as to the considerable political changes instituted as a result of the AMC's formation. Equally true seems the fact that LCs continue to provide most services locally with local residents noticing little change in the mode of provisioning or level of quality. However, the AMC has increased tariffs for many services and also levied new charges/taxes, and this has unsettled and dissatisfied many residents who felt that while taxes have increased, services have not improved commensurately. Very few informants were familiar with the power asymmetries between the AMC and the state government and acknowledged that the main reason for perceived inadequacies of the AMC could be because the state government had given it very limited autonomy and funds, thus rendering its functionality and usefulness open to question.<sup>201</sup> Thus it seems true that the major changes experienced in the first few years of the AMC's life have been political and not social or material. It is likely though that this will not continue to be the case.

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198 Interview ex-state government and ex-AMC official Mar 2015

199 A political analyst in Aizawl argued that political horse-trading and changes in government were attempts to grab short-term political power, especially by smaller regional parties whose longer-term viability is doubtful (Interview Oct 29, 2014)

200 Interview scholar on 5th March 2015

201 Interview senior Congress party members, March 5, 2015

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**Annexure:**

**Key Informants used for the case studies**

1. The CEO of Aizawl Municipal Council (AMC)
2. Superintendent AMC
3. Town Planner, AMC
4. Executive officer, AMC
5. Assistant Town Planner, AMC
6. Councillor Mr. Rosiamngheta
7. Councillor Ms. Mali
8. The vice chairman of AMC
9. Councillor Ms. Hemingthanzami
10. The Joint Director, State Urban Development and Poverty Alleviation (State UD and PA)
11. The Principal Secretary UD&PA, Revenue and Taxation
12. Members of Project Management Unit, JNNURM at UD and PA
13. Deputy Planner, Town Planning Office, State UD and PA
14. Executive Engineer, Local Administration Department (LAD)
15. Ex-Joint Director, LAD
16. Asst Town Planner, Aizawl Development Authority (ADA)
17. Executive Engineer (Water Distribution), Public Health Engineering Department (PHED)
18. Executive Engineer (Water transmission), PHED
19. Director Transport, Transport Department
20. Assistant to Director Transport Department
21. Assistant Engineer Engineer, Public Works Department (PWD)
22. Settlement officer, State Land Revenue and Settlement Officer (State L R & S)
23. NRLMP (National Land Record Modernization Program)- PMU, state LR & S
24. Joint Director Survey, State LR & S

25. Director, State LR & S
26. Project Director of SIPMIU – ADB consultant
27. IDC consultant
28. Ex- chairperson of the State Women Commission (SWC)
29. The chairperson of SWC and President of MHIP Kulikawn veng
30. Secretary, Aizawl City Bus Owners' Association ACBOA
31. Secretary, Zoram Taxi Drivers' Assoc (ZTDA)
32. Mr. David Lalmuanpuia, Businessman
33. Adv. Malhotra
34. Mr. Chanchova, founder of NGO CODNERC
35. Mr. Raulta General secretary the central Younf Mizo Association - YMA
36. MHIP Vice President
37. Ms. Rohmingliani, General secretary of Women Welfare Front (WWF)
38. Ms. Sangkhumi, Ex- President MHIP
39. President of Mizoram Zirlai Pawl – Mizoram Student Organisation (MZP)
40. David Thangliana FICOM
41. Dr. J. Dounge, Department of Political Science, Mizoram University, MZU
42. Lalngurliana Sailo, Department of History, Mizoram University, MZU
43. Dr. Irina Ningthoujam, Department of Public Administration, Mizoram University, MZU
44. Prof. Lalneihzovi, Dept. of Public Administration, Mizoram University, MZU
45. Dr N. William Singh, Pachhunga University College, Mizoram
46. Ex. Director of Land and Revenue and settlement department
47. Ex- CEO AMC
48. Ex- Secretary LAD
49. Ex-chairperson ADA
50. Mr. Lalchuanawma, President of Durtlang YMA
51. Mr. Lalrinenga Sailo, Councillor

52. Mr. Kapmawia, Durtlang local council member
53. Mr. Lalrothuama, Durtlang local council chairman
54. Chairperson Rangyamual Local Council
55. Mr. Lalduhawma, Project Engineer at Lawipu BSUP Housing Site
56. One Lawipu Localite
57. Mr. Lalrinsanga, Local Council President, Lawipu
58. Engineer and Contractor at Haurang BSUP housing site
59. Chairperson of Local Council Haurang