

# Capital Conversations

Delhiites on Urban  
Governance and Its Reach



## Introduction

Urban India today has nearly 500 million inhabitants. It has witnessed a faster year-on-year growth rate compared to rural areas from 2018 to 2021 (Rathore 2023).<sup>34</sup> People are moving to cities because they are growing economic hubs. This shift makes it imperative for cities to ensure efficient service delivery: well-planned infrastructure, access to electricity, clean water and air, and well-maintained roads and parks.

In the last few decades, governments worldwide have attempted to bring reforms to enhance citizens' experience with public services. Private sector principles of strategic management and planning are being seen as key approaches for improving the performance of public services. Many reforms have been influenced by the principles of New Public Management (NPM) and reflected in initiatives like the "reinventing government" movement in the United States (Andrews 2009). Government policies in many countries have also shifted from centralised decision-making to decentralised planning.

In India, the Constitution (Seventy-Fourth Amendment) Act (the 74th Amendment Act or the Amendment Act), 1992 gave Constitutional recognition to Urban Local Bodies (ULBs) as an independent third tier of the government, and mandated the transfer of city-level planning, roles, and functions to ULBs. The objective of the Amendment Act was to create self-governing local bodies in India. The Twelfth Schedule added through this Amendment, outlines 18 functions that should be devolved to local bodies, including urban planning, roads and bridges, water supply and sanitation, solid waste management, and registration of births and deaths. Part IX A, also inserted in the Constitution through the Amendment Act, mandated state legislatures to amend their municipal laws to transfer functions to ULBs.

These reforms were aimed at empowering local governments to provide public services and bring them closer to citizens. However, research suggests that the 74th Amendment led to an incomplete transfer of powers to the ULBs. Only political functions (such as election of Councillors, appointment of Mayor, etc.) were devolved at the local level, while the decisions related to funding and finance remained with the Union or state Governments (Faguet and Shami 2021). Variations exist in how the Amendment Act has been put into practice (Chakraborty, Chakraborty, and Mukherjee 2016). This can be attributed to several reasons such as ambiguous guidelines on ULB design, insufficient funding, and the expansive discretion granted to states in determining the devolution of functions to local governments through the Amendment Act. While most states have established city-level institutions as mandated by the Amendment Act, the decisions relating to administration and planning continue to remain centralised (at the State-level). For instance, apart from the 18 functions listed in the Twelfth Schedule, the Act leaves it to the state governments to delegate additional functions to these bodies. Further, it does not specify the sources of funds for these functions. Consequently, in many states, these institutions have played a largely superficial role in performing the functions.

Delhi is the largest Union Territory with a population of 32 million people (Census of India). By 2030, it is projected to touch 39 million and become the world's most populous city, surpassing Tokyo (World Economic Forum 2020). The capital city of India has been given a unique classification of the National Capital Territory (NCT) as per Article 239AA of the Constitution. It is a Union Territory (controlled through central administration) with a Legislative Assembly and Council of Ministers. While the residents of Delhi elect their representatives, the Union Government gets the final say over all legislative matters. It continues to be governed through centralised governance structures, unlike any other Indian city, against the theoretical and statutory idea of federalism (Sahoo 2018).

To understand how public service delivery systems are managed in Delhi, it is important to understand the role played by different levels of government as per law and in practice. Literature suggests that the decentralisation model proposed by the 74th Constitution Amendment Act and the Municipal Corporation of Delhi Act, 1957 (MCD Act) has led to overlaps in governance structures due to limited clarity on roles and responsibilities, impacting effective public service delivery in Delhi.

In this paper, we discuss some of the best practices for efficient public service delivery and review how these laws fare on these standards. Through qualitative interviews with various stakeholders (residents of Delhi, public and private service providers, and elected representatives), the paper also examines

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34. The rural population increased from 903.13 million in 2018 to 909.38 million in 2021. The urban population increased from 465.87 million in 2018 to 498.18 million in 2021.

the implementation of laws by focusing on the delivery of four basic services – electricity, water supply, garbage collection, and road maintenance.

## What are the Internationally Accepted Best Practices for Public Service Delivery?

In this section, we look at the literature on two models used for improving the consumer experience with public services, how decentralisation has been used to improve service delivery mechanisms, and the merits of the decentralised versus centralised approach. Following this, we briefly discuss the literature on decentralisation reforms introduced in India and Delhi.

### Citizens as consumers

Citizens who receive public services are essentially consumers, engaging with the government to meet their needs. “Exit” and “Voice” are concepts introduced by Hirschman to evaluate on how consumers respond to declining performance in the production of goods and services (Hirschman 1980).

In this framework, citizens (as consumers of public services) possess two strategies to influence services: Voice involves providing feedback and engaging with providers, while Exit entails seeking alternatives. This duality fosters accountability, compelling service providers to respond to citizen concerns and maintain transparency (Paul 1991). Additionally, the threat of “Exit” encourages providers to improve efficiency, innovate, and adopt a customer-centric approach, as they must compete for users. This theory establishes a feedback loop, driving public service agencies to be more responsive, innovative, and efficient in delivering services.

Another model that emphasises bringing governance closer to citizens for an improved service delivery experience is the NPM. It is an administrative approach that aims to improve public service delivery and enhance governance outcomes by applying management principles from the private sector to the public sector. It focuses on incentivisation, competition, and disaggregation of services.

NPM’s core elements include performance-related pay, marketisation, and outsourcing (Pollitt 1990; Hood 1995). The principles of NPM relax the constraints of the conventional model to facilitate greater innovation and adaptability. It entails granting increased autonomy to local managers, and empowering them to exercise their discretion and expertise in decision-making processes. This has contributed to increased efficiency, accountability, and innovation in public administration (Pfiffner 2004).

Along with appreciation, NPM principles have also been subject to many criticisms. Linda Kaboolian argues that NPM is centralised decision-making through decentralised management and undermines public sector ethics by focusing on measurable performance as in the case of the private sector (Kaboolian, n.d.). Pollitt suggests that applying private sector practices to the public sector can be chaotic due to the distinct political and social dimensions of the public sector (Pollitt 1990). NPM’s market-oriented approach and experience from countries like the US do not align with the limited market experience and underdeveloped infrastructure in many developing countries. In fact, some argue that it can even add to corruption (Sarker 2006; Barberis 2002).

### Decentralisation as a means to improve public service delivery

Decentralisation has garnered significant attention as a strategy for enhancing the delivery of public goods and services, particularly as reforms in public service delivery have taken centre stage in policy discussions. Many countries are shifting from centralised to decentralised models for delivering local services due to dissatisfaction with centrally designed mechanisms (Bank 2003). Decentralisation is nested in the principle of subsidiarity—i.e., the government should limit their involvement to tasks that people cannot efficiently carry out at a more intermediate or local level. For the most efficient provisioning of public goods and services, government activities should be located closest to the citizens, i.e., at a local level (Ahmad et al. 2005).

The widespread interest in decentralisation can partly be attributed to its adoption by individuals from diverse political backgrounds, spanning both ends of the ideological spectrum (Bardhan 2002). This includes free-market economists who call for reducing the authority of large centralised governments, as well as socialist thinkers who are critical of both market-driven policies and State control, advocating instead for the transfer of power to local self-governing communities.

To ensure the efficient execution of government initiatives, it is crucial to grant independence to local administrations or service providers that possess a deeper understanding of local needs (Hayek 2018). Oliver E. Williamson emphasised the importance of decentralisation as a means to reduce transaction costs. According to him, not all services are best provided by the government, and not all are best provided by markets (Williamson 1981; Williamson 1999).

The results of decentralisation efforts vary—they depend on various factors such as the execution and implementation of fiscal, administrative, regulatory, and market mechanisms. The incentives of political actors and service providers can also significantly shape the provisioning of public services. Incentives are stronger if the level of accountability is higher. Lack of clarity regarding the responsibilities of different levels of government results in weaker accountability and diminished incentives to improve service quality (Ahmad et al. 2005).

In India, the government is omnipresent in the service delivery system. It provides services ranging from basic necessities like water, electricity, health, education, and road maintenance, to others like issuing licences, AADHAR cards, and other government documents. However, it has not always resulted into efficient delivery (Peters et al. 2002).

## A Brief History of Decentralisation Reforms in India

Ideas of decentralised governance, limited role of the Union Government, and village self-governance were often advocated by Gandhi. However, Ambedkar argued that villages were rife with caste discrimination and self-governance models would only entrust unchecked authorities with dominant groups. Even during the drafting of the Constitution of India, believers of Gandhian ideas debated on the inclusion of decentralised *panchayats*. R K Shidhwa (President of the All India Local Bodies Association), in the 1947 Constituent Assembly Debates, talked about the need for adequate funding of local bodies and highlighted their role as the cornerstone of India's economic well-being. Dr Ambedkar, however, firmly asserted that such issues should be within the purview of individual states, emphasising that decentralised governance at the local level would only widen caste-based discrimination.

To accommodate the desires of those advocating for decentralised and direct democracy, Article 40 (a Directive Principle under Part IV) was incorporated, urging states to establish village *panchayats*. However, there was not much discussion about the inclusion of similar provisions on municipal bodies.

Post-independence, the early attempts at decentralisation came through the Five Year Plans. However, given Nehru's and Mahalanobis' focus on Soviet-styled centralised five-year planning, substantial implementation of decentralised reforms at the district level commenced only in the 1970s. This involved breaking state plans into district plans. Even after this, the district planners primarily played consultative and supervisory roles, with district plans still crafted at the state level and executed by department heads within the respective states (Mukarji 1993).

In 1977, with the Janata Party coming to power, there was a shift away from the centralised approach of the Emergency period. They initiated planning at the block and district levels, emphasising decentralisation in both planning and implementation. Although the Janata government was short-lived, the concept of decentralised planning persisted. Upon its return to power in 1980, the Congress party continued to promote decentralisation, appointing working groups to advance area-based sub-State planning. However, more focus was on rural decentralisation and devolving responsibilities to *panchayats*. Most of the urban decentralisation reforms came as an afterthought.

In 1989, the 65th Constitution Amendment Bill, also known as the Nagarpalika Bill, was introduced by Rajiv Gandhi's government but was not passed in the Rajya Sabha and lapsed. A revised Nagarpalika Bill was presented by the National Front Government in 1990 but that also lapsed with the dissolution of the Lok Sabha. Ultimately, the modified Municipalities Bill introduced in September 1991 under P

V Narasimha Rao's government was enacted as the 74th Constitution Amendment Act, 1992 (effective from June 1, 1993).

The objective of the Amendment Act was to make ULBs self-governing institutions and to place them on a firmer footing within the framework of the Constitution.<sup>35</sup> It incorporated provisions in the Constitution to:

- *Decentralise authority:* The Amendment Act introduced a three-tiered system for municipal bodies in India: *Nagar Panchayats*, for transitional areas; Municipal Councils, for smaller urban regions; and Municipal Corporations, for larger cities.<sup>36</sup> ULBs were granted a five-year term.<sup>37</sup>
- *Conduct elections at the local level:* State Election Commissions were made responsible for overseeing municipal elections.<sup>38</sup> All legislative matters related to election were delegated to state legislatures. In case of supersession, ULBs would have a right to be heard. If a decision to dissolve the elected body was made, it had to be reconstituted within six months.
- *Establish local committees:* Wards Committees for larger municipalities (with populations over 300,000) and District Planning Committees for planning purposes became mandatory.<sup>39</sup> In metropolitan areas (with a population of over a million), the Act mandated the creation of Metropolitan Planning Committees.<sup>40</sup>
- *Provide financial oversight:* The Act mandated every state to establish a State Finance Commission tasked with reviewing the financial health of ULBs and making recommendations to improve their fiscal stability.<sup>41</sup> The Act does not confer any decision-making powers to the Commission. The key responsibility of the Commission is to evaluate the financial status of ULBs and propose strategies for strengthening municipal finances.

## Decentralisation Model in Delhi

Delhi has a complex and fragmented system. Multiple governments and parastatal bodies (government bodies created through statutes) of the Union, state, and local governments exist in Delhi (Wahi et al. 2017).<sup>42</sup> After the ratification of the 74th Amendment Act, some city-level responsibilities were assigned to the Municipal Corporation of Delhi (MCD), the Delhi Cantonment Board, and the New Delhi Municipal Council (created in 1994).<sup>43</sup> This effectively transformed Delhi into a multi-municipality city, necessitating the establishment of Ward Committees and Metropolitan Planning Committees for town planning. However, many services continue to be managed by higher levels of government. For example, town planning in Delhi is managed by the Delhi Development Authority (DDA), a parastatal body under the Ministry of Housing and Urban Affairs.

The structure of MCD has transformed over the years. Established in 1862, it evolved into a prominent municipal authority through an Act of Parliament in 1958. It was trifurcated into separate corporations in 2011 – North Delhi Municipal Corporation, East Delhi Municipal Corporation, and South Delhi Municipal Corporation (Press Trust of India 2022). This division aimed to address the challenges posed by Delhi's growing population, and improve governance and service delivery by assigning smaller regions to individual commissioners. However, it was also perceived as an attempt to reduce the influence of local representatives, particularly in areas where the BJP had a strong political presence during Sheila Dikshit's government (TNN 2011).

Recently, in 2022, the Delhi Municipal Corporation (Amendment) Act led to the reunification of the MCD. The Union Government cited various reasons for introducing the Amendment, such as addressing the financial disparity between the three Corporations, rectifying unequal resource distribution, resolving wage disputes, and managing employee strikes. There were speculations that

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35. Statement of Objects and Reasons, The Constitution (Seventy-fourth) Amendment Act, 1992.

36. Article 243Q

37. Article 243U

38. Article 243ZA

39. Articles 243S and 243ZB

40. Article 243ZE

41. Article 243Y

42. A parastatal body is a company or organisation which is owned by a country's government (can be constituted through a statute) and has some political power.

43. The New Delhi Municipal Council Act, 1994.

this time again, the change in structure was driven by political motivations aimed at diminishing the powers of the AAP government in Delhi (TNN 2011).

## Discussion and Analysis of Laws Governing Decentralisation in Delhi

In Delhi, the primary legislation for local governance is the MCD Act, 1957 enacted by the Parliament of India. Any amendment to the Act can only be introduced by the Union Government. This contradicts the fundamental principles of federalism and separation of power enshrined in the Constitution. Lack of clarity in the interpretation of Articles 239 (which says that Delhi, being a Union Territory, will be centrally managed) and 239AA (which gave Delhi a special status of NCT), significantly tilts the balance of power in favour of the Union Government. This has also led to ambiguity in roles and power sharing, leading to multiple disputes.

Many other legislations like the Delhi Jal Board Act, 1998 (DJB Act), and Delhi Development Authority Act, 1957 (DDA Act) govern different parastatal bodies constituted by the Union or state governments. The multiplicity of statutory bodies created through Acts has led to overlaps and confusion among authorities and citizens, and resulted in poor service delivery.

The 74th Amendment mandated the formation of Wards as the smallest administrative units for areas with a population of three lakhs or more. Delhi has 250 wards with an average population of around 60,000 per ward. This raises concerns about the representation ratio and presents a form of centralised decentralisation. Ramesh Ramanathan compares the 73rd and 74th amendments enacted in 1992 and explains how they created local self-government units in both rural and urban areas. However, urban decentralisation due to its design has limited citizen participation and lags behind, leading to a governance vacuum. This has resulted in poor service delivery for urban residents (Ramanathan 2006).

There are no Ward Committees in Delhi, instead, there are Zone Committees and only Councillors from constituting Wards are members of these Zone Committees. There is no representation from citizens, RWAs, civil society organisations, or NGOs in these Committees. The MCD Act lacks clear guidelines for the formation, powers, and functions of Ward Committees, with only Ward Councillors participating in Zone Committee meetings. Unlike Delhi, in Kerala, each Ward Committee covers only one Ward, including councillors, RWA members, and civil society members, and holds regular meetings (Mathur and Society 2006).

The MCD Act has a non-binding provision for the formation of *ad hoc* committees, special committees, and Ward Committees as needed (Section 40, MCD Act). It does not provide clarity on the roles, functions, and members of any committee. It has no guidance for House Meetings, which are regular meetings of Councillors led by the Mayor.

However, some Committees have been constituted by the Councillors and MCD to make decisions on planning, fund allocation, etc. One such Committee is the Standing Committee which makes decisions on allocation of funds to different departments for carrying out public service delivery. It is reconstituted after every election. During our interview with a former Standing Committee member, we found that no Committees have been reconstituted since the last local elections in Delhi in 2022 and many decisions related to allocation of budget and planning are pending. The MCD Act fails to address the complexities.

## With Great Power Comes a Great Power Struggle

As discussed, most services in Delhi are centrally planned and managed. The Union Government makes decisions on the allocation of budget and service provisioning to central, state, or local bodies. In other states of India, planning and administration are solely the responsibility of the state governments. Cities like Hyderabad, Mumbai, and Kolkata, have municipal laws enacted by the state legislatures, devolving mandatory functions to municipal bodies. In Hyderabad and Mumbai,

## A brief timeline of the evolution of the Municipal Corporation of Delhi\*

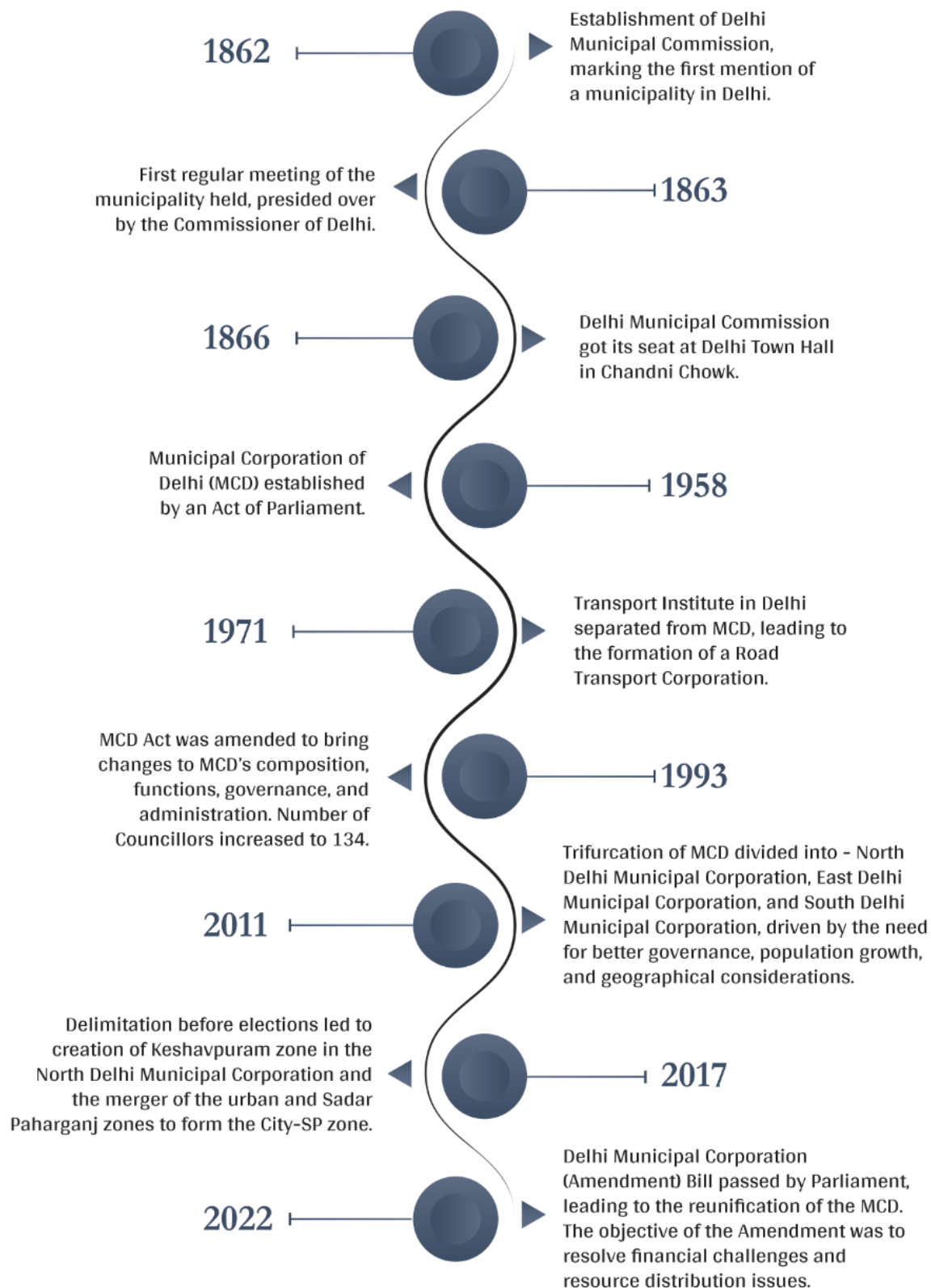


Figure 5.1: Evolution of the Municipal Corporation of Delhi

municipal governments have involved private actors in service provision (like for electricity distribution in Mumbai and water supply in Hyderabad) (Ghosh et al. 2009) .

*Janaagraha*, an NGO based out of Bangalore, proposed the formation of Area Sabhas as the smallest unit of administration (similar to *gram sabhas* in villages), operating at a level below the Ward. Each *Area Sabha* would cover the jurisdiction of a few polling booths, and all registered voters in these booths would become members of the *Area Sabha*, electing their representatives to the Ward Committee (Sivaramakrishnan 2006).

In Delhi, a similar structure was proposed by the AAP government in 2015, called *Mohalla Sabhas* through the Delhi Nagar Swaraj Bill, 2014. The plan aimed to increase participation in governance and provide untied funds to the *Sabhas* for various community needs. However, the Bill was not passed. While some elected representatives informally run groups akin to *Mohalla Sabha* (through weekly in-person meetings, WhatsApp groups, etc.), the formal *Mohalla Sabha*, which was intended to be a statutory body, was never approved by the Union Government.

On occasions, when these disputes on the control over administration in Delhi reached the Supreme Court, it resulted in varied opinions. In *NDMC v. State of Punjab* (1996), the Court held that State Governors must follow the advice of their Council of Ministers, as per Article 163 of the Constitution of India. The Governor/Administrator could use their own judgment only when explicitly allowed by the Constitution, otherwise, they are bound by the advice given.

There was a deviation from this view in 2018 in the case of *Bir Singh vs Delhi Jal Board and Others*. A five-judge bench of the Supreme Court of India established that services in Union Territories are considered services of the Union, implying that services like the Andaman Nicobar Island Civil Services (DANICS), Delhi Administrative Subordinate Services (DASS) cadres, government teachers, and government doctors in Delhi are categorised as Union services. The recruitment regulations of these services were formulated with the approval of the Lieutenant Governor, acting on behalf of the President.

Since 2014, different political parties have been in power at the Union and in Delhi (legislative assembly and local government) (Pathak 2023). Due to the overlapping administrative structure of Delhi, there have been several instances of logjams which have affected the management of public services. All administrative appointments in government departments are controlled by the Union Government in Delhi. Even in bodies like the Delhi Jal Board (DJB), which were created under state legislation, the appointments are made by the Union Government. In the case of *NCT of Delhi v. Lieutenant Governor* (2023), a five-judge Constitution Bench ruled in favour of the Delhi government, granting the local government the authority over civil servants in the NCT of Delhi while highlighting the importance of a federal governance structure. However, within a week, the Union Government issued an Ordinance that curtailed the Delhi government's legislative power regarding services. It also established the National Capital Civil Service Authority (the Authority), comprising of Union Government appointees and the Chief Minister of Delhi. The Authority's decisions would need approval from the Lieutenant Governor, who possesses the authority to override them. In response, the Government of NCT of Delhi filed a Writ Petition with the Supreme Court on June 26, 2023, challenging the Ordinance.

The debate over complete statehood for Delhi has been ongoing since independence and has remained a part of every political party's manifesto. However, no Union Government, even when they had control over Delhi, has granted complete statehood to the city.

## How do these legislations impact service delivery?

The 74th Constitution Amendment and the MCD Act, which aimed to enhance citizens' experiences with governance and public services, introduced decentralisation in principle but fell short of devolving actual decision-making power to local governments. For instance, urban planning in Delhi falls under the purview of the DDA, a body under the Ministry of Housing and Urban Affairs at the Union level. The Metropolitan Planning Committee, as mandated by the 74th Constitution Amendment, was never established at the local level in Delhi.



In 2015, the Delhi Urban Shelter Improvement Board (Amendment) Act of 2015 was passed by the Legislative Assembly to extend the deadline for rehabilitating slums, shifting it from March 31, 2002, to January 1, 2006. The objective was to incorporate the slum clusters that had emerged since 2002 into urban planning. However, this initiative was rejected by the Union Government (Zuberi 2021).

Water supply, electricity, and some other basic services continue to be managed by higher levels of government, with only a few administrative functions devolved to the ULBs, limiting their true autonomy. The effectiveness of any decentralisation efforts depends significantly on the accountability of authorities. When there is confusion about which level of government is responsible for specific functions, accountability weakens, leading to reduced incentives for service improvement. This situation is apparent in Delhi, where the governments often shift blame back and forth, creating uncertainty about who should be held accountable (The Hindu 2023).

## How are Residents' Experiences with Public Service Delivery?

To understand how four services – electricity, water supply, garbage collection, and roads are managed on the ground, we conducted interviews with 53 residents, 12 members of RWAs, and 6 elected representatives. We also reached out to 15 government officials, but only one of them agreed for the interview. In this section, we discuss the experience shared by residents for each of the four services.

### Electricity

#### Who provides the service?

Delhi's electricity distribution model involves both government and private entities. The Delhi Vidyut Board (DVB) is a state government entity, established in 1998 as a successor of Delhi Electric Supply Undertaking (DESU). State electricity boards were established under the Indian Electricity (Supply) Act, 1998. Most states in India have monopolies in electricity supply by the state government except for Mumbai, Kolkata, and Ahmedabad. In Mumbai, Brihanmumbai Municipal Corporation (BMC) is responsible for the electricity distribution in the island city. Electricity is not explicitly mentioned in the 18 functions in the Twelfth Schedule (Ghosh et al. 2009).

DVB later split into six companies in 2002. Three of these have remained government undertakings: the Delhi Power Supply Company Limited (DPCL), a holding company; Indraprastha Power Generation Company Limited (referred to as Genco), the power generation company; and the Delhi Transco Limited (referred to as Transco), the power transmission company. The other three companies, private distribution companies (discoms), handle distribution. 50% ownership was auctioned to discoms, resulting in joint ventures: Tata Power Delhi Distribution Limited (TPDDL) for North Delhi, BSES Rajdhani Power Limited (BRPL) for South Delhi, and BSES Yamuna Power Limited (BYPL) for East Delhi. The remaining 50% ownership in these distribution companies is retained by the Government of NCT of Delhi. Additionally, the Delhi Electricity Regulatory Commission (DERC) regulates electricity tariffs in Delhi (Mukhopadhyay et al. 2022).

Privatisation of electricity in Delhi has not fully resulted in the intended impacts. This is perhaps because the privatisation was just perfunctory. The State monopoly in distribution was transferred to private monopolies. These monopolies were created in spite of a study carried out by an expert group, headed by Montek Singh Ahluwalia, which found that the only way to lower prices is to introduce competition. The reason for the low energy prices in Mumbai is that the existing private players supply power to parts of the same market (Stamminger 2002). But this is not the case in Delhi. The few existing private players distribute solely to specific parts of the city thus have monopolies in those areas.

This model of a combination of public funding and independent sector provisioning, however, has resulted in a better experience as compared to the earlier model. Literature also suggests that prior to privatisation, the DVB faced a lot of issues. It faced huge losses along with an alarming financial position due to an inefficient billing system (Stamminger 2010). A quasi-market scenario, as the NPM model illustrates, helps to allocate resources (Raghavan and Society 2004).

## What kind of issues did respondents face?

Residents in all areas except Balmiki Colony were satisfied with electricity supply. Respondents receiving services from BSES shared that power cuts are rare and that they receive advance notice with reasons (through SMS) if there is a power cut. The response and redressal of complaints by the BSES was also very quick and efficient. But, Balmiki Colony residents complained of inflated electricity bills all round the year. They pointed out that it was due to the automation of electric supply after 2002. Before 2002, their meter were regularly checked and maintained. A respondent who has been a resident of Balmiki Colony for over 40 years shared that they started receiving inflated bills after 2003, when automated meters were installed in the locality. Some reports suggested that Discoms have implemented provisional billing methods, citing the inability to physically verify meter readings, resulting in either billing consumers based on the previous year's monthly consumption for the same months or sending combined bills covering multiple months. This results in variations (Mishra 2020).

Most respondents ranked electricity higher than other services. As discussed by McKinsey & Company on customer experience with the public sector, the reason for higher satisfaction levels could be in comparative to how other services are managed, how electricity was previously managed, or some mix of both (D'Emidio et al. 2019). Hirshman also discusses how monopolies disrupt both voice and exit options (Hirschman 1980). In the case of electricity consumption in Delhi, there is no exit option as consumers do not have a choice in obtaining electricity services from different providers. There is no competition in electricity distribution, leaving consumers to rely on the existing system. Thus, residents who face challenges with the service have no option but to continue with the same service provider.

## Garbage collection

### Who provides the service?

An MCD garbage van collects garbage from most localities. In areas where the MCD vans cannot operate due to narrow lanes, *Safai Karamcharis* are employed by the MCD to collect garbage from every household. MCD dumping sites also exist in all localities.

### What kind of issues did respondents face?

Residents' satisfaction with the quality of service varied across areas largely because public service delivery is supplemented by private garbage collectors. The reliance on these collectors varies across localities. Residents pay them some amount ranging from INR 100 to INR 300 per month. Residents in Hauz Khas (Block B and G) were satisfied due to their reliance on private collectors, despite irregular MCD van schedules. However, residents in Krishna Nagar, who depended solely on MCD collection trucks, expressed dissatisfaction due to irregularity of garbage collection.

Residents of Arjun Nagar also complained of irregular MCD van schedules, with vans visiting once every two to three days. In Balmiki Colony, residents faced issues due to irregular collection by *Safai Karamcharis*. We spoke to a *Safai Karamchari* who mentioned that they often skip their duties to protest against non-payment or delayed payment of salaries by the MCD. Most residents from Bindapur, Krishna Nagar, Prajapat Nagar, and Balmiki Colony shared that they dump the garbage in the nearest dumping site themselves if the *Safai Karamcharis* do not come to collect the garbage. Residents of Bindapur and Balmiki Colony also complained about infrequent cleaning of landfills and dumping sites.

The major concern in all four Wards was the irregular arrival of the MCD van. Respondents from West Extension Area (Rajinder Nagar) and Hauz Khas shared that they had no complaints with the garbage collection system as they had employed private collectors who provided regular door to door collection services. They were satisfied with their services. Respondents from other areas who did not rely on any alternatives were highly dissatisfied. A respondent from Prajapat Nagar shared that even after complaining to the MCD multiple times, there has been no improvement.

Unlike electricity supply, in case of garbage collection, alternatives were easily available and many respondents adopted the exit option likely because the transaction costs of exiting were much less than voicing their concerns via a lengthy and uncertain redressal process (Hirschman 1980).

## **Roads**

### **Who provides the service?**

In Delhi, road management is a shared responsibility between the MCD and the Public Works Department (PWD)—a department under the state government responsible for construction and planning. The division of duties between them is based on the width of roads; PWD handles roads wider than 60 feet, while the rest are managed by the MCD. The 74th Amendment explicitly mentions roads and bridges as one of the functions to be decentralised.

### **What kind of issues did respondents face?**

Most residents were dissatisfied with the condition of roads. The nature of complaints included irregular maintenance, long intervals between upkeep, and uncertainty about future maintenance cycles. Gated societies' residents (in West Extension Area (Rajinder Nagar) and Hauz Khas) reported that despite regular maintenance, the conditions of the road remained poor, especially during the monsoon season. Prajapat Nagar residents shared that roads in their area had not been repaired in 25 years.

Bindapur residents raised concerns about roads being dug up several times in the last year by DJB for laying pipelines, without subsequent maintenance. This led to the conversion of two-way roads into one-way roads. Residents from Rajinder Nagar's Western Extension Area shared that waterlogging during monsoons is a common occurrence, yet the MCD does not carry out any maintenance work. Last year, after some residents met with accidents, all residents decided to engage a private contractor to fill the potholes and carry out maintenance work. Arjun Nagar residents complained of waterlogging on roads due to closed drainages. They raised a complain with the MCD but, no action was taken. Roads in these areas were not being cleaned regularly, so some residents cleaned the roads themselves while others paid extra money to their househelps to periodically clean the roads outside their house.

David Beito (2002), in *The Voluntary City*, discusses the model of private self-governing enclaves (privately managed streets, sewers, and other urban infrastructure) in St. Louis (Missouri, United States), where residents had a significant say in how their communities were run. The enclaves operated under market incentives, and allowed for greater flexibility and responsiveness to residents' needs. Developers had an incentive to provide high-quality infrastructure and services to attract residents and maintain property values. Market competition ensured accountability.

The NPM model also suggests that public works are led efficiently when run on a competition-based model, where multiple providers offer the same service. The lack of competition might be one of the reasons for the poor management of roads in Delhi (Raghavan and Society 2004). Untimely and poor road maintenance prompted individuals to take matters in their own hands, opting to construct or repair the roads themselves rather than relying solely on voicing their concerns. This demonstrates how people resort to exit strategies where they have an option (Hirschman 1980).

## **Water supply**

### **Who provides the service?**

Water is supplied in Delhi by DJB pipelines and borewells. DJB was established under a legislation passed by the state legislature of Delhi, the Delhi Jal Board Act of 1998.

## **What kind of issues did respondents face?**

The quality of water supply differed depending on the location. Residents of West Extension Area (Rajinder Nagar) and Hauz Khas Block E and G were generally satisfied with their water supply and water quality, as they had installed storage tanks and water filters in their homes. However, residents in Gautam Nagar and Prajapat Nagar reported intermittent water supply but with advance notice from the DJB. The residents shared that they bought water cans, or availed the services of private water tankers when there was no water supply.

Meanwhile, respondents from Balmiki Colony, Arjun Nagar, and Bindapur shared that they experienced frequent supply disruptions without prior notice. They also encountered issues such as poor water quality, low water pressure, and irregular supply. Bindapur residents shared that they received malodorous water during the monsoon season, and eventually discovered that sewage lines were contaminating the water. The residents had to purchase water cans to access clean drinking water.

Literature suggests that the concerns over water scarcity and poor quality of water supply have been around for almost two decades now. This inadequacy is mainly due to the inequitable distribution and leakage of the supply pipes (Daga 2010). In the early 2000s, there were efforts to privatise water supply in Delhi to overcome these issues. However, an investigation led by Arvind Kejriwal and the NGO Parivartan in 2005 led to a public campaign against the idea, thwarting DJB's privatisation project (Sirari and Society 2006). Similarly, in the early 2010s, the efforts to privatise water supply to improve water quality were met with resistance from activists who argued that water is an essential good and must not be "commodified". They formed the "Water Privatisation-Commercialization Resistance Committee" to demand the immediate withdrawal of tariffs imposed by the DJB since 2010 and to ensure that the Government of NCT of Delhi continues to be solely responsible for supplying water.

In 2020, due to rising complaints with water supply and sewer services, suggestions were made to the Government of NCT of Delhi to privatise the management and supply of water. However, Chief Minister, Arvind Kejriwal made a public statement that the government will not privatise water supply in Delhi (Water Privatization-Commercialization Resistance Committee, n.d.).

The poor quality of water, issues with sewer lines, and intermittent supply continue to remain major issues for residents in Delhi (P. Singh 2023). When similar issues surfaced in Chennai, the water supply was privatised. Chennai Metro Water Supply and Sewage (CMWSS) contracted out the supply to private players. This resulted in quick completion of works and redressal of concerns (Raghavan and Society 2004). Perhaps, cities like Chennai present a model that Delhi can learn from.

## **Response on feedback and grievance redressal**

A good grievance redressal system can be an effective method for transparent citizen-government interaction, and increase accountability and participation (Praja.Org 2020). But this is missing on the ground. OECD (2019), in their guidelines on best practices for effective decentralisation, highlights the need to explicitly define the responsibilities of different levels of the government for improving service delivery. But, neither the centrally legislated parent laws such as the MCD Act and the Electricity (Supply) Act of 1948, nor the DJB Act, legislated by the state, provide specific guidelines on public consultations or grievance redressal.

The MCD Act had constituted the Appellate Tribunal, MCD, under Section 347-A of the MCD Act for hearing appeals only for issues related to Section 343 or matters listed in Section 347-B. The Tribunal functions independently as a statutory body. According to the information available on the Tribunal's website, currently, approximately 80% of the appeals pending before the Tribunal pertain to matters related to demolition and sealing proceedings initiated by different Municipal Authorities in Delhi.

For electricity, the Electricity Supply Act, 1948 drafted to empower state governments in India to establish a 'Grid System' for coordinated regional electricity development, does not refer to consumer experience. The Delhi Electricity Act of 2003 in section 42 (5) makes it mandatory for each distribution licensee to establish a consumer grievance redressal forum within six months from the appointed date or date of licence issuance.

The DJB Act is mostly silent on grievance redressal, except in the case of issues raised by owners for work done by a licensed plumber under Section 35.<sup>44</sup>

When we spoke to respondents about the grievance redressal process for the four services discussed above, most respondents had no clarity on the appropriate forum to reach out to, except in the case of electricity supply. They preferred raising their issues in their RWAs or directly with elected representatives. In case of grievances related to water supply, most residents either call the helpline number provided by the DJB or reach out to the local Jal Board offices in their areas. Those living in areas with active RWAs report their issues to the members. Some respondents shared that the complaints that could not be resolved by the local Jal Board were taken to elected representatives. A similar process was adopted for raising complaints regarding services provided by the MCD. Last year, the MCD came up with a mobile application for registering complaints, but respondents were unaware of the existence of such an application.

The MCD or DJB have no clear digitised mechanism through which complaints can be tracked and no time limit for resolution of service-specific complaints. Lack of clarity in legislation and practice has led to low accountability. Many respondents avoid complaining because they do not know who to contact, some fear bureaucratic hurdles, and lack trust in existing institutions. Such beliefs are critical as trust in the government hinges on accountability, transparency, and responsiveness, all of which are often lacking (Beshi and Kaur 2019).

For issues with electricity supply, most respondents shared that they contact the concerned discoms' offices through the phone numbers provided on their bills. Some BSES users shared that they reach out to toll-free numbers provided on the BSES website to register complaints. Apart from that there is also a mechanism to register and track complaints online on the websites of all discoms. Only in a few cases there arose a need to contact the elected representative.

Some RWA members shared that residents in their societies frequently raise complaints with them and provide feedback on the quality of services delivered. These members address the complaints by redirecting issues to the MCD or relevant authorities through various means such as e-mails, online portals, written complaints, or in-person meetings with officials. Residents in areas without RWAs directly reached out to the concerned departments or their elected representatives. For instance, residents of Bindapur and Rajinder Nagar shared that they mostly reach out to their elected representatives on a helpline number circulated by their offices. In Hauz Khas, the MLA and Councilor were part of a WhatsApp group called "Mohalla Sabha 35", where citizens could post their issues and they would respond. Residents from Balmiki Colony and Prajapat Nagar shared that they visit the concerned government offices to get their issues resolved.

All elected representatives we interviewed shared that citizens frequently contact them through WhatsApp groups, personal numbers, or in-person visits. However, the effectiveness of this method varied. Some Councillors and MLAs shared that they take the issues to the respective departments but on many occasions, action is taken depending on which political party is in power at the ULB level, or under whose authority the parastatal body falls.

## Discussion and Conclusion

Our interviews highlight the coexistence of public and private actors in delivering essential services in Delhi. Wherever there is a gap in the management of essential public services such as roads, garbage collection, security services, etc., the private sector has stepped up and taken on roles traditionally handled by the public sector in India. While these private systems appear to work well for those who can afford them, lack of competition among private players can result in issues such as high costs and unequal provision of services. These issues can only be resolved if the current legislations and policies make way for innovation in how public services like zoning, water, electricity, waste disposal, and roads, are controlled and managed.

While efforts to privatise services like electricity have improved the quality and efficiency of the service, they have also raised concerns about the emergence of private monopolies. The lack of competition

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44. Section 35 (3) says that the Jal Board may make regulations for hearing and disposing off complaints raised by owners or occupiers related to work done by licensed plumbers.

limits consumer choice, and accountability of service providers. It is essential to deregulate the provisioning of public services and explore models that introduces healthy competition and ensures affordable access to services for all residents.

Further, to improve the residents' experience with public service delivery, there is a need for greater clarity in the allocation of responsibilities among different levels of government (OECD 2019). The existing legislative framework should explicitly define roles and functions in the provision of services. Establishing clear guidelines for public consultations and grievance redressal is essential to bridge the gap between citizens and government agencies. By enabling models that encourage competition, the Constitution and legislation can pave the way for a dynamic, accountable, and responsive approach to governance and service delivery.

## Methodology Note

Our research explores how the Constitution, through the 74th Amendment and MCD Act, has designed the model of management of public services in Delhi. The paper is divided into two parts:

- A *de jure* component where analyse literature on existing models of service delivery, and examine judgments and laws.
- A *de facto* component to understand the perspective of citizens on public service delivery in Delhi.

We conducted qualitative interviews with 53 residents, 12 RWA members, 6 elected representatives, and 1 public official. We selected four Wards with diverse Circle Rates (A-H) across different regions: South Delhi, East Delhi, West Delhi, and Central North Delhi. However, due to resource limitations, we could only choose one Ward from each region.

Given the limited time and resources, we adopted convenience, purposive, and snowball sampling for selecting the respondents. In our pilots, conducted in Munirka and Malviya Nagar, 12 residents shared their experiences with services that they used daily. For analysing the quality of public service delivery, we picked four services of the ones shared by respondents during the pilot—roads, water, electricity, and garbage collection. These services were also picked because they adopt different models for delivery and are frequently used by citizens. The questionnaire was revised to explore the experiences of residents with these four services and different models.

We encountered challenges in securing interviews with government officials and elected representatives but managed to include valuable insights from some of these stakeholders.

We obtained formal consent from the interviewees and respected their right to withdraw responses at any time. All responses were anonymised and kept confidential.

The responses collected through interviews provide valuable qualitative insights into residents' preferences for service delivery models in Delhi. However, the scope of this study is limited due to the relatively small sample size. The results cannot be generalised across the entire population in Delhi.