

Enter number
of question

21/07/2018

Candidates
must not write
on this margin

Despite Several measures taken by successive finance commissions, municipal finance in India has not yielded the expected results. In this context, discuss in what ways the 15th finance commission can promote municipal finance in India

The 73rd and 74th amendment were made mainly to empower the local bodies politically ^{and} financially. But the same has not been achieved till date. Even though the state government have been directed by the earlier Finance Commission to empower the local bodies through different steps. The local governments were not decentralised since the state has the power to decide what should be decentralised.

The two major reasons for non-decent empowerment of local governments (ULBs) financially is that the state government is not interested to cede significant cash power to the urban local bodies and a fear of political rivalry.

The Finance Commission may allocate grants to states based on certain benchmark for achieving decentralisation in urban local bodies. It may also provide certain performance grants based on its

प्रश्न की संख्या
दीजिए

उम्मीदवारों को इस
हारा में नहीं
लिखना चाहिए

Enter number
of question

Candidates
must not write
on this margin

ability to meet its Salary bill from its own revenue. In order to achieve this Financial decentralisation has to be done i.e. devolution of tax. It should also promote municipal bonds which helps the ULB to raise Capital.

As on date there is no Institutional check to devolve municipalities (ULB). Hence the finance Commission should propose a reward for states for undertaking decentralisation and penalties for the others.

प्रश्न की संख्या
दीजिए

उम्मीदवारों को इस
हार्शिए में नहीं
लिखना चाहिए