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# **STRUCTURAL REFORMS UNDER JNNURM REFORM PRIMER**

**Shrinivas Kowligi**

**India Urban Space Foundation**

**Consultant**

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## Context

- Certain structural issues addressed in other mandatory reforms
  - 74<sup>th</sup> CAA, Area Sabha Law, ..
- ‘Structural Reforms’ – therefore focuses on inter and intra-organisational issues
- Administrative & Structural reforms go hand-in-hand
- Structural reforms – provides an enabling & supporting institutional context for governance improvements to happen and sustain
  - **Reforms in institutional structures of urban mgmt. at State level**
  - **Creation of municipal cadres**
  - **Decentralisation of municipal administration**
  - **Organisation structure review, optimisation of staffing patterns**

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## Rationale & Challenges

### Change Drivers

- Should be driven by need to achieve sustainable change in other reform areas

### Challenges

- Structural reforms are more difficult to implement, as it creates significant changes in status-quo.
- Structural reforms cannot be easily undone or reversed.
- Managing internal communication during transition, so that all internal stakeholders accept and adapt to the changes.

## Impact & Benefits

| <b>Institutional structures of urban management at the State level</b>  | <b>Creation of cadre of municipal staff for different disciplines</b>  | <b>Decentralisation of municipal admin., and synchronisation of internal jurisdictions</b>  | <b>Organisation structure review and optimisation of staffing patterns</b>  |
|---|--|---|---|
| <ul style="list-style-type: none"> <li>▪ Clear delineation of regulatory, admin. &amp; capacity development support functions rendered by State level agencies.</li> <li>▪ ULBs have issue-specific clear lines of reporting hierarchy to State Govt. agencies</li> <li>▪ Resolve institutional conflict-of-interest</li> </ul> | <ul style="list-style-type: none"> <li>▪ ULBs have full time staff with specialised skills, within the hierarchy of the municipal setup</li> <li>▪ Clear career growth path is available to staff</li> <li>▪ Experiences are shared across cities through movement of personnel</li> </ul> | <ul style="list-style-type: none"> <li>▪ Alignment of political, admin. (managerial) and operational accountability</li> <li>▪ Costs, revenues and service delivery standards matched for each ward</li> <li>▪ Better resource allocation decisions - for capex &amp; opex</li> </ul> | <ul style="list-style-type: none"> <li>▪ Aligning orgn. structure to the demands of municipal mandate</li> <li>▪ Pockets of staff deficiency and staff redundancy resolved</li> <li>▪ Service delivery through optimal mix of in-house, contractual, outsourcing and PPP</li> </ul> |

## Generic sets of reform initiatives

| <b>Institutional Structures for Urban Management at State level</b> |   |  |
|---|---|--|
| <b>Ref. No</b>  | <b>Reform Area</b>  | <b>Generic set of reform initiatives</b>   |
| <b>A1</b>   | <b>Review &amp; redefine mandates of all state level institutions in urban management</b> | <ul style="list-style-type: none"> <li>• Mapping functional mandates - as defined &amp; as in practice. Identify overlaps and gaps. Classify regulatory, administrative, program management and technical support functions.</li> <li>• Evolve revised institutional structure, segregating the above 4 types of functions and eliminating any conflict of interest.</li> <li>• Revise powers, hierarchy and seniority of heads of the organisations, as per revised institutional structure.</li> <li>• Institutionalise reforms being managed by Program Agencies/ SPVs, through mainstream agencies (such as DLB).</li> <li>• Draft charters of mutual accountability, defining their roles, interlinkages and performance accountability to one another. Bring ULB leadership in the governance structures of Program Agencies / SPVs involved in program mgmt. &amp; technical support.</li> <li>• Prepare a timebound transition plan from current structure to the revised one. Communicate &amp; monitor the transition plan.</li> </ul> |

## Generic sets of reform initiatives

| Creation of cadres of municipal staff for different disciplines |   |  |
|---|---|--|
| Ref. No.  | Reform Area   | Generic set of reform initiatives  |
| <b>B1</b>   | <b>Create cadre of municipal staff for Administrative &amp; Technical functions</b> | <ul style="list-style-type: none"> <li>• Identify skill gaps – skill areas and number of professionals required. Notify the vacancies, grade and scale (equivalence).</li> <li>• Define qualifications, experience and competencies required.</li> <li>• Institute a standard &amp; transparent selection process. (e.g. Govt. of Karnataka’s approach for posting municipal cadre officers through counselling)</li> <li>• Cadre should attract young qualified professionals, with the ability and aptitude to work in public institutions.</li> </ul> |
| <b>B2</b>   | <b>Cadre Management Systems</b>   | <ul style="list-style-type: none"> <li>• Define career growth path for cadre officers - responsibilities, learning opportunities, &amp; emoluments.</li> <li>• Define process and norms for absorbing existing personnel.</li> <li>• Ensure balance of authority in cadre management between State level and city level leadership.</li> <li>• Institute processes for intensive training to personnel hired into the cadre, periodic retraining and learning opportunities.</li> </ul>  |

## Generic sets of reform initiatives

| <b>Decentraliation of municipal admin. &amp; align internal jurisdictions</b> |   |   |
|---|---|---|
| <b>Ref. No.</b>   | <b>Reform Area</b>  | <b>Generic set of reform initiatives</b>  |
| <b>C1</b>   | <b>Internal jurisdictions – decentralise &amp; align</b>        | <ul style="list-style-type: none"> <li>• Spatially represent all sub-ULB jurisdictions and examine the extent of incongruity.</li> <li>• Identify bottlenecks to merging boundaries. Resolve these problems one by one, club 2 or more wards to constitute a zone.</li> <li>• In case of large cities, divide the wards into few zones (3 / 5), define functions &amp; powers of zonal offices.</li> <li>• In the event, wards are being redrawn under a de-limitation exercise, use the opportunity for easier alignment.</li> </ul> |
| <b>C2</b>   | <b>Realign internal organisation structures &amp; processes</b> | <ul style="list-style-type: none"> <li>• Review deployment of operations staff, and realign with new jurisdictions. Alter reporting relationships where necessary.</li> <li>• Review information flow regarding operations from field to Zonal office / Head of Dept. Make appropriate changes.</li> <li>• Communicate internally &amp; externally the changed boundaries, widely through maps and charts, with adequate level of detail.</li> </ul>  |

## Generic sets of reform initiatives

| <b>Organisation structure review, &amp; optimisation of staffing patterns</b> |                        |  |
|---|------------------------|--|
| <b>Ref. No.</b>   | <b>Reform Area</b>     | <b>Generic set of reform initiatives</b>   |
| <b>D1</b>   | <b>Staffing review</b> | <ul style="list-style-type: none"> <li>• Undertake indepth review of staffing patterns in the ULB, covering staff in position, vacancies, sanctioned posts, etc. Examine skill and experience profile. Compare with norms. Examine ageing profile and examine superannuation rate.</li> <li>• Focus on field functions, citizen interface points and admin. support roles. Identify gaps and redundancies. Prepare redeployment plan.</li> <li>• Examine span of control, reporting hierarchy and adequacy of decision-making staff at all levels. Explore options for outsourcing (staff / process), PPP.</li> <li>• Prepare a detailed and timebound transition plan, Communicate the plan with staff. Plan should be monitored by senio level.</li> <li>• Focus on hygiene factors &amp; work conditions- working spaces, uniforms, tools, communication devices, etc. Often these minor issues are neglected, which snowball into larger issues, making transition difficult.</li> </ul> |

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## Implementation

### Implementation Responsibility

- State Government
  - Minister & Secretary for Urban Development
  - DLB level
- ULB level
  - Mayor and Commissioner
  - HOD level Task Force
- Each ULB to set its own priorities and time lines
- Each reform initiative a project in itself

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## In sum..

