

# Mumbai and New York – A Tale of Two Cities

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Two of the world's largest cities held their elections recently. New York attracted global attention because a young candidate, who stood for the post of mayor, challenged the establishment with his 'radical' ideas and won. The Mumbai elections received little attention outside of Maharashtra.

**There are many similarities between these two cities.** Both cities are the financial capitals of their countries. New York City occupies 1 per cent of the nation's land area but produces 8 per cent of the national GDP. Mumbai, the largest Indian city, occupies only 0.01 per cent of the land area of the country, but generates 6.6 per cent of India's GDP. Residents and companies in Mumbai also pay one-third of India's taxes! According to the latest data from the CBDT, they contribute an estimated 30% of India's total Income Tax collection! Thus, an estimated one-third of the entire country's contribution to income taxes comes from just one city – Mumbai.

The estimated population of Mumbai is 12 million, and that of New York is nearly 14 million. The population of both cities represents a wide range of communities, ethnic groups, and first or second-generation migrants. Both have a linear spatial structure, with the most intra-city trips happening along these corridors. While mass transportation in New York evolved very early, Mumbai is now catching up with its new metro lines and coastal roads. However, traffic congestion is prevalent in both cities on many roads.

However, this similarity probably ends there. The two cities are very different when we focus on political and administrative arrangements, as well as the city finances.

**Both New York and Mumbai have large municipal budgets in their respective contexts, but the sources and municipal control over their resources vary greatly.** The most recent 2025-26 budget for New York was USD 116 billion (about INR 9,52,000 Crores), and for the Mumbai Municipal Corporation, it was INR 75,000 crores for 2025-26. For Mumbai,

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this massive outlay represents a 14.2% increase from the previous year. The BMC budget is very large by Indian city standards and even larger than the entire budgets of some Indian states, such as Goa and Arunachal Pradesh. Similarly, the NY budget is also very large compared to other cities in the US.

In INR terms, the per capita budget of New York at an estimated INR 220,000 is nearly ten times Mumbai's budget at INR 23,500. With a budget of nearly ten times that of Mumbai, New York also carries out many more activities than Mumbai. To carry out their mandated activities, Mumbai employs 900 people per 100,000, whereas New York employs 5300 per 100,000. New York City's budget for Fiscal Year 2026 is \$116 billion, as adopted by the New York City Council on June 30, 2025. This fiscal year runs from July 1, 2025, to June 30, 2026. NYC's budget is comparable to the budgets of small countries or large U.S. states because it funds a very wide range of services that in other countries are sometimes supported by state or federal governments.

**Both cities provide several 'Public Services'. However, while the different department heads report to the Mayor in New York, they report to the state-appointed Municipal Commissioner in Mumbai.**

The citizens in these two cities receive similar 'public services', ranging from water supply, sanitation and wastewater services, public transport, fire services, parks and playgrounds, schools, health services, etc. However, the authority and responsibility of providing these services vary greatly across the two cities.

The NYC budget covers funding for police, fire, sanitation, schools, transit subsidies, health care, housing, social programs, parks, infrastructure and debt service. It has a large education spending, with the NYC schools spending among the highest per pupil in the U.S. (~\$42,000 per student). Overall, NYC's budget is heavily oriented toward people-centred services, such as education, social safety nets, childcare, and quality-of-life programs, not only for the civic infrastructure.

Mumbai's budget covers core civic services: water and sewerage, road maintenance, public health clinics, garbage collection, schools, and transport services like BEST buses. A bulk

of funds go into physical infrastructure and capital programs. However, the key difference is that, unlike New York, the Mumbai city government does not directly fund services such as higher education, state police or large-scale social welfare programmes such as affordable housing. These are all funded by higher levels of government.

**The political and administrative structures of the New York City Government and the Brihanmumbai Municipal Corporation (BMC) differ fundamentally in their distribution of power, with New York operating under a "strong-mayor" system, and Mumbai operating under a "commissioner-led" system, with a limited role of the Mayor.**

In New York, the important role of the Mayor is evident in the fact that the 'executive Mayor' can change the organisational structure, as a recent search of the NYC website shows that the 'City organisation chart' is being revised, possibly after the election of the new mayor. On the other hand, in Mumbai, the elected council has no role in amending the organisational structure. The Mayor in New York has an important and independent role and oversees all the departments. Various important appointments to the city are also made by the Mayor. The Mayor also has fiscal powers to amend and levy taxes and fees. In Mumbai, on the other hand, the elected Mayor has a limited role. All department heads report to the Municipal Commissioner in the Mumbai Municipal Corporation.

In conclusion, while we often lament the poor rank of Indian cities in global comparisons, it is due to their technical, financial and administrative capacities. Our comparison of New York and Mumbai suggests that the problem of Indian cities is structural and deep-rooted. We refer to our cities as 'engines of growth' but deny them the needed economic and fiscal authority and powers. Indian cities are expected to become world-class, but the cities themselves are not expected to or allowed to play a significant role in this transformation.

**Unless large Indian cities such as Mumbai are empowered with fiscal and administrative authority, as we see for New York, it will not be possible for them to become world-class cities and contribute to economic growth.**

