

Chapter - 1

பொருள்கருவி காலம் வினையிடனொ டைந்தும்
இருள்தீர எண்ணிச் செயல்

Five things should be carefully considered in the doing of all action, namely, the resources in hand, the instrument, the proper time, the nature of the action and the proper place for its execution.

Thirukkural - 675

If he causes loss through ignorance and other causes, he should make him pay that, suitably multiplied.

Arthashastra 2.9.14

Chapter – 1: Introduction

This Chapter is presented in four sections. Section-I deals with the importance of accountability and transparency. While Section-II issues in urban governance, Section-III deals with the demand and supply sides of accountability and transparency. Section-IV deals with key aspects of this study like the objectives, and limitations of the study; and provides the basis for chapterisation of the study.

Section-I: The Importance of Accountability and Transparency

A country performs as well as it is governed. **Governance** relates to decisions that define *expectations*, grant power, or verify performance. It consists either of a separate process or of a specific part of management or leadership processes. Sometimes people set up a government to administer these processes and systems.

In terms of distinguishing the term *governance* from *government* (both of them nouns) - "governance" is what a "government" does. It might be a geo-political government (nation-state), a corporate government (business entity), a socio-political government (tribe, family, etc.), or any number of different kinds of government. But governance is the kinetic exercise of management power and policy, while government is the instrument (usually, collective) that does it. The term government is also used more abstractly as a synonym for governance, as in the Canadian motto, "Peace, Order and *Good Government*"³.

The happiness of citizens depends on the governance of the place they live in. The essence of successful governance is Accountability. Without accountability the objectives of governance cannot be achieved. The persons, who are acting in a fiduciary position, as agents of the citizens and stakeholders in the economy, need to act in complete trust. The government can be thought of as a "trust" created by the authors (citizens) who have given

³ <http://en.wikipedia.org/wiki/Governance>

the responsibility of governance to the trustees (those responsible for governance and handling the public money). This trusteeship in a democracy like India is held by the politician-administrator combine.

“Transparency and accountability are critical for the efficient functioning of a modern economy and for fostering social well-being. In most societies, many powers are *delegated* to public authorities. Some assurance must then be provided to the *delegators*—that is, society at large—that this transfer of power is not only effective, but also not abused. Transparency ensures that information is available that can be used to measure the authorities' performance and to guard against any possible misuse of powers. In that sense, transparency serves to achieve accountability, which means that authorities can be held responsible for their actions. Without transparency and accountability, trust will be lacking between a government and those whom it governs. The result would be social instability and an environment that is less than conducive to economic growth”.⁴

And today, thanks to the 73rd and 74th Constitutional Amendments Acts (CAA) 1992, the third tier of governance has been etched. This decentralization of governance has moved the seat of decision making and power nearer to the citizen. This decentralized power to the most important stakeholder called citizen has been enabled by making the local “bodies” (urban⁵ and rural) become local “governments”. Such a massive and powerful

⁴ Carstens, Agustin (2005), (Deputy Managing Director of the International Monetary Fund), *The Role of Transparency and Accountability for Economic Development in Resource-rich Countries* at the Regional Workshop on Transparency and Accountability in Resource Management in CEMAC Countries, Malabo, Equatorial Guinea, January 27, 2005.

⁵ Urban means "related to cities." (Wikipedia)

decentralization that is underway is a major milestone in the economic and political history of India.

While it may be stated that it is already about two decades since these amendments to the Indian constitution have taken place and not much has been done, in reality, a lot of initiatives have been taken. It will not be fair on the part of the citizens to say that such initiatives have not been taken; however, there is definitely a lot of things that need to be done and also done properly, in order to achieve the desired results. Considering a country with the size and complexities like India, and also with a chequered history of invasions, these major initiatives are likely to take a long time to be really grounded, as such changes are organic in nature.

“Accountability and transparency are the **foundations** of good governance. Local and national leaders need to be transparent and accountable for their actions if they are to successfully promote participatory governance....These, combined with weak legislatures, weak accountability frameworks and weak judiciaries are the main contributing factors to regional governance issues. Elected representatives, public officials, government departments, public enterprises, quasi-government bodies and private sector institutions must be held **accountable** for their actions and be **fully transparent** in their decision-making, performance and use of public funds. All citizens must be accorded full access to information and justice that is prompt and affordable. Lack of accountability and transparency and increasing corruption have a strong negative impact on economic and social growth.”⁶

⁶ UNDP, *Governance for Livelihoods and Development in the Pacific (GOLD) Programme*, UNDP website.

With the third tier of local governance getting nearer the stakeholders, particularly the citizens, the management of public finance also gets nearer to him. Bugged down with centuries of centralized systems, particularly due to the British rule, the migration to self-governance requires consistent and intelligent efforts on the part of not only the policy makers but various other stakeholders as well.

The two eyes of good governance are accountability and transparency. While accountability deals with the extent of answerability of the public executives, transparency deals with the extent of information shared by these public executives with the stakeholders. These ingredients contribute for the success of any organization and their level (how much accountable and how transparent) indicates the extent of the maturity of the system. This is more so in the field of public delivery systems as the stakeholders are innumerable. Also considering the current divide between the stakeholders and the trustees (who are also stakeholders!), the system of accountability and transparency would ultimately decide the quality of governance.

The importance of Accountability and Transparency (A&T) can be understood by the role they play. Accountability provides the framework by which the public executives (both the elected politician and the public servant) become answerable to the stakeholders. Transparency provides the methods by which the stakeholder-sensitive information is shared with them. While accountability contributes to strengthen the governance processes, transparency paves way for communication and information sharing. Hence these contribute towards 'participatory governance', which is the hallmark of democracy. Therefore A&T issues assume extreme importance in a democracy like India.

The A&T issues take possibly the driver's seat when it comes to financial matters. Every stakeholder's main expectation from public executives is 'clean administration'. The word "clean" connotes 'do not defraud the resources given to you for governance'. While it is a fact that still the stakeholders have not understood their participation their expectations remain whether they express or not.

The field of Public Governance is still a black box for most of the stakeholders as an extension of British legacy. This closed room practice (as it is practiced now) is conceptually against the twin issues of accountability and transparency. When this focus is turned towards 'local governance' – the governance of the local bodies, the situation is rather cloudy. With decentralization initiatives kicked-off on a national basis with specific programmes by both the Central and State Governments, in implementing the 73rd and 74th CAA, there is a great need to address these issues of A&T, to ensure the success of the decentralization. Unless there is clarity and proper implementation of these and related issues, there could be jeopardy to the grand plan of India becoming a developed economy.

Taking this line of thought and argument, this thesis proposes to examine the A&T issues in the urban sector. For this purpose the city of Chennai has been taken as the sample.

Importance and Role of Accountability and Transparency: the case of Public Finance

In order to understand the concept of accountability and transparency, the case of public finance is taken up for discussion. In general, accounting and finance are considered as part or functions of internal management of an organization. The same logic is extended to the field of public governance also. "Accounting - a convincing explanation that reveals basic causes", "Accounting - a system that provides quantitative information about

finances”⁷ are some of the definitions that are attributed to the term ‘Accounting’. Hence Accounting has to do basically with ‘providing explanation’ which is the key ingredient of accountability. “According to Y. Ijiri (1975, p. IX) accounting is a system designed to facilitate the smooth functioning of accountability relationships among interested parties”.⁸

In the field of public finance, therefore, accounting gets its importance due to this very characteristic. Accounting in government, particularly so in the case of local government, has not received its due recognition - thanks to the British legacy. The focus of the British was on the expenditure side in terms of accounting information. For the budget allotted, what is the expense incurred? The British used accounting as a tool to understand whether the natives used the budget properly as per the budget provisions allotted. The revenue collection information was closely guarded for which ‘Collectors’ were appointed. It is a fact that still India has not come out of this legacy. This is the reason why the Budget process in India has not undergone any major changes in the last 60 plus years after independence. Some of the countries like New Zealand and Botswana prepare nation-wide Balance Sheets, but India still prepares only Receipts and Payments accounts in various tiers of the government. To this extent analytical and transparent information is not provided by the Indian government.

The general awareness both inside and outside the government machinery is weak with regard to the system of accounting followed by government organizations and the links between the budget and accounting. Today, thanks to the communications technology and media, even a common man understands that governments prepare budget, and taxation is based on such an exercise. However in order to understand to what extent budget

⁷ <http://www.thefreedictionary.com/accounting>

⁸ Bartosz Kurek, (2004), *Culture creating function of accounting*, Accounting Department, Cracow University of Economics, pp- 1.

projection has been achieved, and how well public monies are managed for the purpose, requires a good accounting system, and this is not understood by both the said insiders and outsiders. It may be interesting to note that even today the divide between budgeting and accounting does exist (dealt with in detail in the thesis discussions).

Until very recently there was inadequate recognition for accounting records even though it was known that 'accounting records formed the base for all authentic information within government, for it is supported by records and documentation'. Even in areas where some accountability was permitted, the watering down of management and governance standards due to inefficiencies of public sector management, resulted in virtually total lack of accountability practices. Though various interventions have been made to improve governance, accounting was the least touched. Post 2000, there has been a major shift in the focus in this regard in all the three tiers of governance, particularly at the local governance level.

Local finance management is impossible without good accounting practices. The local governments, unlike the other two levels, deal with operations and delivery of services. Hence like any service organization in the private sector, the information requirements for operational financial management were specific and specialized. However, these institutions followed general government methods of accounting and did not have adequate information for decision making. This coupled with inadequately qualified and insufficiently trained personnel, accounting functions took a back seat. While the core management of the urban governance (the Commissioner and senior officials) understood this, they could not change the system.

Issues relating to transparency stem from accountability. For instance, in the case of sharing information with the public, unless the information is generated from well defined data recording process and is authenticated, the quality of information furnished would be questionable. Moreover, most of the information required by the public is in relation to the tax they pay and how well that money is used. Actually, these are directly related to the process of 'accounting'.

Considering the case of a local body, let us say a Corporation of a City or Town, what are the types of information a citizen would like to know:

- The property tax she/he needs to pay.
- The status of road repair or drainage cleaning.
- When the garbage will be removed.
- And so on...

Though she may not be conceptually aware that her tax money is used for lifting the garbage from her street or laying/maintaining her road, she would feel that the tax she pays is not worth it. With the tax money and grants received by the Corporation from the higher levels of government, it has to perform all its functions. In the literature of public finance, the classical problem with local finance has always been 'inadequate resource' or 'inadequate finance'. Suppose conceptually, these local bodies are analysed on par with the service providers in the private sector the major differences arise from the "management" (governance) aspects. The key area in this regard is the management of finance. Finance management in any organization begins where accounting ends – that is accounting is a prerequisite for good financial management. Hence it could be argued that lack of good accounting system is one of the main reasons for the drawback in local financial management.

These discussions on accounting provide the base for us to appreciate the philosophy and behind accountability and transparency, with specific reference public finance. The local body finance, an integral part of public finance, needs to have all these ingredients in order to be an efficient and effective system that is both accountable and transparent. Apart from those discussed earlier, the following factors have also contributed to the lack of A&T:

- Lack of clear-cut policy discussions and dialogues;
- Lack of accounting standards for local government;
- Lack of comprehensive accounting system – the local governments follow cash basis of accounting and hence there is total lack of asset/ liability management - major weakness;
- Lack of system for sharing of information with the public;
- Lack of involvement of various stakeholders in public decision making.

Hence extending the argument of this accounting and finance related accountability and transparency, this thesis looks at the A&T aspects in the urban sector. While accounting and finance management are underlying issues, these have not been taken up exclusively in this study. Various macro and operational issues have been considered in this study, as this study is one of the firsts of its kind.

Section III: Key Issues in Urban Governance

Asian Development Bank (ADB) Strategy Document for Urban Sector⁹ lists out the key issues that are required to be addressed. These are generic issues across all the Asian

⁹ http://www.adb.org/Documents/Policies/Urban_Sector/urban0203.asp?p=policies

countries and are very much applicable to India also. The major observations in this regard are given in Figure 1-1:

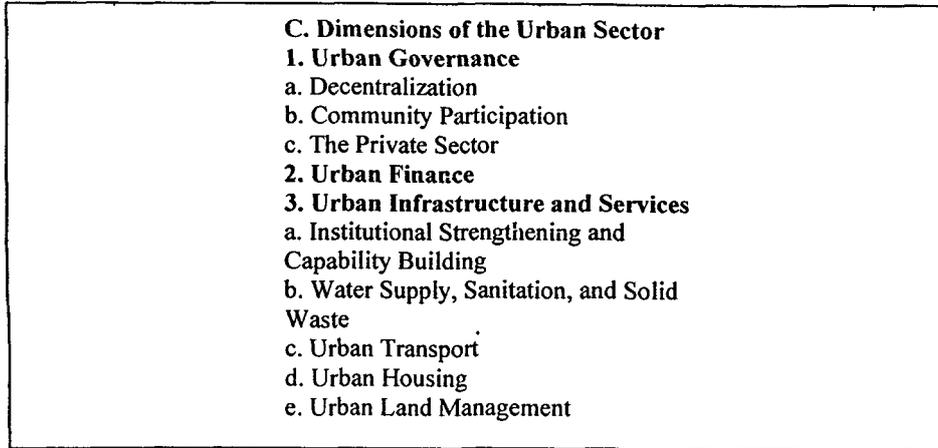


Figure 1-1: ADB - Dimensions of Urban Sector

An assessment by National Institute of Urban Affairs (NIUA), Government of India has identified some of the important issues based on a study in 2003¹⁰ given in Figure 1-2:

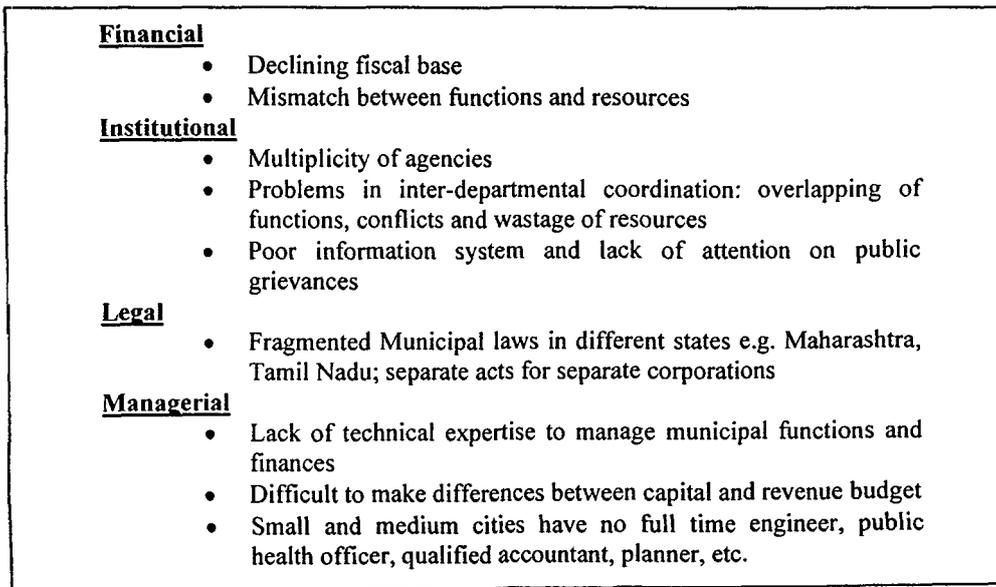


Figure 1-2: NIUA – Issues in Urban Local Bodies

¹⁰ Mathur, Mukesh P.(2003) , *Municipal Finance and Municipal Services in India - Present Status and Future Prospects*, NIUA, pp-83

World Bank in a study of ULBs three specific states (Maharashtra, Karnataka, Tamil Nadu) and their governance makes the following observations¹¹ in the Executive Summary to the report under the sub-heading Governance:

“.....Authority and financing are not congruent with ULB responsibilities, leading to instances where ULBs bear the financial responsibility for decisions in which they had little or no say. This separation of the decision maker (often a state entity), from the financier, the service deliverer, and the ultimate beneficiary, results in the provision of infrastructure and services that do not match local preferences and needs, and are often not repaid nor maintained.

ULBs also have limited scope in managing their assets. Land is over-regulated and urban land markets are highly distorted (e.g., land ceiling act, rent control, regulations on conversion of use, high stamp duties). Land use regulations, titling and permitting are generally opaque and ineffective.

ULBs face numerous layers of oversight and regulation, with many decisions on procurement and staffing (e.g., recruitment, hiring, staffing levels, pay scales) taken by state officials. ULBs’ ability to respond to local demands is circumscribed by their inability to hire or fire qualified staff. Central government decisions on public employee wages made through the Pay Commission also have significant impacts on local wage payments. Low limits for municipal approval authority (technical and administrative sanction) and layers of bureaucratic reporting limit ULB autonomy, and discourage them from improving their performance or pursuing innovations.

The appointment of senior municipal officials by the Indian Administrative Service or State Administrative Service brings capacity and professionalism to ULBs. However, this structure also directs the accountability of these officials upward rather than toward local politicians or citizens. Local politicians have very limited ability to hold appointed municipal officials accountable for their performance, which in turn limits citizens’ ability to hold local politicians accountable. The frequent rotation of these officers further limits accountability to local decision makers and the autonomy of local decision-making.”

Though the ADB study has been at the continent level, the NIUA study at the country level, and the World Bank study at three specific state levels in India, the observations converge on specific governance issues in relation to:

¹¹ World Bank, Energy and Infrastructure Unit, South Asia Region, (December, 2004), *INDIA: Urban Finance and Governance Review*, Volume I (Executive Summary and Main Report), pp-iv.

- Management aspects of the ULBs
- Financial aspects of the ULBs
- Stakeholders participation of the ULBs

These three aspects are major ingredients of A&T, and examination of these aspects is part of this thesis. Managerial and stakeholders' participation aspects gain prominence in this study as the study is from the demand side.

Section-III: Accountability and Transparency – the Demand and Supply sides

Accountability and Transparency (A&T) are instruments of governance in a democratic set up. While accountability deals with the 'ability of any institution/individuals to be answerable to the stakeholders for various actions it/he/she (under) takes', transparency relates to 'openness in procedures, and processes within the system to enable stakeholders understand what is happening in the institution'. These twin reasons have changed the role of urban local bodies with specific reference to its financial management.

According to UNDP¹²:

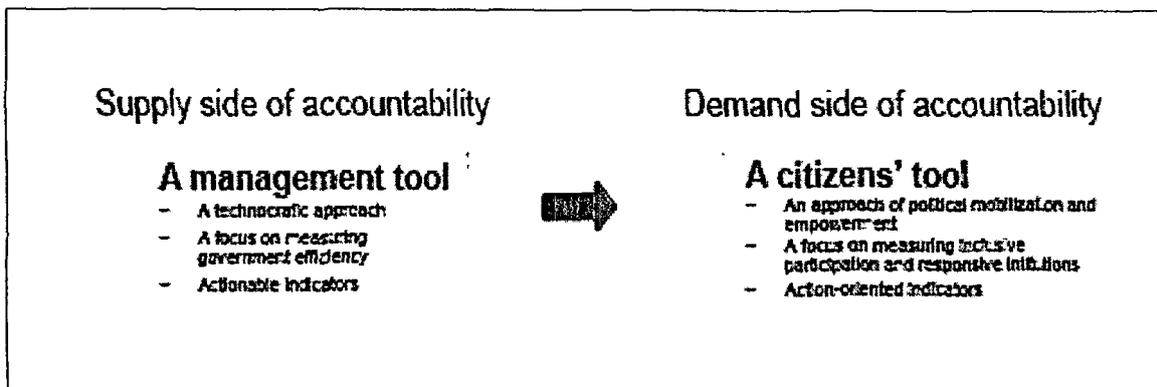


Figure 1-3: Demand and Supply sides of Accountability

The UNDP conceptualizes the demand side of accountability as citizens' or stakeholders' tool while the supply side of accountability belongs to service providers or the

¹² UNDP: *Strengthening accountability at the country level UNDP's approach to democratic governance assessments*, UNDP Website: <http://www.undp.org>

government. According to World Bank¹³ the demand side is represented by Social Accountability which is an approach towards building accountability that relies on civic engagement, i.e, in which its citizens and/or civil society organizations participate directly or indirectly in exacting accountability. Understanding of local government constraints like resources for capital investment, reliability of transfers, own managed revenue streams, capacity for data management and capacity building, changing macro environments and overall regulatory policies are issues that require consideration.

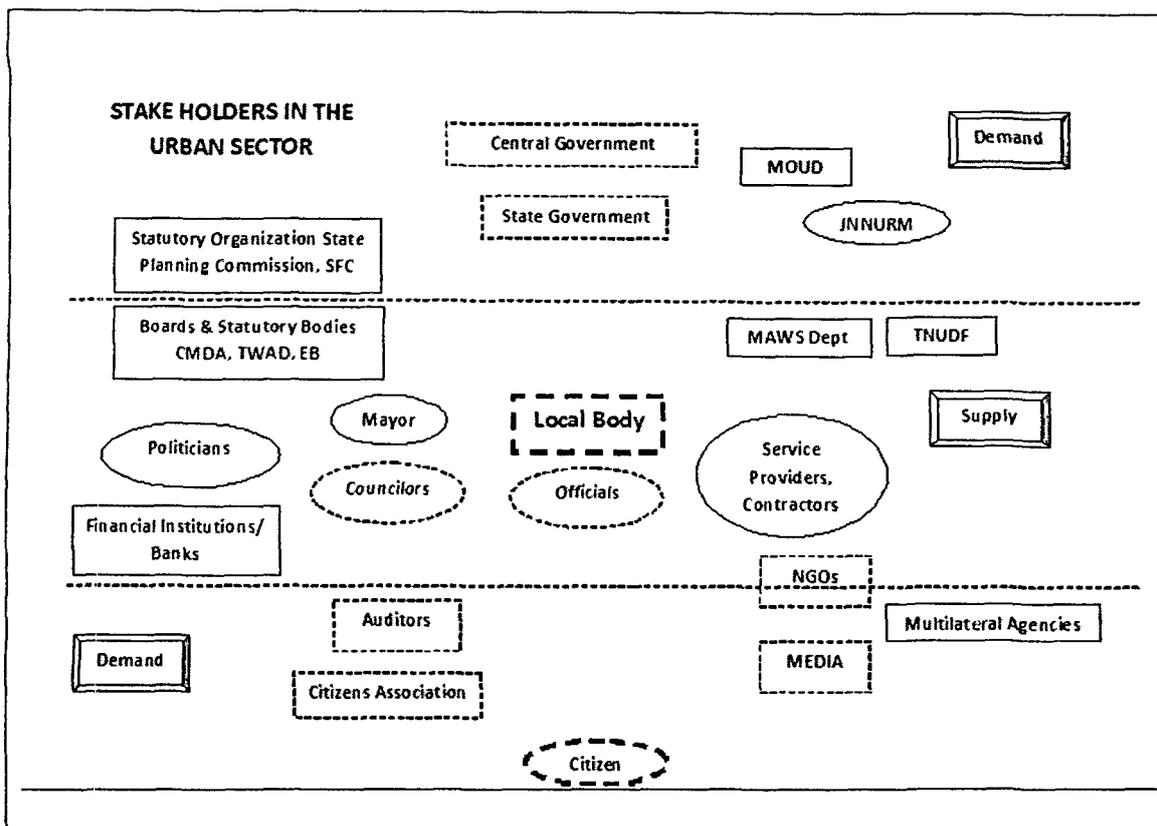


Figure 1-4: Stakeholders – Demand and Supply sides in Urban Sector

The A&T issues need to be understood from the demand and supply viewpoints; the demand and supply are with regard to the 'public information' that is being shared by the ULBs with the stakeholders of the system. Without accountability no large organization, be it private or public, could function effectively. Figure 1-4 shows various stakeholders in

¹³ World Bank (2007) based on a presentation on *Social Accountability aspects in Bosnia Herzegovina*, from <http://www.worldbank.org>

the urban sector and the demand, supply sides. Rectangular boxes show various institutions, while the oval shapes are represented by individuals. The shapes with dotted lines are being considered for analysis in this research.

- One supply side is shown at the middle level and two levels of demand are shown separated by the two dotted horizontal lines. These levels are relative levels, one from the above and one from below;
- Central to the consideration is the Local body, which is accountable to the higher levels of the government;
- Hierarchically the Central Government (GoI) and State Government demand information from the Local Body;
- Similarly the citizens, citizen's associations, auditors, and media demand accountability from the Local Body. This is shown as the demand side on the lower part of the diagram.

This research is on this aspect of the demand side of accountability.

Accountability is the obligation to answer for or be responsible for one's actions, ultimately to a party or authority that may impose a penalty for failure. In the case of the Government, the challenge is to make all Public Servants work towards the common objective of delivering improved services to citizens and to ensure that these services meet the standards and quality citizens expect. Such accountability is enforced both within Government (horizontally, on the supply side, between bodies) and between government and citizens (vertically or on the demand side)¹⁴.

¹⁴<http://www.utumishi.go.tz> , *Accountability and Responsiveness to the Public*, (Last Updated Friday, 07 March 2008)

Demand Side

The demand side of the equation is represented by various stakeholders, the most important one being the citizen. The government is accountable to the citizens. The increasing awareness of the public: citizen's forum, consumer forum, media/press/TV/internet, etc. are also increasing the pressure on the public institutions and hence on A&T issues.

Most of the State Governments in India have come up with legislations in this regard. The Right to Information Act, Transparency in Public Procurement Act, inclusion of public institutions under the Consumer Protection laws, etc. have been enacted based on the A&T considerations. The multilateral funding agencies and the financing institutions have started demanding complete A&T in order to understand the governance and management empowerment in these institutions.

Next is the aspect relating to control: the normal control mechanism in the government has not been working that well (consistent scams in ULBs, increasing politicization, lack of provision/maintenance of infrastructure at local level, non-addressing of core developmental issues, etc). The existing audit mechanism, except in a few and obvious cases, has not been able to provide A&T deviations. There is now a pressure on the audit mechanism also to change itself. Moreover, the ULBs do not have a mechanism equivalent of Public Accounts Committee (PAC) at the Government level to oversee deviations. Now there is a pressure to have a set up like PAC with regard to the finances of the ULBs.

Supply side

The supply side of AT information is very weak. The weakness arises from the following factors:

- Until recently ULBs were not given due importance as the ‘point of contact between government and citizens’:
- Internal systems within the ULBs are very weak and have not changed with times;
- The quality of manpower within the ULBs does not have the wherewithal to handle complicated issues;
- The political system did not want transparency at ULB level for obvious benefits;
- Lack of technological update to provide information to the stakeholders;
- Lack of comprehensive approach by the administration to view ULBs as an integral part of ‘governance’.

The system of transparency that is prevalent in any public system provides link between the demand and supply sides. Sharing of information by making them available through the websites, through media, etc. are acts of transparency. For instance, publishing of the financial results of ULBs forms part of the transparency mechanism that provides direct accountability to the citizens.

This thesis seeks to look, to the extent possible and practicable, at some of the key aspects of the demand side of the accountability mechanisms in the urban sector.

Section IV: Significance of the Study

The issue of accountability and transparency are global. In this regard, areas like municipal governance including municipal finance (and hence municipal accounting) are

by far the major areas that need to be reformed, supported by IT, if A&T objectives are to be achieved. This has been understood by the governments and multilateral institutions across the globe, and in the last two decades across the globe and in the last decade in India the focus is on this. In the USA, for instance the Municipal Bond market is stated to be the second largest money market next only to the Stock market. This implies that if the municipal management is good, the citizens would be coming forward to purchase the municipal bonds as they purchase shares in the stock market. In the emerging economies like India also, all the public financial institutions are getting into this area. This is because the urban infrastructure has to become world class, and this requires funding. Hence it is not about getting funds, but also using the money properly (management) and in a way the citizens want it. This shows the importance of the issues taken up in this study.

In the recent years there have been more cases of financial scandal across the globe in the private sector¹⁵ where the accountability mechanisms are stated to be better. This means such mechanisms need to be further tightened. In the case of urban sector even the accounting mechanism is weak. Considering this unless a very strong accountability system is built as the accounting systems are getting implemented, there are likely to be future ethical shocks rocking the economy that can have damaging consequences. Various initiatives at global to local level in India give us an idea about the seriousness and the status of such initiatives.

Global Initiatives

New Zealand and Ireland were the first two countries to increase transparency in governmental accounting system. Today in these two countries and in a few more

¹⁵ Enron, World Tel, Sub-prime crisis and Satyam are referred to here

countries like Botswana in Africa, the governments follow double entry accounting system and present the annual balance sheet of the country to the highest Legislative Authority. In the USA, Government Accounting Standards Board (GASB) is playing a lead role in setting up governmental accounting standards and supervising the modernization of the accounting systems. At a global level, institutions like International Federation of Accountants (IFAC) are involved deeply in developing International Public Sector Accounting Standards (IPSAS) and documenting case studies in governmental accounting leading to A & T initiatives, through standardized accounting and disclosure practices. Hence, both accountability (through audit and accounts) and transparency (through transfer of information about the finances) are addressed by these initiatives.

Indian Initiatives

Thanks to the CAA (1992), the last decade has given rise to a spurt of activities in this regard. However, the government agencies themselves have been given the task of assessing and revamping the system. Only in the recent years (post 2000) there have been discussions at national level: formation of Task force to look at Municipal Accounting Practices by Comptroller and Auditor General of India, Accounting, Transparency, Public Oversight studies initiated by the multilateral agencies like The World Bank, strengthening of department of municipal administration in some of the states, formation of think tank on e-governance initiatives in the municipalities, etc. The discussions in all of these, lead to one point - the need for a robust accounting system in order to handle A & T issues. Right to Information Act, 2005 is also a step in this direction.

Decentralization and Autonomy: Apart from the above points, the increasing powers at the local body level increase the genuine pressure for authentic accounting information for

decision making on the one side and making them available to public on the other. This is due to increased fund flows through scheme based funding from the higher levels of government (JNNURM), revised strategies for increased revenue collections, and structured borrowing by ULBs for infrastructure building. These initiatives are expected to totally change the volume of financial transactions, while increasing the pressure of accountability of the ULBs to multifarious institutions. This has definitely increased the pressure on these institutions to have a robust accounting and information mechanism, apart from the increased participation of various stakeholders.

As the issues in service delivery quality, accountability, and transparency increase, the need for the use of technology becomes obvious. The availability of implementable technologies at nominal cost with local talents to operate and maintain have given boost to e-governance initiatives which again depend upon accounting information to be shared with the public.

Initiatives in Tamil Nadu and Chennai

Tamil Nadu has been one of the few states in India that are leading in terms of municipal reforms. Tamil Nadu is the first and the only state that has implemented double entry accounting system in all its municipalities at the wake of the 21st century. Chennai Corporation is one of the oldest Corporations in India, having started through a Royal Charter, 1688 (29th September)¹⁶ - “The first municipal corporation was created by a Royal Charter in Madras in 1688”.¹⁷ Also, Chennai Corporation was the first City Corporation in India to move to double entry accounting system as early as 1983. The

¹⁶ <http://www.chennaicorporation.gov.in>

¹⁷ Mathur, Mukesh P Dr,(2003), *ibid*, pp-6

Corporation has put up a website with information on the various services provided by it, aspects relating to RTI Act, payment facilities for taxes, etc.

It has to be studied whether these initiatives by the Chennai Corporation are properly addressing the accountability and transparency aspects. This study is from the demand side of accountability indicating that the focus would be from the citizens (the persons who demand services from Corporation). Hence some of the financial and accounting aspects discussed in this chapter may not be fully dealt with, as these are still considered internal aspects and the expected accountability and transparency has not yet percolated down the governance levels.

The study of Chennai Corporation on these aspects is likely to provide insights into various aspects of accountability and transparency, with specific reference to urban governance from the demand perspective.

Focus of the current Research

This research looks at various accountability and transparency models and definitions with regard to urban (local) finance and seeks to understand the accountability arrangements in the city of Chennai from the demand side of accountability. As seen in Figure 1-4, two demand sides were discussed; however, this study focuses on the demand aspect of accountability from the citizens' viewpoint. The **demand** aspects are examined through a field survey, and available documentation.

Research Objectives

The study aims to **understand and establish** the role of **accountability, transparency** and **action-ability** (a term developed during the study) with regard to urban sector from the perspective of governance in India. The specific objectives of this research are:

1. To understand the behavior of accountability variables from the demand perspective through the ATA Model developed during this research;
2. To study the options available for the citizens with regard to the services provided by the urban/local government, from the demand side of accountability, through EVLN Model;
3. To understand the preparedness for accountability of the citizens through the behavior of the two key variables (basic knowledge and participation) from the citizen (demand) perspective.

Strengths and Limitations of the Study

Strengths

1. This is possibly the first empirical study of this size and depth on aspects relating to accountability, transparency and action-ability with regard to the urban sector, and hence documents various issues for the first time.
2. The study has resulted in the development of ATA Model, including the identification of action-ability as an important ingredient of accountability related parameters in urban governance.
3. The study has also studied some of the popular models like the EVLN model, at a mega city level.
4. The study has been done in the Chennai metro and all the 155 wards have been covered in the study with a sample size of 663.

5. The study has provided inputs for action for various levels of governance and also has resulted in identification of some of the key parameters of performance in this regard.
6. Various outputs arising out of the study are implementable in the field.

Limitations

1. Since the study of such a topic is for the first time, the extent of understanding of the issues underlying may limit the study.
2. Limitations in understanding of various aspects of the study by the respondents can be a limitation. The study covers both literate and illiterate population and the levels of understanding are seen to be drastically different.
3. Various macro-economic models attempted in this study were not developed specifically for the urban sector and hence there could be difference in their level of fitness in the issues taken up.

Chapters of this Thesis

Chapter Two provides an overview for Understanding the Urban Sector in India. Various aspects of governance initiatives in the urban sector as a whole, an update on the various initiatives taken at national, state- Tamil Nadu, city- Chennai levels is given. This provides the backdrop for various discussions that are done as part of this study.

Review of Literature and Theoretical Analysis are provided in **Chapter Three**. Literature review for Accounting in Urban Sector, Accountability and Transparency in the Urban

Sector is undertaken. Discussion of various theoretical and conceptual aspects, models and frameworks used in the research are covered in this chapter.

Chapter Four provides the complete Methodology and Survey. Research design for the ATA Model, VSLN Model and the preparedness of the citizens for Accountability related matters are explained in detail. The chapter covers the Survey done exclusively for the research aspects, the details of the survey, etc. and the research questionnaire is also included.

Analysis of Survey Findings is given in **Chapter Five**. Analysis brings out the findings of the survey with reference to the three specific aspects of examining the ATA Model, EVLN Model and the preparedness of the citizens for accountability related initiatives. Basic tabulation and implications of the survey results are discussed.

Chapter Six provides details on the Hypotheses and Testing of the Hypotheses. Based on the discussions in various chapters, three major hypotheses are set for the research. The statistical validity of these hypotheses are tested to understand the overall results. Based on the demographic variables, these hypotheses are analysed in order to bring out results of the survey.

Chapter Seven provides Summary, Findings and Conclusions of the study. Summary of study findings and conclusions for all the three hypotheses are brought out. The extent of the achievement of the objectives of the entire research is brought out. The limitations of the study are discussed based on the experience gained from this research. The inputs for further research both from theoretical and practical aspects are summarized.