CHAPTER VII

SUMMARY, CONCLUSIONS AND SUGGESTIONS

7.1 MEANING AND SIGNIFICANCE OF LOCAL GOVERNMENT

Local government is of utmost importance for democratic country like India as democracy signifies right to participate in administration and its affairs. With the perspective of welfare state the functions of state expanded and there is no field of our life which is not dependent on the state. Due to this heavy burden of functions, the government is facing the problem in tackling it efficiently. So the need for local institutions is felt on every moment. It plays a very pivotal role as it is the only body which provides all the local services at grass root level. Local government is defined by various scholars in different ways, some of the important definitions are as below:

According to Encyclopedia Britannica, “Local Government means authority to determine and execute measures within a restricted area inside and smaller than whole state” G.Monlagn Harris defines the local government as, “government by the people themselves through freely elected representatives.” D.Lockard opines that local government may be loosely defined as, “public organization, authorized to decide and administer a limited range of public policies within relatively small territory which is sub division of a regional or national government. “L.Golding regards local government as,” management of their own affairs by people of locality”

In the words of Pt. Jawahar Lal Nehru, Local Government is regarded as most important tool for developing the spirit of self reliance and new thinking of new ways and understanding of the world. T.Appa Rao opines, “Local Government as important because it fulfils the domestic needs of civilized community and creates interest among citizens in common affairs and ventilates field open to constructive and innovative activities. It enlightens citizens about political consciousness; it serves as a remedy to problems of the society”. Local government plays pivotal role in strengthening democracy as policies can be formulated perfectly by local officials who are close to people. James Bryce states that practice of local government is the best guarantee for success of democracy. Local governance is of great educative

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1 O.P. Srivastava (1980), Municipal Government and Administration in India, Chugh Publication, Allahabad, 1980, pp.1
significance as people can be trained best at local levels, it throws an attempt to own a responsibility among people for work done and moreover it imbibes the spirit of achieving goals desired by people at local levels. It also serves as participatory tool for local people in governance and is responsible for mobilization of local resources. It acts as a link and play very effective role in integrating development of various dimensions i.e. social, economic or cultural. It checks the evil of centralization and contributes to pliability, strength and innovative tool by promoting diversification of political experience. Scholar like W.A Robson signifies the importance of local government as immense, according to him “Democracy on national scale can function in a healthy manner only if it is supported and nourished by democratic local government”2

Economic development led to rise in urbanization and last two decades signifies high growth of urban population in Asia. Despite the pace of economic development and rise in trend of urbanization, the quality of living of urban areas remained poor. Urban areas suffered from problems like traffic congestion, slums and poor provision of civic amenities. It is duty of local government to manage the growing urban areas and provision of basic services to residents of urban areas. The governance of urban cities has assumed greater importance as the capacity of nation to pursue its economic goals is dependent on the urban areas. It is due to contribution to urban centers to national income. The decentralization of government is most notable feature of developing countries as they aims at achieving high economic growth rates, integrating the national economy, and increasing economic efficiency through greater competition. Significant trend of decentralization and expansion of urbanization has resulted in great pressure on urban local bodies and major emphasis on infrastructural development and growing population the role of state has changed from producer of infrastructure to the facilitator. The upsurge of private players has come due to poor performance of public sector, financial constraints and obsolete manpower to cope up the changing scenario. There are various forms and approaches to allow private parties to play a part in providing various goods and services which broadly includes service contract, management contract, lease, concession, Greenfield projects, divesture etc.3 Contracting out, being globally adopted is an arrangement which is

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3 Nand Dhmeja and Rakesh Gupta (2008), op.cit., 1-11.
most preferred to when talking about privatizing public services. The rationale for contracting out delineates that contracting out is more effective and efficient service provider as it harnesses competitive forces, permits better management. The process of contracting out offers specialized skills that are lacking in obsolete workforce. It also allows flexibility in adjusting size of program; it avoids large capital outlays and permits economies of scales regardless of size of the government entity. It offers yardstick for comparing costs and fosters competitions, management which ultimately reduces dependence on single supplier that is government monopoly. It also limits the sizes of the government in terms of number of employees and provides society with innovative approach for fulfilment of desired needs.4

Chandigarh is a modern city and covers area of approximately 114 kilometers with population of around ten lakh making density of around 7900 persons per square kilometers. So governance is one of the very important concept for Chandigarh, functions are performed and governed by Chandigarh Administration and Municipal Corporation. An Ordinance namely the Punjab Municipal Corporation Act, 1976 as extended to Union Territory Chandigarh by the Punjab Municipal Corporation Law (Extension to Chandigarh) Ordinance, 1994 was promulgated by the President of the India with effect from 24th day of May 1994 and the Municipal Corporation of Chandigarh came into being. Municipal Corporation renders the most important function of providing water supply to the residents and looks after the proper disposals of sewerage. Municipal Corporation performs the job of construction and maintenance of roads and Streets. Municipal Corporation also undertakes the job of proper electrification and its maintenance of street lighting. They also look after the beautification of parks, roads and gardens. Another functions entrusted to Municipal Corporation Chandigarh is to provide fire fighting services to the citizens. They also perform various miscellaneous functions for the welfare of the residents which include management of Apni Mandis, tree plantation, health services, registration of births and death, licensing of vehicles etc.

Keeping in mind the above mentioned wide range of functions, the Municipal Corporations including Chandigarh Municipal Corporation is resorting to contracting out of provision of local service. However, so far, no serious attempt has been made

4 richardphelps.net/Privatization.doc
to study the contracting out empirically. This study is a step in this direction to fill the gap in existing literature.

7.2 REVIEW OF LITERATURE:

A large number of studies have been undertaken in the research field. Select studies have been undertaken and reviewed under four following themes:

(a) Studies on local urban governance;

(b) Studies on privatization;

(c) Studies on Public-Private Partnership;

(d) Studies on contracting out

7.3 INFERENCES DRAWN FROM REVIEW OF LITERATURE

The review of literature has thrown light on various dimensions of privatization including contracting out, public-private partnership, and disinvestment. Apart from that detailed examination of various facets of local governance has already been covered. Here the inferences drawn from the review of literature are briefly discussed:

**Inferences from review of literature about local urban governance, privatization, public private partnership:** Review of literature brings forth the poor conditions of urban local bodies with regard to delivery of services due lack of finance, capacity building and poor management. Studies also clearly points out poor coordination, corruption, lack of people participation and poor monitoring of policies and plans. The major inferences about privatization formulated from review of literature are that the need for private sector intervention was felt due to failure of state in meeting the requirements of the society. The literature suggests having a comprehensive privatization policy for making this trend a success. The major inference drawn from review of literature about the public private partnership is that is catching up and can offer better solution in context to the effectiveness of services in relation with their cost without having any hassle and burden to the government . The literature throws light on various dimensions and framework for public private partnerships and its success.
Inferences about contracting out: The inferences drawn from review of literature personifies that at present contracting is most prevalent form of privatization. There is huge difference in services provided by private contractors in contrast with government contractors. The second major inference drawn from review is that there is need for sound policy which must cover various dimensions of contracting out like drafting, enforcement, and systematic monitoring of contracts for bringing the desired results. The third inference from review of literature cautions to ensure public interest which should not be sacrificed in process of contracting out. The forth inference depicts the need for competitive tendering in contracting process. The fifth inference is that there is immense need for examining ethical dilemmas that arise during contracting out.

7.4 OBJECTIVES OF THE STUDY:

The major objectives of the study are:

(I) To analyze the organization and working of the Municipal Corporation, Chandigarh.

(II) To study how contracts are designed by the Municipal Corporation, Chandigarh.

(III) To examine the process of allocation of contract to the private party by Municipal Corporation, Chandigarh.

(IV) To study how the contracts are monitored.

(V) To know the level of satisfaction of employees of contracted out services towards their service conditions.

(VI) To assess the performance of contracted out services by Municipal Corporation, Chandigarh on the basis of satisfaction of citizens towards the services being provided by contractors.

(VII) To give policy guidelines and suggestions for contracting out local services.
7.5 HYPOTHESES OF THE STUDY

(I) The organizational set up of Municipal Corporation, Chandigarh is conducive for its smooth functioning.

(II) The process of contract design is faulty leading to poor contract designs in Municipal Corporation Chandigarh.

(III) Municipal Corporation Chandigarh has failed to generate competition among potential bidders.

(IV) There is lack of effective Institutional mechanism for monitoring and supervision of contracted out services in Municipal Corporation, Chandigarh.

(V) The employees of contracted out services are not satisfied with the service conditions.

(VI) The level of satisfaction of citizens towards the contracted out services is low.

7.6 RESEARCH METHODOLOGY

The study has used both primary and secondary data. The secondary data was collected from office records, consultation papers, and reports of urban local bodies, commissions, books, journals, theses, dissertations, internet, newspapers and annual reports of the department. To assess the process of Contracting out, the information was generated through an interview which schedule was administered to the concerned officials of Municipal Corporation, Chandigarh. The city of Chandigarh has sectors, villages and colonies. In order to examine the performance of contracted out services, the city of Chandigarh was divided into two parts i.e. northern and southern sectors. Five sectors from each were selected on random basis and a sample of 200 respondents, 40 from each sector was taken. Similarly 100 respondents from four villages and 100 from four colonies were taken to know their views regarding their satisfaction level towards five select contracted out services viz. roads, sanitation, parks, electrical and paid parking services. In addition the interviews with the respective officers and councillors of Municipal Corporation were conducted. A questionnaire was administered to 100 employees of the five select (20 each) contracted out services to know their satisfaction level with regard to their job and
working conditions. Observation method wherever possible was also used for collecting data.

The data processing involved editing, coding, classification and tabulation. The data was analyzed through percentage and chi square statistical technique.

7.7 FINDINGS OF THE STUDY AND HYPOTHESES TESTING

Finding of this study along with status of hypothesis have been depicted chapter-wise as follow.

**Hypothesis I**

The organizational set up of Municipal Corporation, Chandigarh is conducive for its smooth functioning

On the basis of analysis through primary and secondary data, it came to light that although Municipal Corporation Chandigarh is playing a pivotal role in provision of basic services, but the structure and working of Municipal Corporation Chandigarh has serious shortcomings. To further test the hypothesis, the following sub hypotheses are checked which are considered significant in a conducive functioning of an organization.

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<tr>
<th>S.No.</th>
<th>Sub-Hypothesis</th>
<th>Sources of Data</th>
<th>Analysis</th>
<th>Status of Sub-Hypothesis</th>
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<tbody>
<tr>
<td>1.</td>
<td>There is effective coordination between executive and deliberative wing of Municipal Corporation Chandigarh.</td>
<td>Primary/Secondary Data</td>
<td>On basis of survey it has been found that there is difference of opinion among executive and deliberative wing, responses generated from councillors depict that there is difference in ideology in sharing of powers. The tiff between these two wings leads to poor coordination and</td>
<td>Rejected</td>
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<td>2.</td>
<td>There is well defined personnel policy and adequate staff in the Municipal Corporation Chandigarh</td>
<td>Primary/Secondary Data</td>
<td>On basis of survey, examination of official documents, interaction with officials and analysis of media reports, it has been established that there is no policy regarding job rotation, job enrichment and job specification. There is absence of comprehensive policy for training and promotion. Several departments are facing severe staff crunch as well and vacancies have not been filled from last five years.</td>
<td>Rejected</td>
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<td>3.</td>
<td>There are strong accountability mechanisms in position for fixing responsibility in the Municipal Corporation Chandigarh.</td>
<td>Primary/Secondary</td>
<td>Accountability mechanism has been found missing in the working of corporation and it has failed on front of devising any policy on it. Further Municipal Corporation has not been effectively implementing right to information in letter and spirit.</td>
<td>Rejected</td>
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<td>4.</td>
<td>There is effective formation of ward and task groups in the Municipal area.</td>
<td>Primary/Secondary Data</td>
<td>On basis of survey it has been found that Municipal Corporation often delayed the formation of ward panels and task groups therefore hampering the effective working of Municipal Corporation.</td>
<td>Rejected</td>
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<tr>
<td>5.</td>
<td>Public relation department of Municipal Corporation have good infrastructure,</td>
<td>Primary/Secondary Data</td>
<td>The study reveals that important department like public relation is working with one assistant public relation officer and there is no separate budget to carry out its activities which in turn is hampering the true spirit. Besides this the department lacks in office space, computers and other necessary equipments.</td>
<td>Rejected</td>
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The study of organizational structure of Municipal Corporation Chandigarh depicts serious lacunas in smooth functioning of organization. There is need to plug in these gaps to make the system organized, responsive and result oriented. On basis of above cited problems it can be deduced that the hypothesis “Organizational set up of Municipal Corporation Chandigarh is conducive for its smooth functioning” stands rejected.
Hypothesis II

The process of contract design is faulty leading to poor contract designs in Municipal Corporation Chandigarh.

The analysis of design of contracts reveals that the contracts are lengthy in nature and are fully stocked with legal terms which are not understandable by all stakeholders. The interaction with contractors revealed that the terms and conditions laid down by Municipal Corporation Chandigarh is hard to comply and in this regard they had submitted memorandum to the Municipal Corporation but there is no reply or dialogue of communication from them. The terms and conditions enshrined of the contracts are hard to operationalise and are obsolete. During the inquiry it also came to light that councillors are not involved in the design process which is a crucial gap. There is no specific provision of extra rewards for the contracts of villages and colonies, Councillors from these wards have been approaching Municipal Corporation Chandigarh on regular basis to take initiatives to make the contract attractive to potential bidders. Another lacuna which is established during the inquiry is that Municipal Corporation has failed to carry out feasibility study before publicizing the contract which resulted in no interest of contractors. On the basis of survey it was established that the rates offered by Municipal Corporation Chandigarh have not been updated, despite the rise in market rates. Especially in case of road services the contracts went unattended for thirteen occasions due to non revision of prevailing market rates. Such lacunas clearly depict the failure of contract designing and validates that there is lack of expertise in Municipal Corporation Chandigarh.

The following sub hypotheses are checked on basis of theoretical framework devised from best practices of contracting out local public services around the globe.

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<tbody>
<tr>
<td>1.</td>
<td>Contracts are not designed after careful feasibility study.</td>
<td>Primary Data</td>
<td>On basis of survey finding, it has been found that contracts are not designed after undertaking feasibility study. In addition the</td>
<td>Accepted</td>
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237
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<td>contracts also fail to take into account the prevailing market rates resulting in failure to attract more potential bidders.</td>
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<td>2.</td>
<td>Contracts are not precise, easily understandable.</td>
<td>Primary Data</td>
<td>On basis of analysis of Memorandum of understanding, it has been found that contracts are too lengthy, vague and not easily understandable even by contractors.</td>
<td>Accepted</td>
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<tr>
<td>3.</td>
<td>Contracts are not designed with the consultation of area councillors</td>
<td>Primary Data</td>
<td>On the basis of interviews carried out by different area councillors, it has surfaced that they are not involved in the process of contracting out at any stage.</td>
<td>Accepted</td>
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<tr>
<td>4.</td>
<td>There is no involvement of expert in design of the contracts in the Municipal Corporation Chandigarh.</td>
<td>Primary/Secondary Data</td>
<td>On basis of interaction with the contractors it has been found that there is no involvement of experts at the contract design stage. This has led to poor contract designs.</td>
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<td>4.</td>
<td>There is lack of accountability mechanism in designing the contracts.</td>
<td>Primary Data</td>
<td>On basis of survey and media reports, it has been found that there is lack of accountability mechanism in designing the</td>
<td>Accepted</td>
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contracts as there is no independent authority to keep a check on technical officials. This has resulted in complaints against Municipal Corporation having favoured several private parties. In several cases audit department also highlighted that the department of public health has favoured a company by framing exorbitant estimates which resulted in financial loss.

The study of contract design in Municipal Corporation Chandigarh depicts serious shortcomings. Careless attitude and over bureaucratic procedures led to poor contract design which is very dangerous for the spirit of contracting out. So the hypothesis “the process of contract design is faulty leading to poor contract designs in Municipal Corporation Chandigarh” stands validated.

Hypothesis III

Municipal Corporation Chandigarh has failed to generate competition among potential bidders.

On basis of survey it has been found that Municipal Corporation is doing less to generate competition among potential bidders. This responsibility lies with the Public Relation Department, on interviewing assistant public relation officer; it came to light that the existence of such important department is not in true in spirit. The department
has been inadequately staffed as it has only one assistant public relation officer and two clerks. The role of department is confined to giving advertisement of tenders only. There is no separate provision in budget to carry out campaigns regarding contracts. The process of communication with the contractors is also missing and there are hardly any efforts on the part of the department to act as bridge between the agency and contractor. It is the responsibility of the public relation department to recognize the critical issues which are hampering the spirit of competition and to cultivate competition among potential bidders through various channels and programs. Such attitude of the agency is also responsible for poor interest among bidders.

The following sub hypotheses are checked in order to analyze the steps taken by Municipal Corporation Chandigarh in context of generating competition among potential bidders.

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<tbody>
<tr>
<td>1.</td>
<td>Municipal Corporation is not working effectively to generate competition among potential bidders</td>
<td>Primary and Secondary</td>
<td>On basis of careful review of the role of various departments, it has been found that PR department is not playing effective role in generating competition. There is no separate provision of budget for carrying out promotional campaigns with regard to contracts. The post of Public Relation Officer is lying vacant.</td>
<td>Accepted</td>
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240
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<th>Absence of dialogue between contractor and Municipal Corporation hampers effective communication.</th>
<th>Primary Data</th>
<th>On basis of interviews with the contractors and officials of Municipal Corporation, it has been found there is no formal channel of communication, contractors lamented that despite repeated requests there is no answer from the authorities. Needless to mention that effective communication is vital for success of any contractual arrangement.</th>
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<td>3.</td>
<td>Municipal Corporation is not working effectively to check the practices of cartels.</td>
<td>Primary Data</td>
<td>On basis of enquiry it has surfaced that there is strong practice of ‘Cartelization’. There is a pool of select local contractors who are taking the contracts on regular basis. Municipal Corporation has failed to check the practice of collusion which led to poor competitive spirit among contractors of other areas.</td>
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</table>

Municipal Corporation Chandigarh lacks in the spirit of generating competition among potential bidders. This is due to less attention paid by Municipal Corporation Chandigarh about the working of public relation department. So the hypothesis “Municipal Corporation Chandigarh has failed to generate competition among potential bidders” stands validated.
Hypothesis IV

There is lack of effective Institutional mechanism for monitoring and supervision of contracted out services in Municipal Corporation, Chandigarh

Institutional mechanism simply refers to the technical aspects of doing something incorporated into a structured and usually well-established system or a committee of which the members of the organisation are the employees themselves to address the various issues and problems of concern.

In case of Municipal Corporation Chandigarh it has been found that the monitoring and supervision is inbuilt in the system of respective departments. The officials who are involved in monitoring and supervision are generally junior engineers, executive engineers and inspectors of the concerned departments. On basis of evaluation it came forth that the supervision and monitoring is not effective in terms of getting the work done from contractors. On basis of interviewing area councillors it is found that contractors are repeatedly flouting norms and they are getting away by paying fines is a common practice. One area councillor lamented that on surprise check it was discovered that only seventeen persons were deployed in an area while attendance register showed much higher number. On the basis of informal communication with the sanitation and horticulture contractual staff it came to light that they are being exploited and less number of workers are deputed for generating profits. Workers lamented that during surprise visits, contractor use to call staff from other areas, just to fulfil the procedural formalities. In case of road services huge scam of illegal cables was surfaced due to lack of supervision of field officers and due to such supervision contractor has made a big fraud.

While in case of parking services, it is vivid that most of the parking lots has only two persons managing the whole parking lot, one is at the entry that gives the ticket and collects the fee and one collects the outgoing tickets, few parking lots has CCTV cameras. While, in the contract it is cited that there needs to have CCTV camera and personnel every ten meters, which is clearly being ignored by contractors. The only answers contractors have are the strict terms and conditions on the part of Municipal Corporation Chandigarh which are hard to comply with. Contractors are managing by paying fines.
The following sub hypotheses are used to check the status of hypothesis.

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<tbody>
<tr>
<td>1.</td>
<td>The officials who are involved in monitoring and supervision are not carrying out their job effectively.</td>
<td>Primary Data</td>
<td>On the basis of survey and interaction with the contracted out workers, it has been established that there is serious monitoring failure as contractors are easily flouting norms.</td>
<td>Accepted</td>
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<td>2.</td>
<td>Area councillors are not involved in the process of monitoring and supervision</td>
<td>Primary Data(Interviews with the councillors)</td>
<td>On basis of interview, it has been found that area councillors are not involved in monitoring process, whenever they had reported about the wrong doings; no action has been taken against the erring contractor.</td>
<td>Accepted</td>
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<td>3.</td>
<td>There is high degree of corruption in process of monitoring and supervision of contracts in Municipal Corporation Chandigarh.</td>
<td>Primary DataB</td>
<td>On basis of conversation analysis with contractual staff, it has come to light that area supervisor informs the contractor before making a surprise check defeating the purpose itself. Media reports also highlighted that there is high degree of corruption. In case of road services, engineers were chargesheeted for their involvement in various malpractices. Other</td>
<td>Accepted</td>
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than this, it has been found that although on paper officials are carrying out routine supervisions, surprise checks and imposing penalties but that is not making any difference in enhancing the quality as contractors are repeatedly flouting the norms and getting away by paying fines is a common practice. Taking advantage of laxity in supervision and monitoring contractors are resorting to various strategies just to cover up the anomalies and fulfil the procedural formalities.

On the basis of above discussion, we can deduce that there is lack of effective Institutional mechanism for monitoring and supervision of contracted out services in Municipal Corporation, Chandigarh and hypothesis stands validated.

**Hypothesis V**

The employees of contracted out services are not satisfied with the service conditions.

The job satisfaction level among the respondents was surveyed, from various services i.e. sanitations, roads, horticulture, street lights, paid parking. The surveyed respondents were 100 and they were analyzed on the issues regarding salary, working hours, paid leaves, job security.

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The analysis of responses depicted that among all 100 respondents surveyed either they were receiving salary as cash (55 respondents) or through the cheques (45 respondents). On the issue of on time salary only twenty two respondents were agreed on it and among them majority 31.8% respondents were from sanitation services, 27.3% from the roads, 22.7% respondents from electrical and rest 18.2% respondents from paid parking services while rest of the respondents surveyed i.e. 78 disagreed regarding on time salary and all respondents surveyed from horticulture services stated disagreement over on time payment. On the issue of satisfaction level of the respondents regarding salary, among all 100 respondents all were dissatisfied from every services except three respondents from the electrical services whom were found to be satisfied regarding their salaries. There were no single respondents available those who had reported that they ever get paid leaves in their job in any month from all services. So it is another reason of job dissatisfaction.

The job satisfaction of the respondents surveyed were analyzed regarding various factors like job security, sense of job security after holidays, provision of safety equipments, on job injury, compensations in case of injury and provident fund accounts. The results showed there is no sense of job security among the respondents as when it was asked that do they think their job is secure after taking holidays each respondents surveyed from all services reported negative except two respondents from horticulture services those believed to have secured job. Also respondents were surveyed on issues regarding whether contractor provides safety equipments while on job, in regard to this only 18 respondents surveyed were in agreement and among them four respondents each were from the services of sanitations, roads, electrical and paid parking while two respondents were from the services of horticulture. Another issues which came to light are that contractors often exploit them and make them work in different areas, they have less knowledge about their provident fund account and contractor charges money for giving uniform.
The following sub hypotheses are used to check the status of hypothesis.

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<tbody>
<tr>
<td>1.</td>
<td>The contracted out workers are not satisfied with their amount of salary.</td>
<td>Questionnaire administered to contracted out employees</td>
<td>On basis of analysis of one hundred surveyed respondents, 97 were found dissatisfied as they feel that they were less paid.</td>
<td>Accepted</td>
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<tr>
<td>2.</td>
<td>The contracted out employees are not satisfied from the timely receipt of salary.</td>
<td>Questionnaire administered to contracted out employees</td>
<td>Out of one hundred contracted out workers, 78 were found dissatisfied from the timely receipt of salary.</td>
<td>Accepted</td>
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<tr>
<td>3.</td>
<td>The contracted out employees are not satisfied with the mode of salary.</td>
<td>Questionnaire administered to contracted out employees</td>
<td>On basis of survey of contracted out employees, 55 respondents received salary as cash and were dissatisfied from the mode as often they were paid less.</td>
<td>Accepted</td>
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<td>4.</td>
<td>The contracted out workers are not satisfied with working hours.</td>
<td>Questionnaire administered to contracted out employees</td>
<td>On basis of survey, it came to the light that sixty seven workers out of one hundred worked for eight hours and rest are working more than that.</td>
<td>Rejected</td>
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<tr>
<td>5.</td>
<td>The contracted out workers are not satisfied from the paid leaves provided by contractors.</td>
<td>Questionnaire administered to contracted out employees</td>
<td>On basis of survey, it has been found that not even single paid leave was provided by the contractor, rather if workers take leave on Saturday,</td>
<td>Accepted</td>
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<td>then their two days salary was deducted.</td>
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<tr>
<td>6.</td>
<td>The contracted out workers are not satisfied with the provision and usage of ESI cards.</td>
<td>Questionnaire administered to contracted out employees</td>
<td>On basis of survey, it has been found that only fifty percent i.e. fifty workers were provided ESI cards and amongst them only nine availed the benefit of ESI as they have no knowledge regarding its usage.</td>
<td>Accepted</td>
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<tr>
<td>7.</td>
<td>The contracted out workers do not have sense of job security.</td>
<td>Questionnaire administered to contracted out employees</td>
<td>On basis of survey, respondents reported that they all feel the threat of losing the job in case they proceed on leave, and eighty two percent respondents are not being provided safety equipments by the contractors and no compensation is provided by the contractor in case of injury.</td>
<td>Accepted</td>
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</tbody>
</table>

In light of above discussion it is clear that the employees of contracted out services are not satisfied with the service conditions and hypothesis stands validated.

Hypothesis VI

The level of satisfaction of citizens towards the contracted out services is low.

To assess the level of satisfaction of citizens, structured questionnaires was administered and to check the status of hypothesis following service wise sub hypothesis are used.
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Sub-Hypothesis</th>
<th>Sources of Data</th>
<th>Analysis</th>
<th>Status of Hypothesis</th>
</tr>
</thead>
</table>
| 1.    | The citizens are not satisfied with Roads and its quality | Questionnaire administered to citizens | • About 53% of citizens are dissatisfied with condition of roads.  
• About 55.2% of citizens are dissatisfied with the quality of roads. | Accepted |
| 2.    | The citizens are not satisfied with the sanitation services in terms of area cleanliness, frequency of sweepers and garbage collection | Questionnaire administered to citizens | • About 71.8% of citizens are dissatisfied with the area cleanliness  
• About 78.5% of citizens are dissatisfied with the frequency of sweepers.  
• About 76% of citizens are dissatisfied with the frequency of garbage collection. | Accepted |
| 3.    | The citizens are not satisfied with the street lights of their area, its timeliness of switching street lights on and off and its quality. | Questionnaire administered to citizens | • 68% of citizens are satisfied with street lights of their area and 55% respondents are satisfied from timeliness of switching street lights on and off, however as far as the quality of street light in terms of its adequacy majority of the respondents i.e. 74.8% are found dissatisfied | Rejected |
| 4.    | The citizens are not satisfied with the | Questionnaire | • About 62.5 of citizens are | Accepted |
Analysis of sub hypotheses reveals that “The level of satisfaction of citizens towards the contracted out services is low” The hypothesis stands validated.

### 7.7 SUGGESTIONS

On basis of above findings a number of policy prescriptions have been proposed. The policy prescriptions cover the various aspects like organizational structure and its smooth functioning, contract design, process of contract award, publicity of contracts and monitoring and supervision. The policy prescriptions also suggested the measures for welfare of contractual employees and to strengthen the service delivery mechanisms to the citizens.
1. **Consensus between Executive and Deliberative Wing:** Collaborative effort of all strata’s of an organization plays an important role in smooth functioning of that organization. The study reveals that most of the times there is lack of coordination between the deliberative wing led by mayor and councilors and executive wing comprising of commissioner, an IAS officer along with other officials due to different perspectives towards the civic problems of the city. The mayor and councilors being elected representatives adopt populist measures. On the other hand, the commissioner and his team try to focus on rules and regulations and has rigid attitude, thereby creating problems for the smooth functioning of Municipal Corporation Chandigarh. On basis of survey it has surfaced that there is no clear cut demarcation of powers between Municipal Commissioner and Mayor, which resulted in conflicts at times. In this context, it is suggested to build consensus between deliberative and legislative wing. There is need to clearly demarcate the powers and functions to avoid the overlapping and conflict like situations. Executive and deliberative wing should meet regularly to discuss issues, so that consensus must prevail among various policy matters.

2. **Promotion of effective task groups and development panels:** Smaller task groups and development panels play pivotal role in local governance. While in case of Municipal Corporation Chandigarh, it has been found that political domination of single party, lead to undemocratic formation of ward panels. This practice is opposed by opposition leading to considerable delays in formation of development panels, task groups and committees. Therefore it is suggested to have a fair roster to constitute task groups and development panels with the consultation all councilors and the functioning of these task groups must be reviewed periodically.

3. **Better Co-ordination for effective functioning:** Coordination aims at interrelating works of various departments in order to achieve a common purpose effectively. It calls for effective synchronization among various departments. On basis of findings it came to light that there is no coordination among various wings and departments as a result Municipal Corporation has failed to execute projects under JNNURM, councilors lamented that absence of nodal officer for executing projects led to confusion about the decisions taken by house of Municipal Corporation. So there is dire need of proper coordination in functioning
of various departments which will be possible by designing specific roles of each and every department. It is suggested to have nodal officer for better coordination.

4. **Devising effective personnel policy:** Personnel are considered as backbone of any organisation. All efforts are useless unless manpower is efficient and effective. The study reveals that there is shortage of staff, absence of sound personnel policy, and there is no uniform policy for job rotation and job enrichment. So it is suggested that a sound and effective personnel policy must be devised to cater to specific needs of Municipal Corporation Chandigarh. Right man for right job should be assigned and there is need for timely job rotation and job enrichment to keep the morale of workers high.

5. **Need for autonomy to combat red-tape:** The study reveals that Municipal Corporation Chandigarh is hierarchical and rigid in nature. There is lack of flexibility and operational autonomy due to cumbersome transactional rules, which is hampering its smooth functioning. So it is suggested that autonomy must be given to some extent to achieve the desired goals. Flexibility must be provided to various departments to take decisions in their own spheres to avoid unnecessary delays.

6. **Putting tools of Good Governance to work:** With the advent of good governance, transparency has become a prerequisite for achieving desired objectives especially for public agency. The study found that Municipal Corporation has failed to effectively implement various initiatives on RTI, E-Governance and Citizens Charter. So in light of this, it is suggested that Municipal Corporation, Chandigarh must have effective channels to ensure accountability in organisation. This can be assured through sound Right to Information policy and effective citizen charter, and E-Governance programme in position at MCC.

7. **Contracts should be precise and simple:** Contracts devised for bidding, plays a crucial role between contracting agency and contractor. The present study reveals that contracts are ambiguous, imprecise with lot of legality involved in it. So it is suggested that there is need to have precise contracts capturing all contents of contract so that it is easy for both the parties to understand the desired need. Language of the contract needs to be drafted in such a manner that it must be operationalised and enforced easily.
8. **Need of participation of area councillors:** Area councillors are considered best judge of the need of local residents. The study reveals that area councillors are often not involved in designing of contracts. So it suggested that while designing contracts, councillors should be involved in every phase of contracting procedures. Involvement of the area councillors in contracting process can give significant inputs to the contracting agency.

9. **Involvement of Experts for Contract Design:** The framework suggests that contracting out process involved rigorous feasibility study about the nature of contracts. There are always some areas which must be dealt under special provision of contracting out for attracting contractors. The study reveals that most of the colonies and village area goes unattended due to less interest of contractors. So it is suggested that experts must be involved to look into such concerns. With the services of experts, special provisions should be incorporated to attract contractors. There is dire need to provide incentives to the contractors as conditions do not favour private agencies to render services.

10. **Regular updation of market rates:** Market rates are those rates which prevail in specific areas for present times. The cost of the service is an important criteria in contracting process. The study reveals that contracts attracted no potentials bidders due to lower market rates for rendering specific services. So it is suggested that there is need to constantly update prevailing market rates for attracting contractors. Contract rate should be determined after proper analysis of cost of various inputs and margin of profits.

11. **Need of precise and realistic terms and conditions:** Terms and conditions are considered as back bone of contracts as it specifies the nature of work, term period and other mandatory needs. The study found that contracts contain such terms and conditions which are unrealistic So it is suggested that there is need of careful drafting of terms and conditions for contractor and contracting agency. Vague terms and conditions can lead to failure of contract. There is need to have expertise for drafting technical terms and conditions keeping the environment viability and other major factors.

12. **Transparency in Contracting Process:** Bidding process is most important step in contracting out. Bidding is a process through which service is being awarded to private player. The study reveals that there are several instances where merit is
being compromised with the involvement of officials; contracts are being tampered to favour a particular private player. So it is suggested to keep a check on such malpractices. For such purpose an impartial and independent body can be given a charge to look such irregularities.

13. Consonance between Central Works Department and Municipal Corporation: Proper understanding of the rules laid down by Central Works Department holds the key. The study found that Municipal Corporation is carrying out contracting out on rules framed by CPWD and it is difficult to alter the terms and conditions enshrined in the rules. So it is suggested there is need for regular interaction between Central Public Works Department and Municipal Corporation Chandigarh. Such interactive sessions with the central works department will yield understanding for tacking tricky situations for process of contracting.

14. Effective public relations and advertisement campaigns: Promotion of contract is an essential element in contracting out process. In order to promote and cultivate competition among bidders’ effective public relation and advertisement campaigns must be carried out. Such campaign harnesses competition among potential bidders which in turn makes the service cost effective. The study reveals that Municipal Corporation Chandigarh and its public relation department are passive in holding such activities. The study suggests that in order to achieve this, it is needed to have modern day public relations for bridging the communication gap between contractors and citizens. It also helps in portraying healthy image among citizens through different campaigns.

15. Need to check Cartelization: An essential prerequisite condition for a healthy competitive contracting is non existence of cartelization. While in case of Municipal Corporation Chandigarh, it has been discovered that there is a lobby of contractors who are taking the contracts and dividing the work by restricting the price. Such a practice is detrimental to the spirit of contracting out, thus degrading the quality of services. Therefore it is suggested to curb such malpractices by encouraging bidders from different geographical area through mass publicity. Refloating of tenders must be done whenever prices are restricted. Vigilance commission must keep an eye to check nexus between cartels and corrupt officials.
16. **Availability of information on regular intervals:** Availability of proper information regarding various milestones of contracts plays a significant role in determining the actual position of the specific work. The study found that there is less interaction among the agency and contractor. So it is suggested that information and channel for culture of dialogue between Municipal officials and contractors must be devised to yield the timely outcomes of the contract.

17. **Training to Personnel Department:** Personnel Department is most important part for any organisation. Training of existing personnel is of utmost significance for the organization in order to perform as per the goals. The study found that agency has failed to train personnel specifically who are involved in the process of contracting out. So it is suggested timely training modules must be devised for imparting training to the officials who are involved in process of contracting out.

18. **Effective monitoring and supervision of contracts:** Supervision is considered as key for ensuring proper functioning of contracts. The study found that the methods of supervision are procedural and carries no weight in keeping a check. The supervision is carried out by few officials of respective departments itself. Such inbuilt and ineffective mechanism of monitoring and supervision has failed to check the erring contractors. So in light of this it is suggested to have an independent cell in the Municipal Corporation Chandigarh for carrying out contracting out. The cell must be headed by a Bureaucrat and Mayor, followed by the team of technical engineers and outside experts. The function of this cell is to ensure that the estimates prepared by respective departments are genuine; the contractor has requisite permits and reliable track record. Once the contract has been awarded; this cell must ensure that the milestones are delivered with the quality services by making surprise checks. The officials of this cell must meet every fortnight to discuss the projects and do the needful changes. The reports of area councillors, resident welfare associations are must and be taken into account to ensure the satisfaction of residents. This will also keep a check on violations, improve the quality of services and lessen the scope of corruption. A detailed report of each project must be discussed in the meetings of house to consider the viewpoints of other area councilors.

19. **Need of monitoring manpower:** Availability of manpower for rendering specific service is another vital element in process of contracting out. The study reveals
that contractor always employ lesser manpower to yield profits. It is suggested to have surprise checks, CCTVs to keep a regular check at select services that whether contractor has deployed right number of personnel at every area.

20. **Provision of Sanctions and Rewards is must:** The study found that although contracts have provisions for sanctions and rewards, but they are not used in true spirit. There is need to have strict provision for punishing contractors who breach the terms and conditions of the contract. Regular breach or violation of terms and condition must be dealt seriously. So it is suggested that there is need to have effective and transparent mechanism for dealing with discrepancies in contracting procedure.

21. **Need of proper provisions for contracted out workers:** Employee motivation plays a crucial role in deriving job satisfaction. The study reveals that contracted out workers are exploited and deprived of their rights. It has been found that most contractors are following rigid rules and give less importance to employee morale. Contracted out workers are not getting paid leaves, ESI cards and have no of job security. Safety of workers while on job is also being compromised as contractors do not provide safety. So it is suggested that a forum must be devised to look into such irregularities. Effective grievance redressal system for contracted out workers should be made to safeguard the basic requirements of the contracted out workers. They should be provided timely salaries and it must be transferred directly in their accounts. Every information regarding their provident fund must be given to them periodically.

22. **Avoid excess workload:** The study reveals that contractors employ fewer workers than needed. So it is suggested that contracted out workers should not suffer from excessive work load. It is obligatory on the part of contracting agency that contracted out workers are not exploited by contractors by employing them for more working hours.

23. **Educating workers about their rights and privileges:** Most of the contracted out workers are less educated and often exploited they are being by making unnecessary deductions from their salaries. So it is suggested that agency must sensitize contracted out employees about their rights and privileges enshrined in the contracts, so that they may not be exploited.
24. Strengthening participatory mechanisms: Policies and programmes formulated for provision of basic services to the citizens will be of no use if not implemented well. The study reveals that there is no platform where citizens can express their views about their concerns. So it is suggested that effective public service interactive mechanism like online blogs, networking initiatives, public darbars must be devised to promote people participation and transparency. The policies and programmes must be well advertised to the public through public campaigns, public service advertisements on various channels of communication.

25. Focus on key areas for effective service delivery: There is need to have focus on basic services like sanitation, garbage collection, water supply and provision of electricity. The study reveals that citizens are dissatisfied with the provisions of basic services. So it is suggested that public service delivery in basic areas should be given priority and timely assessment of citizen satisfaction through research surveys must be monitored and improved.

26. Attention to special areas: It is important to recognise specific areas where the condition of service delivery is not up to the mark. It is suggested that special teams must be formed to assess the service delivery. Special attention must be provided to slum areas and villages where residents are deprived of basic services. Special incentive schemes must be floated to generate interest among contractors for these areas. Help of NGO’s must be sought to generate awareness among people who are residing below poverty line.

27. Need of effective information technology policy and its implementation: These days technology is playing important part in Governance. The study reveals that there no effective e-governance policy of Municipal Corporation, Chandigarh for delivery of online services. It is suggested that use of information technology should be sought to deliver online services. The web page of Municipal Corporation should be interactive to provide services like bookings of community centres, delivery of birth and death certificate. The study reveals that Municipal Corporation has recently initiated an online grievance redressal portal, but citizens are not aware of it. So there is need to advertise the facilities which are available.